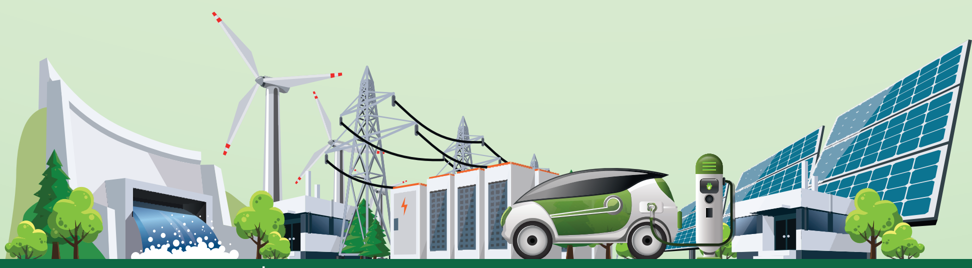
आरईसी
REC
असीमित ऊर्जा, अनन्त संभावनाएं
Endless energy. Infinite possibilities.

FUNDING A POWERFUL FUTURE



53rd Annual Report | 2021-22

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Company Information

Board of Directors	Shri Vivek Kumar Dewangan Chairman & Managing Director	Shri Ajoy Choudhury Director (Finance)
	Shri V.K. Singh Director (Technical)	Shri Vishal Kapoor Government Nominee Director
	Smt. Parminder Chopra PFC Nominee Director	Dr. Gambheer Singh Independent Director
	Dr. Manoj Manohar Pande Independent Director	Dr. Durgesh Nandini Independent Director
Chief Vigilance officer	Ms. Simmi R Nakra (Additional Charge)	
Company Secretary	Shri J.S. Amitabh	
Corporate Identification Number	L40101DL1969GOI005095	
Registered Office	Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003, India. Tel: +91-11-4309 1500 / 1501	
Corporate Office	Plot no. I-4, Sector 29, Gurugram, Haryana-122001, India. Tel: +91-124-444 1300	
Corporate Website & Email	www.recindia.nic.in | contactus@recl.in	
Equity Shares listed on	National Stock Exchange of India Limited BSE Limited	
Depositories	National Securities Depository Limited Central Depository Services (India) Limited	
Statutory Auditors	S.K. Mittal & Co., Chartered Accountants O.P. Bagla & Co. LLP., Chartered Accountants	
Secretarial Auditors	Hemant Singh & Associates, Company Secretaries	
Bankers	Axis Bank Bank of Baroda HDFC Bank HSBC Bank ICICI Bank	IndusInd Bank Reserve Bank of India State Bank of India Yes Bank
Registrar & Transfer Agents	**For Equity Shares** KFin Technologies Limited Selenium Tower B, Plot nos. 31 & 32, Gachibowli Financial District Nanakramguda, Hyderabad-500032 Phone: 1-800-309-4001 Email: complianceofficer@recl.in, einward.ris@kfintech.com Website: www.kfintech.com	
	For Bonds KFin Technologies Limited Selenium Tower B, Plot nos. 31 & 32 Gachibowli Financial District, Nanakramguda Hyderabad-500032 Phone: 1-800-309-4001 Email: investorcell@recl.in, einward.ris@kfintech.com Website: www.kfintech.com	Beetal Financial & Computer Services (P) Limited Beetal House, 3rd floor, 99 Madangir Behind LSC, Opp. Dada Harsukhdas Mandir New Delhi-110062 Phone: +91-11-2996 1281-83 Email: recbonds3@gmail.com, spgupta123@gmail.com Website: www.beetalfinancial.com

Board of Directors

CMD AND WHOLE-TIME DIRECTORS

Shri Vivek Kumar Dewangan
Chairman & Managing Director

Shri Ajoy Choudhury
Director (Finance)

Shri V.K. Singh
Director (Technical)

NOMINEE DIRECTORS

Shri Vishal Kapoor
Government Nominee Director

Smt. Parminder Chopra
PFC Nominee Director

INDEPENDENT DIRECTORS

Dr. Gambheer Singh
Independent Director

Dr. Manoj Manohar Pande
Independent Director

Dr. Durgesh Nandini
Independent Director

Director's Profile

Shri Vivek Kumar Dewangan (DIN: 01377212)

Chairman & Managing Director

Shri Vivek Kumar Dewangan is the Chairman & Managing Director of REC Limited since May 17, 2022. He is an IAS officer (Manipur:1993) and holds B.E. in Electronics from NIT, Bhopal and P.G. in Optoelectronics & Optical Communication from IIT, Delhi. Prior to joining REC, he was Additional Secretary in the Ministry of Power, Government of India.

During his illustrious IAS career, he has held various administrative positions in the areas of Finance, Power & Energy, Petroleum & Natural Gas, Elections, Law & Justice, Commerce & Industries, Minister's Offices (Corporate Affairs, Agriculture & Food Processing Industries), Education, Human Resource Development, Sericulture, Agriculture & Cooperation, Economic affairs, Economics & Statistics, Rural Development & Panchayati Raj, District Administration (Surguja & Raipur district in Chhattisgarh and Senapati district in Manipur) and revenue administration. As CMD, he provides strategic vision and overall direction to REC for achieving its corporate objectives.

He is also the *ex-officio* Chairman of REC's wholly-owned subsidiary *viz.* REC Power Development and Consultancy Limited (RECPDCL).

Shri Vivek Kumar Dewangan is holding Nil equity shares in REC. Further, he has no *inter-se* relation with any other Director or Key Managerial Personnel of the Company.

Shri Ajoy Choudhury (DIN: 06629871)

Director (Finance)

Shri Ajoy Choudhury is the Director (Finance) of REC Limited since June 1, 2020. He is an Associate Member of the Institute of Cost Accountants of India. He has over 34 years of experience in the Indian power sector across diverse functions. He joined REC on April 16, 2007 and served in various capacities, prior to which he had worked with Power Grid Corporation of India Limited and NHPC Limited.

As Director (Finance), he provides directions with respect to financial management and operations of REC encompassing organizational and financial planning, formulation of financial policies, financial accounting, management control systems, lending operations, cash and fund management, corporate accounts, tax planning, mobilization of resources and liaison with financial institutions & capital market players. He has been instrumental in implementing various systemic improvements in REC, including formulation of loan recovery guidelines, asset liability management, resolution of stressed assets, improving communication and services to customers and managing overall resources and treasury in an efficient manner.

He is also a Director on the Board of REC Power Development and Consultancy Limited (RECPDCL), a wholly owned subsidiary of REC.

Shri Ajoy Choudhury is holding 1200 equity shares (pre-bonus) of ₹10/- each in the Company. Further, he has no *inter-se* relation with any other Director or Key Managerial Personnel of the Company.

Shri V.K. Singh (DIN: 02772733)

Director (Technical)

Shri V.K. Singh is the Director (Technical) of REC Limited since July 15, 2022. Prior to his elevation, he was serving as Executive Director in the Company. He holds a Bachelor's Degree in Electrical Engineering from IIT, Roorkee and has over 33 years of experience in the Indian power sector. He joined REC on March 29, 2007, prior to which, he had worked with Power Grid Corporation of India Limited and NTPC Limited.

As Director (Technical), he is responsible for all technical and operational functions of REC, including project & entity appraisal of renewable energy, generation, transmission & distribution projects, financing activities including sanction, disbursement and project monitoring, business development, diversification and overall functioning of the Company. He has rich experience in transmission project development & management, TBCB process, procurement of goods & services, construction of EHV sub-stations and transmission lines, financial aspects like raising of bonds, commercial paper, ECB etc.

He is also a Director on the Board of REC Power Development and Consultancy Limited (RECPDCL), a wholly owned subsidiary of REC.

Shri V.K. Singh is holding Nil equity shares in the Company. Further, he has no *inter-se* relation with any other Director or Key Managerial Personnel of the Company.

Shri Vishal Kapoor (DIN: 08700132)

Government Nominee Director

Shri Vishal Kapoor is the Government Nominee Director on the Board of REC Limited since September 7, 2021. He is presently Joint Secretary (Distribution) in the Ministry of Power (MoP), Government of India. He is a practicing Fellow of the Institution of Mechanical Engineers, UK. He also holds a post graduate degree in Public Administration from Lee Kuan Yew School of Public Policy, National University of Singapore; and has attended the advanced management program in Public Policy from Indian School of Business.

From his previous assignments in Indian Railways, he has rich experience of railway traction, freight cars, design and operations & maintenance. At MoP, he is looking after distribution sector, official languages and social media. He has been instrumental in formulating the Revamped Distribution Sector Scheme for operational and financial turnaround of distribution utilities. Bringing with him a vast field experience and managing big manpower deployments, he is leveraging his professional-cum-policy background to contribute to the policy responses of Government, in order to bring improvements in the electricity distribution sector.

Shri Vishal Kapoor is holding Nil equity shares in the Company. Further, he has no *inter-se* relation with any other Director or Key Managerial Personnel of the Company.

Smt. Parminder Chopra (DIN: 08530587)

PFC Nominee Director

Smt. Parminder Chopra has been appointed on the Board of REC Limited as the Nominee Director of Power Finance Corporation Limited (PFC), with effect from February 4, 2022. She holds a Bachelor's degree in Commerce and is a Cost Accountant and MBA. She is currently serving as the Director (Finance) of PFC.

She has more than 34 years of experience in the power sector, serving in key organizations like PFC, NHPC Limited and Power Grid Corporation of India Limited. She joined PFC in 2005 and served in various capacities, before assuming the charge of Director (Finance) of PFC on July 1, 2020. She has handled a gamut of finance portfolios such as resource mobilization from domestic as well as international markets, banking & treasury, asset liability management, stressed assets resolution etc.

Smt. Parminder Chopra is holding Nil equity shares in the Company. Further, she has no *inter-se* relation with any other Director or Key Managerial Personnel of the Company.

Dr. Gambheer Singh (DIN: 02003319)

Independent Director

Professor Dr. Gambheer Singh has been appointed as Part-time Non-official Independent Director on the Board of REC Limited with effect from November 15, 2021. He is MBBS from Gandhi Medical College, Bhopal and Master of Surgery from G.R. Medical College, Gwalior. He also holds life memberships of Association of Surgeons of India and Indian Medical Association.

He is presently the Dean of Raipur Institute of Medical Sciences in Chhattisgarh. He has more than 18 years of teaching experience, having served in G.R. Medical College, Gwalior and Pandit Jawahar Lal Nehru Memorial Medical College, Raipur. He is running a 50-bedded multi-specialty hospital in Raipur since 2008. The hospital is working on the highest standards of medical specialty and is dedicated to the people of Chhattisgarh.

He has also published more than 10 national and international papers of various index journals and has been an examiner of under-graduate and post graduate examinations.

Dr. Gambheer Singh is holding Nil equity shares in the Company. Further, he has no *inter-se* relation with any other Director or Key Managerial Personnel of the Company.

Dr. Manoj Manohar Pande (DIN: 09388430)

Independent Director

Dr. Manoj Manohar Pande has been appointed as Part-time Non-official Independent Director on the Board of REC Limited with effect from November 15, 2021. He is currently working as a family physician and social worker in Yavatmal, Maharashtra. He completed his graduation in medicine and surgery from Amravati University, and subsequently trained in Naturopathy from the University of Delhi.

He works for the upliftment of neglected and vagabond community and slum dwellers in Vidarbha region of Maharashtra. He has helped in the rehabilitation of suicide hit farmer families, and is a pioneer in providing educational amenities to students from underprivileged communities. He is also at the helm of two NGOs, dedicated for the betterment of society since past 15 years.

He heralded the production and distribution of *Aayush Kadha*, a potent potion for Covid-19 warriors, which helped in curbing the wrath of the pandemic. He is also an avid organic farmer and agriculturist, having resorted to innovative farming techniques that have yielded low cost farming practices and increment in soil fertility.

Dr. Manoj Manohar Pande is holding Nil equity shares in the Company. Further, he has no *inter-se* relation with any other Director or Key Managerial Personnel of the Company.

Dr. Durgesh Nandini (DIN: 09398540)

Independent Director

Dr. Durgesh Nandini has been appointed as Part-time Non-official Independent Director on the Board of REC Limited with effect from December 30, 2021. She holds a Master of Arts from Gorakhpur University, Masters in Education from Maharshi Dayanand University, Rohtak and a doctorate degree in Political Science from Dr. B.R. Ambedkar University, Agra.

She has earlier served as Principal in a prestigious girls' inter-college and has been a key contributor in the field of education, through her involvement in editing of primary level textbooks and training modules in the Department of Elementary Education, Government of Haryana. She has rich and varied experience in addressing key social issues under the banner of national level volunteer organization *"Jagriti"*.

She is actively contributing as a social worker in the fields of health, women empowerment, child development and environment preservation. At present, she is working on a project for economic development of women and is cooperating with *Aparajita Foundation* for social justice issues.

Dr. Durgesh Nandini is holding Nil Equity Shares in the Company. Further, she has no *inter-se* relation with any other Director or Key Managerial Personnel of the Company.

Mission / Vision and Objectives

Mission / Vision

1. To facilitate availability of electricity for accelerated growth and for enrichment of quality of life of rural and urban population.

2. To act as a competitive, client-friendly and development oriented organization for financing and promoting projects covering power generation, power conservation, power transmission and power distribution network in the country.

Objectives

In furtherance of the Mission, the main objectives to be achieved by the Corporation are:

1. To promote and finance projects aimed at integrated system improvement, power generation, promotion of decentralized and non-conventional energy sources, energy conservation, renovation and maintenance, power distribution with focus on pump-set energisation, implementation of Revamped Distribution Sector Scheme, a Government of India scheme.

2. To expand and diversify into other related areas and activities like financing of decentralized power generation projects, use of new and renewable energy sources, consultancy services, transmission, sub-transmission and distribution systems, renovation, modernization & maintenance etc. for optimization of reliability of power supply to rural and urban areas including remote, hill, desert, tribal, riverine and other difficult/remote areas.

3. To mobilize funds from various sources including raising of funds from domestic and international agencies and sanction loans to the State Electricity Boards, Power Utilities, State Governments, Rural Electric Cooperatives, Non-Government Organizations (NGOs) and private power developers.

4. To optimize the rate of economic and financial returns for its operations while fulfilling the corporate goals *viz.* (i) laying of power infrastructure; (ii) power load development; (iii) rapid socio-economic development of rural and urban areas; and (iv) technology up-gradation.

5. To ensure client satisfaction and safeguard customers' interests through mutual trust and self-respect within the organization as well as with business partners by effecting continuous improvement in operations and providing the requisite services.

6. To assist State Electricity Boards/Power Utilities/State Governments, Rural Electric Cooperatives and other loanees by providing technical guidance, consultancy services and training facilities for formulation of economically and financially viable schemes and for accelerating the growth of rural and urban India.

Senior Management Team

Shri R. Lakshmanan
Executive Director
(Programme Management)
and CEO RECPDCL

Shri T.S.C. Bosh
Executive Director
(Technical) and Joint CEO RECPDCL

Shri J.S. Amitabh
Executive Director
(Law) & Company Secretary

Shri Fuzail Ahmed
Executive Director
(Technical)

Shri Sanjay Kumar
Executive Director
(Finance)

Shri R.P. Vaishnaw
Executive Director
(Human Resources)

Dr. Kajal
Executive Director
(Government Programmes)

Smt. Malathi Sundararajan
Executive Director
(Finance)

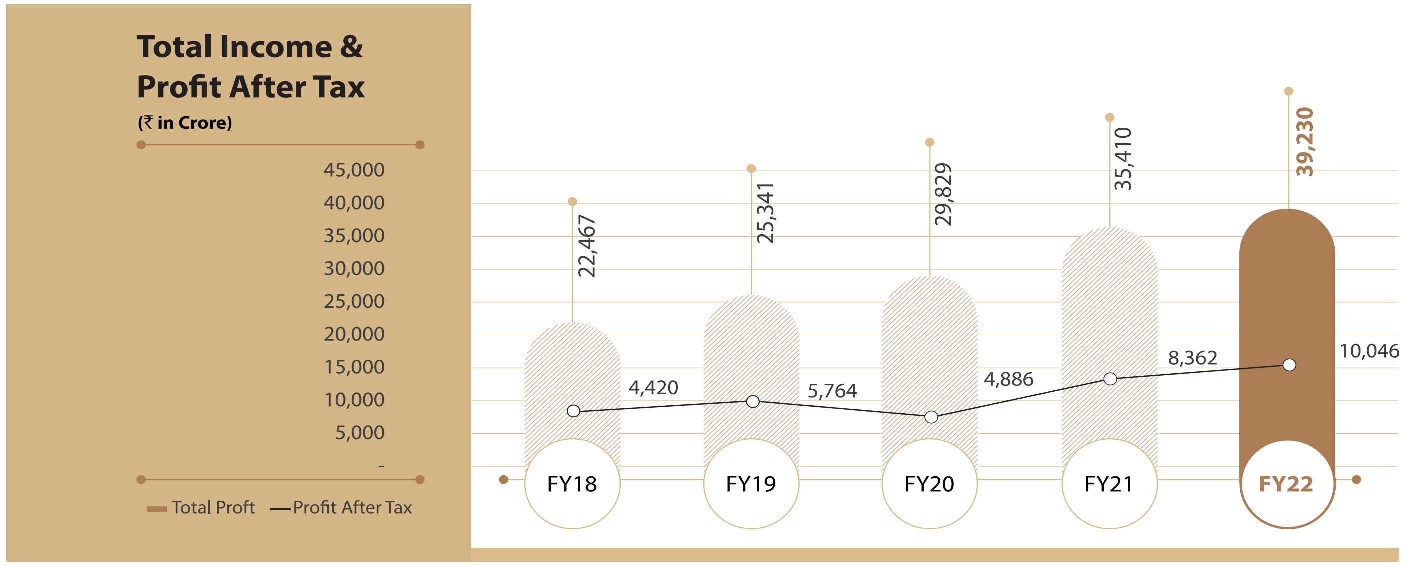
Shri Sanjay Kulshrestha
Executive Director
(Technical)

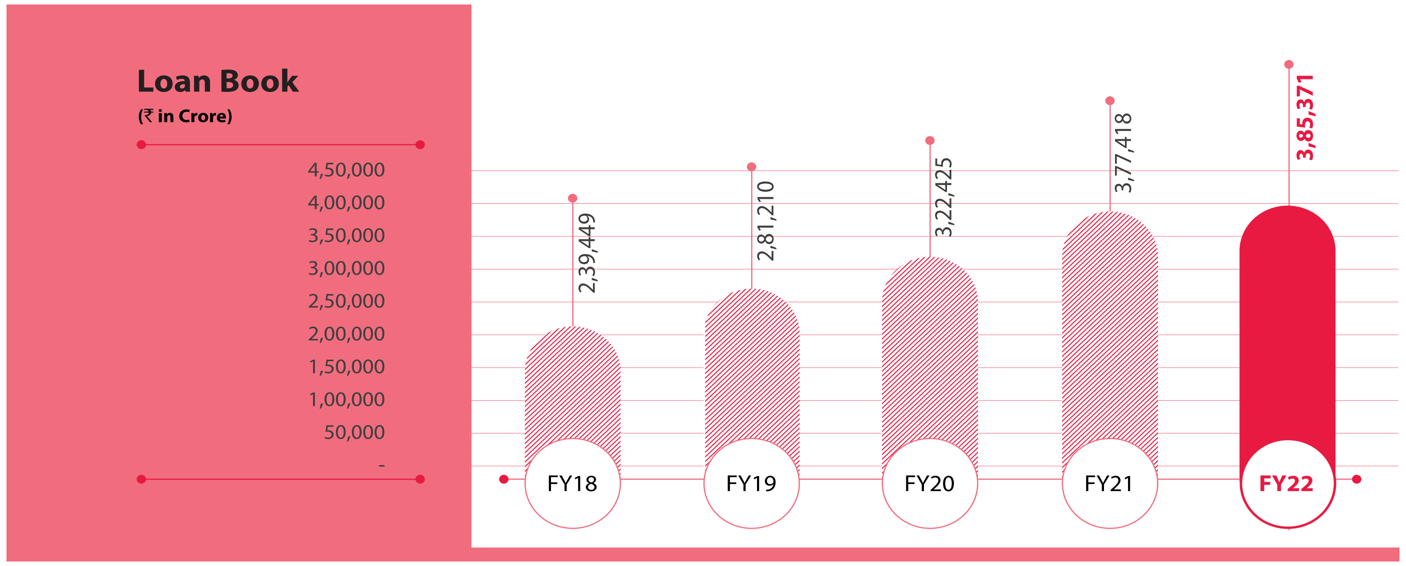
Smt. Valli Natarajan
Executive Director
(Technical)

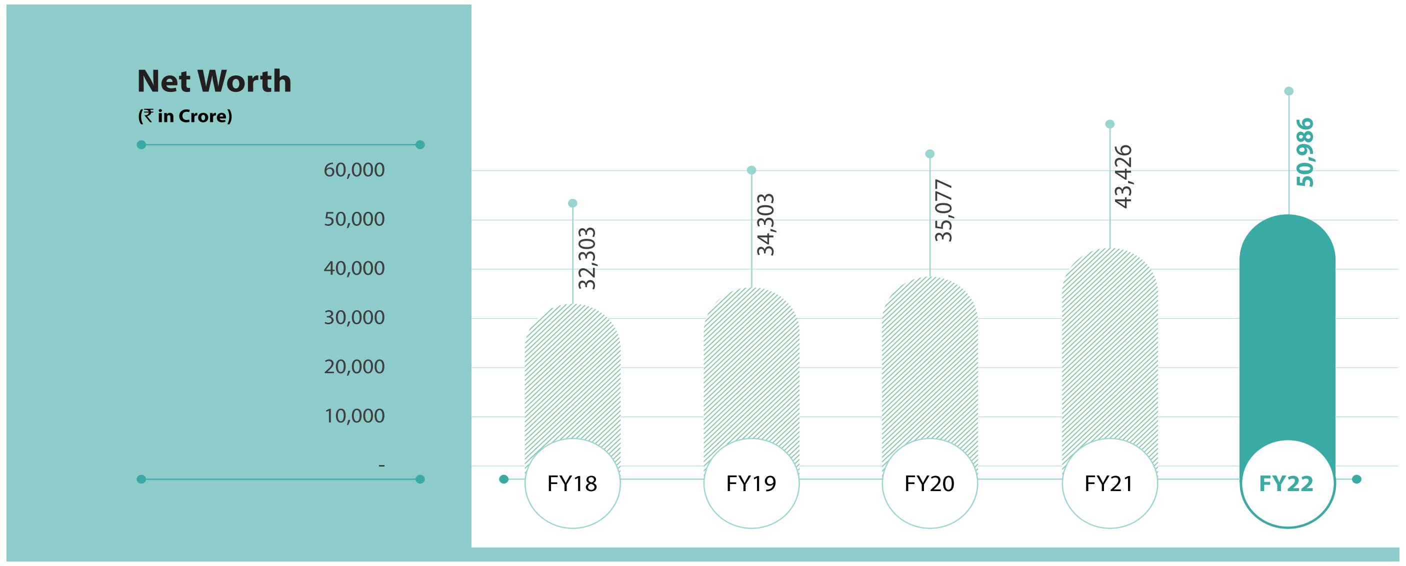
Shri Daljeet Singh Khatri
Executive Director
(Finance)

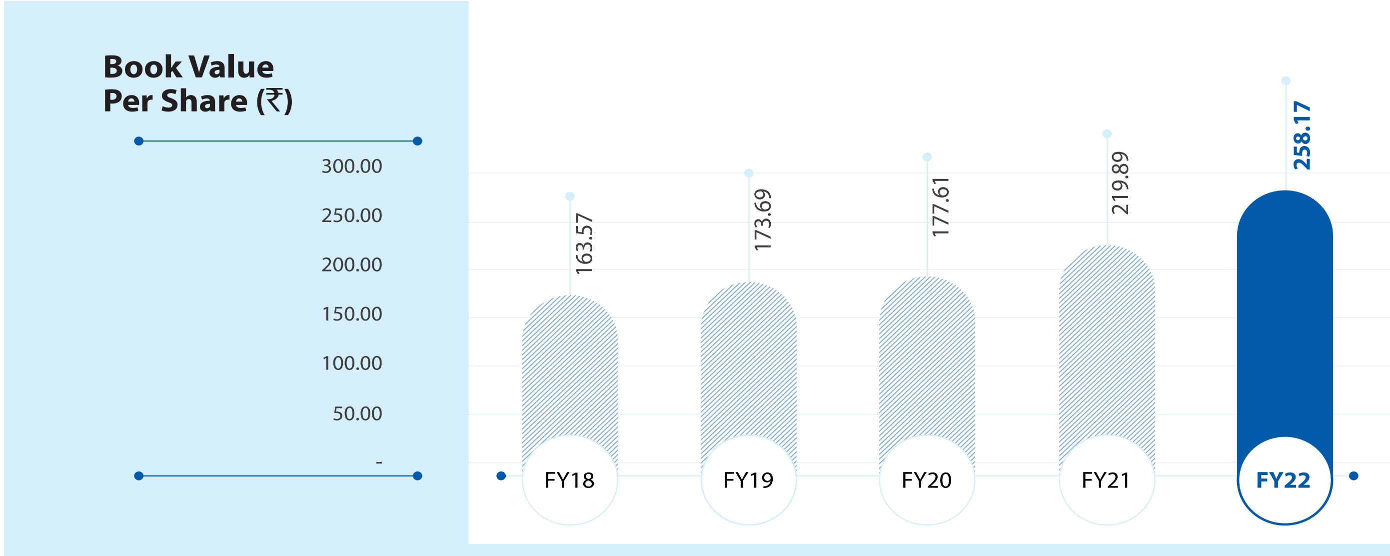
Shri Harsh Baweja
Executive Director
(Finance)

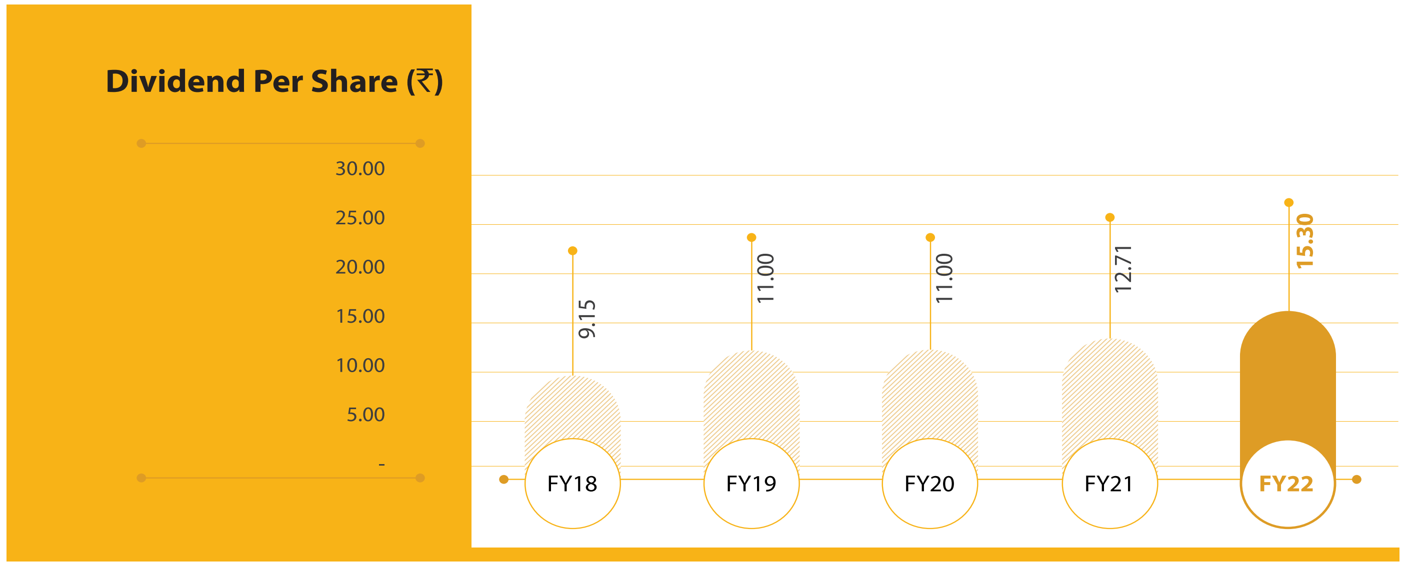
Five-year Performance











Five-year Performance

(₹ in crore)

Particulars (as per Ind-AS)	2021-22	2020-21	2019-20	2018-19	2017-18
SHAREHOLDERS' FUND (at the end of the year)					
Equity Share Capital	**1,974.92**	1,974.92	1,974.92	1,974.92	1,974.92
Instruments entirely Equity in nature	**558.40**	558.40	-	-	-
Other Equity/Reserves & Surplus	**48,452.28**	40,893.05	33,101.64	32,328.02	30,328.23
Net Worth	**50,985.60**	43,426.37	35,076.56	34,302.94	32,303.15
BORROWINGS (at the end of the year)					
From Government of India/NSSF	**10,000.00**	10,000.00	10,000.00	5,000.00	-
Bonds/Debentures	**1,83,291.97**	2,04,119.67	1,88,538.25	1,71,803.83	1,65,334.89
From Financial Institutions	**6,800.00**	5,800.00	1,000.00	1,200.00	400.00
Foreign Currency Borrowings	**65,957.45**	47,486.43	44,378.49	31,368.12	27,530.08
Term Loans from Banks	**42,878.32**	29,938.58	18,899.78	18,550.00	-
Commercial Papers	**-**	-	2,925.00	7,975.00	3,250.00
Short-Term/Demand Loans/Others	**17,916.55**	25,166.32	14,374.33	3,389.50	2,276.54
Total	**3,26,844.29**	3,22,511.00	2,80,115.85	2,39,286.45	1,98,791.51
Fund Mobilization (during the year)	**73,962.93**	99,244.53	84,358.12	69,383.22	51,164.89
Financing Operations (during the year)					
Projects approved (in nos.)	**370**	441	727	914	895
Financial assistance sanctioned	**54,421.76**	1,54,820.87	1,10,907.99	1,15,957.35	1,07,534.05
Disbursements*	**69,467.87**	97,928.11	82,140.83	91,827.56	72,281.19
Repayments by borrowers	**56,197.10**	37,994.03	34,454.15	30,405.09	24,191.82
Outstanding at the end of the year	**3,85,371.26**	3,77,418.15	3,22,424.68	2,81,209.68	2,39,449.34
Working Results (during the year)					
Total Income	**39,230.45**	35,410.44	29,829.13	25,341.16	22,467.35
Finance Costs including Net Exchange Loss, Fees & Commission Expenses	**22,868.69**	21,829.29	21,380.39	16,197.11	13,381.06
Provisions and Contingencies/Impairment on financial instruments	**3,473.31**	2,419.62	889.56	240.33	2,297.12
Net Loss on fair value changes	**-**	-	-	348.52	573.37
Other Expenses	**445.59**	395.87	565.89	447.53	326.00
Depreciation	**17.96**	9.53	10.00	7.17	5.65
Profit Before Tax	**12,424.90**	10,756.13	6,983.29	8,100.50	5,884.15
Provision for Taxation/Tax Expenses	**2,378.98**	2,394.35	2,097.13	2,336.78	1,464.26
Profit After Tax	**10,045.92**	8,361.78	4,886.16	5,763.72	4,419.89
Other Comprehensive Income for the period	**(59.07)**	456.52	(549.79)	(60.54)	4.24
Total Comprehensive Income	**9,986.85**	8,818.30	4,336.37	5,703.18	4,424.13
Dividend on Equity	**3,021.62**	2,510.12	2,172.41	2,172.41	1,807.05

** This includes disbursement of loans as well as disbursement of grant/subsidy received from the Government under various Government schemes*

Message from CMD

Dear Stakeholders,

I feel honored to present to you, the 53rd Annual Report of your Company, marking yet another year of successful achievements. The start of financial year 2021-22 was tough for everyone, including us, owing to the second wave of pandemic. As a financial institution dedicated to power sector, we are sensitive towards the operational issues faced by the industry and keen towards the overall well-being of economy. With adaptability and resilience, we have safeguarded the value of our stakeholders and performed impressively, even in these uncertain times.

Your Company made its highest ever net profit of ₹10,046 crore, which was 20% above the last year, owing to its cost-effective resource management and strong financial policies. The Net Worth of your Company as on March 31, 2022 stood at ₹50,986 crore, which was 17% above the net worth a year ago, indicating significant value addition. As an Infrastructure Finance Company, REC's Gross Loan Asset Book as on March 31, 2022, stood at a historic high of ₹3,85,371 crore. Your Company maintained "AAA" rating for its domestic debt instruments and international rating of "Baa3" and "BBB-", which is at par with the sovereign rating of India. These strong fundamentals are coupled with a future-ready outlook, which empower us for the times to come.

In addition to its business goals, REC has also been and shall continue to be, a reliable partner of the Government in achieving national goals of the power sector. It is heartening to see that electricity has reached the remotest corners of the country. The flagship schemes of *Deendayal Upadhyaya Gram Jyoti Yojana* (DDUGJY) and *Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA)*, for which your Company was the nodal agency of the Ministry of Power, achieved successful completion and have truly laid the foundation of *Ujjwal Bharat*, a brighter and more prosperous India. The power sector is now poised for modernization and technological up-gradation, reduction of power prices for consumers and optimization of efficiency and service delivery. We are proud to be associated with the ₹3 lakh crore reforms-based and results-linked *Revamped Distribution Sector Scheme* (RDSS) of the Government, which is a progressive step in this direction.

ECONOMIC OVERVIEW

The global economy entered the year 2022 in a weaker position than previously expected, with the pandemic causing inflation, increase in food prices and disrupted supply chains across the world. Geopolitical conflicts and the war in Ukraine also added to the uncertainty. However, general business sentiment is improving across the globe. Even as the supply chains faced inevitable pressure after the pandemic, trade of goods & services picked up fast and continues to be stronger. As per a report by the United Nations Conference on Trade and Development, the value of global trade reached a record level of USD 28.5 trillion in 2021, which is an increase of 25% over 2020 and 13% over 2019, just before the pandemic struck. Trade in services also grew substantially, nearly reaching their pre-pandemic levels.

Inflation, however, is expected to remain elevated for a longer period than previous forecasts. For 2022, the inflation is projected at 5.7% in advanced economies and 8.7% in emerging market & developing economies. Countries which have weaker economic policies and higher dependence on global supply chains, are bound to be more affected in this scenario. This is where we must realize the importance of *Atmanirbhar Bharat*, the mantra given by our Hon'ble Prime Minister.

India continues to reign as the fastest growing economy in the world. RBI has projected real GDP growth of India at 7.2% for FY 2022-23, whereas Asian Development Bank has pegged India's GDP growth at 7.5% in 2022-23 and 8% in 2023-24. We saw an immensely successful nation-wide vaccination programme, which was instrumental in containing the damage by the pandemic, given the huge demographics of our country. The Government's broad range of Covid responses, including fiscal, monetary and health packages, mitigated the adversities well in time. The results are visible in improving socio-economic indicators such as power demand, labour participation and railway freight traffic. Having said that, I would say, it is still not the time to drop caution, by industry as well as by common citizens. We have to strengthen ourselves as a nation and support each other, so as to absorb any external impacts.

POWER SECTOR REFORMS

The global electricity demand grew by 6% in 2021, which is a healthy sign of economic recovery. In India, the total installed generation capacity crossed the 400 GW mark. Record increase in transmission lines and additions to renewable energy space are taking place rapidly. In addition, the Government is rolling out several reforms to strengthen the distribution sector. RDSS, the recently launched scheme of the Government after the success of DDUGJY and SAUBHAGYA, is aimed to improve the quality, reliability and affordability of power supply to consumers, through a financially sustainable and operationally efficient distribution sector.

The objectives of RDSS include reduction in AT&C losses to pan-India levels of 12-15% by 2024-25 and reduction in ACS-ARR gap to zero by 2024-25, both extremely important milestones for the holistic growth of power sector. The scheme also lays special emphasis on leveraging advanced technologies like Artificial Intelligence and Machine Learning.

Under the guidance of Ministry of Power, your Company has developed a framework for 'DISCOM Consumer Service Rating', wherein discoms are rated based on operational parameters, with the aim to promote healthy competition and improve performance in deficient areas. Your Company is also publishing periodic reports on key regulatory parameters, which provide a guiding light to the power sector, through compilation, benchmarking and comparative assessment of various utilities and highlighting corrective measures wherever required.

As a step towards addressing the mounting power purchase dues of State power utilities, the Ministry of Power has issued the Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 or LPS Rules, with the aim to financially strengthen the electricity suppliers and bringing financial discipline. REC will be extending financial support to discoms for timely payment of their dues under the LPS Rules, which will help in achieving financial sustainability in the Indian power sector.

FINANCIAL & OPERATIONAL PERFORMANCE

After the pandemic, power projects witnessed some delays in take-off and commissioning, owing to movement restrictions, labour issues etc. As a spillover, the Company's sanction of loans during FY 2021-22 were on the lower side, at ₹54,422 crore. These loans were towards various conventional generation projects, renewable energy projects, T&D projects, short-term, medium-term and other loans. Renewable projects constituted 27% of the total loans sanctioned during the year. Your Company is constantly endeavoring to increase its green portfolio, in keeping with the Government's long-term vision for renewable energy sector.

The disbursements made by your Company during FY 2021-22 were ₹64,150 crore, towards various conventional generation projects, renewable energy projects, T&D projects and other loans, including counter-part funding under DDUGJY and SAUBHAGYA. The disbursements included ₹19,752 crore to various power utilities under the Liquidity Infusion Scheme of the Government, under *Atmanirbhar Bharat*. Apart from the above, your Company also disbursed a subsidy of ₹5,318 crore under various Government schemes.

The operating income of your Company for FY 2021-22 was ₹39,132 crore on a standalone basis, which was 11% higher than last year. The total comprehensive income for FY 2021-22 was ₹9,987

crore, which was 19% higher than last year. The EPS recorded a high of ₹50.87 per equity share of ₹10/- each for FY 2021-22.

The capital adequacy ratio of your Company as on March 31, 2022 was 23.61%, indicating a healthy capacity to support future growth. REC is also committed to keep its NPAs at minimum level and has a dedicated team, to look into the resolution of stressed assets through appropriate means, including IBC route. At the end of financial year 2021-22, the Gross Credit Impaired Assets (Stage III) and Net Credit Impaired Assets (Stage III) of REC stood at 4.45% and 1.45% of the Gross Loan Assets, respectively.

CAPITAL STRUCTURE & BONUS ISSUE

As on March 31, 2022, the authorized share capital of your Company was ₹5,000 crore, consisting of 500 crore equity shares of ₹10/- each. The issued and paid-up share capital was ₹1,974.92 crore, consisting of 197,49,18,000 equity shares of ₹10/- each. Power Finance Corporation Limited, a Government of India undertaking, holds 52.63% of the paid-up equity share capital of the Company; and the balance 47.37% is held by public.

Pursuant to the guidelines issued by Department of Investment and Public Asset Management (DIPAM), the Company has obtained approval of its shareholders through postal ballot process on August 9, 2022, to issue bonus shares in the ratio of 1:3, i.e., 1 bonus equity share of ₹10/- each fully paid-up for every 3 existing equity shares of ₹10/- each fully paid-up, by capitalizing a sum of ₹658.306 crore standing to the credit of its 'Securities Premium Account'. After the allotment of said bonus shares, the paid-up share capital of the Company will increase to ₹2,633.22 crore, consisting of 2,63,32,24,000 equity shares of ₹10/- each.

DIVIDEND

Your Company is one of the highest dividend-paying companies amongst its peers. For the financial year 2021-22, the Company has already paid interim dividend of ₹10.50/- per equity share of ₹10/- each in three tranches. Additionally, final dividend of ₹4.80/- per equity share of ₹10/- each is subject to approval of the shareholders in the ensuing 53rd Annual General Meeting. If approved, the total dividend for financial year 2021-22 will work out to ₹15.30/- per equity share of ₹10/- each, which is 153% of the total paid-up share capital of the Company.

CORPORATE GOVERNANCE

REC is committed to adopt and follow the best practices in Corporate Governance. Your Company meets all the applicable requirements which are within its ambit, under the Companies Act, 2013, SEBI LODR Regulations, 2015, Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by the Department of Public Enterprises and Secretarial Standards issued by the Institute of Company Secretaries of India.

Your Company is short of the required number of Independent Directors. However, being a Government company, the power to appoint Directors on the Board vests with the administrative Ministry. We have requested the Ministry of Power to expedite the appointment of Independent Directors and the matter is under active consideration.

POLICY INITIATIVES

The policy framework of your Company is constantly reviewed, updated and strengthened, to enhance business value and to meet statutory requirements. During FY 2021-22, for enhancing the competitive position in the market, your Company introduced as well as reviewed various business-oriented policies, including policies for term loan to state sector utilities, funding of projects under the PM-KUSUM scheme, appraisal and financing of transmission projects in private sector, prepayment policy, letter of credit policy and exposure norms for State sector borrowers, to name a few.

RISK MANAGEMENT

Your Company has a comprehensive Risk Management Policy covering credit risk, operational risk, liquidity risk and market risk. There are systematic risk management procedures to mitigate each type of risk. The Company follows a structured appraisal process with detailed methodology, to mitigate the credit-risk. Operational risks are managed through a comprehensive Risk Register covering all functional areas. Liquidity risk is managed through a mix of strategies including forward-looking resource mobilization. Market Risk is mitigated through a systematic Asset Liability Management framework and well-defined hedging policies.

The Company has a Board-level Risk Management Committee which oversees the developments in this area and makes its recommendations from time to time. A Chief Risk Officer has been appointed in the Company, as required under the RBI norms. Further, the Company has adopted policy and framework for Risk Based Internal Audit, in line with the requirements of RBI.

CORPORATE SOCIAL RESPONSIBILITY

Your Company pursues CSR initiatives with focus on socially beneficial projects to reach a wide spectrum of beneficiaries, while giving priority to developmental issues of national concern. During the financial year 2021-22, REC has supported CSR projects in various thematic areas as per its CSR Policy, and spent a total amount of ₹171.07 crore, which is above the minimum limit prescribed under the Companies Act, 2013.

I am happy to share, that in keeping with the spirit of inclusive development, your Company has sponsored health and nutrition projects in various aspirational districts, including Gajapati in Odisha, Mamit in Mizoram, Kiphire in Nagaland, Muzaffarpur in Bihar, Udham Singh Nagar in Uttarakhand, Chandel in Manipur and West Sikkim in Sikkim.

MoU RATING & AWARDS

In terms of Memorandum of Understanding (MoU) signed with the holding company, Power Finance Corporation Limited, the performance of your Company has been rated as "Excellent" for the financial year 2020-21, with a perfect score of 100 by the Department of Public Enterprises. REC is the only CPSE in the country, to secure 100 out of 100 marks in MoU evaluation last year.

Not only that, your Company has been named as India's Leading NBFC in Infrastructure Financing Category by Dun & Bradstreet, at its BFSI & FinTech Awards; and also the 'Best Organization for Women Empowerment' by Exchange4Media, at its Women Achievers Awards.

THE PATH AHEAD

With implementation of programmes like '24x7 Power for All', we expect a huge latent demand for power in the near future. The increased power demand would also require robust transmission & distribution infrastructure, thereby attracting more investment in this area. REC offers a wide range of products to finance the diverse needs of the power sector, across the value-chain.

At the COP26 session at Glasgow, UK in November 2021, our Hon'ble Prime Minister has proposed a visionary Panchamrit strategy, to meet the climate change goals of the world. These include meeting 50% of electricity demand from non-fossil fuel sources by 2030, reduction in emission intensity by 45% by 2030 as compared to 2005 level and achieving net zero emission by 2070. We support these extremely pertinent targets for the energy sector as well as for the mankind.

In the endeavour to support these targets, your Company has amplified its financing in renewable energy projects, e-mobility infrastructure, manufacturing of solar cells & modules, hybrid renewables, PM-KUSUM projects, pollution control equipment, smart-grid and smart-metering. Your Company is also looking to diversify into financing of non-power infrastructure and distribution works, including through PPP and franchise models. REC is building close partnerships with national and international financial institutions and multilateral development organizations, to raise resources at competitive rates and to align with the international best practices. I am optimistic, that your Company is going to be at the forefront of power sector and beyond, in the times to come.

ACKNOWLEDGEMENTS

Before I conclude, I express my sincere thanks to the Hon'ble Cabinet Minister of Power and New & Renewable Energy, Hon'ble Minister of State for Power, Secretary (Power) and other Officials of the Ministry of Power, for their continued support and guidance. I also thank the holding company, Power Finance Corporation Limited, for their continued cooperation.

I am grateful to the officials of Ministry of Finance, Ministry of Corporate Affairs, Department of Public Enterprises, Department of Investment and Public Asset Management, NITI Aayog, Reserve Bank of India, Securities & Exchange Board of India, Stock Exchanges and the Depositories, for their support and cooperation.

Towards constantly improving the Corporate Governance Standards of REC, I would like to thank the Comptroller & Auditor General of India, Statutory Auditors, Secretarial Auditors, Registrars and other professionals associated with the Company.

REC's success is based mainly on the trust and goodwill of its stakeholders and for that, I would like to thank all shareholders, debenture-holders, investors, lenders, borrowers and customers, including State Governments, State power utilities and private sector entrepreneurs.

Lastly, I owe a heartfelt thanks to my esteemed colleagues on the Board for their strategic inputs and the entire workforce of REC for their untiring efforts. I look forward to valuable contribution from all of you, to embark on the journey to make REC bigger and better.

Thank you and Jai Hind!

With warm wishes,

Vivek Kumar Dewangan
Chairman & Managing Director

August 20, 2022

Notice

Notice is hereby given that the Fifty third (53rd) Annual General Meeting (AGM) of REC Limited ("REC" or "the Company") (CIN: L40101DL1969GOI005095) will be held on **Friday, September 16, 2022 at 11.00 A.M.**, Indian Standard Time (IST) through Video Conferencing/Other Audio Visual Means (VC/OAVM) to transact the following businesses:

ORDINARY BUSINESS

Item No. 1: To receive, consider, approve and adopt the audited standalone & consolidated financial statements of the Company for the financial year ended March 31, 2022 along with the reports of the Board of Directors and Auditors thereon.

Item No. 2: To take note of the payment of 1st, 2nd and 3rd interim dividends and declare final dividend on equity shares of the Company for the financial year 2021-22.

Item No. 3: To appoint a Director in place of Shri Ajoy Choudhury (DIN: 06629871), who retires by rotation and being eligible, offers himself for re-appointment.

Item No. 4: To fix the remuneration of Statutory Auditors for the financial year 2022-23.

SPECIAL BUSINESS

Item No. 5: To increase the overall Borrowing Limit of the Company.

To consider and if thought fit, to pass, with or without modification(s), the following resolution(s) as a **Special Resolution:-**

"RESOLVED THAT in partial modification of earlier resolution passed by the Company in the 51st Annual General Meeting held on September 25, 2020 and pursuant to Section 180(1)(c) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) & any other applicable laws and provisions of Articles of Association of the Company, consent of the Company be and is hereby accorded to the Board of Directors of the Company (the "Board") to borrow such moneys or sum of moneys, from time to time, at its discretion, with or without security and upon such terms and conditions as the Board may think fit, for the purpose of business of the Company, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed aggregate of the paid up share capital of the Company and its free reserves, provided that the total amount borrowed and outstanding at any point of time in any foreign currency shall not exceed a sum equivalent to USD 16 billion (US Dollars Sixteen Billion only), in addition to ₹4,50,000 crore (Rupees Four Lakh Fifty Thousand Crore only) in Indian Rupees, as earlier approved by the shareholders."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee duly constituted by the Board of Directors or any authority as approved by the Board of Directors) be and is hereby authorized to do and execute all such acts, deeds and things as may be necessary for giving effect to the above resolution."

Item No. 6: To create mortgage and/or charge on all or any of the movable and/or immovable properties of the Company.

To consider and if thought fit, to pass, with or without modification(s), the following resolution(s) as a **Special Resolution**:-

"RESOLVED THAT in partial modification of earlier resolution passed by the Company in the 51st Annual General Meeting held on September 25, 2020 and pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and any other applicable laws and provisions of Articles of Association of the Company, consent of the Company be and is hereby accorded to the Board of Directors of the Company (the "Board") to create charge, hypothecation, mortgage on any movable and/or immovable properties of the Company wheresoever situated, both present and future and on the whole or substantially the whole of the undertaking or the undertakings of the Company in favour of any banks, financial institutions, hire purchase/lease companies, body corporate or any other persons on such terms and conditions as the Board may think fit, for the benefit of the Company and as agreed between Board and lender(s) towards security for borrowing of funds from time to time, not exceeding ₹4,50,000 crore (Rupees Four Lakh Fifty Thousand Crore only) in Indian Rupees and in any foreign currency equivalent to USD 16 billion (US Dollars Sixteen Billion only) for the purpose of business of the Company or otherwise as per the requirements of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and any other statutory and procedural formalities to be complied with in this regard."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee duly constituted by the Board of Directors or any authority as approved by the Board of Directors) be and is hereby authorized to do and execute all such acts, deeds and things as may be necessary for giving effect to the above resolution."

Item No. 7: Appointment of Shri Vijay Kumar Singh (DIN: 02772733) as Director (Technical).

To consider and if thought fit, to pass, with or without modification(s), the following resolution(s) as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Sections 152, 161, 196 and other applicable provisions of the Companies Act, 2013 ("Act") and Rules made thereunder, Regulation 17(1C) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or any other applicable laws (including any statutory amendment(s), modification(s) or re-enactment(s) thereof, for the time being in force), the Articles of Association of the Company, read with Order dated July 15, 2022 issued by the Ministry of Power, Government of India (MoP), Shri Vijay Kumar Singh (DIN: 02772733), who was appointed by the Board of Directors on recommendation of the Nomination & Remuneration Committee as Director (Technical) (Additional Director) of the Company with effect from July 15, 2022 till the date of his superannuation i.e., June 30, 2025 or until further orders, in the scale of pay of ₹180,000-340,000 (IDA), and/or subject to any further order(s) issued by the Government of India regarding the terms & condition of his appointment and in respect of whom, the Company has received a notice in writing proposing his candidature for Directorship under Section 160 of the Act, be and is hereby appointed as the Director (Technical) of the Company, and he shall be liable to retire by rotation."

Item No. 8: Approval for private placement of securities.

To consider and if thought fit, to pass, with or without modification(s), the following resolution(s) as a **Special Resolution**:-

"RESOLVED THAT in accordance with the provisions of Section 42 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and any other applicable laws including the SEBI (Issue & Listing of Debt Securities) Regulations, 2021 and any amendments thereof and other applicable SEBI Regulations and guidelines, the Circulars / Directions / Guidelines issued by Reserve Bank of India, from time to time, the provisions of the Memorandum and Articles of Association of the Company and subject to the receipt of necessary approvals as may be applicable and such other approvals, permissions and sanctions, as may be necessary, including the approval of any existing lenders / trustees of Debenture Holders, if so required under the terms of agreement/ deed and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (the "Board") or any duly constituted Committee of the Board or such other authority as may be approved by the Board, consent of the Company be and is hereby accorded to raise funds through private placement of unsecured/secured non-convertible bonds/debentures upto ₹75,000 crore during a period of one year from the date of passing of this resolution, in one or more tranches, to such person or persons, who may or may not be the bond/debenture holders of the Company, as the Board (or any duly constituted Committee of the Board or such other authority as may be approved by the Board) may at its sole discretion decide, including eligible investors (whether residents and/or non-residents and/or institutions/incorporated bodies and/or individuals and/ or trustees and/or banks or otherwise, in domestic and/or one or more international markets) including Non-Resident Indians, Foreign Institutional Investors (FIIs), Venture Capital Funds, Foreign Venture Capital Investors, State Industrial Development Corporations, Insurance Companies, Provident Funds, Pension Funds, Development Financial Institutions, Bodies Corporate, companies, private or public or other entities, authorities and to such other persons in one or more combinations thereof through Private Placement in one or more tranches and including the exercise of a green-shoe option (within the overall limit of ₹75,000 crore, as stated above), if any, at such terms as may be determined under the guidelines as may be applicable and on such terms and conditions as may be finalized by the Board or any duly constituted Committee of the Board or such other authority as may be approved by the Board."

"RESOLVED FURTHER THAT for the purpose of giving effect to any Private Placement of unsecured/secured non-convertible bonds/ debentures, the Board of Directors of the Company (the "Board") or any duly constituted Committee of the Board or such other authority as may be approved by the Board, be and is hereby authorized to determine the terms of the Issue, including the class of investors to whom the bonds/debentures are to be allotted, the number of bonds/debentures to be allotted in each tranche, issue price, tenor, interest rate, premium/discount to the then prevailing market price, amount of issue, discount to issue price to a class of bond/debenture holders, listing, issuing any declaration/undertaking etc. required to be included in the Private Placement Offer Letter and to do and execute all such acts, deeds and things,as may be required under any other regulatory requirement for the time being in force."

By Order of the Board of Directors
For REC Limited

J.S. Amitabh
Executive Director & Company Secretary

Date : August 20, 2022
Place : REC World Headquarters
Plot No. I-4, Sector 29, Gurugram,
Haryana – 122001

NOTES:-

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") setting out material facts concerning the business under Item Nos. 5 to 8 of the accompanying Notice, is annexed hereto. The Board of Directors of the Company in its meetings held on June 30, 2022 and August 4, 2022 considered that the items of Special Business at Sl. Nos. 5 to 8 of the Notice, being unavoidable in nature, shall be transacted at the 53rd AGM of the Company.

2. In view of the outbreak of the COVID-19 pandemic, and pursuant to Circular dated May 5, 2022 read with Circulars dated May 5, 2020, April 13, 2020 and April 8, 2020 issued by the Ministry of Corporate Affairs ("MCA Circulars") and SEBI Circular dated May 13, 2022, and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 53rd AGM of the Company is being conducted through VC/OAVM Facility, without physical presence of members at a common venue. The deemed venue for the 53rd AGM shall be the Registered Office of the Company.

3. In terms of the MCA and SEBI Circular(s) as mentioned above, physical attendance of Members at the AGM and appointment of proxies has been dispensed with. Accordingly, the Attendance Slip, Proxy Form and Route Map are not annexed to this Notice. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Members may be appointed for the purpose of casting vote through remote e-voting prior to the AGM, participation in the 53rd AGM through VC/OAVM facility and for electronic voting during the AGM.

4. Attendance of the Members participating in the 53rd AGM through VC/OAVM Facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

5. In line with the Circulars of MCA and SEBI, the Notice of the 53rd AGM along with Annual Report is being sent by e-mail to all members, whose e-mail IDs were registered with the Company. The said documents are available on the website of the Company at www.recindia.nic.in and on the website of National Stock Exchange of India Limited at www.nseindia.com and BSE Limited at www.bseindia.com and also on the website of National Securities Depository Limited ("NSDL") at www.evoting.nsdl.com.

   The Company had published advertisements in newspapers to encourage shareholders, holding shares in physical and electronic form, to register/update their email IDs for receiving the Annual Report for the financial year 2021-22.

   Those shareholders who have still not been able to update their e-mail IDs, may follow the process below for registration of e-mail IDs and procuring User IDs & Password for e-voting, on the resolutions set out in this Notice:-

   - In case shares are held in Demat mode, please send an e-mail to complianceofficer@recl.in quoting DP ID Client ID (16 digit DP ID + Client ID or 16 digit beneficiary ID), Name of holder(s), scanned copy of client master list/demat account statement, PAN Card and Aadhaar Card.
   - In case shares are held in physical mode, please send an e-mail to complianceofficer@recl.in quoting Folio No., Name, scanned copy of Share certificate (front & back), PAN Card and Aadhaar Card.

6. All Members of the Company including Institutional Investors are encouraged to attend the AGM and vote on items to be transacted at the AGM. Corporate Members are requested to send a certified copy of the Board resolution/ authorization letter to the Scrutinizer through e-mail at scrutinizer.recl@gmail.com with a copy marked to evoting@nsdl.co.in.

7. The Company has fixed **Friday, September 9, 2022** as the Cut-off date for determining the eligibility to vote in respect of items of business to be transacted at the 53rd AGM.

   Any person who acquires shares of the Company and becomes a member of the Company after sending of the Notice and is holding shares as on the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he / she is already registered with NSDL for remote e-voting, then he / she can use his / her existing user ID and password for casting the vote. Any shareholder who disposes off his shareholding such that he/ she is not a member as on the cut-off date should treat this Notice for information purposes only.

8. CS Hemant Singh (FCS no. 6033) from Hemant Singh & Associates, Practising Company Secretaries has been appointed as the Scrutinizer to scrutinize the votes cast by the shareholders in respect of items of business to be transacted at the 53rd AGM, in a fair and transparent manner.

9. In compliance with provisions of Circulars of MCA and SEBI referred above, Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of SEBI (LODR) Regulations, 2015 and Secretarial Standards on General Meetings issued by ICSI, the Company is offering e-voting facility to the shareholders to enable them to cast their votes electronically on the items mentioned in the Notice. Those shareholders who do not opt to cast their vote through remote e-voting, may cast their vote through electronic voting system during the AGM.

   NSDL will be providing facility for remote e-Voting, participation in the 53rd AGM through VC/OAVM and voting during the 53rd AGM through electronic voting system. The remote e-voting period begins on **Tuesday, September 13, 2022 (0900 hours) and ends on Thursday, September 15, 2022 (1700 hours).** The remote e-voting module shall be disabled by NSDL for voting thereafter.

   Members may join the 53rd AGM through VC/OAVM, which shall be kept open for the members on September 16, 2022 from 10.45 A.M. IST i.e., 15 minutes before the scheduled start time and the Company may close the window for joining the VC/OAVM facility 30 minutes after the scheduled start time, i.e., by 11.30 A.M. on date of AGM.

   Please refer to detailed instructions for remote e-voting, attending the 53rd AGM through VC/OAVM and electronic voting during the AGM, annexed to this Notice.

10. In pursuance of Article 114 of the Articles of Association of the Company read with Section 123 of the Companies Act, 2013 and Rules made thereunder, as amended from time to time, the Company declared and paid interim dividends three times during the financial year 2021-22 as per details given below:-

Sl. No.	Particulars	Amount per equity share (₹)	Date of declaration	Date of Payment
1.	1st Interim Dividend	2.00	August 5, 2021	September 2, 2021
2.	2nd Interim Dividend	2.50	October 29, 2021	November 25, 2021
3.	3rd Interim Dividend	6.00	February 4, 2022	March 3, 2022

Further, the Board of Directors of the Company in its meeting held on May 13, 2022 had *inter-alia* recommended final dividend @ ₹4.80 per equity share for the financial year 2021-22 and the said dividend, if approved, by the members at this Annual General Meeting, will be paid on Thursday, October 13, 2022 to the members or their mandates whose names appear in the Register of Members of the Company as on record date i.e., **Wednesday, July 13, 2022**.

Dividend income is now taxable in the hands of the shareholders and the Company is required to deduct tax at source ("TDS") from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ("the IT Act"). In order to enable compliance with TDS requirements in respect of dividends declared by the Company in future, members are requested to submit Form 15G/15H on annual basis and update details about their residential status, PAN, Category as per the IT Act with their Depository Participants or in case of shares held in physical form, with the Company/ R&TA, so that tax at source, if any as per applicable rates may be deducted in respect of dividend payments made by the Company in future.

11. Brief resume of the Director seeking appointment/re-appointment as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 {SEBI (LODR) Regulations, 2015} is annexed hereto and forms part of Notice.

12. Pursuant to Section 139(5) of the Companies Act, 2013, the Auditors of a Government Company are appointed/re-appointed by the Comptroller and Auditor General (C&AG) of India and in terms of Section 142 of the Companies Act, 2013, their remuneration shall be fixed by the Company in a General Meeting or in such manner as the Company in a General Meeting may determine.

In the 52nd AGM of the Company held on September 24, 2021, the Board of Directors was authorized by the Shareholders in pursuance of Section 142 read with Section 139(5) of the Companies Act, 2013 to fix and approve the remuneration of Statutory Auditors of the Company for the financial year 2021-22, on the recommendation of the Audit Committee. Accordingly, the Board of Directors approved the payment of remuneration of ₹58,00,000/- (Rupees Fifty Eight Lakh only) plus taxes as applicable to be shared equally by the Statutory Auditors i.e., M/s O.P Bagla & Co. LLP, Chartered Accountants and M/s S.K.Mittal & Co., Chartered Accountants, for the financial year 2021-22. The Board also approved that in addition to the above remuneration, the Statutory Auditors may be paid such actual reasonable traveling allowance and out-of-pocket expenses for outstation audit work, as may be decided by the CMD/Director (Finance).

The appointment of Statutory Auditors of the Company for the financial year 2022-23 is yet to be made by the C&AG of India. Further, members are requested to authorize the Board of Directors of the Company to fix the remuneration of the Statutory Auditors of the Company, as may be deemed fit, for the financial year 2022-23.

13. SEBI encourages all shareholders to hold their shares in dematerialized form as this eliminates the possibility of damage/loss of physical share certificate(s) & cases of forgery and facilitates the ease and convenience of paperless trading of shares. Further, no stamp duty is payable on transfer of shares held in demat form. In this regard, SEBI had earlier prescribed that requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository.

Further, SEBI vide Circular dated January 25, 2022 has prescribed detailed procedure for issue of securities in dematerialized form only while processing investor service requests such as sub-division/ split/ consolidation/transmission/ transposition and issue of duplicate certificate(s). Accordingly, we request you to convert your shareholdings from physical form to demat form at the earliest, in existing demat account or new demat account to be opened with any Depository Participant (DP).

14. As SEBI has made usage of electronic payment modes for making payments to the investors mandatory, therefore members are advised to submit their National Electronic Clearing System (NECS)/National Electronic Fund Transfer (NEFT)/ Direct Credit mandates or changes therein, to enable the Company to make payment of dividend. Shareholders holding shares in physical form may send the NECS/NEFT/ Direct Credit mandate form, available on the Company's website, to R&TA of the Company at the address i.e., **Kfin Technologies Limited, Unit : REC Limited, Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad-500032, India.** Shareholders holding shares in electronic form may send the NECS/NEFT/ DirectCredit Mandate Form directly to their Depository Participant (DP). Those who have already furnished the NECS/ NEFT/Direct Credit Mandate Form to the Company/ R&TA / DP with complete details need not send it again.

15. Members who have not received/encashed their dividend warrants within its validity period may write to the Company at its Registered Office or R&TA of the Company, for revalidating the warrants or payment in lieu of such warrants in the form of demand draft.

16. Pursuant to the provisions of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the requisite details of unpaid and unclaimed amounts lying with the Company has been uploaded on Company's website (www.recindia.nic.in) and website of Ministry of Corporate Affairs. Further, the investor-wise details of amounts and shares, which have already been transferred by the Company to IEPF, are available on the website of the Company i.e., www.recindia.nic.in.

Further, the unclaimed final dividend for the financial year 2014-15 and unclaimed interim dividend for the financial year 2015-16 will be due for transfer to IEPF in October, 2022 and March, 2023 respectively, in terms of the provisions of the Companies Act, 2013.

17. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to write to the R&TA of the Company in Form SH-13 as prescribed in the Companies (Share Capital and Debentures) Rules, 2014. Blank Nomination form is available on Company's website i.e., www.recindia.nic.in. In case of shares held in dematerialized form, the nomination form has to be lodged directly with the respective DP.

18. The Register of Directors and Key Managerial Personnel (KMP) and their shareholding maintained under Section 170 of the Companies Act, 2013, Register of contracts and arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice, will be available for inspection through electronic mode, without any fee, by the members from the date of circulation of this Notice, up to the date of AGM i.e., September 16, 2022. Members desiring for inspection of said documents are requested to send an e-mail to the Company at complianceofficer@recl.in.

19. Members desirous of getting any information on any item(s) of business of this meeting are requested to send an e-mail mentioning their name, demat account number/folio number, email id, mobile number to complianceofficer@recl.in, at least seven days prior to the date of the AGM and the same will be replied by the Company suitably.

20. The Scrutinizer shall, after the conclusion of the electronic voting during the AGM, assess the votes cast at the meeting through electronic voting system, thereafter unblock the votes cast through remote e-voting and make a consolidated Scrutinizer's Report and submit the same to the Chairman of the Meeting.

21. The results of the voting indicating the number of votes cast in favour or against each of the Resolution(s), invalid votes and whether the Resolution(s) have been carried out or not, together with the Scrutinizer's Report, will be uploaded on the website of the Company (www.recindia.nic.in) and on NSDL website (www.evoting.nsdl.com) and will also be submitted to BSE Limited and National Stock Exchange of India Limited within the prescribed time. Further, the resolution(s), if passed by requisite majority, shall be deemed to be passed on the date of 53rd AGM.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

THE FOLLOWING STATEMENT SETS OUT ALL MATERIAL FACTS RELATING TO THE SPECIAL BUSINESSES SET OUT IN THE NOTICE.

Item No. 5

As per Section 180(1)(c) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Board of Directors of the Company shall, with the consent of the Company by passing a Special Resolution, borrow moneys, which together with the moneys already borrowed by the Company, is in excess of the paid-up capital and free reserves of the Company.

In this regard, the Members of the Company, by passing Special Resolution in the 51st Annual General Meeting held on September 25, 2020, had granted powers to the Board of Directors of the Company to borrow moneys upto a total amount of ₹4,50,000 crore in Indian Rupees and in any foreign currency equivalent to USD 12 billion.

Out of the above, the limit available for borrowing in Indian Rupees as on March 31, 2022 was ₹1,98,968 crore which is sufficient to cater to the business requirements of the Company. Therefore, no increase is required to be made in the borrowing limit in Indian Rupees.

However, the balance limit available for borrowing in foreign currency as on March 31, 2022 was USD 2.00 Billion. Considering that the current outstanding borrowings together with projected borrowings, in foreign currency, is likely to exceed the earlier approved limit of USD 12 Billion, consent of the Members is sought under Section 180(1)(c) of the Companies Act, 2013, for increasing the borrowing limit in any equivalent foreign currency, from USD 12 billion to USD 16 billion, for the purpose of business of the Company.

The Memorandum and Articles of Association and all related documents shall be available for inspection through electronic mode, from date of circulation of this Notice upto the date of AGM.

Considering the unavoidable nature of business, the Board of Directors of the Company in its Meeting held on June 30, 2022 approved the above proposal and recommended the passing of the proposed Resolution as contained in the Notice, by Members of the Company.

In view of the above, you are requested to grant your consent to the Special Resolution as set out at Item No. 5 of this Notice.

The Directors or Key Managerial Personnel or their relatives do not have any concern or interest, financial or otherwise, in passing of the said Resolution, except to the extent of their shareholding in the Company.

Item No. 6

In terms of the provisions of Section 180(1)(a) read with Section 110 of the Companies Act, 2013 and Rules made thereunder, a company cannot sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking or undertakings of the company without the consent of the Shareholders of the Company by way of a Special Resolution through Postal Ballot. However, in terms of MCA Notification dated February 9, 2018, any item of business required to be transacted by means of postal ballot, may be transacted at a general meeting by a company which is required to provide the facility to members to vote by electronic means.

In terms of the provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015, REC is providing the facility to its members to enable them to vote on resolutions at the general meeting, by electronic means. Accordingly, the Special Resolution for creation of mortgage and/or charge on all or any of the movable and/or immovable properties of the Company, is proposed to be passed in this AGM.

The operations of the Company have increased substantially and in order to meet the growing fund requirements of the Company, additional funds are required to be raised by creation of security on the immovable/movable properties of the Company. Since the creation of charge / mortgage tantamount to otherwise disposing of the undertakings of the Company, it is necessary to pass a Special Resolution under Section 180(1)(a) of the Companies Act, 2013.

Therefore, it is proposed to authorize the Board of Directors of the Company to mortgage/create charge on immovable and/or movable properties of the Company, both present and future, for securing loan up to ₹4,50,000 crore in Indian Rupees and in any foreign currency equivalent to USD 16 billion, for the purpose of business of the Company or otherwise as per the requirements of Section 180(1)(a) of the Companies Act, 2013, Rules made there under and any other statutory and procedural formalities to be complied with in this regard.

The Memorandum and Articles of Association and all related documents shall be available for inspection through electronic mode, from date of circulation of this Notice upto the date of AGM.

Considering the unavoidable nature of business, the Board of Directors of the Company in its Meeting held on June 30, 2022 approved the above proposal and recommended the passing of the proposed Resolution as contained in the Notice, by Members of the Company.

In view of the above, you are requested to grant your consent to the Special Resolution as set out at Item No. 6 of this Notice.

The Directors or Key Managerial Personnel or their relatives do not have any concern or interest, financial or otherwise, in passing of the said Resolution, except to the extent of their shareholding in the Company.

Item No. 7

REC is a Government company and as per its Articles of Association, the President of India has the power to appoint Chairman / Chairman & Managing Director of the Company and also Vice Chairman/Managing Director, Whole time Functional Director and other Directors in consultation with the Chairman/Chairman and Managing Director. However, in accordance with Regulation 17(1C) of SEBI LODR Regulations, effective from January 1, 2022, approval of the shareholders for appointment of a person on the Board of Directors is required to be obtained at the next general meeting or within a period of three months from the date of appointment, whichever is earlier.

The Ministry of Power (MoP), vide its order dated July 15, 2022, has appointed Shri V.K. Singh (DIN: 02772733), who was earlier serving as Executive Director in the Company, as Director (Technical) of REC in the scale of pay of ₹180,000-340,000 (IDA), with effect from the date of his assumption of charge of the post till the date of his

superannuation i.e., June 30, 2025 or until further orders, whichever is earlier. Shri V.K. Singh has assumed the charge of Director (Technical) w.e.f. July 15, 2022. Further, on recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company has approved the appointment of Shri V.K. Singh as Director (Technical) (Additional Director) of the Company, with effect from July 15, 2022, subject to approval of the shareholders.

Shri V.K. Singh holds a Bachelor's Degree in Electrical Engineering from IIT, Roorkee and has over 33 years of experience in the Indian power sector. He has rich experience in transmission project development & management, TBCB process, procurement of goods & services, construction of EHV sub-stations and transmission lines, financial aspects like raising of bonds, commercial paper, ECB etc. He is also a Director on the Board of REC Power Development and Consultancy Limited (RECPDCL), a wholly owned subsidiary of REC. A brief profile of Shri V.K. Singh, in terms of SEBI LODR Regulations and Secretarial Standard-2, is annexed to this Notice.

Pursuant to the Articles of Association of the Company, Shri V.K. Singh shall be liable to retire by rotation. Further, the terms & conditions of his appointment will be governed by MoP Order dated July 15, 2022 and/or any other Order etc. issued by the Government of India.

Shri V.K. Singh has declared that he is not debarred from being appointed as a Director by SEBI or any other authority; and that he is not disqualified from being appointed as a Director of the Company, in terms of the provisions of the Act. Further, he is not related to any Director or Key Managerial Personnel of the Company. The Company has received a notice in writing, proposing his candidature for the office of Director in terms of Section 160 of the Act.

In view of the above, it is proposed to obtain the approval of shareholders for appointment of Shri V.K. Singh as Director (Technical) of the Company, by passing Ordinary Resolution set out at Item No 7. of this Notice.

Except Shri V.K. Singh, none of the Directors or Key Managerial Personnel or their relatives have any concern or interest, financial or otherwise, in passing of the said Ordinary Resolution, other than the extent of their shareholding in the Company. The Board of Directors of REC recommends passing the Ordinary Resolution at Item No.7 of this Notice.

Item No. 8

As per provisions of Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, a company shall not make a Private Placement of its securities unless the proposed offer of securities or invitation to subscribe to securities has been previously approved by the Shareholders of the Company by a Special Resolution for each of the offers or invitations. However, in case of offer or invitation for "non-convertible debentures", it shall be sufficient if the company passes a previous Special Resolution only once in a year for all the offer(s) or invitation(s) for such debentures during the year.

Therefore, it is proposed to pass a Special Resolution to enable the Company to raise funds through private placement of unsecured/ secured non-convertible bonds/debentures upto ₹75,000 crore, during a period of one year from the date of passing of this resolution, i.e. upto September 15, 2023, in one or more tranches, to such person or persons, who may or may not be the bond/debenture holders of the Company, within the overall market borrowing programme, as may be approved by the Board of Directors of the Company, from time to time. Further, the said limit of ₹75,000 crore shall be within the overall revised borrowing limit, being proposed for approval by the shareholders of the Company at this AGM.

Further, the Board of Directors of the Company (the "Board") or any Committee duly constituted by the Board or such other authority as may be approved by the Board shall be authorized to determine the terms of the issue, including the class of investors to whom the bonds/ debentures are to be allotted, the number of bonds/debentures to be allotted in each tranche, issue price, tenor, interest rate, premium/ discount to the then prevailing market price, amount of issue, discount to issue price to a class of bond/debenture holders, listing, issuing any declaration/undertaking etc. required to be included in the Private Placement Offer Letter and to do and execute all such acts, deeds and things under any other regulatory requirement for the time being in force.

The Memorandum and Articles of Association and all related documents shall be available for inspection through electronic mode, from date of circulation of this Notice, upto the date of AGM.

Considering the unavoidable nature of business, the Board of Directors of the Company in its Meeting held on August 4, 2022 approved the above proposal and recommends the passing of the proposed Special Resolution as contained in the Notice, by the Members of the Company.

In view of the above, you are requested to grant your consent to the Special Resolution as set out at Item No. 8 of this Notice.

The Directors or Key Managerial Personnel or their relatives do not have any concern or interest, financial or otherwise in passing of the said Special Resolution, except to the extent of their shareholding in the Company.

By Order of the Board of Directors
For REC Limited

J.S. Amitabh
Executive Director & Company Secretary

Date : August 20, 2022
Place : REC World Headquarters
Plot No. I-4, Sector 29, Gurugram,
Haryana – 122001

Brief Profile of the Director(s) seeking appointment/reappointment, as set out in this Notice, in terms of SEBI LODR Regulations & Secretarial Standard-2.

Name of the Director(s)	**Shri Ajoy Choudhury**	**Shri Vijay Kumar Singh**
DIN	06629871	02772733
Date of birth	January 21, 1964	June 3, 1965
Age	58 years	57 years
Date of first appointment	June 1, 2020	July 15, 2022
Qualification(s)	B.Com (Hons.) from Delhi University; and Associate member of Institute of Cost Accountants of India.	Bachelor's Degree in Electrical Engineering from IIT, Roorkee.
Detailed profile including skills and capabilities	Shri Ajoy Choudhury has over 34 years of experience in the Indian power sector across diverse functions. Prior to joining REC on April 16, 2007, he had worked with Power Grid Corporation of India Limited and NHPC Limited. As Director (Finance), he provides directions with respect to financial management and operations of REC encompassing organizational and financial planning, formulation of financial policies, financial accounting, management control systems, lending operations, cash and fund management, corporate accounts, tax planning, mobilization of resources and liaison with financial institutions & capital market players. He has been instrumental in implementing various systemic improvements in REC, including formulation of loan recovery guidelines, asset liability management, resolution of stressed assets, improving communication and services to customers and managing overall resources and treasury in an efficient manner.	Shri V.K. Singh, who was earlier serving as Executive Director in REC, had joined REC on March 29, 2007. Prior to that, he had worked with Power Grid Corporation of India Limited and NTPC Limited. As Director (Technical), he is responsible for all technical and operational functions of REC, including project & entity appraisal of renewable energy, generation, transmission & distribution projects, financing activities including sanction, disbursement and project monitoring, business development, diversification and overall functioning of the Company. He has rich experience in transmission project development & management, TBCB process, procurement of goods & services, construction of EHV sub-stations and transmission lines, financial aspects like raising of bonds, commercial paper, ECB etc.
Nature of expertise in specific functional areas	Shri Ajoy Choudhury brings in expertise in financial management, power sector domain expertise, project appraisal, corporate planning & strategy, risk management, leadership, board practices & governance, business development, environment & social areas.	Shri V.K. Singh brings in expertise in financial management, power sector domain expertise, project appraisal, corporate planning & strategy, risk management, leadership, board practices & governance, business development, environment & social areas.
Terms & conditions of appointment and proposed remuneration to be paid	Shri Ajoy Choudhury is appointed as Director (Finance), in the scale of pay of ₹180,000-340,000 w.e.f June 1, 2020 till the date of his superannuation i.e., January 31, 2024 or until further orders. The terms & conditions of his appointment are governed by MoP Order dated April 21, 2020 and / or any other Order(s) etc. issued by the Government of India.	Shri V.K. Singh is appointed as Director (Technical), in the scale of pay of ₹180,000-340,000 (IDA), w.e.f. July 15, 2022, till the date of his superannuation i.e., June 30, 2025 or until further orders, whichever is earlier. The terms & conditions of his appointment will be governed by MoP Order dated July 15, 2022 and/or any other Order(s) etc. issued by the Government of India.
Shareholding in the Company including as a beneficial owner	1200 equity shares (pre-bonus) of ₹10/- each	Nil
Number of Board meetings attended	11 out of 11 Board meetings attended during the financial year 2021-22.	1 out of 1 Board meeting attended during his tenure starting July 15, 2022.
Number of Committee meetings attended	22 out of 22 Committee meetings attended during the financial year 2021-22.	1 out of 1 Committee meeting attended during his tenure starting July 15, 2022.
Directorship held in other companies / listed entities	• REC Power Development and Consultancy Limited	• REC Power Development and Consultancy Limited • Nellore Transmission Limited *(under the process of striking off)*
Details of listed entities from which resigned in the past three years	Nil	Nil
Membership/Chairmanship of Committee across all public companies	REC Power Development and Consultancy Limited • CSR Committee (Chairman)	REC Power Development and Consultancy Limited • CSR Committee (Member)
Relationship with Directors & KMP *inter-se*	No *inter-se* relationship with any other Director or KMP of the Company	No *inter-se* relationship with any other Director or KMP of the Company

Annexure to Notice

Instructions for remote e-voting, attending the 53rd AGM through VC/OAVM and electronic voting during the AGM

A. Instructions for remote e-voting system prior to the 53rd AGM

The remote e-voting period begins on **Tuesday, September 13, 2022 (0900 hours) and ends on Thursday, September 15, 2022 (1700 hours)**. The remote e-voting module shall be disabled by NSDL for voting thereafter. The members, whose names appear in the Register of Members/Beneficial Owners as on the cut-off date i.e., September 9, 2022, may cast their vote electronically and the voting right of shareholders shall be in proportion to their shareholding as on the said cut-off date.

In order to vote electronically on NSDL e-Voting system, a two-step process needs to be followed as detailed under:

Step 1: Access to NSDL e-voting system

A) Login method for e-voting and joining virtual meeting for individuals holding shares in demat mode:-

In terms of SEBI circular dated December 9, 2020 on e-voting facility provided by listed entities, individual shareholders holding shares in demat mode are allowed to vote through their demat account maintained with Depositories / Depository Participants. Shareholders are advised to update their mobile number and email address correctly in their demat accounts in order to access the e-voting facility.

(i) Login method for individuals holding shares in demat mode is given below:

Type of Shareholders	**Login Method**
Individual shareholders holding securities in demat mode with NSDL	1. Existing **IDeAS** user can visit the e-Services website of NSDL *viz.* https://eservices.nsdl.com either on a personal computer or on a mobile. On the e-Services home page click on the **"Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-voting services under Value Added Services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on the company name i.e., REC Limited or e-voting service provider i.e., NSDL and you will be re-directed to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. 3. Visit the e-voting website of NSDL. Open web browser by typing the URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section. A new screen will open. You will have to enter your User ID (i.e., your 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL depository site, wherein you can see e-voting page. Click on company name i.e., REC Limited or e-voting service provider i.e., NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play
Individual shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, can login through their User ID and Password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or https://www.cdslindia.com / and click on new system Myeasi. 2. After successful login of Easi/Easiest, the user will be also able to see the e-voting Menu. The menu will have links of e-voting service provider i.e., NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-voting page by providing demat account number and PAN from a link at https://www.cdslindia.com/ home page. The system will authenticate the user by sending OTP on registered mobile and email, as recorded in the demat account. After successful authentication, user will be provided link for the respective ESP (E-voting Service Provider) i.e., NSDL where the e-voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. Upon logging in, please see if e-voting option is available. Click on the e-voting option, you will be redirected to NSDL/CDSL site after successful authentication, wherein you can see e-voting feature. Click on company name i.e., REC Limited or e-voting service provider i.e., NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

Note: Members who are unable to retrieve User ID / Password are advised to use "Forgot User ID" or "Forgot Password" option available at the above-mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issu es related to login through Depository i.e., NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

ii) Login Method for e-voting and joining virtual meeting for shareholders (other than individual shareholders) holding securities in demat mode and shareholders holding securities in physical mode.

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.comeither on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL e-services i.e., IDEAS, you can log-in at https://eservices.nsdl.com / with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e., Cast your vote electronically.
4. Details of User ID and Password for logging on to NSDL e-voting Portal : Your User ID details are given below:-

Manner of holding shares i.e., Demat (NSDL or CDSL) or Physical	User ID
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example: if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example: if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example: if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. **Password details for shareholders other than Individual shareholders are given below:**

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the PDF file. The password to open the PDF file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The PDF file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, please follow steps mentioned at Point No. 5 of the Notice.

6) If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) If you are holding shares in your demat account with NSDL or CDSL, click on "Forgot User Details/Password" option on www.evoting.nsdl.com.

   b) If you are holding shares in physical mode, click on "Error! Hyperlink reference not valid. option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, PAN, Name and registered address.

   d) Members can also use OTP (One-Time Password) based login for casting the votes on the e-Voting system of NSDL.

7) After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8) Now, you will have to click on "Login" button.

9) After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e., assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

   In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-Voting user manual for shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to Ms. Soni Singh, Assistant Manager, National Securities Depository Limited, Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013, by sending on email at the designated email IDs: evoting@nsdl.co.in or amitv@nsdl.co.in or pallavid@nsdl.co.in. Members may also write to the Company Secretary at the Company's email address at complianceofficer@recl.in.

B. Instructions for members for attending the 53rd AGM through VC/OAVM are as under:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at https://www.evoting.nsdl.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through laptops for better experience.
3. Members will be required to allow camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that participants connecting from mobile devices or tablets or laptop connecting via mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches of such kind.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a 'Speaker' and may send their request mentioning their name, demat account number/folio number, email id, mobile number at complianceofficer@recl.in atleast 48 hours before the Meeting. Those shareholders who have registered themselves as a Speaker, will only be allowed to express their views/ask questions during the meeting.

C. Instructions for members for voting through electronic voting system during the 53rd AGM

1. Once discussion on all the items of Notice is completed in the Meeting, every Resolution will be put to vote through electronic voting system during the AGM. Corporate Members are requested to send a certified copy of the Board resolution/authorization letter to the Scrutinizer through e-mail at scrutinizer.recl@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional Shareholders (i.e. other than individuals, HUF, NRI, etc.) can also upload their Board Resolution/Power of Attorney/Authourity Letter etc. by clicking on "**Upload Board Resolution/Authority Letter"** displayed under **"e-voting"** tab in their login.
2. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
3. Only those members/shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through electronic voting system during the AGM.
4. Members who have voted through Remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote during the AGM.
5. The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the AGM shall be the same persons, as mentioned above for Remote e-voting.

Board's Report

To

The Shareholders,

Your Directors have pleasure in presenting the Fifty Third Annual Report together with the Audited Financial Statements of your Company for the financial year ended on March 31, 2022.

1. PERFORMANCE HIGHLIGHTS

1.1 Summary of performance

The highlights of performance of your Company for the financial year 2021-22, with comparative position of previous year's performance, were as under:

(₹ in crore)

Parameter	FY 2021-22	FY 2020-21
Loans Sanctioned	**54,421.76**	1,54,820.87
Disbursements	**64,150.21**	92,987.49
Subsidy under DDUGJY (including DDG component) and SAUBHAGYA schemes of the Government	**5,317.66**	4,940.62
Recoveries (including interest)	**91,681.72**	71,755.40
Total Operating Income	**39,132.49**	35,387.89
Profit Before Tax	**12,424.90**	10,756.13
Profit After Tax	**10,045.92**	8,361.78
Total Comprehensive Income	**9,986.85**	8,818.30

1.2 Financial performance

The Total Operating Income of your Company for the financial year 2021-22 was ₹39,132.49 crore, as compared to ₹35,387.89 crore during the last financial year 2020-21.

The Profit After Tax and Total Comprehensive Income for the financial year 2021-22 were ₹10,045.92 crore and ₹9,986.85 crore respectively, as compared to ₹8,361.78 crore and ₹8,818.30 crore for the last financial year.

Earnings Per Share (EPS) for the financial year ended March 31, 2022 was ₹50.87 per share of ₹10/- each, as against EPS of ₹42.34 per share for the last year. Net Worth of the Company as on March 31, 2022 increased to ₹50,985.60 crore, i.e., 17.41% higher than the Net Worth of ₹43,426.37 crore as on March 31, 2021.

The Gross Loan Asset Book of your Company as on March 31, 2022 was ₹3,85,371.26 crore, as compared to ₹3,77,418.15 crore as on March 31, 2021. Further, the outstanding borrowings as on March 31, 2022 were ₹3,26,844.29 crore.

1.3 Impact of Covid-19

Since outbreak of Covid-19, India has experienced two further waves of pandemic following the discovery of mutant coronavirus variants. These waves led to temporary re-imposition of localized / regional lockdowns, which were subsequently lifted. With improving coverage of vaccination programme and resumption of economic activities, India is witnessing recovery in demand. The Company's strong credit profile, liquidity access and availability of contingency buffers provides it no reasons to believe that the current crisis will have any significant impact on its operations, including the going concern assessment. However, the impact will continue to be dependent, among other things, on uncertain future developments about discovery of further coronavirus variants and any action to contain its spread, whether Government mandated or otherwise.

1.4 Dividend

For the financial year 2021-22, the Board of Directors of your Company has recommended a final dividend of ₹4.80/- per equity share of face value of ₹10/- each (48% of the paid up share capital), which is subject to approval of the shareholders in the ensuing 53rd Annual General Meeting. The above is in addition to the 1st Interim Dividend of ₹2.00/- per equity share (20% of the paid up share capital) paid on September 2, 2021, 2nd Interim Dividend of ₹2.50/- per equity share (25% of the paid up share capital) paid on November 5, 2021 and 3rd Interim Dividend of ₹6.00/- per equity share (60% of the paid up share capital) paid on March 3, 2022.

The total dividend for the financial year 2021-22, including the proposed final dividend, amounts to ₹15.30 per share of face value of ₹10/- each, which is 153% of the paid-up share capital of the Company. For the last financial year 2020-21, the Company had paid a dividend of ₹12.71 per share of face value of ₹10/- each, which was 127.10% of the paid-up share capital of the Company.

The total dividend pay-out for the financial year 2021-22, including the proposed final dividend, would work out ₹3,021.62 crore. The dividend is paid in accordance with the Company's Dividend Distribution Policy, which is available at https://recindia.nic.in/uploads/files/Dividend_Distribution_Policy.pdf.

1.5 Share capital & Bonus Issue

As on March 31, 2022, the authorized share capital of the Company was ₹5,000 crore, consisting of 500 crore equity shares of ₹10/- each; and the issued and paid-up share capital was ₹1,974.92 crore, consisting of 197,49,18,000 equity shares of ₹10/- each. Power Finance Corporation Limited, a Government of India undertaking, held 52.63% of the paid-up equity share capital of the Company as on March 31, 2022, comprising of 103,94,95,247 equity shares of ₹10/- each. The balance 47.37% of paid-up equity share capital was held by public.

Pursuant to comprehensive guidelines on Capital Restructuring of Central Public Sector Enterprises, issued by the Department of Investment and Public Asset Management (DIPAM), Ministry of Finance, Government of India, and based on the financial statements of the Company for the financial year ended on March 31, 2022, the Company is issuing bonus shares in the ratio of 1:3, i.e., one (1) bonus equity share of ₹10/- each fully paid-up for every three (3) existing equity shares of ₹10/- each fully paid-up, by capitalizing a sum of ₹6,58,30,60,000 out of the sum standing to the credit of its 'Securities Premium Account'. The shareholders have approved the said bonus issue through postal ballot on August 9, 2022. The said bonus shares will rank *pari-passu* with the existing fully paid-up equity shares of the Company.

The postal ballot notice and results can be accessed at https://recindia.nic.in/postalballot. After the allotment of the bonus shares, the paid up share capital of the Company will be increased to ₹2,633.22 crore, consisting of 2,63,32,24,000 equity shares of ₹10/- each.

1.6 Policy initiatives

The policy framework of the Company is constantly reviewed, updated and strengthened, to enhance business value and to meet the statutory requirements and amendments thereto.

During the financial year 2021-22, the Company strengthened its corporate governance framework, with adoption of 'policy on diversity and skills of the board, criteria for appointing senior management personnel and remuneration to directors, KMPs and other employees', 'policy on fit & proper criteria of directors', 'policy on dealing with related party transactions' and 'internal guidelines on corporate governance'.

In order to enhance the competitive position in the market, the Company introduced business-oriented policies including 'policy on term loan to state sector utilities for operational requirements', 'guidelines for funding projects under KUSUM scheme', 'guidelines for appraisal and financing for transmission projects in private sector', 'prepayment policy', 'letter of credit policy for state and private sector borrowers' and 'exposure norms for state sector borrowers'.

The Company also updated the internal framework for its key operations, by modifying the 'delegation of powers', 'comprehensive risk management policy', 'prevention of money laundering & KYC policy' and 'policy for adjustment of interest on interest charged during moratorium period due to Covid-19 pandemic'.

In order to keep its HR practices employee friendly, the Company updated its recruitment rules, promotion policy, medical welfare measures etc., during the year under review.

2. FINANCIAL REVIEW

2.1 Summary of Financial Results

The summary of audited financial results of the Company for the financial year 2021-22, including the transfers to reserves, *vis-à-vis* the previous financial year, is given as under:

(₹ in crore)

Particulars	Standalone		Consolidated	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Revenue from Operations	39,132.49	35,387.89	39,269.05	35,552.68
Other Income	97.96	22.55	70.15	22.72
Total Income	**39,230.45**	**35,410.44**	**39,339.20**	**35,575.40**
Finance Costs	22,052.91	21,489.08	22,050.96	21,489.05
Net translation/transaction exchange loss	799.05	330.26	799.05	330.26
Fees and Commission Expense	16.73	9.95	16.73	9.95
Net loss on fair value changes	-	-	-	-
Impairment on financial instruments	3,473.31	2,419.62	3,470.02	2,445.94
Other Expenses	463.55	405.40	560.10	518.64
Total Expenses	**26,805.55**	**24,654.31**	**26,896.86**	**24,793.84**
Share of Profit/Loss of Joint Venture accounted for using equity method	-	-	(11.81)	(1.97)
Profit Before Tax	**12,424.90**	**10,756.13**	**12,430.53**	**10,779.59**
Tax Expenses	(2,378.98)	(2,394.35)	(2,394.83)	(2,401.35)
Profit After Tax	**10,045.92**	**8,361.78**	**10,035.70**	**8,378.24**
Other Comprehensive Income for the period	(59.07)	456.52	(57.90)	457.76
Total Comprehensive Income	**9,986.85**	**8,818.30**	**9,977.80**	**8,836.00**

(₹in crore)

Particulars	Standalone		Consolidated	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Add: Opening Balance of Retained Earnings and Other Comprehensive Income	4,225.00	3,085.17	4,504.73	3,347.20
Amount available for appropriation	**14,211.85**	**11,903.47**	**14,482.53**	**12,183.20**
Less: Appropriations				
Special Reserve created u/s 36(1)(viii) of the Income Tax Act, 1961	(3,080.70)	(2,563.13)	(3,080.70)	(2,563.13)
Reserve for bad and doubtful debts u/s 36(1)(viia) of the Income Tax Act, 1961	-	(288.13)	-	(288.13)
Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	(2,010.00)	(1,673.00)	(2,010.00)	(1,673.00)
Debenture Redemption Reserve	-	-		-
General Reserve	-	(981.10)		(981.10)
Impairment Reserve	-	-		-
Issue expenses on Perpetual Debt Instruments (net of taxes)	-	(0.70)		(0.70)
Coupon payment on Instrument Entirely Equity in Nature (Perpetual Debt Instruments) (Net of Taxes)	(34.12)	-	(34.12)	
Sub-total: Appropriations	**(5,124.82)**	**(5,506.06)**	**(5,124.82)**	**(5,506.06)**
Less: Dividend payments to Owners	(2,411.37)	(2,172.41)	(2,411.37)	(2,172.41)
Closing Balance of Retained Earnings and Other Comprehensive Income	**6,675.66**	**4,225.00**	**6,946.34**	**4,504.73**

2.2 Contribution to National Exchequer

During the financial year 2021-22, the Company contributed an amount of ₹3,229.83 crore to the National Exchequer, which included ₹3,080.60 crore towards direct taxes and ₹149.23 crore towards GST. In the previous financial year, the total contribution to the National Exchequer was ₹2,721.64 crore.

2.3 Ratio analysis

A comparative statement of significant ratios of the Company for the financial year 2021-22 vis-à-vis the previous financial year, is given below::

Particulars	FY 2021-22	FY 2020-21
Earnings Per Share (₹)	50.87	42.34
Return on Average Net Worth (%)	21.28	21.30
Book Value per Share (₹)	258.17	219.89
Debt Equity Ratio (times)*	6.41	7.40
Price Earnings Ratio (times)#	2.42	3.10
Interest Coverage Ratio (times)	1.56	1.50

* *Net debt represents principal outstanding, less cash and cash equivalent available.*

\# *PE Ratio is calculated based onclosing price of REC's Equity Share at NSE, as on March 31, 2022 and as on March 31, 2021 respectively.*

2.4 Resource mobilization

2.4.1 Total resource mobilization during the year

During the financial year 2021-22, the Company mobilized funds of ₹73,962.93 crore from the market. This included ₹19,251.56 crore from External Commercial Borrowings in different currencies, USD 2,250.00 million and JPY 37,506.625 million, long and short rupee term loans from banks and financial institutions of ₹25,850 crore and ₹1,250 crore respectively, ₹7,316.11 crore from Capital Gains Tax Exemption Bonds, ₹9,370.20 crore from Institutional Bonds, ₹10,494.38 equivalent to USD 1,420.00 million from FCNR (B) loans and ₹430.68 equivalent of USD 59.15 million from Official Development Assistance (ODA).

2.4.2 Redemption and pre-payment

During the financial year 2021-22, the Company repaid a sum of ₹58,376.27 crore. This includes repayment amounting to ₹36,667.20 crore towards Institutional Bonds, ₹7.11 crore towards Infrastructure Bonds, ₹839.67 crore towards Tax-free Bonds, ₹2,451.85 crore towards External Commercial Borrowings equivalent of USD 330.00 Million, ₹6,307.54 crore of FCNR loans equivalent of USD 845.00 Million and ₹192.90 crore of Official Development Assistance (ODA) loan equivalent of USD 12.00 Million, Euro 10.53 million and JPY 188.58 million. The Company also repaid long term loans ₹11,910 crore to banks.

2.4.3 Cost of borrowing

The overall weighted average annualized cost of funds for the outstanding borrowing as on March 31, 2022 was 7.00% as compared to 7.26% for the year ending March 31, 2021.

The fund mobilization during the financial year 2021-22 included ₹9,080 crore raised through listed bonds, the cost of raising for which works out to 5.85% p.a. The cost is 15 bps lower than the rates of similarly rated instruments issued by other CPSEs/entities (margin over Reuters).

2.4.4 Cash credit facilities

The Company has an approved cash credit / working capital demand loan / overdraft limit of ₹9,478 crore from various banks for its day-to-day operations, out of which ₹1,410 crore was availed as on March 31, 2022.

2.4.5 Perpetual Debt Instruments

During the last financial year 2020-21, REC had raised an amount of ₹558.40 crore by issue of Perpetual Debt Instruments (PDI). REC had issued 5,584 PDI (Series 206) of face value of ₹10 lakh each, aggregating to ₹558.40 crore, which carry coupon rate of 7.97%. The PDI have no maturity and are callable only at the option of the Company after 10 years.

The said instruments form 1.16% of the Tier-I capital of the Company i.e., ₹48,052.65 crore as on March 31, 2022. The first interest payment of these instrument was due in 2021-22 and was duly paid. Detailed disclosure on PDI is appearing in note no. 26 of the standalone financial statements forming part of this Annual Report.

2.4.6 Green Bonds issued by REC

Towards realization of the Hon'ble Prime Minister's vision of harnessing green energy's enormous potential in the country, REC raised USD 450 million Green Bond in July 2017 for a tenor of ten years, which are listed on the International Securities Market (ISM) segment of London Stock Exchange and Singapore Stock Exchange.

Use of Green Bond proceeds: The proceeds have been utilized to finance solar, wind and renewable purchase obligations (RPO) including refinancing of eligible projects, as defined in the Green Bond framework of REC, contributing to positive environmental impact and also strengthening India's energy security by reducing fossil fuel dependency. KPMG India has provided its post-verification Independent Assurance Report based on the Green Bond framework of REC and the same has also been certified by the Climate Bonds Standard Board of Climate Bond Initiative on July 17, 2018.

In accordance with the Green Bond framework, REC has created a 'Green Portfolio' managed through a well laid internal tracking system, updated on regular basis, to monitor, establish and account for the allocation of the proceeds for such Green Portfolio.

REC financed 350 MW Solar PV project of Avaada Energy in Bikaner, Rajasthan

Managements of Green Bond proceeds: The net proceeds from the Bonds amounting to ₹2,894 crore were allocated against the following projects as on March 31, 2022:

(₹ in crore)

Sl. no.	Location	Capacity	Date of loan sanction	Loan sanctioned	Loan outstanding
A.	**Solar**				
1	Karimnagar, Telangana	15 MW	11-Nov-2016	89.84	65.12
2	Telangana	30 MW	21-Sep-2016	179.62	136.22
3	Telangana	30 MW	21-Sep-2016	179.62	136.52
4	Warangal, Telangana	15 MW	11-Nov-2016	89.84	65.31
5	Andhra Pradesh	500 MW	24-Feb-2016	2,480.00	1,648.41
6	Karimnagar, Telangana	15 MW	11-Nov-2016	89.84	65.10
7	Ranga Reddy, Telangana	5 MW	27-Jan-2016	26.90	19.73
8	Medak, Telangana	7 MW	26-Nov-2015	39.90	28.59

(₹ in crore)

Sl. no.	Location	Capacity	Date of loan sanction	Loan sanctioned	Loan outstanding
9	Karimnagar, Telangana	15 MW	11-Nov-2016	89.84	65.11
10	Chitradurga, Karnataka	30 MW	17-Apr-2017	150.39	116.67
11	Mansa and Sangrur, Punjab	50 MW	21-May-2016	169.69	123.43
12	Kudligi, Karnataka	20 MW	31-Dec-2018	84.00	68.54
13	Belgaum, Karnataka	15 MW	31-Dec-2018	63.86	52.22
14	Bagalkot, Karnataka	15 MW	31-Dec-2018	64.08	52.41
15	Bagalkot, Karnataka	15 MW	31-Dec-2018	66.41	54.63
16	Thoothukkudi, Tamil Nadu	252 MW	29-Dec-2017	520.00	488.48
	Sub-total (A)			**4,383.83**	**3,186.49**
B.	**Wind**				
1	Mandsaur, Madhya Pradesh	20 MW	28-Jan-2016	86.63	52.90
2	Tirpur, Tamil Nadu	6.8 MW	6-Jun-2012	26.16	15.35
	Sub-total (B)			**112.79**	**68.25**
C.	**Renewable Purchase Obligations**				
1	Maharashtra	RPO	24-Jan-2017	500.00	62.50
	Sub-total (C)			**500.00**	**62.50**
	GRAND TOTAL (A+B+C)			**4,996.62**	**3,317.24**

REC is compliant with the requirements of its Green bond framework as per its continuing obligations to ensure that the amount raised through Green Bonds remains invested in the eligible projects as per the Green bond framework during the tenor of bonds.

2.4.7 International Cooperation & Development

REC has five lines of ODA (Official Development Assistance) credit with KfW, Germany, four of them have been fully drawn as on March 31, 2022. In financial year 2021-22, REC entered into a fifth loan agreement with KfW for financial assistance of USD 169.50 million, of which funds drawn as on March 31, 2022 are Nil. Apart from the above, REC has two lines of ODA credit with JICA, Japan. Both of them have also been fully drawn.

2.5 Domestic and International Credit Rating

The domestic debt instruments of REC continued to enjoy "AAA" rating, the highest rating assigned by CRISIL, CARE, India Ratings & Research & ICRA-credit rating agencies.

Further, REC enjoys international credit rating from international credit rating agencies Moody's and FITCH of "Baa3" and "BBB-" respectively, which is at par with the sovereign rating of India.

2.6 Investments made during the financial year 2021-22

RBI vide its circular dated November 4, 2019, had prescribed to maintain sufficient High Quality Liquid Assets (HQLAs) effective from December 1, 2020, in order to promote resilience of NBFCs to potential liquidity disruptions and to survive any acute liquidity stress scenario. In compliance of the same, during the year, the Company has invested in State Development Loans.

During the financial year 2021-22, the Company sold 15,64,59,022 equity shares held in NHPC Limited through stock exchange mechanism, considering the market scenario. The price of the share was prevailing higher than its purchase price, thus resulting in cumulative gain of ₹89.86 crore on such sale.

Other details of investments made by the Company are appearing in note no. 10 of the notes to accounts of the standalone financial statements.

2.7 Financial status at the close of the year

At the close of the financial year 2021-22, the total resources of your Company stood at ₹410,412.61 crore.

Out of this, equity share capital contributed ₹1,974.92 crore, instruments entirely equity in nature comprised ₹558.40 crore, other equity including Reserves & Surplus stood at ₹48,452.28 crore, financial liabilities including borrowings and other financial liabilities accounted for ₹3,59,230.61 crore and non-financial liabilities including provisions stood at ₹196.40 crore.

These funds were deployed as financial assets including long-term and short-term loans, investments etc. of ₹4,06,417.32 crore and non-financial assets including property, plant & equipment, tax assets etc. of ₹3,994.43 crore, besides asset classified as held for sale, amounting to ₹0.86 crore.

3. LOANS SANCTIONED

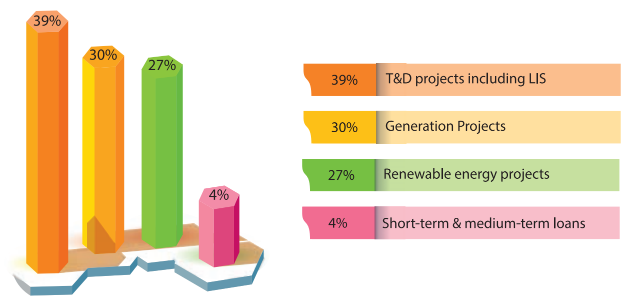
During the financial year 2021-22, the Company sanctioned loans worth ₹54,421.76 crore. The cumulative loans sanctioned by your Company since inception till March 31, 2022, were ₹13,08,992.08 crore.

The loans sanctioned for the financial year 2021-22 included ₹16,089.15 crore towards generation projects, ₹14,733.52 crore towards renewable energy projects, ₹21,150.79 crore towards T&D projects including loans under liquidity infusion scheme of the Government of India under *Atmanirbhar Bharat* and ₹2,448.30 crore towards other loans such as short-term, medium-term loans etc. Details of category-wise sanctions approved during the year are appearing subsequently in this report.

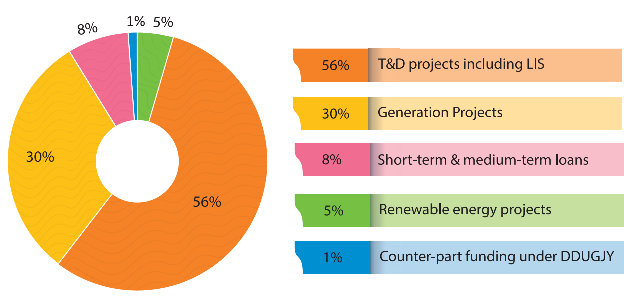
4. DISBURSEMENTS

During the financial year 2021-22, the Company disbursed total sum of ₹64,150.21 crore, as against ₹92,987.49 crore in the previous financial year. The cumulative amount disbursed

Sanctions FY 2021-22



Disbursements FY 2021-22



by your Company since inception till March 31, 2022 was ₹7,54,259.57 crore, excluding subsidy disbursed under various Government programmes.

The disbursements for financial year 2021-22 included ₹19,406.90 crore towards generation projects, ₹2,823.51 crore towards renewable energy projects, ₹16,554.23 crore towards T&D projects, ₹19,752.42 crore towards liquidity infusion scheme of the Government of India under *Atmanirbhar Bharat* and ₹4,877.68 crore towards other loans including short term-and medium-term loans etc. The disbursements also included ₹735.47 crore of counter-part funding under DDUGJY (including DDG component) and SAUBHAGYA schemes of the Government of India.

Apart from the above, the Company also disbursed during the financial year 2021-22, total subsidy of ₹5,317.66 crore received from the Government of India, which included ₹4,782.72 crore under DDUGJY scheme, ₹65.96 crore under DDG component of DDUGJY scheme and ₹468.98 crore under the SAUBHAGYA schemes.

5. RECOVERIES

5.1 Recoveries during the year

Your Company gives utmost priority to timely realization of its dues towards principal, interest, etc. During the financial year 2021-22, the amount due for recovery including interest for Standard Assets (Stage I & II) was ₹92,696.37 crore, as compared to ₹71,680.23 crore during the previous financial year. The Company recovered a total sum of ₹91,681.72 crore towards Standard Assets (Stage I & II) during the year, as against ₹71,424.90 crore in the previous financial year. The Company achieved recovery rate of 98.91% for the financial year 2021-22. The principal overdues from defaulting borrowers pertaining to Standard Assets (Stage I & II) as on March 31, 2022 were ₹591.06 crore. Further, an amount of ₹265.33 crore has been recovered from Credit Impaired Assets (Stage III) in the financial year 2021-22, as compared to ₹330.50 crore recovered in the previous financial year.

5.2 Credit Impaired Assets

Your Company's Credit Impaired Assets (Stage III) continue to be at low levels. The Company has created "Impairment Reserve" from its profits, which is higher than the minimum requirement specified under Income Recognition, Asset Classification and Provisioning (IRACP) Norms (including standard asset provisioning) issued by RBI.

As on March 31, 2022 the Gross Credit Impaired Assets (Stage III) were ₹17,159.89 crore, which is 4.45% of Gross Loan Assets; and Net Credit Impaired Assets (Stage III) were ₹5,594.16 crore, which is 1.45% of the Gross Loan Assets.

5.3 Stressed Asset Management

REC's dedicated Stressed Asset Management (SAM) division works towards resolution of stressed assets, through various frameworks including RBI framework and resolutions under Insolvency and Bankruptcy Code (IBC) etc. REC has been able to contain its NPAs at minimum level, i.e., one of the lowest among peer organizations in power sector. During the financial year 2021-22, REC successfully resolved and upgraded 3 stressed power projects:

(₹ in crore)

Sl. no.	Name of the borrower and project	REC's exposure	Remarks
1	Essar Power (MP) Limited (1200 MW Thermal Power Plant in Madhya Pradesh)	1,345.00	Resolved under IBC
2	Amrit Jal Ventures Private Limited (1 MW solar plant in Andhra Pradesh)	4.35	Resolved under IBC
3	VS Lignite Power Private Limited (135 MW Thermal Power Plant in Rajasthan)	54.00	Resolved under IBC
	TOTAL	**1,403.35**	

Further, REC was holding Corporate Guarantee of Lanco Thermal Power Limited (LTPL) by virtue of financial assistance accorded to other Lanco Group companies. Lanco Thermal Power Limited was resolved under IBC in financial year 2021-22. Accordingly, total recovery of REC from LTPL was ₹5.79 crore in financial year 2021-22.

6. APPRAISAL SYSTEM FOR FINANCING

6.1 Appraisal system for financing private sector projects

Your Company has its own guidelines for appraisal of private sector projects. The promoter/entity appraisal is carried out on the basis of the financial performance, credit-worthiness, management proficiency and sectoral experience of the promoter entities. The project appraisal is carried out on the basis of various technical parameters like statutory clearances, PPA, infrastructure etc. Thus, 'Integrated Rating' of the project is arrived at, on the basis of combined ratings of entity and project. REC's interest rates and security structure are linked to the grades or integrated ratings assigned to private sector projects. The Entity Appraisal Guidelines for financing Private sector projects have been reviewed and modified during FY 22-23.

6.2 Grading of state power utilities, JVs, companies, entities etc.

Your Company has a well-defined policy and guidelines for grading of State power utilities. The grading of State power utilities (generation, transmission, trading, holding company etc.) is carried out twice during a year, based on the evaluation of the utility's performance against specific parameters, operational and financial performance, regulatory compliances, annual financial results etc. With regard to State power distribution utilities (including SEBs / utilities with integrated operations), your Company adopts the final annual integrated ratings carried out by independent rating agencies, after approval of framework and rating by the Ministry of Power, Government of India. The rating framework for integrated rating of discoms have been reviewed and modified by external consultant.

For the purpose of funding, your Company has classified the utilities/entities into A++, A+, A, B & C categories. During the financial year 2021-22, your Company has completed grading in respect of 132 utilities (excluding State Government), out of which 16 utilities were graded as A++, 39 as A+, 42 as A, 25 as B and 5 utilities as C. Further, 5 utilities were non-responsive.

7. FINANCING ACTIVITIES DURING THE YEAR

Your Company has been providing funding assistance for power generation (including conventional and renewable energy), transmission and distribution projects including for the electrification of villages and special schemes like liquidity infusion scheme of the Government of India envisaged under *Atmanirbhar Bharat*. Details of major financing activities during the year under review were as under:

7.1 Generation

During the financial year 2021-22, your Company sanctioned 53 nos. of loans towards generation projects including hydropower projects, implementation of pollution control equipment, renovation & modernization schemes, irrigation projects etc. and sanctioned total loan assistance of ₹16,089.15 crore, as per details given below:

(₹ in crore)

Particulars	No. of Loans	Loan amount
State Sector	**51**	**14,492.56**
• Fresh Loan(s)	51	14,492.56
• Additional Loan(s)	0	-
Private Sector	**2**	**1,596.59**
• Fresh Loan	1	1,300.00
• Additional Loan	1	296.59
Total	**53**	**16,089.15**

7.2 Renewable Energy

During the financial year 2021-22, your Company sanctioned 15 nos. of Renewable Energy projects with installed generation capacity aggregating to 1,609 MW, with total loan assistance of ₹14,733.52 crore, as per details given below:-

(₹ in crore)

Particulars	No. of Loans	Loan amount
State Sector	**5**	**393.25**
• Fresh Loan(s)	5	393.25
Private Sector	**10**	**14,340.27**
• Fresh Loan(s)	9	10,787.27
• Takeout financing	1	3,553.00
Total	**15**	**14,733.52**

REC funded electro-mechanical and associated civil works at Indirama Flood Flow Canal Scheme in Telangana

The above loans included 2 wind energy projects with aggregate capacity of 810 MW, 1 solar wind hybrid project of 450 MW capacity, 1 solar wind hybrid project of 300 MW capacity with battery energy storage system,1 takeout financing of wind turbine manufacturing, 1 solar module and cell manufacturing project of 2000 MWp per annum capacity, 1 small hydro project of 22.5 MW capacity, 2 waste-to-energy projects of 26.5 MW capacity, 2 projects for repair & maintenance of hydel plants and 1 e-mobility project to finance procurement of 65 e-vehicles.

7.3 Transmission & Distribution

During the financial year 2021-22, your Company sanctioned 288 nos. of Transmission & Distribution (T&D) schemes and projects involving a total loan assistance of ₹21,150.79 crore, including loan towards an intra-state transmission project in private sector, system improvement schemes, intensive electrification schemes, renovation & modernization schemes and loan component under various Government schemes like DDUGJY, SAUBHAGYA, IPDS etc.The total loans under T&D category also included three loans aggregating to ₹3,750.65 crore, under the liquidity infusion scheme of the Government of India envisaged under *Atmanirbhar Bharat*.

Details of T&D loans sanctioned during the financial year 2021-22 are given below:-

(₹in crore)

Particulars	No. of Loans	Loan amount
State Sector	**287**	**20,500.79**
• Transmission Loan(s)	125	9,077.46
• Distribution Loan(s)	159	7,672.68
• Liquidity Infusion Scheme Loan(s)	3	3,750.65
Private Sector	**1**	**650.00**
• Inter-state Transmission Project	1	650.00
Total	**288**	**21,150.79**

7.4 Short / Medium Term Loans and other loan assistance

Your Company has also sanctioned 14 nos. of short-term, medium-term, special loans and other loans aggregating to ₹2,448.30 crore to various power utilities during the financial year 2021-22, towards their short-term or medium-term fund requirement, working capital requirement etc.

7.5 Financing activities in North Eastern States

The total financial assistance sanctioned by your Company during the financial year 2021-22 includes a sum of ₹1,008.17 crore towards various projects in the North Eastern States. The disbursement towards various projects in the North Eastern States during the financial year 2021-22, including against projects sanctioned in earlier years, were ₹303.71 crore.

8. PRESENT T&D SCENARIO AND REFORMS

As the country's installed generation capacity is at a high of 400 GW, with huge capacities planned in the renewable energy space, the Transmission & Distribution (T&D) sector is poised to witness growth. There is also a need to strengthen the technically old and aging distribution infrastructure. Need of the hour is to install a state-of-the-art robust and reliable evacuation and distribution system, capable of handling higher loads. Distribution is all the more focused area of power sector, with several reforms through Government of India's flagship programmes and schemes. Therefore, T&D segment shall play a significant role in making the sector reliable, affordable and capable of absorbing envisaged future growth.

Your Company, as the nodal agency to various schemes of the Ministry of Power, Government of India, plays an active role in creating new infrastructure and augmentation/ strengthening of the existing network. Your Company finances entire gamut of T&D projects, broadly with the objectives of system improvement and augmentation, loss reduction, IT based system implementation, consumer satisfaction etc., thus playing a significant role in the development and sustainability of the sector and towards overall socio-economic progress of the country.

8.1 Major reforms in the Distribution Sector

The Government has implemented various schemes and programmes in the recent past, to improve the financial and operational performance of distribution companies (discoms). The policy framework of Government to support distribution sector initiatives like Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY), Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA), Ujwal DISCOM Assurance Yojana (UDAY), Integrated Power Development Scheme (IPDS), National Electricity Fund (NEF), Liquidity Infusion Scheme (LIS) etc., to name a few.

While this has resulted in major infrastructure creation and bridging of supply side gaps in the distribution sector, the management and governance related issues that manifest in operational & financial performance of discoms, still persist. Aggregate Technical & Commercial (AT&C) losses and the Average Cost of Supply-Average Revenue Realized (ACS-ARR) gap, continue to be high. The discoms need to focus on improving their operational efficiencies and financial sustainability, to meet the desired consumer service standards. For this, large scale reforms are required, including schemes to reduce losses and enhance discom efficiencies.

It is with this aim and the Government of India's commitment to provide 24x7 uninterrupted, quality, reliable and affordable power supply, that the reforms-based and results-linked Revamped Distribution Sector Scheme (RDSS) has been launched, for supporting discoms to undertake reforms and improve performance in a time-bound manner.

Your Company encourages discoms to expedite improvements and to adopt best practices, including modernization and automation of systems and smart grid, IT-enabled systems for metering and consumer services, and other technological interventions of distribution sector. Your Company is the nodal agency for Government of India's flagship schemes, DDUGJY and SAUBHAGYA, which have been successfully completed in their sunset year FY 2021-22 and now, your Company is associated, *inter-alia,* with RDSS.

8.2 Revamped Distribution Sector Scheme (RDSS)

8.2.1 Overview

REC and PFC are the nodal agencies for the reforms-based and results-linked Revamped Distribution Sector Scheme (RDSS) notified by the Government of India vide OM dated July 20, 2021, with an outlay of ₹3,03,758 crore and estimated Gross Budgetary Support (GBS) from the Central Government of ₹97,631 crore. REC, as nodal agency, has been assigned

19 States/Union Territories for overseeing and monitoring of implementation of the scheme, namely Assam, Meghalaya, Arunachal Pradesh, Chhattisgarh, Jammu & Kashmir, Ladakh, Goa, Tamil Nadu, Karnataka, Bihar, Rajasthan, Uttar Pradesh, West Bengal, Andaman & Nicobar Islands, Sikkim, Mizoram, Manipur, Nagaland and Tripura. The remaining States / Union Territories have been assigned to PFC.

All discoms and power departments of State/Union Territories, excluding private sector discoms, are eligible for financial assistance under this scheme. The scheme is optional to discoms and is to be implemented in urban and rural areas of all States/Union Territories (except private discoms). The scheme allows States to adopt customized reform measures and plan infrastructure works to meet specific needs of the State with the approval of the Government of India.

8.2.2 Objectives

The objectives of the scheme are:

1. To improve the quality, reliability and affordability of power supply to consumers through a financially sustainable and operationally efficient distribution sector;
2. To reduce the AT&C losses to Pan-India levels of 12-15% by 2024-25; and
3. To reduce the ACS-ARR gap to zero by 2024-25.

The state-wise targets for reduction of AT&C losses/ACS-ARR revenue gap each year will depend on their current levels of AT&C losses and ACS-ARR gap.

8.2.3 Components

Part A – Metering & Distribution Infrastructure Works:

Component-I : Prepaid Smart Metering

Component-II : System Metering and upgradation of the Distribution Infrastructure

Component-III : Project Management

Part B – Training & Capacity Building and other enabling & supporting activities:

Including upgradation of human skills, process improvements, nodal agency fee, enabling components of Ministry of Power (communication plan, publicity, consumer survey, consumer awareness and other associated measures such as third-party evaluation etc.), augmentation of Smart Grid Knowledge Centre (including AI, training and capacity building for personnel involved in execution of the scheme at field level), awards and recognitions etc.

Ongoing approved projects: Projects sanctioned under PMDP 2015 in the erstwhile State of Jammu & Kashmir have been subsumed in RDSS.

8.2.4 Funding Pattern

The release of funds under the scheme will be linked to achievement of results and reforms laid down under an evaluation framework, as under:

Part A – Metering & Distribution Infrastructure Works

Component-I : Prepaid Smart metering solutions, including at consumer, DT and feeder level including integration of existing infrastructure, will be funded through GBS as under:

- for discoms in "Other than notified Special Category States", a fixed amount of ₹900 per consumer meter or 15% of the cost per consumer meter worked out for the whole project, whichever is lower.
- for discoms in "notified Special Category States", a fixed amount of ₹1,350 per consumer meter or 22.5% of the cost per consumer meter worked out for the whole project, whichever is lower.

To incentivize deployment of prepaid Smart meters within the targeted timeline of December 2023, the Scheme provide incentives as under:

- for discoms in "Other than notified Special Category States", a fixed amount of ₹450 per consumer meter or @ 7.5% of the cost per consumer meter worked out for the whole project, whichever is lower;
- for discoms in "notified Special Category States", a fixed amount of ₹675 per consumer meter or 11.25% of the cost per consumer meter, worked out for the whole project, whichever is lower.

Component-II: Distribution Infrastructure works, including SCADA, DMS, AB cables, feeder segregation etc. maximum financial assistance to be funded through GBS will be as under:

- for discoms in "Other than Special Category States", up to 60% of the approved project cost, and,
- for discoms in "Special Category States", up to 90% of the approved project cost.

Part B – Training & Capacity Building and other Enabling & Supporting Activities:

- 100% of the approved project cost will be eligible for funding through GBS

Ongoing approved projects: Projects sanctioned under PMDP 2015 subsumed in RDSS will be eligible to receive grant funds up to March 31, 2023 in terms of extant guidelines and terms & conditions of sanction.

8.2.5 Promoting use of advanced technologies in power distribution sector

RDSS lays special emphasis on leveraging advanced technologies to analyze data generated through Information Technology (IT) / Operational Technology (OT) devices, including system meters and prepaid smart meters, to materialize the envisaged goal i.e., introducing advanced technologies like AI (Artificial Intelligence) / ML (Machine Learning) in power distribution by leveraging partnerships and consultations.

REC plays a role as designated agency to select discoms and identify key intervention areas, empanelling incubator(s) to select Technology Service Providers (TSPs) through a competitive screening process and establishing governance mechanisms for the pilot projects and their scale-up. A competition named "Powerthon" was launched by Hon'ble Union Cabinet Minister of Power and New & Renewable Energy on February 7, 2022, to select TSPs across problem statements submitted by willing discoms.

The key objective of Powerthon-2022 is to create a forum for the participation of TSPs, start-ups, educational institutions, research institutes, equipment manufacturers, state power utilities and other state and central power sector entities, brief them on the current challenges faced across the power distribution sector and primarily invite applications from TSPs to participate in Powerthon-2022. Herein, the TSPs can showcase their technology driven solutions based on advanced emerging technologies like AI/ML, Blockchain etc. to solve the complex problems.

आरईसी REC
असीमित ऊर्जा, अनन्त संभावनाएं
Endless energy. Infinite possibilities.

Switchyard at 2x60 MW Vyasi hydro electric project of Uttarakhand Jal Vidyut Nigam Limited, financed by REC

8.3 National Electricity Fund (NEF)

REC is the nodal agency for operationalization of National Electricity Fund (NEF), an interest subsidy scheme having provision of ₹8,466 crore (against interest subsidy and other incidental expenses), to be provided over 14 years against interest paid on loan disbursements amounting to ₹23,973 crore for distribution schemes sanctioned during two financial years *viz.* 2012-13 and 2013-14. The Ministry of Power, Government of India provides interest subsidy on interest paid for loans availed by State power utilities & distribution companies, both in public and private sector, to improve the infrastructure in the distribution sector. In this reform-linked scheme, an interest subsidy of 3% to 7% is payable to discoms, on achievement of reform-based parameters outlined in NEF Guidelines.

The utilities from the States of Andhra Pradesh, Chhattisgarh, Gujarat, Haryana, Himachal Pradesh, Karnataka, Maharashtra, Madhya Pradesh, Punjab, Rajasthan, Tamil Nadu, Telangana, Uttarakhand and West Bengal have already benefited from this scheme, with interest subsidy of ₹1,475 crore released till March 31, 2022.

8.4 Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY)

Government of India's flagship programme, DDUGJY, for which REC is the nodal agency, has been completed in its sunset year FY 2021-22 i.e., on March 31, 2022. All un-electrified villages/habitations, irrespective of population criteria, have been covered for electrification in accordance with the Guidelines of the scheme. All erstwhile ongoing rural electrification (RE) schemes had been subsumed in DDUGJY. In a landmark achievement, all remaining un-electrified census inhabited villages in the country became electrified as on April 28, 2018.

DDUGJY facilitated towards achievement of '24x7 Power For All' in the rural areas of India, through the following project components:

a. Separation of agriculture and non-agriculture feeders facilitating continuous quality power supply to non-agricultural consumers and adequate power supply to agricultural consumers;
b. Strengthening and augmentation of sub-transmission and distribution infrastructure;
c. Micro-grid and off-grid distribution network;
d. Metering of distribution transformers/feeders/ consumers; and
e. Rural Electrification component (including the erstwhile RE projects).

Under the scheme, 60% of the project cost (85% for special category States) was provided as grant by the Government of India; and additional grant upto 15% (5% for special category States) was provided on achievement of prescribed milestones. The scheme had an approved outlay of ₹43,033 crore, including budgetary support of ₹33,453 crore from the Government of India. An amount of ₹48,185.67 crore (including grant of ₹30,668.11 crore) has been sanctioned by the Ministry of Power for DDUGJY in 33 States and Union Territories, against which ₹33,801.79 crore (including grant of ₹24,857.82 crore) has been released at the time of successful completion of the scheme i.e., March 31, 2022. On closures, the total executed cost under the scheme has been arrived at ₹45,942.74 crore.

8.4.1 Erstwhile RE projects, subsumed under DDUGJY

Ministry of Power, Government of India has sanctioned an amount of ₹66,367.13 crore (including DDG projects) (grant involved: ₹59,730.42 crore) under erstwhile RE projects (i.e., X^{th} Plan, XI^{th} Plan & XII^{th} Plan) subsumed under DDUGJY in 29 States including Union Territories, against which ₹59,651.89 crore (including grant of ₹53,827.21 crore) has been released till March 31, 2022. On closures, the total executed cost under erstwhile RE projects has been arrived at ₹62,066.19 crore.

8.5 SAUBHAGYA - Pradhan Mantri Sahaj Bijli Har Ghar Yojana

Government of India's flagship programme, SAUBHAGYA (Pradhan Mantri Sahaj Bijli Har Ghar Yojana), for which REC is the nodal agency, has been completed in its sunset year FY 2021-22 i.e., on March 31, 2022. The scheme outlay was ₹16,320 crore, including gross budgetary support of ₹12,320 crore. The SAUBHAGYA scheme aimed at providing:

a. Last mile connectivity and electricity connection to all un-electrified households in rural areas;

b. Last mile connectivity and electricity connection to all remaining economically poor un-electrified households in urban areas. Non-poor urban households are excluded from this scheme;

c. Solar Photo-Voltaic (SPV) based standalone system for un-electrified households located in remote and inaccessible villages/habitations, where grid extension is not feasible or cost effective.

Under the scheme, ₹14,082.43 crore (including grant of ₹9,078.84 crore) was sanctioned by the Ministry of Power to 26 States and Union Territories, against which ₹8,815.12 crore (including Government of India's grant of ₹5,754.09 crore) has been released till March 31, 2022. It is noteworthy that 2.86 crore households have been electrified under SAUBHAGYA, DDUGJY and State Government schemes till March 31, 2022. On closures, the total executed cost of the projects has been arrived at ₹9,246.22 crore.

8.5.1 Additional infrastructure for enabling electrification of SAUBHAGYA households

The Ministry of Power, Government of India had sanctioned additional fund of ₹14,178.89 crore (grant involved: ₹9,399 crore) for creation of additional infrastructure for SAUBHAGYA scheme under DDUGJY, against which ₹7,809.15 crore (including grant of ₹7,213.45 crore) has been released till March 31, 2022. On closures, the total executed cost under Additional Infra projects has been arrived at ₹11,334.01 crore.

8.6 Prime Minister Development Package (PMDP-2015)

The Prime Minister Development Package (PMDP-2015), for erstwhile State of Jammu & Kashmir, now J&K and Ladakh Union Territories, was announced by the Hon'ble Prime Minister on November 27, 2015, with approved project cost of ₹2,570.14 crore (90% grant from Government of India i.e., ₹2,301.62 crore) for distribution strengthening works in rural and urban areas. The major works covered under the scheme are system strengthening, connecting unconnected households, replacing of barbed wire and worn-out poles, underground cables at tourist places, consumer metering, construction of 33/11 kV sub-stations at industrial areas and electrical infrastructure at religious shrines.

Out of the above, project cost of ₹1,029.70 crore (Government of India's grant: ₹926.73 crore) and PMA grant of ₹5.15 crore has been sanctioned for distribution strengthening works in rural areas. The funds shall be channelized through REC. Under the scheme, an amount of ₹615.47 crore has been released till March 31, 2022. Further additional project cost of ₹527.55 crore, PMA charges of ₹2.65 crore and PIA charges of ₹28.44 crore for distribution strengthening projects in rural areas have been sanctioned by the Ministry of Power under PMDP-2015. Projects under PMDP-2015 in the erstwhile State of Jammu & Kashmir have been subsumed in RDSS as per extant guidelines and terms & conditions, and are eligible to receive grant funds up to March 31, 2023.

8.7 DISCOM Consumer Service Rating

An exercise was undertaken by REC for grading of DISCOMs across the country (public/private) in terms of consumer centric service and operational parameters. Scoring is spread across four broad parameters i.e., (i) Operational reliability, (ii) Connections and other services, (iii) Metering, Billing and Collection, and (iv) fault Rectification & Grievance Redressal. The DISCOM Consumer Service Rating report for FY 2020-21 can be accessed at REC website https://recindia.nic.in/consumer-service-rating-of-discoms.

REC officials signing agreement with KfW Development Bank, Germany, to avail USD 169.5 million for part-financing innovative solar PV technology based generation projects

8.8 Regulatory Parameters Report

During the year 2021-22, REC has published periodical reports capturing key regulatory parameters across Generation, Transmission & Distribution segment in Power sector for the benefit of various stakeholders and assisting policy formulation. The published reports can be accessed at REC website https://recindia.nic.in/RegulatoryParameters.

8.9 Urja Mitra

Urja Mitra is a distribution sector initiative and a first of its kind application being implemented by your Company's wholly owned subsidiary, *viz.* REC Power Development and Consultancy Limited ("RECPDCL"), under the guidance of Ministry of Power, Government of India.

Urja Mitra provides a Central Outage Management and notification platform for State power distribution utilities, to disseminate power outage information to urban and rural power consumers across India through SMS, email or push notifications. The consumers get power outage update through integrated mobile application for Android and iOS platforms. Urja Mitra also provides a platform to view real time power outages in any part of the country and lodge complaints on power outages. Data of around 23.24 crore consumers from 52 discoms have been uploaded on the Urja Mitra App and almost 530 crore SMSes have been sent to the consumers.

8.10 11 kV Rural Feeder Monitoring Scheme

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

8.11 National Feeder Monitoring System (NFMS)

RECPDCL has been awarded the work of implementation of National Feeder Monitoring System (NFMS), for monitoring the reliability and quality of power in all rural and urban feeders across the country. The project shall be implemented in two parts, i.e., NFMS Central IT Solution, wherein RECPDCL shall establish a state-of-the-art central IT Solution comprising of data ingestion, data processing, data storage and data analytics; and NFMS Field Solution, wherein RECPDCL shall be project implementing agency for expediting Smart Feeder Metering.

8.12 Smart Prepaid Metering

Your Company's wholly owned subsidiary, RECPDCL, is implementing Advanced Metering Infrastructure (AMI) projects in the country. The Company has installed approx. 25 thousand smart meters in Chandigarh and is also installing 1.15 lakh Smart Meters in Jammu and Srinagar towns, of which around 50,000 smart meters have been installed. Further, RECPDCL has also received Letter of Intent to implement more than 10 million smart prepaid meters under RDSS (in Kerala and Gujarat), under PMDP (in UT of Jammu & Kashmir) and under Special Development Package (in UT of Ladakh).

8.13 Implementation of Transmission projects

Your Company's wholly owned subsidiary, RECPDCL, is implementing 220 kV transmission lines project in Ladakh at an altitude of approx. 5,500 meters above mean sea level, which is India's highest transmission line. The project also includes construction of modern Gas Insulated Substation (GIS) in Nubra and Zanskar valley of Ladakh. These projects will connect Ladakh to uninterrupted grid power supply and help in socio-economic development of the region.

8.14 Tarang

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

9. PERFORMANCE & ACHIEVEMENTS UNDER GOVERNMENT PROGRAMMES

The performance and achievements under various Government programmes during finacial year 2021-22 and cumulatively till March 31, 2022, are given below:

9.1 Performance and achievement during FY 2021-22 under RDSS, DDUGJY, SAUBHAGYA and PMDP-2015:

a. **Sanction and release:** During the financial year 2021-22, an amount of ₹89,521 crore was sanctioned under RDSS against smart metering and loss reduction works in the States assigned to REC (nodal agency). Further, an amount of ₹2,860.59 crore was sanctioned under DDUGJY for electrification of households left out under SAUBHAGYA.

The subsidy of Government of India is channelized through REC and the matching contribution is infused by the respective State Government or implementing agencies, through loan from any financial institution or from their own sources. During the financial year 2021-22, aggregate GBS funds amounting to ₹5,413.34 crore have been released to States [comprising of DDUGJY (including additional infrastructure): ₹3,240.83 crore; DDG: ₹99.06 crore; PMDP-2015: ₹2.72 crore and SAUBHAGYA: ₹360.41 crore].

b. **Physical progress of creation of infrastructure:** During the financial year 2021-22, the following works have been completed under the 3 schemes of Government of India i.e., DDUGJY, SAUBHAGYA and PMDP-2015:

(i) Commissioning of sub-stations including augmentation: 382 nos.

(ii) Commissioning of Distribution transformers (including augmentation): 82,444 nos.

(iii) 11 kV lines (including Feeder Segregation): 71,114 cKm

(iv) LT lines: 1,21,313 cKm

(v) 33 kV/66 kV Lines: 8,409 cKm

(vi) Installation of consumer metering: 42,15,933 nos.

(vii) Metering of DTRs and Feeders: 51,966 nos.

c. **Progress of electrification of households:** During the financial year 2021-22, electrification of 4.41 lakh households was achieved under DDUGJY.

9.2 Cumulative performance upto March 31, 2022

a. **Sanction and release:** Under RDSS, an amount of ₹89,521 crore was sanctioned to the States allocated to REC (nodal agency) towards smart metering and loss reduction. However, no funds have been released till March 31, 2022. Under DDUGJY including RE Projects and SAUBHAGYA schemes, aggregate amount of ₹1,44,537 crore was sanctioned and on completion of the projects, aggregate executed cost arrived at ₹1,30,312 crore as on March 31, 2022.

Since launch of the schemes, ₹92,249.52 crore of Government of India grant funds have been disbursed by REC as nodal agency to the implementing agencies up to March 31, 2022 [comprising of DDUGJY (including additional infrastructure): ₹31,384.90 crore, DDG: ₹844.94 crore; PMDP-2015: ₹615.47 crore and SAUBHAGYA: ₹5,754.09 crore].

b. **Physical progress of creation of infrastructure:** The following works have been completed cumulatively upto March 31, 2022 under the above-mentioned Government programmes since inception:

(i) Commissioning of sub-stations incl. augmentation: 7,338 nos.

(ii) Commissioning of Distribution transformers (including augmentation): 16,62,727 nos.

(iii) 11 kV lines (including Feeder Segregation): 8,07,187 cKm

(iv) LT lines: 13,83,566 cKm

(v) 33 kV/66 kV lines: 41,241 cKm

(vi) Installation of consumer metering: 1,87,97,312 nos.

(vii) Metering of DTRs and Feeders: 2,54,307 nos.

c. **Progress of electrification of households:** 2.86 crore households have been electrified in the SAUBHAGYA scheme period under various schemes i.e., SAUBHAGYA, DDUGJY, RE, State schemes etc., since launch i.e., October 2017 till the completion of DDUGJY and SAUBHAGYA schemes on March 31, 2022.

10. STANDARDIZATION, QUALITY CONTROL & MONITORING

Your Company has regularly provided handholding support and technical expertise in the distribution system, to State power utilities for implementation of Government schemes. The technical specifications, guaranteed technical particulars (GTP), layout drawing, data sheet and construction standards issued by the Company are being used by the state power utilities along with their State practices.

The Company has been adopting new emerging technologies in distribution sector, such as prepaid smart meters, consumer and system metering, advanced metering infrastructure (AMI) (head-end system, metering data management, billing software/system and communication technology), supervisery control and data acquisition (SCADA), real time data acquisition system (RT-DAS), distribution management system (DMS), information technology/operational technology (IT/OT) related works including ERP software. Sate power utilities are taking leverages of these new technologies for improving their operational efficiency and financial sustainability.In line with the Quality Control Mechanism Guidelines of Government Programmes, REC Quality Monitors (RQMs) and National Quality Monitors (NQMs) have been appointed for carrying out material and field works inspections for ensuring quality of materials supplied at site and field works during implementation of such schemes.

During the financial year 2021-22, RQMs have undertaken field inspection of 4,169 nos. of villages, 466 nos. of substations and 287 nos. of feeders and 31 nos. of pre-dispatch material inspections at manufacturer premises, for ensuring quality of materials supplied in village electricity infrastructures & sub-stations installed under the Government schemes.

11. ISO 9001:2015 QUALITY ASSURANCE CERTIFICATION

The Company has implemented Quality Management Systems as per ISO 9001:2015 standards in six major divisions of corporate office and 18 regional / state offices across the country, for processing of claims.

12. RISK MANAGEMENT

The Company has a Comprehensive Risk Management Policy, which covers various risks including Credit Risk, Operational Risk, Liquidity Risk, and Market Risk. The Company has identified its various risks and is constantly taking appropriate steps to mitigate the same.

Brief description of the key risks and their mitigation measures is given below:

(i) **Credit Risk:** Credit risk is the inherent risk in the financing industry and involves the risk of loss, arising from the diminution in credit quality of a borrower and the risk that the borrower will default on contractual repayments under a loan or an advance.

To mitigate the same, the Company follows systematic institutional and project appraisal process to assess credit risk. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. Further, on regular basis REC loan book is categorized as high, moderate or low, depending upon the asset classification based on the ECL methodology.

(ii) **Operational Risk:** Operational risk arises from inadequate or failed internal processes, people and systems or external events.

The Company has implemented a comprehensive Risk Register, through which all operational risks are measured and categorised as high, moderate or low. Further, the operational risks of the Company are studied in all functional areas such as Business, Compliance, Finance, Human Resource, Cyber Security, Legal, Operational and Strategic.

(iii) **Liquidity Risk:** Liquidity risk primarily arises due to the maturity mismatch associated with assets and liabilities of the Company. It is the risk of potential inability to meet liabilities as they become due. Liquidity risk involves the inability of the Company to fund increase in assets, manage unplanned changes in funding sources and to meet obligations when required. The Company faces liquidity risks, which could require it to raise funds or liquidate assets on unfavourable terms.

In order to mitigate the liquidity risk, there is a mix of strategies including forward looking resource mobilization based on project disbursements and maturing obligations.

Your Company has been able to mitigate negative impact on its liquidity position due to outbreak of Covid-19 pandemic, through its strong market credibility and reach in the market in arranging funds through various sources of borrowings i.e., institutional bonds, ECBs and bank loans etc.

(iv) **Market Risk:** Market risk of the Company is defined as the risk to Company's earnings and capital due to changes in the market dynamics, such as interest rate or prices of securities, foreign exchange fluctuations.

The Company has implemented various risk limits to mitigate the market risk. The Company has also constituted an Asset Liability Management Committee to monitor the components of market risk including interest rate risk, liquidity risk and forex risk.

(v) **Interest Rate Risk:** Interest rate risk is the potential loss arising from fluctuations in market interest rates.

In order to mitigate the interest rate risk, your Company periodically reviews its lending rates and the weighted average cost of borrowing based on prevailing market rates.

(vi) **Forex Risk:** Foreign currency exchange risk involves exchange rate movements among currencies that may adversely impact the value of foreign currency-denominated assets, liabilities and off-balance sheet arrangements.

The Company manages foreign currency risk associated with exchange rate and interest rate through appropriate hedging strategies.

12.1 Risk Management Committee

The Company is having a Risk Management Committee (RMC) of its Directors in place, for monitoring the integrated risks of the Company. The Committee comprises of two Independent Directors including Chairperson, Director (Finance) and Director (Technical). Executive Directors and Chief General Managers from various key divisions of the organization, are standing invitees to the meetings of RMC.

The main function of the RMC is to monitor various risks and also to suggest action for mitigation of risks arising in the operation and other related matters of the Company. Further, as required under RBI norms, the Company has appointed a Chief Risk Officer (CRO).

12.2 Asset Liability Management Committee

To manage the market risk, the Company has constituted an Asset Liability Management Committee (ALCO) under the chairmanship of CMD, which comprises of Director (Finance), Director (Technical), Executive Directors and Chief General Managers from Finance and Operating Divisions as its members. The ALCO monitors risks related to interest rates, liquidity and currency rates.

13. RISK BASED INTERNAL AUDIT

RBI vide its circular February 3, 2021, had mandated the Risk Based Internal Audit (RBIA) framework for all non-deposit taking NBFCs with asset size of ₹5000 croreand above. Accordingly, REC has implemented the RBIA framework effective from April 1, 2022. The Company has a Board-approved RBIA policy/manual which links the organization's overall risk management framework and provides an assurance to the Board of Directors, Audit Committee and senior management, on the quality and effectiveness of the organization's internal controls, risk management and governance related systems and processes. RBIA will help the organization to identify the risks and address them based on the risk priority and direction provided by the Board. The activities under RBIA framework include independent risk assessment of the operation / activities, identification of audit universe, development of risk matrix, preparation of annual RBIA Plan and execution of internal audit as per the frequency defined in approved RBIA policy.

14. PREFERRED CUSTOMER POLICY

As a part of business promotion strategy, a Preferred Customer Policy was formulated in 2008 with the basic purpose of offering enhanced level of services to the Company's customers and to have a long term mutually beneficial relationship with them. The policy lays down the eligibility criteria which takes into account various factors such as amount of loan outstanding, duration of loan relationship, repayment track record of the borrower etc.

60 MW wind project of Renew Group in Karnataka , which was financed by REC for determining preferred customers and sponsoring them for capacity building domestic/ international seminars and training programmes organized by various external agencies, as well as RECIPMT Hyderabad.

15. INFORMATION TECHNOLOGY INITIATIVES

REC's revamped Business ERP, whichsupports GST and Ind-AS, has advanced features which have facilitated further automation of business operation of the Company. The ERP system is continuously improved as per requirements. REC has also implemented NIC e-office solution, with automated workflow and electronic document management features. The NIC e-office has brought major transformation in the way of working of the Company by improving efficiency and transparency, besides reducing the use of paper.

Organization wide MPLS VPN network infrastructure facility has been revamped with latest network and security devices, with high availability to meet the demanding requirements of operations. The secured VPN network has facilitated users to connect to REC network from remote locations to access business applications *viz.* ERP and NIC e-office, thus ensuring seamless operations without any disruption.

The Primary Data Centre and Disaster Recovery Center of REC are ISO/IEC 27001:2013 certified and also comply with the National Cyber Security Policy of the Government of India. REC has implemented IT Security directives of Master Direction of IT Framework as per RBI Guidelines. Further, the Company provides training and awareness to its employees on cyber security and information security.

16. REC INSTITUTE OF POWER MANAGEMENT AND TRAINING

REC Institute of Power Management and Training (RECIPMT) is a premier power sector training institute under the aegis of REC. Established in 1979 at Hyderabad, the institute caters to the training and development needs of engineers and managers of power sector organizations. During the last four decades, RECIPMT has organized 2,895 national training programmes and trained 63,763 engineers/managers from power utilities including generation, transmission & distribution companies, electricity departments, rural electric cooperatives, electricity regulatory commissions etc.

16.1 National Training Programme (NTP) sponsored by MoP under DDUGJY

RECIPMT is the nodal agency for coordination and implementation of National Training Programme for C&D category employees of power distribution companies under DDUGJY sponsored by Ministry of Power, Government of India (MoP). In spite of the Covid-19 pandemic, RECIPMT signed 29 Memorandum of Agreements with discoms and their training institutes and completed training for 16,376 participants, in a total of 679 training batches across the country during the financial year 2021-22. It is pertinent to mention that 546 training batches were organized by discoms, whereas 113 training batches were organized by RECIPMT support, on the request of discoms.

16.2 MEA sponsored international training programmes under Indian Technical & Economic Cooperation (ITEC)

RECIPMT is also a partner training institute with Ministry of External Affairs, Government of India (MEA) for organizing training programmes for the executives of international power sector organizations. The duration of such training programmes varies from 4 to 12 weeks. Since 2005 until now, RECIPMT has organized 104 such training programmes and trained 1,747 executives from 98 countries.

During 2021-22, 2 webinars each of 3-weeks duration were organized, with participation of 64 executives from countries such as Azerbaijan, Algeria, Bangladesh, Bhutan, Bolivia, Cambodia, Ethiopia, Ecuador, Egypt, Kenya, Lebanon, Mauritius, Mozambique, Nigeria, Palestine, Seychelles, Sri Lanka, Sudan, Tanzania, Thailand and Zambia.

16.3 REC sponsored programmes

In order to encourage training activities and bring in awareness among the executives of power utilities during the Covid-19 pandemic situation, the following training programmes were conducted free of cost by RECIPMT during the financial year 2021-22 with all India participation:

a. REC sponsored training programmes on Electrical Safety

Safety being the major concern of power utilities in the country, REC sponsored 60 batches on "Electrical Safety", under which 1,522 participants from different utilities were trained during the financial year 2021-22.

b. REC sponsored webinars on Techno-Commercial Improvement of DISCOM

RECIPMT organized 40 batches of 2-day webinars on "Techno-Commercial Improvement of DISCOM's Performance", covering subjects such as Electricity Act amendments, tariff reforms, real time markets and renewable integration. Under the same, RECIPMT trained 1,004 participants of power sector companies i.e., from gencos, transcos and discoms.

c. REC sponsored webinars on Sustainability of Power Utilities

REC has sponsored 50 batches of 1-day webinar on "Sustainability of Power Utilities" and trained 1,027 participants of power sector including gencos, transcos and discoms.

16.4 Open calendar programmes for power utilities

Due to Covid-19 situation, the trainings were announced in virtual or online mode in the form of webinars. In spite of the severity of pandemic, RECIPMT successfully organized 13 training programmes as webinars and 2 programmes in classroom mode on different topics such as solar power generation, disaster management, distribution transformers, labour laws, O&M of sub-stations and smart meters. A total of 266 participants took part in the same.

16.5 REC executives (in-house) training programmes

During the financial year 2021-22, RECIPMT organized 8 classroom sessions of 12 days duration for HPSEBL and 3 online webinars for DVC. Further, training programmes were conducted for 8 batches of total 200 newly recruited junior teammates and junior helpers of HPSEBL. RECIPMT also organized 3 online trainings for 126 DVC executives on power cable selection, testing laying & commissioning.

16.6 Customized Programmes

During the financial year 2021-22, RECIPMT organized 8 classroom sessions of 12 days duration for HPSEBL and 3 online webinars for DVC. Further 8 batches of training programmes were conducted for newly recruited junior teammates and junior helpers of HPSEBL.A total of 200 participants were trained in the same. RECIPMT also organized 3 online trainings for 126 DVC executives on power cable selection, testing laying & commissioning.

16.7 Total Training Programmes organized during the financial year 2021-22

During the financial year 2021-22, RECIPMT conducted an aggregate of 868 training programmes, which were attended by 20,728 participants, with achievement of 64,361 training man-days in total.

17. HUMAN RESOURCE MANAGEMENT

In order to professionalize the executive strength of REC and to infuse fresh blood, 44 executives were appointed through campus and direct recruitment during the financial year 2021-22. The total manpower of the Company as on March 31, 2022 stood at 440 employees, which includes 392 executives and 48 non-executives.

17.1 Reservation in Employment

The Directives issued by the Government of India regarding reservations for SC/ST/OBC etc. in appointment and promotion to various posts, were complied with. As on March 31, 2022, group-wise details of SC/ST/OBC employees against the total strength were as under:

		Number of Employees			
Year	Category	Group A	Group B	Group C	Total
2021-22	Total Employees	392	15	33	**440**
	SC	43	3	15	**61**
	ST	17	0	0	**17**
	OBC	83	1	3	**87**
2020-21	Total Employees	366	22	40	**428**
	SC	40	3	15	**58**
	ST	16	0	0	**16**
	OBC	72	1	3	**76**

Award-haul by REC Badminton Team at the 26th Inter-CPSU Badminton Tournament

17.2 Training & Human Resource Development

As a measure of capacity building including up-gradation of employees' skill sets and to ensure high delivery of performance, Training and Human Resource Development continued to receive priority during the financial year 2021-22. Due to Covid-19 pandemic, the employees were encouraged to take-up online training programs and various special programs on managing lifestyle during the pandemic.

The Training and Human Resource Policy of the Company aims at sharpening business skills and competencies required for better employee performance; and provides all possible opportunities and support to the employees to improve their performance and productivity. Training was also provided to promote better understanding of professional requirements, as well as to sensitize the employees about the socio-economic environment in which the Company operates. Trainings on topics of health and spiritual well-being were also imparted. During the financial year 2021-22, 231 employees attended various training programs, workshops etc., which enabled the Company to achieve 466 training man-days.

17.3 Employee Welfare

In order to provide improved health care facilities to the employees and theirdependent family members, part-time services of doctors were engaged to provideonsite medical facilities. Additionally, the Company conducted 7 (seven) Covidvaccination camps forits employees, their dependent family members and retired employees. The Company hasalso funded sports & recreation equipment for its employees to promotetheir well-being.The employees are also encouraged to participate in various quizzes, paper presentations and simulation competitions conducted by reputed institutions.

17.4 Sports activities

During the financial year 2021-22, REC hosted an Inter-CPSU Cricket Tournament at Gurugram and also sponsored its employees for various Inter-CPSU sports tournaments such as

Women Employees of REC at Rishikesh on the occasion of International Women's Day 2022

table tennis, badminton, volley ball, chess etc., organized by power sector CPSUs under the aegis of Power Sports Control Board (PSCB).

17.5 Representation of Women Employees

As on March 31, 2022, the Company had 72 permanent women employees, which represented 16.36% of the total work force. There is no discrimination of employees on the basis of gender. The Company has a Women's Cell to look after welfare and all round development of women employees. The International Women's Day 2022 was celebrated with active participation of all employees.

17.6 Industrial Relations

The industrial relations scenario in the Company continued to be cordial and harmonious in the financial year 2021-22. There was no loss of man-days on account of industrial unrest. Regular interactions were held with REC Employees Union and REC Officers Association on issues of employee welfare. This has helped in building an atmosphere of trust and cooperation, resulting in a motivated workforce and continuedimprovement in performance.

17.7 Grievance Redressal

In accordance with the guidelines issued by the Government of India, the Company has constituted a Grievance Redressal Committee to redress the grievances of its employees.

Further, your Company has a Public Grievance Redressal system for dealing with the grievances of the public at large. The Company has appointed a senior official in this regard as the Chairman, Public Grievance, to ensure prompt redressal of grievances within the stipulated time frame.

18. CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) initiatives of the Company are aimed at supporting socially beneficial projects, so as to maximize outreach through a wide spectrum of beneficiaries and empower economically and socially backward communities as a guiding principle, while giving priority to development issues of national concern. CSR initiatives have been undertaken in the fields of sanitation and hygiene, promotion of healthcare facilities, skill development, women empowerment, environmental sustainability and rural infrastructural development, in order to promote and facilitate inclusive social development.

The Company's Corporate Social Responsibility Policy is aligned with the provisions of Companies Act, 2013 and Rules made thereunder; and is available at https://recindia.nic.in/uploads/files/REC-CSR-Policy-07-12-2021.pdf.

In terms of guidelines issued by DPE for the year 2021-22, CPSEs are to spend 60% of their CSR budget on the theme of "Health & Nutrition, with special focus on COVID related measures including setting up makeshift hospitals and temporary COVID care facilities", preferably in aspirational districts. The Company stepped-up its efforts to support social welfare activities in health and related thematic areas, in different aspirational districts spread across India. The Company's CSR projects aimed at improving health services and reducing malnutrition were undertaken in Gajapati (Odisha), Mamit (Mizoram), Kiphire (Nagaland), Muzaffarpur (Bihar), Udham Singh Nagar (Uttarakhand), Chandel (Manipur) and West Sikkim (Sikkim) districts.

During the financial year 2021-22, the Board approved CSR budget of ₹170.67 crore, i.e., 2% of average of net profits of the last three financial years, in line with the applicable provisions of the Companies Act and Rules made thereunder. Against the same, the Company has spent ₹171.07 crore during the year (including carry forward of excess spent of ₹3.45 crore from the previous year). The total expenditure included contribution of ₹50 crore to the PM CARES Fund and various other projects in different thematic areas, including:

- Distribution of aids & assistive devices to over 9000 persons with special abilities, across various States of India
- Providing mobile health clinics van and emergency ambulance for 12 villages in Manipur
- Strengthening cancer screening and basic cancer care services in 14 districts of Bihar
- Improving screening for cervical cancer through Empowering Communities in Uttar Pradesh
- Assistance for construction of residential building (G+2) for 150 tribal girls at Sehore district in Madhya Pradesh and providing support for studies, food and other basic necessities to 11 *Seva Kutirs* comprising of over 1,541 children
- Operation of innovative mobile school for imparting free education to 462 children of migrant construction labourers in Gurugram, Haryana and Hardoi, Uttar Pradesh
- Free distribution of seeds to farmers residing in drought-prone areas in Maharashtra
- Conservation and sustainable management of bio-resources of Andhra Pradesh
- Construction and operation of shelter home with wellness facility (60 seater) for the care of elderly in Leh
- Installation and commissioning of 4300 LPM Pressure Swing Adsorption (PSA) oxygen generation plant in hospitals of 5 locations, namely, Baran(Rajasthan), Pune (Maharashtra), Chamba (Himachal Pradesh), Pithoragarh (Uttarakhand), Chatra (Jharkhand),
- Broad basing of sports and promotion of excellence in sports across India, emphasizing on women hockey, athletics and boxing.

The detailed Annual Report on CSR activities for the financial year 2021-22, including particulars of impact assessment(s) carried out by the Company in respect of various CSR projects, is forming part of this Annual Report.

19. VIGILANCE ACTIVITIES

REC constantly endeavors to optimize probity and integrity among employees and to promote transparency, fairness and accountability in all operational areas. REC's Vigilance division mainly aims at 'Preventive Vigilance' by reviewing the policies, rotation and transfers of employees holding sensitive posts, review of audit reports, review of projects, tenders and contracts awarded, inspections of regional offices, review of Annual Property Returns (APRs) etc.

In this regard, the following major activities have been carried out:

- In compliance with the instructions of CVC/MoP, the matter of rotational transfers from the identified sensitive posts is constantly being pursued.
- Sending prescribed periodical statistical returns to CVC and MoP on time.
- Regular review of audit reports i.e., Internal, Statutory and C&AG Audit Reports.
- Review of projects, tenders and contracts awarded. Wherever deviations were observed, the matter was taken up with the concerned divisions, which led to strengthening of appraisal system and guidelines.
- Field inspections of regional offices and scrutiny of APRs.
- Review of selection process of legal consultant and lender's legal counsel.
- Field inspections of REC financed projects.
- Thrust on leveraging of technology was continued, with the result that information relating to loans, schemes, tenders, third party bills etc. are online.
- Vigilance Monitoring System has been developed for timely detection and reducing the occurrence of lapses, which covers various functionalities of the organization, like procurement & contracts, bill tracking, loans, assets and employee payments (medical and travel).
- It was ensured that information and policies like tenders, requisite forms, status of loan applications and third-party payments, Fair Practices Code, Prevention of Fraud Policy, CSR Guidelines, Whistle Blower Policy etc. are available on REC's website.

19.1 Observance of Vigilance Awareness Week

REC limited observed Vigilance Awareness Week 2021 from October 26, 2021 to November 1, 2021, on the theme "Independent India @ 75: Self Reliance with Integrity", in line with the circular issued in this regard by the Central Vigilance Commission.

All employees were administered Integrity Pledge and various activities and competitions were organized, to spread awareness about vigilance amongst the employees, as well as public at large. An activity of learning the art of nest-making was organized in cooperation with Shri Rakesh Khatri, known as the "Nest Man of India" and founder of the NGO "ECO Roots", which is working in the field of conserving the ecosystem, environment and bio-diversity.

20. IMPLEMENTATION OF OFFICIAL LANGUAGE

To promote the use of Hindi in official work, continuous efforts are made by the Company in terms of the Annual Programme issued by the Department of Official Language, Ministry of Home Affairs, Government of India. *'Hindi Pakhwada'* was organized at Corporate Office from September 14-28, 2021, wherein various competitions like Rajbhasha quiz, Hindi spelling, Hindi translation, Hindi essay writing, Hindi poetry writing and general knowledge competitions were organized. The participation of employees in such events and competitions was encouraging.

Prizes were awarded to the winners, to motivate the employees to increase the use of Hindi in their day-to-day work. *'Hindi Pakhwada'* was also organized in various offices of the Company including RECIPMT, to provide hands-on exposure to participants in discharge of their official work in Hindi.

During the financial year 2021-22, the Committee of Parliament on Official Language successfully conducted inspections at various regional offices of the Company *viz.* Chennai, Jammu, Hyderabad, Kolkata and Patna. These inspection have inculcated a spirit of awareness amongst employees for enhanced adoption of Hindi in their work.

An Official Language Conference-cum-Hindi Workshop was organized during 9-10 December 2021 by Corporate Office and RECIPMT, Hyderabad. A special Hindi workshop was organized for the newly recruited employees on August 27, 2021, wherein the team from Regional Implementation Office, Delhi guided the employees for improving use of Hindi.

REC has been conferred with *'Shrestha Karyanwayan Puraskar'* for implementation of Official Language Policy, by the Town Official Language Implementation Committee (PSUs-I) Delhi in its 35th meeting. Further, REC has been awarded for the implementation of Kanthastha (Translation Memory) by the Department of Official Language, Ministry of Home Affairs. REC has been publishing a Hindi journal 'Urjayan', containing interesting and useful articles as well as literary writings of its employees. To motivate the employees, the Company has adopted a policy to award prizes and incentives for write-ups, articles, poems, etc. During the financial year, use of Hindi was also promoted by the Company in its tweets and posts on social media platforms.

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

21.1 Conservation of Energy

Your Company does not own any manufacturing facility, there are no significant particulars relating to conservation of energy and technology absorption.

The registered office of the Company is located in SCOPE Complex at New Delhi, where all civil, electrical installation and maintenance is carried out by SCOPE (Standing Conference of Public Enterprises).

REC Corporate Office has shifted to its new office building, Gurugram which is designed and constructed by using energy efficient façade and radiant cooling slabs to lower about 30% HVAC load requirement in the building in order to conserve energy. Further, a 979kWp solar plant has been installed at top of the building (supported by solar pergola structure) to cater to load requirement of REC office by using clean and renewable source of energy.

Highly efficient solar panels (efficiency = 21.2%) have been installed and the solar plant is in operation since July 2021. The solar plant is functional and connected to grid and has generated 8,22,072 units of electricity, which has catered to around 50% of the total load requirement of REC corporate office building (i.e., 16,30,956 units) during the financial year 2021-22. It is pertinent to mention that total capital investment on energy conservation equipment by the Company i.e., towards SITC (supply, installation, testing and commissioning of solar pergola and solar panels), was ₹12.22 crore.

21.2 Foreign Exchange Earnings & Outgo

During the financial year 2021-22, the Company had no foreign exchange earnings. Further, foreign exchange outflow aggregating to ₹11,047.28 crore was made during the year, on account of interest, principal repayment, finance charges and other expenses.

22. SUBSIDIARY COMPANIES

REC's wholly-owned subsidiary, *viz. REC Power Development and Consultancy Limited* ("RECPDCL")(formerly known as REC Power Distribution Company Limited) [CIN U40101DL2007GOI165779], is engaged in the businesses of project implementation and consultancy services in power sector *viz.* implementation of distribution system strengthening works, implementation of grid/off-grid solar (PV) projects, installation of smart meters, preparation of detailed project reports, third party inspections, pre-dispatch material inspections and acting as project management consultant / project management agency under some projects of State-funded schemes such as DDUGJY, IPDS etc.

Further, RECPDCL also acts as "Bid Process Coordinator" for selection of Transmission Service Providers through Tariff Based Competitive Bidding (TBCB) process, for independent inter-state and intra-state transmission projects assigned by the Ministry of Power and State Governments from time to time.

In order to initiate development of each independent inter-state / intra-state transmission project, RECPDCL incorporates a project-specific Special Purpose Vehicle (SPV) as its wholly-owned subsidiary, which also becomes the subsidiary of REC. After selection of the successful bidder in accordance with TBCB Guidelines, such subsidiaries are transferred by RECPDCL to the successful bidder, along with all assets and liabilities.

During the financial year 2021-22, RECPDCL transferred 5 project specific SPVs to the successful bidders, namely:

Sl. no.	Name of the SPV	Name of the successful bidder	Date of transfer of SPV
1	Fatehgarh Bhadla Transco Limited [CIN: U40108DL2020GOI364227]	Powergrid Corporation of India Limited	4-Jun-2021
2	Sikar New Transmission Limited [CIN: U40106DL2020GOI364672]	Powergrid Corporation of India Limited	4-Jun-2021
3	MP Power Transmission Package-II Limited [CIN: U40100DL2020GOI368275]	Adani Transmission Limited	1-Nov-2021
4	Kallam Transmission Limited [CIN: U40106DL2020GOI364104]	Consortium of Indigrid 1 Limited and Indigrid 2 Limited	28-Dec-2021
5	Gadag Transmission Limited [CIN: U40100DL2020GOI364213]	ReNew Transmission Ventures Private Limited	17-Mar-2022

As on March 31, 2022, RECPDCL had the following project-specific SPVs for various inter-state / intra-state transmission projects:-

(1) Chandil Transmission Limited [CIN: U40108DL2018GOI330905]

(2) Dumka Transmission Limited [CIN: U40300DL2018GOI331490]

(3) Mandar Transmission Limited [CIN: U40101DL2018GOI331526]

(4) Koderma Transmission Limited [CIN: U40300DL2018GOI331192]

(5) Bidar Transmission Limited [CIN: U40106DL2020GOI364498]

(6) Rajgarh Transmission Limited [CIN: U40106DL2020GOI364436]
(Transferred to GR Infraprojects Limited on May 30, 2022)

(7) MP Power Transmission Package-I Limited [CIN: U40108DL2020GOI367417]

(8) ER NER Transmission Limited [CIN: U40108DL2021GOI387793]

Further, after the end of financial year 2021-22, several new SPVs have been incorporated as wholly-owned subsidiaries of RECPDCL and REC, namely:

(1) Neemuch Transmission Limited [CIN: U40106DL2022GOI396525]

(2) Khavda II-A Transmission Limited [CIN: U40200DL2022GOI396828]

(3) Ramgarh II Transmission Limited [CIN: U40106DL2022GOI396994]

(4) Khavda II-B Transmission Limited [CIN: U40106DL2022GOI397064]

(5) Khavda II-C Transmission Limited [CIN: U40106DL2022GOI397095]

(6) Khavda II-D Transmission Limited [CIN: U40108DL2022GOI397181]

(7) Beawar Transmission Limited [CIN: U40106DL2022GOI397400]

(8) KPS3 Transmission Limited [CIN: U40109DL2022GOI397632]

(9) KPS2 Transmission Limited [CIN: U40106DL2022GOI397788]

(10) KPS1 Transmission Limited [CIN: U40100DL2022GOI397888]

(11) Sikar Khetri Transmission Limited [CIN: U40100DL2022GOI397891]

(12) Khavda RE Transmission Limited [CIN: U40100DL2022GOI397942]

(13) Gadag II-A Transmission Limited [CIN: U40100DL2022GOI399702]

During the financial year 2021-22, RECPDCL recorded an income of ₹177.20 crore, as compared to income of ₹184.86 crore in the previous financial year. The Profit After Tax for the financial year 2021-22 was ₹53.03 crore, as against ₹25.62 crore in the previous financial year. Further, the Net Worth of RECPDCL as on March 31, 2022 was ₹328.59 crore, as against the Net Worth of ₹297.99 crore as on March 31, 2021.

23. JOINT VENTURE & ASSOCIATE COMPANY

REC, along with three other PSUs, namely, Power Grid Corporation of India Limited, NTPC Limited and Power Finance Corporation Limited, had formed a joint venture company i.e., Energy Efficiency Services Limited (EESL) [CIN: U40200DL2009PLC196789] on December 10, 2009. EESL is doing pioneering work in the field of energy efficiency and is implementing several Government and other programmes in this area, across the country.

During the financial year 2021-22, pursuant to an agreement executed amongst the joint venture partners, EESL ceased to be a jointly controlled entity of REC in terms of the applicable accounting standard (Ind-AS), with effect from September 1, 2021. The financial statements of REC also reflect the position accordingly. However, REC continues to be a partner in the joint venture, with equity stake of 15.68% in EESL as on March 31, 2022.

24. CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to Section 129 of the Companies Act, 2013 and Rules made thereunder and Indian Accounting Standards, the Company has prepared the Consolidated Ind-AS Financial Statements for the financial year 2021-22, that include its wholly owned subsidiary company i.e., RECPDCL (Audited) and joint venture company i.e., EESL (Un-audited) till the date when it ceased to be a jointly controlled entity of the Company with effect from September 1, 2021. The same shall also be laid before the ensuing 53rd Annual General Meeting along with the Standalone Financial Statements of the Company.

Pursuant to Section 129(3) of the Act, a statement containing the salient features of the financial statements of subsidiaries, associates and joint ventures in Form AOC-1, forms part of this Annual Report. The financial statements of Special Purpose Vehicle (SPV) companies, which are wholly-owned subsidiaries of RECPDCL, are not consolidated with the financial statements of REC, since the investment / interest in such companies is held for sale and therefore, interest in such SPV companies is accounted for as per Ind-AS 105.

The Audited Ind-AS Financial Statements including the Consolidated Ind-AS Financial Statements and Audited Accounts of subsidiaries of the Company are available on the website of the Company i.e., https://recindia.nic.in/recpdcl. Further, these documents would be kept open for inspection through electronic mode by any member or any trustee for debenture holders. The Company would also make available copy thereof through e-mail upon specific request by a member of the Company.

25. DIRECTORS, KMP & POLICY FRAMEWORK RELATED THERETO

Being a Government company within the meaning of the Companies Act, 2013 and in terms of Article 91 of the Articles of Association of the Company, all Directors on the Board of REC are nominated / appointed / reappointed by the President of India acting through the administrative ministry i.e., Ministry of Power, Government of India (MoP).

The nomination / appointment / reappointment of Directors and their eligibility criteria, qualifications, experience and selection procedure etc., is also subject to the prescribed norms of Department of Personnel & Training (DoPT), Department of Public Enterprises (DPE), Public Enterprises Selection Board (PESB) etc., as applicable from time to time, the compliance of which is taken care at the end of the administrative ministry.

Further, being a CPSE, the remuneration of Functional Directors, Key Managerial Personnel and other employees of the Company, including Senior Management Personnel, is determined as per the extant guidelines on pay, perquisites, allowances etc. issued by the Department of Public Enterprises (DPE) and/or Government of India from time to time. Non-executive Directors (including Independent Directors) are paid sitting fees for attending the meetings of Board or Committees thereof, which is well within the applicable provisions of the Companies Act, 2013. The Government Nominee Director is not be entitled to receive any sitting fees from the Company, as per norms of the Government of India.

The Company has adopted a policy on diversity and skills of the board, criteria for appointing senior management personnel and remuneration to directors, KMPs and other employees, which can be accessed at https://recindia.nic.in/uploads/files/Amended---Policy-on-Board-Diversity--Other-matters-dt-150722.pdf.

Further, being a NBFC, *inter-alia*, the appointment of Directors in REC is also subject to due diligence by the Nomination & Remuneration Committee (NRC), as per the Company's Board-approved policy on fit & proper criteria of Directors, which can be accessed at https://recindia.nic.in/uploads/files/Amended---Policy-on-Fit--Proper-Criteria.pdf.

As per the provisions of the Companies Act, 2013, the Board of Directors of the Company has designated the Chairman and Managing Director (CMD), Director (Finance), Director (Technical) and Company Secretary as Key Managerial Personnel (KMPs) of the Company.

Being a Government Company, the role of CEO is being performed by CMD and the role of CFO is performed by Director (Finance) of the Company.

Particulars of Directors & KMP of the Company are brought out below

25.1 CMD and Whole-time Directors

- Pursuant to a communication dated May 13, 2022 issued by the Appointments Committee of the Cabinet (ACC) read with subsequent order issued by the Ministry of Power, Shri Vivek Kumar Dewangan, IAS (DIN 01377212) was appointed as the CMD of the Company, in the rank and pay of Additional Secretary to the Government of India, with effect from May 17, 2022.
- During the financial year 2021-22, Shri Sanjay Malhotra, IAS (DIN 00992744), former CMD of REC, ceased to be a Director with effect from February 11, 2022, due to his appointment as Secretary, Department of Financial Services, Ministry of Finance. The MoP vide its order dated February 22, 2022, had assigned the additional charge of CMD-REC to Shri Sudhir Kumar Gangadhar Rahate, IAS (DIN 05254178), who was then serving as Additional Secretary in MoP, for a period of three months or until further orders.
- Subsequently, due to the appointment of Shri Rahate as Secretary, Department of Justice, Ministry of Law & Justice, he ceased to be a Director of the Company with effect from May 10, 2022. Accordingly, the MoP vide its order dated May 10, 2022, had assigned the additional charge of CMD-REC to Shri Ravinder Singh Dhillon (DIN: 00278074), the CMD of Power Finance Corporation Limited, for a period of three months or until further orders. Shri Dhillon handled the additional responsibility of CMD-REC during May 10 to 16, 2022, i.e., till the appointment of regular incumbent namely Shri Vivek Kumar Dewangan.
- Shri Sanjeev Kumar Gupta (DIN 03464342), Director (Technical), ceased to be a Director of the Company with effect from November 1, 2021 on attaining the age of superannuation. The Ministry of Power, vide its orders dated October 21, 2021, entrusted the additional charge of Director (Technical) to then CMD Shri Sanjay Malhotra, for the period October 1, 2021 to January 31, 2022. Further, vide its order dated July 15, 2022, MoP had conveyed approval of ex post facto entrustment of the additional charge of Director (Technical) to Shri Ajoy Choudhury, Director (Finance), for the period February 1, 2022 till the date of joining of regular incumbent.
- Pursuant to order dated July 15, 2022, the MoP has appointed Shri Vijay Kumar Singh (DIN 02772733), who was earlier serving as Executive Director in the Company, as Director (Technical) of REC in the scale of pay of ₹180,000-340,000 (IDA), with effect from the date of his assumption of charge of the post till the date of his superannuation i.e., June 30, 2025 or until further orders, whichever is earlier. Shri V.K. Singh assumed the charge of Director (Technical) w.e.f. July 15, 2022.

25.2 Nominee Directors

- The Ministry of Power, vide its office order dated September 7, 2021, had appointed Shri Vishal Kapoor (DIN 08700132), Joint Secretary MoP as the Government Nominee Director on the Board of REC, vice Shri Tanmay Kumar (DIN 02574098), who was the earlier Government Nominee Director on the Board of REC.
- The former Nominee Director of Power Finance Corporation Limited (PFC), Shri Praveen Kumar Singh (DIN 03548218), ceased to be a Director with effect from February 1, 2022 due to superannuation from nominating authority. Subsequently, pursuant to MoP letter dated February 2, 2022, Smt. Parminder Chopra (DIN 08530587), Director (Finance) of PFC, was appointed as Nominee Director of PFC with effect from February 4, 2022.

25.3 Independent Directors

- The Ministry of Power, vide order(s) dated November 15, 2021, had appointed Dr. Gambheer Singh (DIN 02003319) and Dr. Manoj Manohar Pande (DIN 09388430) as Part-time Non-official (Independent) Director on the Board of REC, for a period of three years with effect from the date of notification.
- Further, pursuant to MoP order dated December 27, 2021 read with resolution by circulation passed by the Board on December 30, 2021, Dr. Durgesh Nandini (DIN 09398540) was appointed as Part-time non-official (Independent) Director on the Board for a period three years with effect from the date of notification of her appointment, or until further orders.

25.4 Director(s) retiring and seeking appointment/ re-appointment at the ensuing AGM

In accordance with the provisions of the Companies Act, 2013 and Article 91 (iv) of the Articles of Association of the Company, Shri Ajoy Choudhury, Director (Finance) shall retire by rotation at the ensuing 53rd AGM of the Company and being eligible, offers himself for re-appointment. Further, pursuant to Regulation 17(1C) of SEBI LODR Regulations, the appointment of Shri V.K. Singh as Director (Technical) is also being submitted to the shareholders for approval. The Board recommends their appointment/re-appointment.

Brief resume and other particulars of Shri Ajoy Choudhury and Shri V.K. Singh are annexed to the Notice of AGM forming part of this Annual Report.

25.5 Company Secretary

The Company Secretary of the Company is Shri J.S. Amitabh.

26. EVALUATION OF BOARD OF DIRECTORS/INDEPENDENT DIRECTORS

As per the statutory provisions, a listed company is required to disclose in its Board's Report, a statement indicating the manner in which formal annual evaluation of the performance of the Board, its Committees and individual Directors has been made and the criteria for performance evaluation of its Independent Directors, as laid down by the Nomination and Remuneration Committee.

However, the Ministry of Corporate Affairs vide its notification dated June 5, 2015 has, *inter-alia*, exempted Government companies from the above requirement, in case the Directors are evaluated by the Ministry or Department of the Central Government which is administratively in charge of the company, as per its own evaluation methodology. Further, MCA vide notification dated July 5, 2017, also prescribed that the provisions relating to review of performance of Independent Directors and evaluation mechanism prescribed in Schedule IV of the Companies Act, 2013, is not applicable to Government companies.

Accordingly, being a Government company, REC is *inter-alia* exempted in terms of the above notifications, as the evaluation of performance of all members of the Board of the Company is being done by the administrative ministry i.e., the Ministry of Power and/orby the Department of Public Enterprises (DPE). During the financial year 2021-22, the performance evaluation of Non-Executive Directors of the Company was carried out by the administrative ministry, as per its internal guidelines.

Further, your Company also enters into Memorandum of Understanding (MoU) with its holding company, PFC,under the framework prescribed in MoU Guidelines issued by DPE. The MoU demarcates key performance parameters for the Company finalized in consultation with the Ministry of Power, Government of India and the performance of the Company is evaluated vis-à-vis the MoU parameters.

27. DIRECTORS' RESPONSIBILITY STATEMENT

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

(i) in the preparation of the annual accounts for the year ended March 31, 2022, the applicable Accounting Standards have been followed and no material departures have been made from the same;

(ii) such accounting policies have been selected and applied consistently (except for the adoption of newly effective Indian Accounting Standards as disclosed in the Notes to Accounts to the Financial Statements) and judgments and estimates made 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 of the Company for that period;

(iii) proper and sufficient care is taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) the annual accounts have been prepared on a going concern basis;

(v) internal financial controls have been laid to be followed by the Company and such internal financial controls were adequate and operating effectively;

(vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

28. MoU RATING OF REC

The performance of the Company in terms of Memorandum of Understanding (MoU) for the financial year 2020-21 signed with the holding company *viz.* Power Finance Corporation Limited, has been rated as "Excellent" by Department of Public Enterprises (DPE), with a perfect score of 100. REC is the only CPSE in the entire country, to secure 100 out of 100 marks in MoU evaluation for the financial year 2020-21.

29. 'THINK GREEN, GO GREEN' INITIATIVE

The Companies Act, 2013 permits companies to send documents like Notice of Annual General Meeting, Annual Report etc. through electronic means to its members at their registered email addresses. As a responsible corporate citizen, the Company has actively supported the implementation of 'Green Initiative' of the Ministry of Corporate Affairs (MCA) and effected electronic delivery of Notices and Annual Reports to shareholders, whose email ids are registered. The intimation of dividend (interim/final) is also being sent electronically to such shareholders.

Further, pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing e-voting facility to all members to enable them to cast their votes electronically in respect of resolutions set forth in postal ballot and Annual General Meeting (AGM). The Company will also be conducting the AGM this year through video conferencing / other audio-visual means. Members can refer to the detailed instructions for e-voting and electronic participation in the AGM, as provided in the Notice of AGM.

Members, who have not registered their e-mail addresses so far, are requested to register their e-mail addresses with the Registrar and Share Transfer Agent (R&TA) of the Company or their respective Depository Participant (DP) and take part in the green initiative.

30. COMMITMENT TO *SWACHHTA*

REC has undertaken activities for creating awareness on *Swachhata*, like installation of dustbins at public places, weeding out of old records, digitization of documents andorganizing competitions on cleanliness, under the *Swachtta Action Plan.*

31. RIGHT TO INFORMATION ACT, 2005

The purpose of the Right to Information Act, 2005 ('RTI Act') is to enable the citizens to seek information from the public authorities and to ensure transparency and accountability in their functioning. An RTI Cell is in existence in the Company to deal with applications received under the RTI Act. The Company has designated a Chief Public Information Officer (PIO) to respond to the RTI applications and a First Appellate Authority (RTI) to adjudicate on RTI First Appeals for effective implementation of the RTI Act. The RTI Cell also comprises of an Assistant Public Information Officer. The entire functioning of the RTI Cell and implementation of the RTI Act in REC is observed by the Transparency Officer.

REC is also associated with the online RTI Portal of Govt. of India, Department of Personnel & Training (https://rtionline.gov.in), which enables citizens of India, to file RTI applications/first appeals online along with a payment gateway. Below is the information pertaining to the number of applications and appeals received by the RTI Cell, during the period of April 1, 2021 to March 31, 2022:

Sl. no.	Particulars of RTI	Nos.
1.	Applications received	362
2.	Applications disposedof	358
3.	Applications disposedof subsequently*	4
4.	First appeals received by Appellate Authority, REC	22
5.	First appeals disposedof by Appellate Authority, REC	18
6.	Appeals disposed of subsequently	4
7.	Second appeals received from Central Information Commission	2
8.	Second appeals disposedof by Central Information Commission	2

**The pending applications and appeal were disposed of within the timeframe*

Further, REC has placed the requisite information on its website, in compliance with the requirements specified by Department of Personnel & Training (DoPT). Further, in compliance of the said Guidelines, which provide for annual audit of *suo-moto* disclosures by a third party, third-party audit of RTI Disclosures has been carried out and the report is posted on REC's website.

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

The Guidelines for MSMEs, as defined in the purchase procedure, are being followed by the Company. As an endeavor to foster the Government's ambitious initiatives for the promotion of MSME sector and in order to surpass the prescribed public procurement norms, revised with effect from November 2018, REC has already made it mandatory to procure 100% of certain common use goods and services valuing upto ₹10 lakh from MSME vendors and also to allow price preference of upto 50% to MSEs, out of which 20% is reserved for SC, ST and women entrepreneurs. Further, REC is registered on *GeM* (Government e-Marketplace), *Sambandh, Samadhanand TReDS* (Trade Receivables Discounting System) portals of the Government of India (GoI) and all offices of REC,including regional offices,are effectively using the same.

During the financial year 2021-22, total procurement made by the Company was ₹57.38 crore. REC has not only achieved, but exceeded its targets set by the Government. The procurement from GeM portal was ₹29.35 crore (achieved more than the target of 25%) and procurement from MSMEs was ₹21 crore (achieved more than the target of 25%), out of which procurement from SC/ST was ₹0.67 crore and procurement from women entrepreneurs was ₹0.40 crore respectively. The procurements from SC, ST and women entrepreneurs, highly depend on the claims lodged by vendors, on which REC has no control. It is noteworthy that there was no complaint against REC regarding delay in payments or any other grievance by any MSME vendor, on GoI's *Samadhan* portal during the year.

REC has made it compulsory for all its Pan-India offices to have 100% procurement of Common use Goods and Services available on GeM are required to be procured mandatorily through GeM only; and has conducted a comprehensive GeM procurement training programme for its employees, having specially featured sessions offaculty from GeM. The same were attended and praised overwhelmingly by the participants. REC has also conducted its Annual Vendor Development Programme (VDP) through online session, which was attended by various vendors.

All tenders of REC are in full compliance of GoI's 'Make in India' directions, as applicable. Further, as per GoI's directives, such compliance is being monitored quarterly by the Board of Directors; and on a case-to-case basis by the *Sub-committee to ensure compliance of GoI directives on 'Make in India',* for tenders valuing ₹250 crore or above.

REC's Public Procurement Policy for MSMEs and *Make in India* is included in all the tenders duly published on the website of the Company and on the CPPP (Central Public Procurement Portal). The same is also being examined and monitored on quarterly and annual basis by the Independent External Monitor (IEM) appointed by CVC. The IEM has found that all procurement activities are in order and has appreciated the efforts and achievements of REC.

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

In line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 (POSH Act), an 'Internal Complaints Committee' has been constituted in the Company for redressal of complaint(s) against sexual harassment of women employees. The committee is headed by a senior woman official of the Company and includes representative of NGO as one of its members. Anti-sexual harassment stance of the Company is also outlined in REC (Conduct, Discipline and Appeal) Rules.

During the financial year 2021-22, the Company did not receive any complaint of sexual harassment.The Company also conducted an online awareness programme on POSH Act, for all its employees.

34. ANNUAL RETURN

The Annual Return of the Company for the financial year 2020-21 has already been filed with the Ministry of Corporate Affairs (MCA); and the draft Annual Return for the financial year 2021-22, are available on the website of the Company at https://www.recindia.nic.in/annual-returns.

After filing of the Annual Return for financial year 2021-22 with MCA, the same will be uploaded on the website at the same weblink.

35. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of Related Party Transactions required to be disclosed in Form AOC-2 for the financial year 2021-22 were 'Nil'.

36. AUDITORS

36.1 Statutory Auditors

M/s S.K. Mittal & Co., Chartered Accountants, New Delhi (firm registration no.: 001135N) and M/s O.P. Bagla& Co. LLP, Chartered Accountants, New Delhi (firm registration no.: 000018N/N500091) were appointed as Statutory Auditors of your Company for the financial year 2021-22 by the Comptroller & Auditor General (C&AG) of India. The Statutory Auditors have audited the Financial Statements of the Company for the financial year ended March 31, 2022.

Further, the appointment of the Statutory Auditors for the financial year 2022-23 is yet to be made by the C&AG of India. Approval of the Members will be obtained in the ensuing AGM, to authorize the Board of Directors to fix remuneration of the Statutory Auditors for the financial year 2022-23, as may be appointed by C&AG.

36.2 Secretarial Auditors

M/s Hemant Singh & Associates, Company Secretaries, Delhi (Certificate of Practice no.6370), were appointed as Secretarial Auditors for carrying out Secretarial Audit of the Company for the financial year 2021-22. In terms of Section 204 of the Companies Act, 2013 and Rules made thereunder, they have issued Secretarial Audit Report for the financial year 2021-22 and the same is annexed to this Report.

36.3 Management's comments on the Auditors' Report(s)

The Statutory Auditors have audited the standalone and consolidated financial statements of the Company for the financial year 2021-22 and have given their report without any qualification, reservation, adverse remark or disclaimer. The Auditors' Report(s) are forming part of this Annual Report.

The Secretarial Auditors of the Company have given an unqualified report for the financial year 2021-22. However, they have certain observations relating to composition of the Board and its Committees.

The management's reply to the observations of the Secretarial Auditors is as under:

Observation of Secretarial Auditors	Management's Reply
1. The Company was not in compliance with the provisions of section 149 of the Companies Act, 2013 read with Regulation 17 of the SEBI (LODR), in respect of the appointment of requisite number of Independent Directors including a Woman Independent Director, as the Board had a total of three Independent Directors against the requirement of four Independent Directors (two Independent Directors appointed on November 15, 2021 and one Independent Woman Director appointed on December 30, 2021). 2. The composition, chairmanship and quorum of meetings of Audit Committee & Nomination & Remuneration Committee and composition of Stakeholders Relationship Committee were not in compliance with section 177 & 178 of the Companies Act, 2013 read with regulation 18, 19 & 20 of SEBI (LODR) from April 1, 2021 till December 6, 2021. 3. The composition of Corporate Social Responsibility Committee was not in compliance with section 135(1) of the Companies Act, 2013 from April 1, 2021 till December 6, 2021. 4. The composition of Risk Management Committee was not in compliance with regulation 21(2) of SEBI (LODR) from May 5, 2021 to December 6, 2021. The Company was not in compliance of Regulation 25(6) of SEBI (LODR) with respect to appointment of Independent Directors within the stipulated time.	REC is a Government Company and as per the provisions of Article 91 of Articles of Association of the Company, the power to appoint Directors on the Board of the Company vests with the President of India, acting through the administrative ministry, i.e., the Ministry of Power, Government of India. After the completion of tenure of erstwhile Independent Directors including Woman Independent Director of REC, the Ministry of Power had appointed two Independent Directors on the Board of the Company w.e.f. November 15, 2021 and one Woman Independent Director w.e.f. December 30, 2021. Accordingly, as on March 31, 2022, the composition of the Board of the Company was falling short by one Independent Director as mandated in SEBI (LODR) Regulations, 2015. The Company has time and again requesting the Ministry of Power, Government of India, for appointment of requisite number of Independent Directors on the Board of REC and our request is under consideration at the Ministry. Once the requisite number of Independent Directors are appointed by the Ministry of Power, the Company will be in due compliance with all the applicable statutory provisions. Further, after the appointment of above Independent Directors during the financial year 2021-22, various statutory committees of the Board were reconstituted and all the committees of the Board are in full compliance of applicable provisions of the Companies Act, 2013 & rules made thereunder and SEBI (LODR) Regulations, 2015.

37. COMMENTS OF C&AG OF INDIA

The Comptroller & Auditor General (C&AG) of India, vide letter(s) dated July 22, 2022 have given 'Nil' comments on the Audited Financial Statements of the Company for the financial year ended March 31, 2022 under Section 143(6)(a) of the Companies Act, 2013.

The comments of C&AG for the financial year 2021-22 have been placed along with the report of Statutory Auditors of the Company in this Annual Report.

38. DEBENTURE TRUSTEES

In compliance with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a list containing the details of Debenture Trustees appointed by the Company for different series of its bonds / debentures issued from time to time, is annexed to this Report.

39. STATUTORY DISCLOSURES

a) There was no change in the nature of business of the Company during the financial year 2021-22.

b) During the financial year 2021-22, the Objects Clause of the Memorandum of Association of the Company was amended, by way of a Special Resolution passed by the Shareholders at the last Annual General Meeting of the Company held on September 24, 2021. The amendment was done with a view to, *inter-alia*, enable the Company to tap emerging business opportunities in the power sector and explore potential in new areas of business.

c) The Company has not accepted any public deposits during the financial year 2021-22 and the Board of Directors of the Company has passed requisite resolution in this regard, in compliance of RBI Guidelines.

d) No significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

e) The Company maintains an adequate system of Internal Control, including suitable monitoring procedures to ensure accurate and timely financial reporting of various transactions, efficiency of operations and compliance with statutory laws, regulations and Company procedures/ policies. For details, please refer to the 'Management Discussion and Analysis Report' annexed to this report.

f) Information on composition, terms of reference and number of meetings of the Board and its Committees held during the year, establishment of Vigil Mechanism/ Whistle Blower Policy and web-links for familiarization programmes ofDirectors, Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions, Policy for determining Material Subsidiaries, compensation to Key Managerial Personnel, sitting fees to Directors and details regarding IEPF etc. have been provided in the 'Report on Corporate Governance', prepared in compliance with the provisions ofSEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance, 2010, as amended from time to time, which forms part of this Annual Report.

g) Pursuant to Section 186(11) of the Companies Act, 2013, loans made, guarantees given, securities provided or investment made by a company engaged in the business of financing of companies or of providing infrastructural facilities in the ordinary course of its business are not applicable to the Company, hence no disclosure is required to be made. Further, details of investments are appearing at note no.10 of the Notes to Accounts ofthe standalone financial statements.

h) The provisions of Section 197 of the Companies Act, 2013 and Rules made thereunder relating to managerial remuneration are not applicable to Government companies, therefore no disclosure is required to be made.

i) There are no material changes and commitments affecting the financial position of the Company, which has occurred between the end of the financial year i.e., March 31, 2022and the date of this report.

j) The Company has not issued any stock options to the Directors or any employee of the Company.

k) The details related to vigilance cases, replies to audit objections and RTI matters etc., as applicable, are duly incorporated in this report, as required vide OM dated January 24, 2018 of the Ministry of Parliamentary Affairs, Government of India.

l) The Central Government has not prescribed the maintenance of cost records for the products/services of the Company under the Companies (Cost Records and Audit) Rules, 2014 read with the Companies (Cost Records and Audit) Amendment Rules, 2014 prescribed by the Central Government under Section 148 of the Companies Act, 2013. Accordingly, cost accounts and records are not required to be maintained by the Company.

m) During the year under review, the statutory auditors / secretarial auditors have not reported to the Audit Committee, any instances of fraud committed against the Company by its officers or employees.However, in terms of the Company's Policy on Prevention of Frauds, the Audit Committee was informed about a fraud committed by a retired employee in the medical claims lodged for reimbursement. Based on preliminary investigation, his medical benefits have been put on hold and an FIR has been lodged against the said retired employee.

n) The Company is compliant with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

o) The Independent Directors of the Company are nominated / appointed by the President of India acting through the administrative ministry, i.e., MoP. Accordingly, the appointingauthority considers the integrity, expertise and experience of the individual to be nominated / appointed. In the opinion of the Board, the Independent Directors appointed during the year, are persons of integrity and possess the relevant expertise, proficiency and experience to contribute effectively to the Company.

p) The Company has adequate internal financial controls with reference to the financial statements.

q) There is neither any pending IBC (Insolvency & Bankruptcy Code) proceeding against REC, nor the Company has received any notice for initiation of any IBC proceedings against it.

40. CORPORATE OFFICE BUILDING

During the financial year 2021-22, the Company shifted to its state-of-the-art office building at Sector-29, Gurugram and has obtained the clearances required such as occupation certificate, fire NOC, consent to operate etc. The building is designed by M/s CWA, New York, the project architect; and constructed by JMC Project (India) Limited, the contractor, under supervision of Telecommunications Consultants India Limited (a Government of India enterprise), the project management consultant.

The unique design of the building contains several special features like fair finish white concrete surfaces, raised flooring, radiant cooling for slabs, IBMS, automated sensor controlled lighting, bio-climatic glass façade with motorized blinds etc. The building has a 979kWp Solar PV plant at rooftop supported by pergola structure, which provides clean energy for REC office. The building also houses an in-house auditorium with 400 seating capacity.

CMD REC, Shri Vivek Kumar Dewangan (far right), welcoming Hon'ble Cabinet Minister of Power, Shri R.K. Singh at the 53rd Foundation Day of REC on July 25, 2022. Shri Krishan Pal Gurjar, Hon'ble Minsiter of State for Power and Shri Alok Kumar, Secretary Power (extreme left) were also present

41. ANNEXURES TO BOARD'S REPORT

In terms of the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and other applicable statutory provisions, separate sections containing Management Discussion & Analysis Report, Report on Corporate Governance, Business Responsibility & Sustainability Report etc., are enclosed to this Board's Report. The Company has prepared an Integrated Report for the financial year 2021-22 on a voluntary basis, as per SEBI Circular dated February 6, 2017.

Various statutory reports, information, certificates etc., in terms of the Companies Act, 2013, SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, DPE Guidelines on Corporate Governance for CPSEs, 2010 and other applicable statutory provisions, are enclosed to the Board's Report as follows:

Particulars	Annexure
Management Discussion & Analysis Report	I
Report on Corporate Governance	II
Business Responsibility & Sustainability Report	III
Integrated Report	IV
Secretarial Audit Report	V
Auditor's Certificate on Corporate Governance	VI
Annual Report on CSR Activities	VII
Details of Debenture Trustees appointed for different series of Bonds	VIII

42. ACKNOWLEDGEMENTS

The Directors whole-heartedly thank the Ministry of Power, Ministry of Finance, Ministry of Corporate Affairs, NITI Aayog, DIPAM, DPE, RBI, SEBI and the Comptroller & Auditor General of India, for their guidance and support to the Company. The Directors also thank Power Finance Corporation Limited, the holding company, for their continued support and goodwill.

The Directors extend their gratitude to all shareholders, investors, lenders and bond holders for their faith in the Company. The Directors thank all customers and borrowers, including State Governments, State Electricity Boards, State Power Utilities and Independent Power Producers, for reposing their trust and continuing their association with the Company.

The Directors are grateful to Statutory Auditors, Secretarial Auditors and other professionals associated with the Company, for their support to management. Last but not the least, the Directors thank the employees and staff, for working relentlessly in pursuit of excellence.

For and on behalf of the Board of Directors

Vivek Kumar Dewangan
Chairman & Managing Director
(DIN: 01377212)

Place : Gurugram
Date : August 20, 2022

Management Discussion & Analysis Report

The management of the Company is pleased to present its report on the business environment & industry scenario, industry risks, opportunities and the Company's financial & operational performance during the financial year 2021-22.

BUSINESS ENVIRONMENT

Global Business Environment

Global economic prospects are clouded with heightened uncertainty and downside risks from geopolitical conflict, and the spillovers are reverberating across the world. The escalation of geopolitical risk, surge in crude oil prices and intensified volatility across global financial markets may smother the global recovery, which is at nascent stage. This is happening at a time when most countries are still reeling under the pandemic and elevated inflation.

The war in Ukraine has triggered a costly crisis, which could become overwhelming for economies without a swift and peaceful resolution. Global growth is expected to slow significantly in 2022, largely as a consequence of the war. This crisis has unfolded when the global economy was on a mending path from the pandemic, but had not yet fully recovered, with a significant divergence in the recovery path of advanced economies vis-à-vis emerging market and developing economies. In addition to the war, frequent and wide-ranging lockdowns in China, including in key manufacturing hubs, have slowed down the manufacturing activity, which could cause bottlenecks in the global supply chains. Higher, broader and more persistent price pressures have led to the tightening of monetary policy in many countries. Overall risks to economic prospects have risen sharply and policy trade-offs have become ever more challenging.

The growth in global trade remained strong during 2021, as its value continued to increase through each quarter. Trade growth was not only limited to goods, the trade in services also grew substantially and reached pre-pandemic levels during the last quarter. A report by the United Nations Conference on Trade and Development says that overall, the value of global trade reached a record level of USD 28.5 trillion in 2021, which is an increase of 25% over 2020 and 13% higher than 2019, before the pandemic struck. Trade in services rose by USD 50 billion to reach USD 1.6 trillion, just above the pre-pandemic levels. Trade growth in 2022 is likely to be lower than expected, given the macroeconomic trends like persistent inflation in the United States and concerns relating to China's supply chain and real estate sector.

The global economy entered the year 2022 in a weaker position than previously expected. As new variants of Covid-19 spread, many countries re-imposed their mobility restrictions. Rising energy prices and supply disruptions resulted in higher and more broad-based inflation than anticipated. The slower-than-expected recovery of private consumption has also limited growth prospects.

Global growth is projected to slow from an estimated 6.1% in 2021 to 3.6% in 2022 and 2023. Beyond 2023, the forecast declines to about 3.3% over the medium term. Crucially, this forecast assumes that the conflict remains confined to Ukraine, further sanctions on Russia exempt the energy sector (although the impact of European countries' decisions to wean themselves off Russian energy and embargoes announced through March 31, 2022, are factored into the baseline), and the pandemic's health and economic impacts subside over the course of 2022.

Inflation is expected to remain elevated for longer than the previous forecasts, driven by war-induced commodity price increases and broadening price pressures. For 2022, inflation is projected at 5.7% in advanced economies and 8.7% in emerging market and developing economies.

On one hand, the outbreaks of pandemic and weather disruptions have resulted in shortages of key inputs and lowered the manufacturing activity in several countries. On the other hand, these supply shortages, alongside the release of pent-up demand and rebound in commodity prices, have caused consumer price inflation to increase rapidly in, for example, the United States, Germany and many emerging market and developing economies. Food prices have increased the most in low-income countries, where food insecurity is most acute, adding to the burdens of poorer households. The economic costs of war are expected to spread farther afield through commodity markets, trade and financial inter-linkages etc. Fuel and food price rises are already having a global impact on the vulnerable populations.

The role of Russia and Ukraine in the global value chains goes beyond typical commodity linkages. Disruptions in upstream sectors can therefore cascade beyond bilateral trading partners. For instance, production of neon gas, which is an input in the manufacture of silicon chips, is concentrated in Russia and Ukraine. Interruptions have caused silicon chip shortages, which is leading to downstream production bottlenecks in automobiles and electronics. Global car production is also affected by the war, as disruptions to Ukraine's production of electronic wiring systems have contributed to automobile plant shutdowns in Germany. Protracted shortages of metals exported from Russia, such as palladium and nickel, will increase the cost of items including catalytic converters and batteries. Further, disruptions in export of potash fertilizers from Belarus will affect the food production elsewhere and worsen the food prices.

After a small drop in 2020, the global electricity demand grew by 6% in 2021. It was the largest ever annual increase in absolute terms (over 1500 terrawatt hours) and the largest percentage rise since 2010 after the financial crisis. Around half of the global growth took place in China, where demand increased by an estimated 10%. Coal met more than half of the increase in global demand. Coal-fired electricity generation reached an all-time peak, growing by 9%, whereas renewables grew strongly by 6%. Gas-fired generation grew by 2%, while nuclear energy increased by 3.5%, almost reaching the 2019 levels. CO_2 emissions from electricity also rose by close to 7%, taking them to a record high. During 2022-24, it is expected that renewables will grow to match the moderate demand growth. It is also anticipated that the average annual electricity demand growth would be 2.7%, but the pandemic and high energy prices add uncertainty to this.

Indian Business Environment

India's broad range of fiscal, monetary and health responses to Covid-19 crisis, supported its recovery and helped in mitigating a longer-lasting adverse impact of the pandemic.

As per Reserve Bank of India (RBI), Indian economy's real gross domestic product (GDP) bounced to 8.9% in FY 2021-22, i.e., 1.8%. above its pre-pandemic (2019-20) level. Economic activity, which gained strength in Q2 FY 2021-22 (July-September) with the ebbing of the second wave, has lost pace since Q3 (October-December), aggravated by the spread of Omicron variant in Q4 (January-March). The beneficial effects of the receding infections have been overwhelmed by the geopolitical conflagration since February 2022. Consumer Price Index (CPI) inflation edged above the upper tolerance band in February, as unfavorable base effects combine with the onset of supply shocks caused by the conflict. The geopolitical tensions have cast a shadow on India's economic outlook.

Although India's direct trade exposure to countries at the epicenter of the conflict is limited, the war could potentially impede the economic recovery through elevated commodity prices and global spill over channels. Further, financial market volatility, induced by monetary policy normalization in advanced economies, renewed spate of Covid-19 infections in some major countries with augmented supply-side disruptions and protracted shortages of critical inputs, such as semi-conductors and chips, pose downside risks to economic outlook. Taking all these factors into consideration, real GDP growth for FY 2022-23 is now projected at 7.2% as per RBI, assuming crude oil (Indian basket) at USD 100 per barrel during 2022-23.

The International Monetary Fund (IMF), in its latest World Economic Outlook report, has slashed its forecast for India's FY 2022-23 GDP growth from 9% to 8.2%, forecasting higher commodity prices, which might weigh on private consumption and investment, besides lower net exports. India's FY 2022-23 current account deficit is expected to be 3.1%, compared to 1.5% expected for FY 2021-22. There was also a cut in India's FY 2023-24 GDP growth forecast by IMF, from 7.1% to 6.9%. The outlook has deteriorated, largely in view of the war and consequent sanctions. On the contrary, Asian Development Bank (ADB) has expected India's GDP growth to be at 7.5% in 2022-23 and 8% in 2023-24.

INDUSTRY STRUCTURE AND DEVELOPMENT

Industry Overview

India is one of the largest producer and consumer of electricity in the world. Its power sector is one of the most diversified in the world, which includes power generation from conventional sources (coal, lignite, natural gas, oil, hydro and nuclear power) and non-conventional sources (wind, solar, and agricultural & domestic waste). As on March 31, 2022, the total installed capacity of power stations in India stood at 399.49 GW. The fuel-wise installed generation capacity from fossil fuels like coal, lignite, gas and diesel stood at 236.11 GW, whereas non-fossil fuels like hydro, small hydro, wind, solar, waste-to-energy and other renewable energy, including nuclear energy, contributed to 163.38 GW.

The power sector is crucial to push economic growth and facilitate recovery. The sector made significant progress in 2021, but there are challenges, such as enhancing the green energy cover, promising reliability and resilience, enhancing security and reduction in cost. In 2022, the Indian power sector will have to find solutions for the problems like power cuts, financial losses, swift technological up-gradation and cost cutting. The advent of state-of-the-art technologies has empowered all sectors to realize their potential, while enhancing the comfort of end consumers. The need to harness the power of technology has been underlined by the pandemic. The power sector will have to upgrade itself with the technology to ensure de-carbonization, digitalization and decentralization. The objectives of sustainable energy, technological up-gradation, private sector participation, energy storage and electrification of sectors such as transportation have to be achieved.

The past few years have seen major developments in the power distribution sector in India. The country has now achieved universal access to electricity. However, power distribution continues to be the weakest link in the power sector supply chain. Most distribution utilities are making losses, as a consequence of expensive long-term power purchase agreements, poor infrastructure and inefficient operations, amongst others. These losses, in turn, prevent them from making the investments required to improve the quality of power supply and to prepare for wider penetration of renewable energy. The inability of distribution utilities to pay power generators, endangers the financial health of the sector including the lenders, causing a negative domino effect on the economy as a whole. It is with this background, that concrete measures have to be taken towards discom viability.

Industry-Structure

Generation

The installed power generating capacity in the country as on March 31, 2022 was 399.49 GW, in which 99,005 MW (24.6%) was from Central sector, 1,04,855 MW (26.2%) was from State sector and 1,95,637 MW (49%) was from private sector.

In terms of generation capacity by type, as on March 31, 2022, the installed capacity under thermal was 2,04,080 MW (51.1%), lignite was 6,620 MW (1.7%), gas was 24,900 MW (6.3%), diesel was 510 MW (0.1%) and renewables was 1,56,608 MW (39.2%). Renewable energy sources included hydro projects, small hydro project, biomass, wind, solar, waste-to-energy etc. Installed capacity of nuclear power remained at 6,780 MW (1.7%).

The Plant Load Factor (PLF) in FY 2021-22 for thermal power plants across the country was 69.71% for central plants, 54.50% for state sector plants and 53.62% for private sector plants. The total electricity generation (including renewable sources) during the financial year 2021-22 was 1491.80 BUs which was a growth of 7.96% over the total generation in last year.

Renewable Energy

As part of the Paris Agreement, India has committed to install 40% of its electricity generation capacity from non-fossil fuels by 2030. Further, a target of 500 GW installed renewable energy capacity by 2030 has also been fixed.

As of March 31, 2022, India's installed renewable energy capacity stood at 156.60 GW, representing 39.2% of the overall installed power capacity. Solar energy is estimated to contribute 53.99 GW, followed by 40.35 GW from wind power, 10.20 GW from biomass co-generation, 0.5 GW from waste to energy, 4.84 GW from small hydro power and 46.72 GW from hydropower.

The Indian renewable energy sector is the fourth most attractive renewable energy market in the world. India was ranked 4th in terms of renewable installed capacity, besides 4th in wind power and 5th in solar power as of 2020. India is the only country among G20 nations that is on track to achieve its targets under the Paris Agreement.

The Government of India had announced a production-linked incentive (PLI) scheme worth ₹4,500 crore for manufacturing high-efficiency solar PV modules over a period of five-years. In order to give further impetus to domestic manufacturing, the Government has agreed to impose basic custom duty on import of solar PV cells and solar PV modules with effect from April 1, 2022.

Transmission & Distribution

Transmission

Transmission, an important element in the power delivery value chain, facilitates evacuation of power from generating stations and its delivery to the load centers. The transmission sector works as a fulcrum for the progress of power generation and distribution segments. An extensive network of transmission lines has been developed over the years for evacuating power produced by different electricity generating stations and distributing the same to the consumers. The nominal extra high voltage lines in vogue are ± 800 kV HVDC & 765 kV, 400 kV, 230/220 kV, 110 kV and 66 kV AC lines. Transmission system is playing a catalyst role in energy transition of the country, by extending the grid to renewable rich areas and facilitating renewable energy projects to connect into the grid. Continuous addition in transmission capacity has helped in increase of the contribution of renewable energy by three times, i.e., from 35.52 GW in financial year 2014-15 to 109.88 GW in financial year 2021-22 (excluding hydro).

For efficient dispersal of power to deficit regions, strengthening the transmission system network, enhancing the inter-state power transmission system, augmentation of National Grid and enhancement of transmission system network are required. Going forward, the private sector is expected to play a key role in achieving the country's grid expansion targets, as competitive bidding gains momentum at both inter-state and intra-state levels. Several grid expansion programmes such as the GEC (Green Energy Corridor) and cross-border links are underway, to expand the physical grid infrastructure. Transmission utilities, at the Central and State level, are expected to invest significantly in new technologies to make the grid more reliable, resilient, secure and smart. The sector is also expected to benefit immensely from policy & reform measures planned ahead.

During the financial year 2021-22, a total of 14,895 cKm (circuit kilometers) of transmission lines were added, as compared to about 16,750 cKm during the previous year. Asset monetization, i.e., to create a capital pool for more projects, has been a key focus area of the Government in the transmission segment. State-run PowerGrid Corporation of India Limited is transferring transmission assets worth around ₹7,500 crore, to the newly launched PowerGrid Infrastructure Investment Trust (InvIT). The InvIT has distributed a dividend of ₹4.50 per unit since it was launched in May 2021.

Distribution

Distribution is the most important link in the entire power sector value chain, as it interfaces between the utilities and consumers. Historically, power distribution has been the monopoly of Government-owned utilities, and is in the realm of State Governments, with the private sector playing only a limited part. The sector has been reeling under losses, making it crucial for the policy makers to devise various measures to make the State discoms & utilities viable.

The Ministry of Power (MoP), Government of India has made several interventions to improve financial & operational efficiencies of discoms linked to reform measures, including Liquidity Infusion Scheme (LIS) under *Atmanirbhar Bharat*; additional borrowing of 0.5% of GSDP (Gross State Domestic Product) to States linked to power sector reforms, introducing additional prudential norms for lending by REC Limited and Power Finance Corporation Limited (PFC) based on performance of utilities and Revamped Distribution Sector Scheme (RDSS), etc.

In the last few years, distribution reforms like revision of tariff, National Electricity Fund (NEF) and Ujwal Discom Assurance Yojana (UDAY), have already started to show positive results for discoms. The ambitious Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA) scheme, which was started in 2017, provided electricity connections to nearly 3 crore families in rural and urban areas. The Government had also issued an order dated June 28, 2019, enforcing opening and maintaining of adequate Letter of Credit (LoC) as payment security mechanism under power purchase agreement (PPA) by distribution licensees. The order mandates NLDC (National Load Dispatch Centre) and RLDC (Regional Load Dispatch Centres) to dispatch power, only after the generating companies intimate and confirm the opening of LoC by discoms.

In the backdrop of outbreak of Covid-19 pandemic, the Central Government had announced a Liquidity Infusion Scheme as part of *Atmanirbhar Bharat* on May 13, 2020, under which REC and PFC have extended special long-term transition loans at concessional rates to discoms. The loans were against the receivables of discoms from State Governments, in the form of electricity dues and subsidy not disbursed, to enable them to clear their outstanding dues as existed on June 30, 2020 towards central public sector undertakings, generation & transmission companies, independent power producers and renewable energy generators. Various distribution utilities in the country have been sanctioned total loans worth ₹1.40 lakh crore and disbursed loans worth ₹1.12 lakh crore so far, under the LIS scheme. These reform measures are aimed at improving the financial health of discoms, leading to a reduction in outstanding dues to power generating companies.

Power Sector Policy Environment

Power is one of the key sectors attracting FDI inflow into India. 100% FDI is allowed under the automatic route in the power segment and renewable energy.

The Government of India has taken significant policy measures in the past years to restructure the power sector, increase capacity and improve transmission, sub-transmission & distribution network etc. The Electricity Act of 2003 brought sweeping changes to the legal framework governing the sector, which was followed by notification of National Electricity Policy, National Tariff Policy, Renewable Energy Policy, National Hydro Policy and Mega Power Policy, reflecting the measures taken by the Government to bring competitiveness and efficiency in the sector.

The Rural Electrification Policy was notified in August 2006, with the objective of improving access and quality of electricity supply in rural areas to ensure rapid economic development, by providing electricity as an input for productive uses in agriculture, rural industries etc.

Over the past few years, Indian power sector has undergone significant transformation that has redefined the industry outlook, through path-breaking policy initiatives such as UDAY, Power for All, UJALA, village & household electrification and now RDSS, to name a few. While discom reforms have achieved limited financial success, policy reforms like payment security mechanism, power-cut penalization, Electricity Amendment Bill etc., will go a long way in enhancing efficiencies in the sector. India has already kick-started the process of privatization of power distribution in Union Territories, to usher in competition, forcing discoms to improve their performance standards and adopt a more consumer-centric approach rather than remaining geographical monopolies.

Apart from the above, the Government's *Atmanirbhar* push puts the country firmly on an accelerated growth plan and makes India a compelling investment opportunity for foreign capital. A huge amount of this foreign capital is expected to flow into the Indian infrastructure sector, facilitated further through InvITs and REITs.

The Union Budget for financial year 2022-23 is a step towards innovative and sustainable development in New India, to strengthen energy transition and fight climate change. The major announcements of the budget relating to power sector, included:

- Issue of Sovereign Green Bonds for mobilizing resources for green infrastructure, for use in public sector projects, which help in reducing the carbon intensity of the economy.
- Co-firing of 5-7% biomass pellets in thermal power plants, which will result in CO_2 savings of 38 MMT (million metric tonnes) annually. This will also provide extra income to farmers and job opportunities to locals and help avoid stubble burning in agricultural fields.
- Allocation ₹19,500 crore (USD 2.57 billion) for a Production Linked Incentive (PLI) scheme to boost manufacturing of highly efficient solar modules.
- Four pilot projects for coal gasification and conversion of coal into chemicals required for the industry, to evolve technical and financial viability.
- Energy efficiency and saving measures through setting up of Energy Service Company (ESCO) business model in large commercial buildings, to facilitate capacity building and awareness for energy audits, performance contracts, common measurement and verification protocol.
- Considering the space constraint in urban areas for setting up charging stations at scale, a battery swapping policy and interoperability standards, to improve the e-vehicle ecosystem.

India strives to increase its green energy production as per the Paris Agreement, with commitment to raise its Renewable Energy contribution from current 25% to 40% by 2030. On the other hand, Government has set a target of achieving 50% share of energy from non-fossil fuels and 500 GW of renewable energy by 2030. All these targets would fuel the growth of clean energy generation. The Government is providing various incentives to the power sector to ensure sustainable production through one or other scheme, such as solar roof-top programme, PM KUSUM (Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyan), etc.

The country is in the process of introducing important energy pricing reforms in coal, oil, gas and electricity sectors, which are fundamental to further opening up of the energy market and improving its financial health. Significant steps are being taken to enhance energy security in the country by fostering domestic production, through most significant upstream reform of India's Hydrocarbon Exploration and Licensing Policy (HELP) and building up dedicated oil emergency stocks in the form of a strategic petroleum reserve.

Energy Research, Development & Deployment (RD&D) can be a strong enabler of India's energy policy goals, while also contributing to broader national priorities such as "Make in India". Through RD&D, the Government is working to attract global companies to produce solar PV, lithium batteries, solar charging infrastructure and other advanced technologies in India. As part of its climate policy agenda, the Government has pursued a mission-based approach in various policy areas, including solar power and hydropower. The Government is strengthening its innovation efforts in a broad range of energy technology areas, including cooling solutions, e-mobility, smart grids and advanced bio-fuels.

Revamped Distribution Sector Scheme (RDSS)

The Central Government has notified a reforms-based and results-linked Revamped Distribution Sector Scheme (RDSS) in July, 2021, with an outlay of ₹3,03,758 crore over a period of five years, from FY 2021-22 to FY 2025-26, with the objective to improve quality, reliability and affordability of power supply to consumers through a financially sustainable and operationally efficient distribution sector. The scheme aims to reduce the AT&C losses to pan-India levels of 12-15% and ACS-ARR gap to zero by 2024-25, by improving the operational efficiencies and financial sustainability of all discoms / power departments, excluding private sector discoms. REC and PFC are the nodal agencies of RDSS scheme.

It is pertinent to mention that earlier schemes of Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY), Integrated Power Development Scheme (IPDS) along with Prime Minister Development Package (PMDP-2015) for the erstwhile State of Jammu & Kashmir, have been subsumed in RDSS as per their extant guidelines and under their existing terms & conditions.

RDSS lays special emphasis on leveraging advanced technologies to analyze data generated through IT/OT (Information Technology and Operational Technology) devices, including system meters and prepaid smart meters, to materialize the envisaged goal i.e., introducing advanced technologies like AI/ML (Artificial Intelligence and Machine Learning) in power distribution, by leveraging partnerships and consultations.

Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY)

Government of India's flagship programme, Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY), for which REC is the nodal agency, has been completed in its sunset year 2021-22 i.e., on March 31, 2022. The MoP had notified DDUGJY in 2014, as an integrated scheme covering all aspects of rural power distribution. The scheme had an approved outlay of ₹43,033 crore, including budgetary support of ₹33,453 crore from the Government of India. All erstwhile RE schemes (including Rajiv Gandhi Grameen Vidyutikaran Yojana i.e., RGGVY) were subsumed in DDUGJY. After March 31, 2022, the DDUGJY scheme has been subsumed in RDSS. On closures, the total executed cost under the scheme has been arrived at ₹45,942.74 crore.

It is noteworthy that on August 15, 2015, the Hon'ble Prime Minister had announced that all remaining 18,452 Un-Electrified (UE) villages in the country would be electrified within 1,000 days. The MoP took up the task on mission mode and assigned the work of monitoring of electrification works of UE villages to REC. These UE villages were located in highly inaccessible areas with tough terrain, extreme temperatures, areas facing right-of-way issues or areas plagued by insurgency and extremism. A new monitoring mechanism was set up and *'Gram Vidyut Abhiyantas'* (GVAs) were appointed at block/district level. An online application, 'GARV App', was developed for transparent and accountable monitoring of the progress of village electrification. The commitment of Hon'ble Prime Minister to the nation was fulfilled ahead of the deadline, with 100% electrification of all un-electrified census inhabited villages getting completed as on April 28, 2018.

Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA)

In addition to village electrification, emphasis was also laid on household electrification. The Government of India launched the Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA) scheme on September 25, 2017 at a total cost of ₹16,320 crore, including a gross budgetary support of ₹12,320 crore, with the objective of achieving universal household electrification in the country. REC is the nodal agency for SAUBHAGYA scheme.

The objectives of the scheme included last mile connectivity and electricity connection to all un-electrified households in rural areas, last mile connectivity and electricity connection to all remaining economically poor un-electrified households in urban areas and Solar Photo-Voltaic (SPV) based standalone system for un-electrified households located in remote and inaccessible villages/habitations, where grid extension is not feasible or cost effective.

To expedite and monitor the electrification process under SAUBHAGYA, a web portal was launched to disseminate information about village wise household electrification status across the country. A feature named SAMVAD was provided in the portal to facilitate the general public to raise their queries and interact with officials of discoms, thus establishing transparency and accountability. A special vehicle, *'Saubhagya Rath'*, was deployed in villages/towns so that public may approach them to avail electricity connections under the scheme.

SAUBHAHYA scheme has been completed in its sunset year 2021-22 i.e., on March 31, 2022. On closures, the total executed cost of the projects has been arrived at ₹9,246.22 crore. It is noteworthy that 2.86 crore households have been electrified under SAUBHAGYA, DDUGJY and State Government schemes till March 31, 2022.

National Electricity Fund

The National Electricity Fund (NEF) was launched in financial year 2012-13 with interest subsidy outlay of ₹8,466 crore, to promote capital investment in distribution infrastructure for reducing distribution losses in the country. Under the scheme, interest subsidy would be provided to the discoms over 14 years on the loans availed from banks & FIs, for distribution projects sanctioned during the financial years 2012-13 and 2013-14. Under this scheme, the utilities/discoms both in public and private sectors, are eligible for subsidy on interest rates based on the progress achieved against reform-linked parameters.

REC is the nodal agency for operationalization of the scheme. Till March 31, 2022, interest subsidy of ₹1,475 crore has been released under NEF.

National Solar Mission

The National Solar Mission (NSM) was launched in January 2010 as a major initiative of the Government of India involving States, R&D institutions and industries to promote solar energy, while addressing energy security and climate change challenges of the country. The Mission is one of the several initiatives that are part of National Action Plan on Climate Change (NAPCC).

The objective of the Mission is to establish India as a global leader in solar energy, by creating the policy conditions for its large scale diffusion across the country as quickly as possible, abatement of carbon emissions and creation of direct & indirect employment opportunities for both skilled & unskilled persons. The Mission had set a target, amongst others, for deployment of grid connected solar capacity of 20 GW by 2022 to be achieved in three phases (first phase up to 2012-13, second phase from 2013 to 2017 and the third phase from 2017 to 2022). The Government revised the target from 20 GW to 100 GW on July 1, 2015.

To reach 100 GW by 2022, the yearly targets from 2015 to 2016 onwards were also revised upwards. India had an installed solar capacity of 161 MW as on March 31, 2010, about 2 and half months after the mission was launched on January 11, 2010. By March 31, 2015, three months before the targets were revised, India had achieved installed solar capacity of 3,744 MW. To meet the scaled up target of 100,000 MW, MNRE has proposed to achieve it through 60 GW of large and medium scale solar projects and 40 GW of solar roof-top projects.

National Wind-Solar Hybrid Policy

The Ministry of New and Renewable Energy (MNRE) issued the National Wind-Solar Hybrid Policy on May 14, 2018. The policy seeks to promote new hybrid projects as well as hybridization of existing wind/solar projects. The main objective of the policy is to provide a framework for promotion of large grid connected wind-solar photo voltaic (PV) hybrid system for optimal and efficient utilization of wind & solar resources, transmission infrastructure and land. The policy also permits the use of battery storage in hybrid projects, for optimizing output and reducing variability.

The wind-solar PV hybrid systems will help in reducing the variability in renewable power generation and achieving better grid stability. The policy provides for integration of both the energy sources, i.e., wind and solar, at AC (alternating current) as well as DC (direct current) level. The policy also aims to encourage new technologies, methods and solutions involving combined operation of wind & solar PV plants. A wind-solar plant will be recognized as hybrid, if the rated power capacity of one resource is at least 25% of the rated power capacity of the other resource.

The Central Electricity Authority (CEA) and Central Electricity Regulatory Commission (CERC) shall formulate necessary standards and regulations, including metering methodology and standards, forecasting and scheduling regulations, renewable energy certificate mechanism, grant of connectivity and sharing of transmission lines etc. for wind-solar hybrid systems.

Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyan

Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyan (PM-KUSUM) scheme is one of the largest initiatives in the world to provide clean energy to more than 3.5 million farmers, by solarizing their agriculture pumps. The Cabinet Committee on Economic Affairs had approved PM-KUSUM scheme in February, 2019. The scheme consists of three components:

- Component-A: 10,000 MW of decentralized ground-mounted grid-connected solar power plants
- Component-B: Installation of 20 lakh standalone solar powered agriculture pumps
- Component-C: Solarization of 15 lakh existing grid-connected agriculture pumps.

All components combined would support installation of additional solar capacity of 30.80 GW. The scheme has been expanded during

FY 2020-21 to add solar capacity of 30.8 GW by 2022. The total central financial support provided under the scheme would be ₹34,035 crore.

Unnat Jyoti by Affordable LEDs for All

Unnat Jyoti by Affordable LEDs for All (UJALA) is a scheme launched by the Government in January 2015 for replacement of 77 crore incandescent lamps with LED (Light-Emitting Diode) bulbs, in order to promote energy efficiency in the country. Under the said scheme, Energy Efficiency Services Limited (EESL), joint venture of your company with other power sector PSUs, provides LED bulbs, LED tube lights and energy efficient fans to domestic consumers at a low cost, in order to save both energy and costs.

Nearly 36.86 crore LED bulbs, 72.18 lakh LED tube lights and 23.59 lakh energy efficient fans have been distributed by EESL across India. This has resulted in estimated energy savings of 48.41 billion kWh (kilowatt hours) per year with avoided peak demand of 9,788 MW, GHG (green-house gas) emission reduction of 39.22 million tonnes CO_2 per year and estimated annual monetary savings of ₹19,332 crore in consumer electricity bills. The program has been able to engage with common man in a significant scale and so far, more than 9 crore consumers have taken the benefit of using these LED bulbs, thus making it the largest non-subsidy based LED lighting program in the world. The program has been able to achieve market transformation in the domestic lighting space, as LED industry is now selling more than 70 crore LED bulbs every year.

Transparency and Online Apps etc.

Transparency has been given a key focus in all major power-sector reform initiatives taken in the recent past. The MoP has launched various apps and websites, to empower the stakeholders to track the working and performance of the Ministry as well as to track the reform initiatives taken by it. These include 'TARANG App', which monitors the progress of transmission system in India; 'Urja Mitra App', which enables the citizens to access real time and historic outage information of discoms, 'Vidyut Pravah App', which gives real-time information on electricity price & availability, 'UJALA App', which gives updates on LED bulb distribution etc.

In addition to above policies and initiatives, the Government of India has taken various steps for improving the power sector scenario, such as National Electricity Policy 2021, Mission for Enhanced Energy Efficiency, Pumped Hydro Storage Policy, Energy Conservation Building Code, National E-Mobility Programme, etc.

The Government has readied a draft of power sector reforms, including implementation of Direct Benefit Transfer (DBT) scheme in the electricity sector for better targeting of subsidies, promoting retail competition and instilling financial discipline at state-owned electricity distribution companies (discoms). These initiatives, coupled with the Government's efforts towards promoting transparency, would redefine the power sector by making it an attractive investment destination in the near future.

OPPORTUNITIES AND STRENGTHS

REC provides loan assistance for power projects and related requirements to State power utilities and private sector companies across the country, through its extensive network of pan-India offices.

Throughout its journey of more than 50 years, REC has become a major financier and accelerator of power sector development in the country. The Company also works closely with Central and State Governments for various reforms. REC acts as nodal agency, project management & project implementing agency for various schemes and programmes of the Government of India, such as RDSS, DDUGJY, SAUBHAGYA and NEF. The Company has grown leaps and bounds over the last 5 decades, not only in its size, revenue, net-worth and scope of work, but also in its impact on the nation and the lives of its people. REC's funding illuminates every fourth bulb in India.

The MoP has proactively introduced various regulatory changes, like the Electricity (Amendment) Bill 2020, draft Electricity Rights of Consumer Rules, Real Time Market Regulations and privatization of distribution & retail segment of Union Territories followed by State discoms. This decision has the potential to not only empower customers, but also to bring huge investments into the sector and accelerate technology adoption. The reforms will especially make investment in renewable energy generation, transmission and distribution more attractive to the investors, promote competition, protect the interests of consumers and facilitate electricity supply to all areas of the country, thereby contributing to development of the power sector as a whole.

Budgetary measures also support the ambitious energy transition announced by the Prime Minister, including target to achieve 500 GW and a 50% share from renewable energy by 2030 and a pledge to achieve net-zero emissions by 2070. A major focus has been laid on capturing the emerging energy transition trends, from renewables to hydrogen and even smart metering. In order to achieve these targets, the renewable energy sector needs substantial financial assistance in the form of targeted subsidies, import tariff restrictions, interest-free loans, improved tax structures and careful policy formulation for both States and discoms.

At the same time, focus and outlay for traditional areas of the energy sector like discom revival and stressed assets, has ramped up. The foremost focus on discom viability has been recognized as the sector's most critical unfinished agenda. The outcome and reforms-linked financial package of more than rupees three lakh crore for discom infrastructure upgrade, is a forward-looking plan spanning five years. This will assist distribution infrastructure development, feeder separation and smart meter installation. The reforms will also give more options to the consumers in choosing their electricity supplier by improving systemic efficiencies and enabling competitive tariffs, as will the Government's intention to increase private sector participation in distribution.

Monetization of transmission assets through InvIT model is a promising move that will help add transmission capacity, to match the rapid pace of electricity generation and demand. Expanding capitalization of SECI and IREDA, which are important organizations for the power sector, will be a huge boost for renewable energy. The proposal to make dividend payments to REIT and InvIT investors exempt from TDS and setting up a development financial institution are welcome measures to encourage investments in the power sector.

Between April 2000 to December 2021, the total FDI inflow in power sector reached USD 15.84 billion, accounting for 2.77% of the total FDI inflow in India. With the Union Budget 2022-23 focusing on transition to carbon neutral economy, policies such as allocation ₹19,500 crore (USD 2.57 billion) for PLI scheme to boost manufacturing of high-efficiency solar modules, Sovereign Green Bonds to mobilize resources for green infrastructure etc., provide various new opportunities.

The Government had allocated ₹111 lakh crore to the National Infrastructure Pipeline (NIP) for FY 2019-25, out of which the energy sector accounts for 24%. The total capex projected for the infrastructure sectors during FY 2019-25 is a massive ₹102 lakh crore, of which conventional power and renewable energy projects will see significant outlays of ₹1180 crore and ₹930 crore respectively. While the private sector is expected to take a lead in renewable energy investments, the investments in conventional and atomic energy projects would come largely from public sector. The challenge would be to extend investment opportunities in distribution, because without a large scale overhaul of distribution infrastructure and improvement of the finances of discoms, growing generation capacity shall be redundant, and riddled with costly disputes down the line.

In the upcoming years, clean energy agenda is not only complimented by sectoral interventions but also by a balanced and strategic set of interventions across sectors such as 2,00,000 *Saksham Aanganwadis* powered by clean energy, 400 energy-efficient Vande Bharat trains, provision for decentralized renewable energy under vibrant village programs, special mobility zones to promote e-vehicles, policy shift to promote public mobility and transport systems implemented with cleantech and zero fossil fuel policy etc.

THREATS, RISKS AND CONCERNS

REC's performance and growth of its business are dependent on the performance of the overall Indian economy, with power sector in particular.

70% of India's power demand is met by coal-fired power plants. Coal stocks at more than 100 thermal power plants in India have fallen below 25% of the required stock. The major reasons for coal shortage are increasing power demand and increasing price of gas and imported coal. The coastal thermal power plants are now generating around half of their capacity because of the sharp rise in imported coal prices. A crisis on coal front significantly affects the generation and distribution companies.

REC faces stiff competition from NBFCs as well as banks. Legal risk arises from the uncertainty of enforceability of contracts, relating to the obligations of borrowers. Interest rates are dynamic and dependent on various internal and external factors, including cost of borrowing, liquidity in the market, competitors' rates, movement of benchmarks such as AAA bond/G-Sec yields and policy changes by RBI. Further, changes in market interest rates might adversely affect the Company's financial condition.

Barriers to entry in the power sector are high, especially in the transmission and distribution segments, which are largely state monopolies. Entering the power generation business requires heavy investment initially. Other barriers are fuel linkages, payment guarantees from State Governments that buy power, shortage of inputs including natural gas, regulatory hurdles etc., which have dissuaded new entrants. This might prevent significant growth in the customer base of the Company.

Trading of solar power is one segment that has not picked up yet due to aggressive tariffs, however, this may be an opportunity in future, from the perspective of stronger payment security mechanism. Efficiency improvement measures in the sector, especially through IT enablement, promotion of environment-friendly renewable technologies and energy efficiency solutions in the coming future, are expected to provide new business opportunities.

Another cause of concern is the equity constraint faced by promoters of private sector projects, which leads to delays in project implementation and consequent cost & time overruns. The failure of borrowers in meeting their debt-related obligations may adversely impact the Company's profits, thereby creating stressed assets and impacting the ability of the Company to mobilize low cost funds. The Indian capital market is developing and maturing at a good pace and the same may cause a shift in the pattern of power sector financing. In case the borrowers start directly accessing the market, the same may affect REC's business.

The Company is also concerned about prevailing exposure norms, financial position of discoms, limited fuel availability, poor financial health of State discoms, high AT&C losses, entry of new players in the market, rising competition from banks & multilateral agencies, uncertain business environment, fluctuation in rupee, likely increase in cost of capital due to volatile market conditions, low power demand and no likely addition in conventional generation capacity in the next 5 years. Further, business and policy environment of the country has a cascading effect on the interest-rate regime, cost and availability of raw materials, gestation period and capital outlays required for power sector projects. General economic conditions may also have a direct bearing on the viability of power projects, which may affect the capacity of the borrowers to service their loans.

The Government is taking several initiatives to put power sector on a revival path, which includes addition of significant power generation capacity and improvement in coal scenario. The Company is keenly raising resources at a low cost and ensuring their deployment in avenues offering the best returns, which would be a key factor in sustainable growth and profitability of REC.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

REC is a leading non-banking financial company (NBFC) categorized as Infrastructure Finance Company (IFC) by the RBI, servicing the financing needs of entire power sector value chain.

REC's principal products are interest-bearing loans to State utilities, private-sector borrowers etc. The Company does not have any separate reportable segment.

During the financial year 2021-22, the Company sanctioned total loan assistance of ₹54,421.76 crore towards various power sector projects and schemes. The same included ₹16,089.15 crore towards generation projects, ₹14,733.52 crore towards renewable energy projects, ₹21,150.79 crore towards T&D projects, including loans under Liquidity Infusion Scheme (LIS) of the Government of India under Atmanirbhar Bharat and ₹2,448.30 crore towards other loans such as short-term loans, medium-term loans etc.

During the financial year 2021-22, the Company disbursed total loans of ₹64,150.21 crore, which included ₹19,406.90 crore towards generation projects, ₹2,823.51 crore towards renewable energy projects, ₹16,554.23 crore towards T&D projects, ₹19,752.42 crore towards LIS and ₹4,877.68 crore towards other loans including short-term loans, medium-term loans etc. The loan disbursements also included ₹735.47 crore of counter-part funding under DDUGJY (including DDG component) and SAUBHAGYA schemes of the Government of India.

Apart from the above, the Company disbursed a total subsidy of ₹5,317.66 crore received from the Government of India during the financial year 2021-22, which included ₹4,782.72 crore under DDUGJY scheme, ₹65.96 crore under DDG component of DDUGJY scheme and ₹468.98 crore under the SAUBHAGYA scheme.

OUTLOOK

The power sector, globally as well as in India, is undergoing a sea change. This is visible in the increasing deployment of clean renewables and the rising prevalence of grid connected distributed generation. While these trends create churn and disruption in the power sector, they also create opportunities for new and innovative business models. These changes will require flexibility throughout the power sector. Most new generation capacity is likely to be renewable. Increased flexibility in generation will be required in the form of both physical (such as flexible generation, and demand response) and institutional (such as access to markets).

The transmission sector will require greater capacity to evacuate power from renewable-rich regions to the rest of the country. Digitalization of grid will enable bi-directional flow of information and power. Utility-scale energy storage, being able to act as load or as supply, will play an important role in enhancing the flexibility of the system. In India, this transition is all the more challenging because of sub-optimal condition the distribution sector. The distribution companies, as a whole, are loss-making and debt-ridden. Consequently, they are not able to invest in better infrastructure and better services to their customers, besides not being able to pay to the power generators on time. Therefore, distribution sector reforms are of utmost importance.

The history of power sector reforms tells us that India is too large and diverse for a one-size-fits-all approach. Importing external expertise, structural frameworks and new technology will be required, but these steps will not be sufficient to drive India's power sector transition. Similarly, implementing retail choice through separation of content and carriage may not necessarily result in the full set of theoretical benefits touted. A flexible and home-grown approach to reform, which is supported by States and the Centre and which allows for 'learning by doing', will be instrumental in determining the success of reforms.

MoU RATING AND AWARDS

The performance of the Company in terms of Memorandum of Understanding (MoU) for the financial year 2020-21 signed with the holding company *viz.* Power Finance Corporation Limited, has been rated as "Excellent" by Department of Public Enterprises (DPE), with a perfect score of 100 out of 100 marks, the only CPSE to achieve this feat in the said year.

The Company continued its award winning performance in many areas. During the financial year 2021-22, REC was named as India's Leading NBFC in Infrastructure Financing Category by Dun & Bradstreet at its BFSI & FinTech Awards. The Company also won the award for 'Best Organization for Women Empowerment' at Women Achievers Awards 2021 by Exchange4Media.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company maintains an adequate system of internal controls including suitable monitoring procedures to ensure accurate and timely financial reporting of various transactions, efficiency of operations and compliance with statutory laws, regulations and Company policies. Suitable delegation of powers and guidelines for accounting have been issued for uniform compliance. REC also has in place its ERP operations and e-office system, to ensure IT based operations with minimum manual interventions. In order to ensure that adequate checks and balances are in place and internal control systems are in order, regular and exhaustive internal audits of various divisions and offices are conducted by in-house Internal Audit division or external professional audit firms.

Further, review audits of various regional and State offices are also conducted by the in-house Internal Audit division, for those offices where internal audit is being outsourced continuously for three years. The internal audit covers all the major areas of operations of the Company including identified critical/risk areas, as per the Annual Internal Audit Programme. The Audit Committee periodically reviews the significant findings of audits, as prescribed in the Companies Act, 2013 and in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

As per the mandate of RBI, the Company has a Board-approved Risk Based Internal Audit (RBIA) framework in place. The RBIA framework includes independent risk assessment of the operation / activities, identification of audit universe, development of risk matrix, preparation of annual RBIA Plan and execution of internal audit as per the frequency defined in the RBIA policy.

FINANCIAL & OPERATIONAL PERFORMANCE

The Company achieved impressive performance during the financial year 2021-22. The operating income of the Company on a standalone basis was ₹39,132.49 crore, which was 11% higher than last year's income of ₹35,387.89 crore. The Profit Before Tax (PBT) for the financial year 2021-22 was ₹12,424.90 crore, which was 16% higher than last year's PBT of ₹10,756.13 crore. Net Profit for the financial year 2021-22 stood at ₹10,045.92 crore, which was 20% higher than last year's net profit of ₹8,361.78 crore. The Net Worth as on March 31, 2022 stood at ₹50,985.60 crore, which was 17% higher than last year.

The Company gives utmost priority to timely realization of its dues towards principal, interest, etc. During the financial year 2021-22, the Company recovered ₹91,681.72 crore, against the total sum of ₹92,696.37 crore due for recovery, including interest for Standard Assets (Stage I & II), thereby achieving a recovery rate of 98.91%.

KEY FINANCIAL RATIOS

The details of changes in key financial ratios applicable and specific to the Company, are given herein below:-

Particulars	FY 2021-22	FY 2020-21
Interest Coverage ratio (times)	**1.56**	1.50
Debt Equity ratio (times)	**6.41**	7.40
Operating Profit Margin (%)	**31.50**	30.33
Net Profit Margin (%)	**25.61**	23.61
Gross Credit Impaired Assets (Stage-III) (%)	**4.45**	4.84
Net Credit Impaired Assets (Stage-III) (%)	**1.45**	1.71
Return on Net Worth (PAT/Average Net Worth) (%)	**21.28**	21.30

There was no significant change in the key financial ratios for financial year 2021-22 *vis-à-vis* the last financial year 2020-21. Further, the change in Return on Net Worth was also negligible.

HUMAN RESOURCES / INDUSTRIAL RELATIONS

As on March 31, 2022, total manpower of the Company was 440 employees, which included 392 executives and 48 non-executives. The industrial relations scenario continued to be on a cordial and harmonious note. During the financial year 2021-22, there was no loss of man-days on account of industrial unrest. The operations of the Company continued seamlessly despite the pandemic.

Employee training and development continued to receive key focus. Total 231 employees of the Company attended various training programmes, workshops, webinars etc. during the financial year 2021-22, achieving 466 training man-days in total.

CORPORATE SOCIAL RESPONSIBILITY

REC's Corporate Social Responsibility (CSR) initiatives are pursued with key focus on addressing community based, societal and environmental concerns. The Company undertakes its CSR activities through 'REC Foundation', a not-for-profit society.

During the year 2021-22, the Board of Directors had approved a CSR budget of ₹170.67 crore, in line with the applicable provisions of the Companies Act and Rules made thereunder. Against the same, the Company spent an amount of ₹171.07 crore on various CSR projects during the year (including carry forward of excess spend of ₹3.45 crore from the previous year). Details of the CSR projects are appearing in the Board's Report.

The total amount of CSR projects sanctioned during the financial year 2021-22 aggregated to ₹307.17 crore, which included projects in the fields of health care (including for elderly and divyang persons), safe drinking water and sanitation facilities, employment enhancing vocational skills, education, environmental sustainability, rural development projects etc.

The disbursement towards CSR projects is linked with the achievement of predefined milestones and deliverables. The implementation of CSR projects is done in project mode with baseline survey, specific project time frame, identified milestones, periodic monitoring and impact assessment.

RISK MANAGEMENT FRAMEWORK

The Company has a comprehensive Risk Management Policy approved by the Board, covering credit risk, operational risk, liquidity risk and market risk. The Company has constituted a Risk Management Committee, the main functions of which are to identify and monitor various risks of the organization and to suggest actions for mitigation of the same. Further, the Company has appointed a Chief Risk Officer (CRO), as per the requirement of RBI norms.

The risks faced by REC have been categorized and monitored systematically. Credit risk is an inherent risk of the financing industry. It involves risk of loss arising from the diminution in credit quality of the borrower and the risk of the borrower defaulting on contractual repayments under a loan or an advance. Operational risk, on the other hand, arises from inadequate or failed internal processes, people and systems or external events. Liquidity risk is the risk of potential inability to meet the liabilities as they become due; and the inability to fund increase in assets, manage unplanned changes in the funding sources and to meet obligations when required. Market risk is defined as the risk to the Company's earnings and capital due to changes in the interest rates or prices of securities, foreign exchange changes as well as volatilities of changes.

In order to mitigate credit risk, the Company follows institutional appraisal and project appraisal processes, which include detailed appraisal methodology, identification of risks, suitable structuring and mitigation. The operational risks are measured and categorized as 'High', 'Moderate' or 'Low', through a comprehensive risk register covering all functional areas, namely business, compliance, finance, human resource, information technology, legal, operational and strategy. The Company manages its liquidity risk through a mix of strategies, including forward-looking resource mobilization based on projected disbursements and maturing obligations. Further, to mitigate market risk, the Company has an Asset Liability Management Committee (ALCO) with CMD, Whole-time Directors and senior officials as its members, which meets regularly for review. The Company also has in place an Asset Liability Management Policy and Hedging Policy.

IMPACT OF CLIMATE CHANGE

The impact of climate change will prompt substantial structural adjustments to the global economy. Such fundamental changes will inevitably impact the balance sheets and operations of financial institutions, leading to both risks and opportunities. Massive amounts of capital and new financial products will be required to fund the transition and finance climate resilience, creating demand for banking & financial services. To effectively manage climate risks and to protect financial institutions from their potential impact, it is necessary to integrate climate risk into their financial risk management frameworks.

India has set an ambitious target of 500 GW installed renewable energy capacity by 2030 and increase the share of green energy to 50% of the total energy requirement by 2030. The sector is also looking towards push for e-mobility, promotion of energy saving devices and adoption of new and emerging technologies. At the 26th session of the Conference of Parties (COP26) to United Nation Framework Convention on Climate Change (UNFCC) in Glasgow, UK in November 2021, it was decided to cut India's total projected carbon emission by one billion tonnes by 2030, reduce the carbon intensity of the nation's economy by less than 45% by the end of the decade and achieve net-zero carbon emissions by 2070.

REC is already contributing to renewable energy financing in India. With ambitious goal of 500 GW capacity by 2030 and decision taken at COP26 summit to reduce carbon emissions, REC will continue to expand and enhance its financing efforts in the renewable energy sector.

STRATEGY

REC aspires to emerge as the largest lender of renewable energy projects and also targets emerging opportunities in financing of e-mobility infrastructure, manufacturing of solar cells & modules, hybrid renewables and round-the-clock (RTC) projects, PM-KUSUM projects, smart-metering, smart grid, pollution control equipment and coal mining projects etc.

REC is also looking to diversify into financing non-power infrastructure and distribution works, including through PPP and franchise models. The idea is to be not just a funding partner, but also an implementer or owner of such products or services, through itself or through its subsidiaries. REC is closely following the market and ongoing developments, so as to make apt decisions and maximize the value for stakeholders.

On the generation front, business opportunities such as powering renewable energy projects (solar, wind, small hydro, biomass), investment in large hydro projects etc. are lined up, which should see uprise in light of the Government's Hydro policy. Investment in solar roof-top projects, solar parks, grid connected solar power plants and renovation & modernization including replacement of existing power plants, is also on the cards.

The T&D sector is gearing up for robustness to cater to 24x7 power demand of all consumers, given the success of the Government's SAUBHAGYA scheme covering universal household electrification. New investment will be required in network addition / augmentation, underground cabling, smart meters/equipment, advanced metering and automated meter reading infrastructure (AMI / AMR), smart grid, green corridors and new network under Tariff Based Competitive Bidding (TBCB) route. REC is watching this space to capture funding and development opportunities.

India's discoms are a vital stakeholder group in the energy transition scene, which holds key to the future of power sector. The discom reform scheme of RDSS, attests to the importance of discom transformation efforts and REC has a key role to play in this revival. The benefits of discom turnaround driven by clean energy portfolios will stand to pay long-term dividends.

REC is also building close professional partnerships with national and international financial institutions, multilateral development organizations etc., to raise resources at competitive rates and to align with international best practices. In the upcoming years, REC will remain at the forefront of power sector development in the country and beyond.

For and on behalf of the Board of Directors

Vivek Kumar Dewangan
Chairman & Managing Director
(DIN: 01377212)

Place : Gurugram
Date : August 20, 2022

Cautionary note

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

Report on Corporate Governance

REC Limited (the Company) has been in the service of the country and its power sector, for more than half a century now. Its persistence and performance as an organization has been possible, due to sound corporate governance, effective stakeholder participation and long-term orientation towards development. REC's management is committed to the adherence of rule of law and ethical conduct, through transparency, accountability and responsiveness. The Corporate Governance framework at REC takes cognizance of not only effective and efficient management, but also the capability to deal with change and benefits to the society at large.

REC continues to add value in a balanced way for all its stakeholders, be it shareholders, holders of non-convertible securities, customers, vendors, employees, communities and public at large. The Company meets all mandatory requirements on Corporate Governance, which are in its ambit, as prescribed under the Companies Act, 2013 ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by the Department of Public Enterprises ("DPE Guidelines on Corporate Governance") and Secretarial Standards issued by the Institute of Company Secretaries of India ("Secretarial Standards"). REC meets most of the non-mandatory requirements of SEBI LODR Regulations as well.

A report regarding compliance of conditions of Corporate Governance is given below. A Certificate on Corporate Governance issued by the Statutory Auditors of the Company also forms part of the Annual Report.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance at REC is managing the business in an ethical and responsible manner geared to sustainable value creation for stakeholders within the prevalent regulatory framework. The Company believes in adopting the best practices that are followed in the area of Corporate Governance across the globe. The Company has a strong legacy of fair, transparent and ethical governance practices. The cardinal principles of independence, accountability, responsibility, transparency, credibility, sustainability and fair & timely disclosures etc., serve as the means for implementing the Company's philosophy of Corporate Governance in true letter and spirit. The Company's systems, policies and frameworks are regularly reviewed and upgraded to meet the challenges of a dynamic business environment.

The Corporate Governance framework at REC is based on the following guiding principles:

- Compliance of law, rules and regulations in true letter and spirit;
- Appropriate systems and practices to protect, promote and safeguard the interests of all its stakeholders; and
- Establishing a climate of trust and confidence among various stakeholders by means of transparent and timely disclosure of all material information.

The above principles help in achieving the following objectives:

- To protect and enhance shareholder value;
- To protect the interest of all other stakeholders such as customers, employees and society at large;
- To ensure transparency and integrity in communication and to make available full, accurate and clear information to all concerned;
- To ensure accountability for performance and customer service and to achieve excellence at all levels; and
- To provide corporate leadership of the highest standard for others to emulate.

Being a NBFC, the Company has framed its "Internal Guidelines on Corporate Governance" pursuant to RBI norms, which codify the Corporate Governance philosophy, structure and framework followed in the Company. The Internal Guidelines on Corporate Governance are available at https://recindia.nic.in/uploads/files/Final---Internal-Guidelines-on-Corporate-Governance.pdf.

2. BOARD OF DIRECTORS

As per the Articles of Association of REC, the number of Directors of the Company shall not be less than 3 (three) and not more than 15 (fifteen). As on March 31, 2022, the Board of Directors of REC comprised of 7 (seven) Directors, including the Chairman & Managing Director (CMD); Director (Finance); a Government Nominee Director from the administrative ministry i.e., the Ministry of Power (MoP), Government of India; a Nominee Director of Power Finance Corporation Limited (PFC), which holds majority equity stake in the Company; and 3 (three) Part-time Non-Official Independent Directors, including a Woman Independent Director. The post of Director (Technical) was not occupied as on March 31, 2022, however, w.e.f. July 15, 2022, Director (Technical) has been appointed in REC.

Being a Government company within the meaning of Section 2(45) of the Companies Act, 2013, the power to appoint Directors on the Board of REC vests with the President of India acting through the administrative ministry i.e., MoP.

During some part of the financial year ended on March 31, 2022, the composition of Board of Directors and composition of some Committees of the Board, was not in conformity with the Companies Act, 2013, SEBI LODR Regulations and DPE Guidelines on Corporate Governance, due to absence of requisite number of Independent Directors including Woman Independent Director on the Board. The Company has been regularly requesting the administrative ministry to appoint the requisite number of Independent Directors. Accordingly, 3 (three) Independent Directors including 1 (one) Woman Independent Director were appointed during the year; and various Committees of the Board were also re-constituted in line with the applicable statutory provisions.

The matter of appointment of remaining number of Independent Directors is under consideration of the administrative ministry. Once the requisite number of Independent Directors are appointed, the Company will be in compliance with the applicable statutory provisions.

All Directors of REC possess the required skills and expertise to manage the business of the Company in an efficient and effective manner. The Directors collectively provide strategic vision and guidance required to fulfil the corporate objectives of the Company.

The Board has adopted a Policy on, *inter-alia*, Diversity and Skills of the Board, on recommendation of the Nomination & Remuneration Committee (NRC), which has been submitted to the MoP for suitable consideration in matters of nomination/ appointment/ reappointment of Directors in REC. The said policy is available at https://recindia.nic.in/uploads/files/Amended---Policy-on-Board-Diversity--Other-matters-dt-150722.pdf.

Further, pursuant to RBI's Master Directions and on the recommendation of NRC, the Board has also adopted a "Policy on 'fit & proper' criteria of Directors" effective from February 4, 2022, which sets out the internal supervisory process to carry out due diligence of persons, for appointment or continuation as a Director on the basis of qualifications, expertise, track record, integrity and other 'fit & proper' criteria. The compliance of 'fit & proper' criteria as defined in the policy, is ensured at the time of apointment or re-appointment of Directors and also on an annual basis. The policy is available at https://recindia.nic.in/uploads/files/Amended--Policy-on-Fit--Proper-Criteria.pdf.

(a) Composition of Board

The details of composition of the Board as on March 31, 2022, including changes therein that took place during the financial year 2021-22 and other relevant particulars, are given below:

Sl. no.	Name of the Director	DIN	Position in the Company	No. of other Directorships held in Indian public limited companies	Directorships held in other listed entities, category of Directorship	No. of Committee positions held in other companies[a]	
						Chair-person	Member
Whole-time Directors (Executive Directors)							
1	Shri Sudhir Kumar Gangadhar Rahate	05254178	CMD *(w.e.f. 22-Feb-2022)*[b]	1	-	-	-
2	Shri Ajoy Choudhury	06629871	Director (Finance)	1	-	-	-
Part-time Directors (Non-Executive Directors)							
3	Shri Vishal Kapoor	08700132	Government Nominee Director *(w.e.f. 7-Sep-2021)*	1	Power Finance Corporation Limited[c] (Nominee Director)	-	-
4	Smt. Parminder Chopra	08530587	PFC Nominee Director *(w.e.f. 4-Feb-2022)*	8	Power Finance Corporation Limited (Whole-time Director) PTC India Limited (Nominee Director)	Nil	1[d]
5	Dr. Gambheer Singh	02003319	Independent Director *(w.e.f. 15-Nov-2021)*	-	-	-	-
6	Dr. Manoj Manohar Pande	09388430	Independent Director *(w.e.f. 15-Nov-2021)*	-	-	-	-
7	Dr. Durgesh Nandini	09398540	Independent Director *(w.e.f. 30-Dec-2021)*	-	-	-	-

a. *In line with Regulation 26 of SEBI LODR Regulations, only chairpersonship / membership in Audit Committee and Stakeholders Relationship Committee in Indian public limited companies (other than REC) have been taken into consideration. Further, none of the Directors is a member of more than 10 (ten) such committees nor a Chairperson of more than 5 (five) such committees.*

b. *Shri Sudhir Kumar Gangadhar Rahate ceased to be CMD of the Company w.e.f. 10-May-2022.*

c. *Shri Vishal Kapoor ceased to be Director of Power Finance Corporation Limited w.e.f. 30-May-2022.*

d. *Smt. Parminder Chopra is a member of the Stakeholders Relationship and Shareholders'/Investors' Grievance Committee of PFC.*

(b) Changes in the composition of the Board

1. Shri Vishal Kapoor (DIN 08700132), Joint Secretary, MoP, was appointed as the Government Nominee Director in REC w.e.f. September 7, 2021, pursuant to MoP Office Order of even date, vice Shri Tanmay Kumar (DIN 02574098), former Government Nominee Director.

2. Shri Sanjeev Kumar Gupta (DIN 03464342), former Director (Technical), attained the age of superannuation and ceased to be a Director of the Company w.e.f. November 1, 2021.

   Pursuant to MoP Order dated October 21, 2021, the additional charge of Director (Technical) was assigned to Shri Sanjay Malhotra (DIN 00992744), former CMD, for a period of three months (November 1, 2021 to January 31, 2022). Thereafter, pursuant to MoP Order dated July 15, 2022, the additional charge of Director (Technical) was assigned to Shri Ajoy Choudhury (DIN 06629871), Director (Finance), for the period of February 1, 2022 to July 14, 2022, i.e., till the appointment of the regular incumbent.

3. Dr. Gambheer Singh (DIN 02003319) and Dr. Manoj Manohar Pande (DIN 09388430) were appointed as Part-time Non-official (Independent) Directors on the Board w.e.f. November 15, 2021, pursuant to MoP Order(s) of even date, for a period of three years.

4. Dr. Durgesh Nandini (DIN 09398540) was appointed as Part-time Non-official (Independent) Director on the Board w.e.f. December 30, 2021, pursuant to MoP order dated December 27, 2021 read with resolution passed by circulation by the Board, for a period of three years.

5. Shri Praveen Kumar Singh (DIN 03548218), former Nominee Director of PFC, ceased to be a Director of REC w.e.f. February 1, 2022, on attaining the age of superannuation in the nominating authority. Subsequently, Smt. Parminder Chopra (DIN 08530587) was appointed as the Nominee Director of PFC (Additional Director) w.e.f. February 4, 2022, pursuant to MoP letter dated February 2, 2022 read with a resolution passed by the Board.

   Further, pursuant to Regulation 17(1C) of SEBI LODR Regulations, the shareholders have approved the appointment of Smt. Parminder Chopra as Nominee Director of PFC, by passing an Ordinary Resolution on April 27, 2022 through postal ballot process.

6. Shri Sanjay Malhotra (DIN 00992744), former CMD, ceased to be a Director of the Company w.e.f. February 11, 2022, consequent to his appointment as Secretary in the Department of Financial Services, Ministry of Finance.

7. MoP, vide its Order dated February 22, 2022, assigned the additional charge of CMD, REC to Shri Sudhir Kumar Gangadhar Rahate (DIN 05254178), Additional Secretary, MoP, w.e.f. February 22, 2022 for a period of three months or until further orders.

   Pursuant to Regulation 17(1C) of SEBI LODR Regulations, the shareholders have approved the appointment of Shri S.K.G. Rahate as CMD, by passing an Ordinary Resolution on April 27, 2022 through postal ballot process. Subsequently, due to his appointment as Secretary in the Department of Justice, Ministry of Law & Justice, Shri Rahate has ceased to be CMD w.e.f. May 10, 2022.

(c) Changes in the composition of the Board after March 31, 2022

8. MoP, vide its Order dated May 10, 2022, assigned the additional charge of CMD, REC to Shri Ravinder Singh Dhillon (DIN 00278074), CMD of PFC, w.e.f. May 10, 2022 for a period of three months or until further orders. Shri Dhillon held the additional charge of CMD, REC, till the appointment of regular incumbent, i.e., Shri Vivek Kumar Dewangan.

9. Shri Vivek Kumar Dewangan (DIN 01377212) was appointed as and is currently the CMD, REC, pursuant to ACC communication dated May 13, 2022 read with MoP order dated May 18, 2022, which states that his appointment shall be effective from the date he assumes the charge of the post. Shri Dewangan assumed the charge as CMD, REC w.e.f. May 17, 2022.

10. Pursuant to MoP order dated July 15, 2022, Shri Vijay Kumar Singh (DIN 02772733), has been appointed as Director (Technical), with effect from the date of his assumption of charge of the post till the date of his superannuation i.e., June 30, 2025 or until further orders, whichever is earlier. Shri V.K. Singh assumed the charge of Director (Technical) w.e.f. July 15, 2022.

    Further, pursuant to Regulation 17(1C) of SEBI LODR Regulations, the proposal for appointment of Shri V.K. Singh is being submitted for approval of shareholders at the ensuing 53rd AGM.

(d) Other provisions as to Board and its Committees

(i) Board procedures

The Company follows a methodized process of holding Board and Committees meetings. The meeting dates are usually finalized in consultation with all the Directors well in advance, to ensure their full presence and maximum participation of all concerned. The agenda notes are circulated within statutory timelines through electronic or physical mode, as preferred by the respective Director. The Company sends electronic agenda notes for Board & Committee meetings to the Directors through a secured platform, to enable paperless access. Price sensitive information is circulated separately before the meeting by complying with the applicable statutory provisions.

As per business requirments, at times resolutions are also passed by circulation, which are noted in the next Board meeting. In the event of urgent business needs, meetings are sometimes called at a shorter notice, following the prescribed procedure.

Inclusion of any matter in the agenda of Board or Committee meetings is considered as per an established internal process and decided by the CMD. Agenda notes contain executive summary in a standard format, alongwith detailed information about the proposal, including draft resolution(s) to be appoved.

Meetings of Board & Committees are generally held at the Corporate Office in Gurugram, during office hours, with active use of video conferencing. During the meetings, officials from senior management are also called, if required, to make presentation or provide additional inputs on any agenda item. There is a post-meeting follow-up system of Action Taken Report (ATR), where action taken on earlier decisions / deliberations of the Board or Committees thereof, are submitted for review in the subsequent meetings. The Company complies with the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

(ii) Details of Board meetings held during the financial year 2021-22.

During the financial year 2021-22, the Board of Directors of REC met 11(eleven) times as under:

Q1	Q2	Q3	Q4
28-May-2021	19-Jul-2021	29-Oct-2021	4-Feb-2022
15-Jun-2021	5-Aug-2021	7-Dec-2021	21-Mar-2022
	30-Aug-2021		
	16-Sep-2021		
	24-Sep-2021		

The minimum and maximum gap between any two Board meetings held during the financial year was 8 (eight) days and 59 (fifty-nine) days, respectively. Further, gap between the first Board meeting of financial year 2021-22 from the last Board meeting of financial year 2020-21, was 72 (seventy-two) days.

(iii) Information placed before the Board of Directors

The Board has complete access to all information available within the Company. The quantity and quality of information supplied to the Board goes well beyond the minimum requirements stipulated under SEBI LODR Regulations.

The information provided to the Board includes, *inter-alia*, the following:

1. Annual operating plans and budgets and any updates.
2. Capital budgets and any updates.
3. Proposals relating to raising of funds.
4. Proposals relating to sanction of financial assistance.
5. Quarterly, half yearly and annual financial results of the Company.
6. Board's Report alongwith its annexures.
7. Minutes of meetings of Audit Committee and other Committees of the Board.
8. Minutes of Board meetings of all subsidiary companies.
9. The information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and Company Secretary, if applicable.
10. Show cause, demand, prosecution notices and penalty notices which are materially important, if any.
11. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems, if any.
12. Any material default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company, if any.
13. Issues which involve possible public or product liability claims of substantial nature, including any judgment or order, which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company, if any.
14. Details of any joint venture or collaboration agreement, formation of subsidiaries, strategic alliances, etc., if any.
15. Transactions that involve substantial payment towards goodwill, brand equity or intellectual property, if any.
16. Significant labour problems, if any and their proposed solutions. Any significant development in human resources / industrial relations front like signing of wage agreement, implementation of voluntary retirement scheme etc., if any.
17. Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business, if any.
18. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
19. Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, etc., if applicable.
20. Quarterly report on compliance of various applicable laws.
21. Quarterly report on reconciliation of share capital audit, corporate governance report as per SEBI LODR Regulations and status of investor grievances.
22. Quarterly report on borrowings and redemption.
23. Quarterly report on deployment of short-term surplus funds.
24. Quarterly report on loan portfolio quality and diversification.
25. Quarterly report on cost of funds.
26. Quarterly report on ECL based credit risk categorization of loan book.
27. Half yearly report on long term investments.
28. Half yearly report on compliance of Whistle Blower Policy.
29. Half yearly report on compliance of Fair Practices Code.
30. Periodic reports under the Delegation of Powers.
31. Action Taken Report on earlier decisions / deliberations of the Board.
32. Any other information, as may be required to be presented to the Board.

(iv) Details of Directors' attendance at Board Meetings and Annual General Meeting (AGM) held during the financial year 2021-22.

Sl. no.	Name of the Director	Date of Board meeting and attendance thereat											Total number of meetings			Attendance at 52nd AGM held on 24-Sep-21
		28-May-2021	15-Jun-2021	19-Jul-2021	5-Aug-2021	30-Aug-2021	16-Sep-2021	24-Sep-2021	29-Oct-2021	7-Dec-2021	4-Feb-2022	21-Mar-2022	Held during tenure	Attended by Director	% of attendance	
1	Shri Sudhir Kumar Gangadhar Rahate *CMD w.e.f. 22-Feb-2022*	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	📹	1	1	100	N.A.
2	Shri Sanjay Malhotra *CMD upto 10-Feb-2022*	👤	👤	👤	👤	📹	👤	👤	👤	👤	👤	N.A.	10	10	100	📹
3	Shri Sanjeev Kumar Gupta *Director (Technical) upto 31-Oct-2021*	👤	👤	👤	👤	📹	👤	👤	👤	N.A.	N.A.	N.A.	8	8	100	📹
4	Shri Ajoy Choudhury *Director (Finance)*	👤	👤	👤	👤	📹	👤	👤	👤	👤	👤	👤	11	11	100	📹
5	Shri Vishal Kapoor *Government Nominee Director w.e.f. 7-Sep-2021*	N.A.	N.A.	N.A.	N.A.	N.A.	📹	📹	👤	📹	📹	📹	6	6	100	📹
6	Smt. Parminder Chopra *PFC Nominee Director w.e.f. 4-Feb-2022*	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	👤	📹	2	2	100	N.A.
7	Shri Praveen Kumar Singh *PFC Nominee Director upto 31-Jan-2022*	📹	📹	📹	📹	📹	📹	📹	👤	📹	N.A.	N.A.	9	9	100	📹
8	Shri Tanmay Kumar *Government Nominee Director upto 7-Sep-2021*	📹	📹	📹	📹	📹	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	5	5	100	N.A.
9	Dr. Gambheer Singh *Independent Director w.e.f. 15-Nov-2021*	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	👤	👤	👤	3	3	100	N.A.
10	Dr. Manoj Manohar Pande *Independent Director w.e.f. 15-Nov-2021*	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	👤	👤	👤	3	3	100	N.A.
11	Dr. Durgesh Nandini *Independent Director w.e.f. 30-Dec-2021*	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	👤	👤	2	2	100	N.A.

👤 Present in person 📹 Present through video conferencing N.A. Not Applicable

(v) Retirement by rotation at the ensuing 53rd AGM

In accordance with the provisions of the Companies Act, 2013 and Article 91 (iv) of the Articles of Association of the Company, Shri Ajoy Choudhury, Director (Finance) shall retire by rotation at the ensuing 53rd AGM of the Company and being eligible, offers himself for re-appointment.

The brief resume of Shri Ajoy Choudhury, including his expertise in various functional areas and other relevant information, is appearing in the Notice of the 53rd AGM forming part of this Annual Report.

Further, brief resume and other particulars of Shri V.K. Singh, for appointment pursuant to Regulation 17(1C) of SEBI LODR Regulations, are also annexed to the Notice of AGM.

(vi) *Inter-se* relationship between Directors

There is no *inter-se* relationship between the Directors of the Company.

(vii) Share and convertible instruments held by Non-Executive Directors

As on March 31, 2022, none of the Non-Executive Directors held any shares or convertible instruments in the Company. Shri Praveen Kumar Singh, former Nominee Director of PFC, who ceased to be a Director of the Company w.e.f. February 1, 2022, was holding 40 equity shares of ₹10/- each in the Company.

(viii) Information related to Independent Directors

The tenure of Independent Directors appointed during the year was within the limits prescribed under the Companies Act, 2013. Further, no Independent Director resigned during the financial year 2021-22.

All Independent Directors hold valid registration on the Independent Director's Databank maintained by the Indian Institute of Corporate Affairs (IICA). Further, all Independent Directors have submitted the requisite declaration(s), that they meet the criteria of independence specified under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI LODR Regulations.

In the opinion of the Board, the Independent Directors appointed are persons of integrity and possess the relevant expertise, proficiency and experience, to contribute effectively to the Company. Further, in the opinion of the Board, the Independent Directors are independent of the management.

(ix) Separate meeting of Independent Directors

In accordance with the provisions of SEBI LODR Regulations and the Companies Act, 2013, a separate meeting of the Independent Directors of REC was held on March 22, 2022, which was attended by all Independent Directors of the Company.

(vii) Key skills, expertise, competencies and attributes of the Board

The Board of REC comprises of well-qualified Directors, who bring in the required skills, competence and expertise in running the Company and make effective contributions to the Board and its Committees. The Board members are committed to ensure that REC is in compliance with the highest standards of Corporate Governance. Considering the nuances of the business of REC and the power sector scenario on the whole, the Board has identified the following key skills, expertise, competencies and attributes to enable it to function effectively:

Area of skill or expertise	Description
Financial Management	Planning, organizing, directing and controlling the financial activities which include mobilization and utilization of funds, financial accounting and management control systems, financial planning, liquidity & fund management, working capital management, treasury & forex management, tax planning and liaising with financial institutions, etc.
Power Sector Domain Expertise	A significant background in technology and in-depth insight into the various elements of power generation, transmission & distribution, renewable energy sector and the challenges/aspects/nuances of power sector in India and abroad, knowledge of how to anticipate technological trends, generate disruptive innovation and extend or create new business models.
Project Appraisal	Systematic and comprehensive review of the technical parameters, social impact, economic, environmental, financial and other such aspects of a project, to determine if it meets its objectives.
Corporate Planning & Strategy	Management activities that are used to set priorities, focus energy and resources, strengthen operations and ensure that employees and other stakeholders are working towards common goals by establishing agreement on intended outcomes/results; and assess and adjust the organization's direction in response to a changing environment.
Risk Management	Forecasting and evaluation of operational risk, credit risk, market risk, interest rate risk, liquidity risk, foreign currency risk and other financial risks, together with the identification of procedures to avoid or minimize their impact. Identifying any potential threats that may occur during the investment/financing process and mitigation of the same. Cybersecurity and mitigation of risks related to IT environment.
Leadership	Extended leadership experience for establishing a clear vision, providing guidance, knowledge and methods to realize that vision, involving setting and achieving organizational goals and taking actions for achievement of such goals.
Board Practices & Governance	Service on a public listed company or holding responsible positions in Central/State Government departments, banks, reputed institutes of learning. The Company Board to develop insights about maintaining board and management accountability, protecting interests of the shareholders and observing appropriate governance practices.
Business Development	Experience in developing strategies to increase business and market share, build brand awareness and enhance corporate reputation by creating long-term value for borrowers/investors, markets and all other stakeholders.
Environment & Social	Experience in the fields of climate conservation, climate change, global warming, reduction of carbon footprint, ecological sensitivity, agriculture, sustainability, green energy, renewable resources, energy conservation, energy efficiency, public welfare, healthcare, education, social impact and social development projects etc.

In the table set out below, the specific areas of expertise of individual Board members as on March 31, 2022 and the Board members appointed subsequently, have been highlighted:

KEY QUALIFICATIONS OF THE BOARD

Name of the Director	Area of expertise								
	Financial Manage-ment	Power sector domain expertise	Project appraisal	Corporate Planning & Strategy	Risk Manage-ment	Leader-ship	Board practices & Governance	Business Development	Environment & Social
Shri Sudhir Kumar Gangadhar Rahate	✓	✓	✓	✓	✓	✓	✓	✓	
Shri Ajoy Choudhary	✓	✓	✓	✓	✓	✓	✓	✓	✓
Shri Vishal Kapoor	✓	✓	✓	✓	✓	✓	✓		✓
Smt. Parminder Chopra	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Gambheer Singh	✓			✓	✓	✓	✓		✓
Dr. Manoj Manohar Pande	✓			✓	✓	✓	✓		✓
Dr. Durgesh Nandini	✓			✓		✓	✓	✓	✓
Shri Ravinder Singh Dhillon*	✓	✓	✓	✓	✓	✓	✓	✓	✓
Shri Vivek Kumar Dewangan#	✓	✓	✓	✓	✓	✓	✓	✓	✓
Shri V.K. Singh$	✓	✓	✓	✓	✓	✓	✓	✓	✓

** appointed during May 10-16, 2022*
 # appointed w.e.f. 17-May-2022
$ appointed w.e.f. 15-Jul-2022

The absence of tick mark against a member's name, does not necessarily mean that the said member does not possess the corresponding skill or expertise.

3. COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors functions either as full Board, or through various Committees constituted to oversee specific areas of business and governance. Each Committee is guided by its terms of reference approved by the Board, which define its composition, scope and powers. The Committees meet regularly and as per requirement, to make informed decisions under their assigned area of work, within the authority delegated to them.

As on March 31, 2022, the Board had the following Committees:-

1. Audit Committee
2. Nomination & Remuneration Committee
3. Stakeholders Relationship Committee
4. Risk Management Committee
5. Corporate Social Responsibility Committee
6. Committee for Investment/Deployment of Surplus Funds
7. Asset Liability Management Committee
8. IT Strategy Committee
9. Sub-committee to ensure compliance of GoI directives on 'Make in India'

The minutes of meetings of all Committees are placed before the Board for information and noting, in terms of Article 105 of the Articles of Association of the Company and applicable statutory requirements. Detailed terms of reference of each Committee, including details of meetings, attendance etc., are appearing in the subsequent paras.

3.1 Audit Committee

The Company has constituted an Audit Committee in accordance with the provisions of Section 177 of the Companies Act, 2013, Regulation 18 of SEBI LODR Regulations and DPE Guidelines on Corporate Governance. The terms of reference of the Audit Committee are as under:

a) To comply with the requirements in accordance with Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time;

b) To comply with the requirements relating to Audit Committee as envisaged in SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended from time to time;

c) To comply with the Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010, as notified by the DPE, as amended from time to time; and

d) To comply with any other applicable provisions, as amended from time to time, relating to the Audit Committee.

The Audit Committee carries out its role as per its terms of reference and reviews the information prescribed under the applicable statutory provisions.

For some part of the year under review, the composition of Audit Committee could not be in compliance of the applicable statutory provisions, due to absence of Independent Directors on the Board. For such period, the Company had constituted its Audit Committee with Non-Executive Directors to the extent possible. However, after appointment of Independent Directors, the Audit Committee has been re-constituted in compliance of the applicable statutory provisions.

During the year under review, the Audit Committee met 6 (six) times. The composition of Audit Committee as on March 31, 2022 and details of attendance at its meetings held during the year, were as under:

Sl. no.	Name of the Director	Position in the Committee	Meetings and attendance of Audit Committee						Total number of meetings		
			28-May-2021	5-Aug-2021	29-Oct-2021	7-Dec-2021	4-Feb-2022	21-Mar-2022	Held during tenure	Attend-ed by Director	% of atten-dance
1	Dr. Gambheer Singh Independent Director	Chairperson *w.e.f. 7-Dec-2021*	N.A.	N.A.	N.A.	👤	👤	👤	3	3	100
2	Shri Vishal Kapoor Government Nominee Director	Chairperson *during 7-Sep-2021 to 6-Dec-2021*	N.A.	N.A.	👤	N.A.	N.A.	N.A.	1	1	100
3	Shri Tanmay Kumar Government Nominee Director	Chairperson *upto 7-Sep-2021*	📹	📹	N.A.	N.A.	N.A.	N.A.	2	2	100
4	Dr. Manoj Manohar Pande Independent Director	Member *w.e.f. 7-Dec-2021*	N.A.	N.A.	N.A.	👤	👤	👤	3	3	100
5	Dr. Durgesh Nandini Independent Director	Member *w.e.f. 30-Dec-2021*	N.A.	N.A.	N.A.	N.A.	👤	👤	2	2	100
6	Smt. Parminder Chopra PFC Nominee Director	Member *w.e.f. 4-Feb-2022*	N.A.	N.A.	N.A.	N.A.	N.A.	📹	1	1	100
7	Shri Praveen Kumar Singh PFC Nominee Director	Member *upto 31-Jan-2022*	📹	📹	👤	📹	N.A.	N.A.	4	4	100
8	Shri Sanjeev Kumar Gupta Director (Technical)	Member *upto 31-Oct-2021*	👤	👤	👤	N.A.	N.A.	N.A.	3	3	100

👤 Present in person 📹 Present through video conferencing N.A. Not Applicable

Smt. Parminder Chopra was a special invitee to the Audit Committee meeting held on February 4, 2022. The maximum gap between any two meetings of the Audit Committee was not more than 120 days.

The quorum for meetings of Audit Committee is two members or one third of the total number of members, whichever is greater, with at least two Independent Directors present (after re-constitution). Further, Director (Finance), Head of Internal Audit function and representatives of Statutory Auditors of the Company are also invited to the meetings of the Audit Committee. The Company Secretary acts as Secretary to the Committee.

All present and erstwhile members of the Audit Committee are financially literate and at least one member of the Audit Committee had accounting or related financial management expertise. Further, the then Chairperson of Audit Committee was present at the last AGM held on September 24, 2021, to answer the queries of shareholders.

3.2 Nomination & Remuneration Committee

REC being a Central Public Sector Enterprise (CPSE), as per the Articles of Association of the Company, the appointment, tenure and remuneration of CMD, Whole-time Directors and other Directors are decided by the President of India and communicated by the administrative ministry i.e., MoP.

The Company has constituted a Nomination & Remuneration Committee (NRC) in accordance with the provisions of Section 178 of the Companies Act, 2013, Regulation 19 of SEBI LODR Regulations and DPE Guidelines on Corporate Governance. The terms of reference of the NRC, to the extent applicable to REC, are as under:

a. To comply with the requirements in accordance with Section 178 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time;

b. To comply with the requirements relating to Nomination and Remuneration Committee as envisaged in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time; and

c. To comply with the Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 including to decide the quantum of annual bonus, variable pay and policy for ESOP scheme, pension scheme, etc. within the prescribed limits across Whole-time Directors, executive and non-unionized supervisors, as notified by the DPE and as amended from time to time.

For some part of the year under review, the NRC could not be constituted in compliance of the applicable statutory provisions, due to absence of Independent Directors on the Board. However, after appointment of Independent Directors, the NRC has been re-constituted in compliance of the applicable statutory provisions.

During the year under review, the NRC met 3 (three) times. The composition of NRC as on March 31, 2022 and details of attendance at its meetings held during the year, were as under:

Sl. no.	Name of the Director	Position in the Committee	Meetings and attendance of NRC			Total number of meetings		
			7-Dec-2021	4-Feb-2022	21-Mar-2022	Held during tenure	Attended by Director	% of attendance
1	Dr. Manoj Manohar Pande Independent Director	Chairperson *w.e.f. 7-Dec-2021*	👤	👤	👤	3	3	100
2	Dr. Gambheer Singh Independent Director	Member *w.e.f. 7-Dec-2021*	👤	👤	👤	3	3	100
3	Dr. DurgeshNandini Independent Director	Member *w.e.f. 30-Dec-2021*	N.A.	👤	👤	2	2	100
4	Shri Praveen Kumar Singh PFC Nominee Director	Member *during 7-Dec-2021 to 30-Dec-2021*	📹	N.A.	N.A.	1	1	100

👤 Present in person 📹 Present through video conferencing N.A. Not Applicable

The quorum for meetings of NRC is two members, including the Chairperson of the Committee. Further, Director (Finance), Director (Technical) and Executive Director (HR) / Head of Division (HR), are also standing invitees to the meetings of the NRC. The Company Secretary acts as the Secretary to the Committee.

The Ministry of Corporate Affairs (MCA) vide notification dated June 5, 2015, had exempted Government companies from the requirement related to formulation of criteria for determining qualifications, positive attributes, independence and annual evaluation of Directors and policy relating to remuneration of Directors. Further, MCA vide notification dated July 5, 2017, had prescribed that the provisions relating to review of performance of Independent Directors and evaluation mechanism, as prescribed in Schedule IV of the Companies Act, 2013, are also not applicable to Government companies. The performance evaluation of Non-Executive Directors of the Company was carried out by the administrative ministry, as per its internal guidelines. Moreover, the Company enters into Memorandum of Understanding (MoU) for the financial year with its holding company, PFC, the key parameters of which are finalized in consultation with the MoP. The performance of the Company is evaluated *vis-à-vis* the MoU parameters, as per the framework prescribed under MoU Guidelines issued by DPE.

Being a CPSE, the remuneration of functional directors, key managerial personnel and other employees of the Company including senior management personnel, is determined as per the extant guidelines on pay, perquisites, allowances etc. issued by the Department of Public Enterprises (DPE) and/or Government of India from time to time. Non-executive Directors (including Independent Directors) are eligible to receive sitting fees for attending the meetings of Board or Committees thereof, which is within the limits prescribed under the Companies Act, 2013. The Government Nominee Director is not entitled to receive any sitting fees from the Company, as per the norms of Government of India. On recommendation of the NRC, the Board has adopted a Policy on, *inter-alia*, remuneration of Directors, KMP and senior manamgement personnel, which is available at https://recindia.nic.in/uploads/files/Amended---Policy-on-Board-Diversity--Other-matters-dt-150722.pdf.

Details regarding remuneration paid to Functional Directors and Key Managerial Personnel (KMPs) of the Company during the financial year 2021-22, are given below:

(Amount in ₹)

Sl. no.	Name & Designation	Salary & Allowances	Performance Linked Incentive	Perquisites	Other Benefits included in Form 16	Leave En-cashment	CPF Con-tribution	Pension Fund Con-tribution	Total
1	**Shri Sudhir Kumar Gangadhar Rahate** CMD w.e.f. 22-Feb-2022	-	-	-	-	-	-	-	**-**
2	**Shri Sanjay Malhotra** CMD upto 10-Feb-2022	32,21,518	-	-	67,492	-	-	-	**32,89,010**
3	**Shri Sanjeev Kumar Gupta** Director (Technical) upto 31-Oct-2021	26,50,732	25,43,826	14,11,164	12,635	20,83,661	2,48,979	53,832	**90,04,829**
4	**Shri Ajoy Choudhury** Director (Finance)	51,41,004	29,52,525	1,44,681	1,48,820	-	4,18,076	1,44,250	**89,49,356**
5	**Shri J. S. Amitabh** Executive Director & Company Secretary	51,24,085	32,52,409	35,909	31,477	-	4,16,718	1,44,113	**90,04,711**

Notes:

1. *Shri Sudhir Kumar Gangadhar Rahate was holding additional charge of CMD during February 22, 2022 to May 9, 2022, while serving as Additional Secretary in the Ministry of Power, Government of India. No remuneration was paid to him by REC.*
2. *Shri Sanjay Malhotra was CMD of the Company upto February 10, 2022. His remuneration details have been reported for the said period only.*
3. *Shri Sanjeev Kumar Gupta, Director (Technical), superannuated from the services of the Company on October 31, 2021. Accordingly, his remuneration details are reported for the period April 1, 2021 to October 31, 2021.*
4. *Performance Linked Incentive is paid in line with the guidelines issued in this regard by DPE.*
5. *Other benefits included in Form 16 exclude the reimbursement(s) towards uniform, entertainment, electricity, water and attendant charges and exempt medical expenses/reimbursement.*
6. *In the financial year 2021-22, pension contribution was deposited in NPS account. Hence, the Employer Pension Contribution is part of salary u/s 17(1) of the Income Tax Act, 1961 in Form 16.*
7. *Total remuneration includes allowances exempt u/s 10 of the Income Tax Act, 1961 and excludes employer's contribution into REC Gratuity Fund, based on actuarial valuation.*
8. *The Company has not given any stock options.*
9. *The appointment of Directors and terms of appointment including remuneration, notice period, severance fees etc., if any, are decided by the President of India.*

Remuneration of Non-Executive Directors

The Non-Executive Directors are paid sitting fee of ₹40,000/- for attending each meeting of the Board of Directors and ₹30,000/- for attending each meeting of the Committee(s) thereof, which is well within the limits prescribed under the Companies Act, 2013 and Rules made thereunder.

During the financial year 2021-22, the details of remuneration paid to Non-Executive Directors towards sitting fee (excluding GST), were as under: -

(Amount in ₹)

Sl. no.	Name of Non-Executive Director	Sitting fee		Total
		Board meetings	Committee meetings	
1	Shri Vishal Kapoor Government Nominee Director w.e.f. 7-Sep-2021	-	-	-
2	Shri Tanmay Kumar Government Nominee Director upto 7-Sep-2021	-	-	-
3	Dr. Gambheer Singh Independent Director w.e.f. 15-Nov-2021	1,20,000	3,60,000	4,80,000

(Amount in ₹)

Sl. no.	Name of Non-Executive Director	Sitting fee		Total
		Board meetings	Committee meetings	
4	Dr. Manoj Manohar Pande Independent Director w.e.f. 15-Nov-2021	1,20,000	3,30,000	4,50,000
5	Dr. Durgesh Nandini Independent Director w.e.f. 30-Dec-2021	80,000	1,50,000	2,30,000
6	Smt. Parminder Chopra PFC Nominee Director w.e.f. 4-Feb-2022	-	-	-
7	Shri Praveen Kumar Singh PFC Nominee Director upto 31-Jan-2022	3,60,000	4,20,000	7,80,000
	Total	**6,80,000**	**12,60,000**	**19,40,000**

Note:

The Nominee Director of PFC is entitled to receive sitting fee for attending the Board and/or Committee meetings of REC, which is paid to PFC. During the year under review, such fee has been paid in respect of Board & Committee meetings attended by Shri Praveen Kumar Singh. However, after appointment of Smt. Parminder Chopra, PFC has sent a communication that no sitting fee be paid in connection with Board or Committees meetings of REC attended by her.

Apart from the above, the Non-Executive Directors do not have any material pecuniary relationship or transaction with the Company, except to the extent of payment / reimbursement towards air tickets, hotel accommodation, hiring of vehicle, out-of-pocket expenses, local conveyance etc., if applicable, in respect of attending the meetings of the Board or Committees thereof.

3.3 Stakeholders Relationship Committee

The Company has constituted a Stakeholders Relationship Committee (SRC), in terms of the provisions of Section 178 of the Companies Act, 2013, Regulation 20 of SEBI LODR Regulations and other applicable laws. The SRC looks specifically into the redressal of requests, complaints or grievances from various security holders including shareholders and debenture-holders, such as non-receipt of dividend credit / warrants, non-receipt of interest on debentures etc.

For some part of the year under review, the composition of SRC could not be in compliance of the applicable statutory provisions, due to absence of Independent Directors on the Board. For such period, the Company had constituted its SRC with Non-Executive Directors to the extent possible. However, after appointment of Independent Directors, the SRC has been re-constituted in compliance of the applicable statutory provisions.

During the year under review, the SRC met 3 (three) times. The composition of SRC as on March 31, 2022 and details of attendance at its meetings held during the year, were as under:

Sl. no.	Name of the Director	Position in the Committee	Meetings and attendance of SRC			Total number of meetings		
			28-May-2021	4-Aug-2021	28-Oct-2021	Held during tenure	Attended by Director	% of attendance
1.	Dr. Durgesh Nandini Independent Director	Chairperson *w.e.f. 4-Feb-2022*	N.A.	N.A.	N.A.	Nil	N.A.	N.A.
2.	Shri Praveen Kumar Singh PFC Nominee Director	Chairperson *upto 31-Jan-2022*	📹	📹	👤	3	3	100
3.	Dr. Manoj Manohar Pande Independent Director	Member *w.e.f. 7-Dec-2021*	N.A.	N.A.	N.A.	Nil	N.A.	N.A.
4.	Shri Ajoy Choudhury Director (Finance)	Member	👤	👤	👤	3	3	100
5.	Shri Sanjeev Kumar Gupta Director (Technical)	Member *upto 31-Oct-2021*	👤	👤	👤	3	3	100

👤 Present in person 📹 Present through video conferencing N.A. Not Applicable

The Chairperson of SRC was Shri Praveen Kumar Singh (till January 31, 2022), followed by Dr. Durgesh Nandini (w.e.f. February 4, 2022), both Non-executive Directors. Shri J. S. Amitabh, Executive Director & Company Secretary, acts as the Secretary to the Committee. He is also the Compliance Officer of the Company in terms of SEBI LODR Regulations.

The quorum for meetings of SRC is two members including the Chairperson of the Committee. Further, representatives of the Registrar & Transfer Agents appointed by the Company for various securities including shares, debentures, bonds etc., are Standing Invitees to the meetings of the SRC. The then Chairperson of the Committee, was present at the last AGM of the Company held on September 24, 2021, to answer the queries of security holders.

Requests & grievances of shareholders / debenture-holders

To promptly redress the requests & grievances of shareholders, debenture-holders etc., the Company has established a three-tier mechanism i.e., support service from the respective Registrars, in-house investor cell and direct supervision by the SRC, which has resulted in timely resolution of all requests & grievances.

The Company attends to all investor requests & grievances promptly and on an expeditious basis, to the satisfaction of the investors. A quarterly update on the status of investor requests & grievances is filed with the Stock Exchanges and also placed before the Board. Pursuant to Regulation 13(3) of SEBI LODR Regulations, the status of shareholders' / investors' requests & grievances for the financial year 2021-22 was as under:

Particulars of requests / grievances	Equity Shares	Listed debt securities	Total
Pending as on 1-Apr-2021	0	0	0
Received during the financial year	4,670	1,397	6,067
Disposed of during the financial year	4,667	1,397	6,064
Remaining unresolved as on 31-Mar-2022	*3	0	*3

** The said 3 requests / grievances remaining unresolved as on March 31, 2022, have since been resolved.*

Investors can lodge their complaints or grievances on SCORES (SEBI Complaints Redressal System), which is a web-based complaints redressal system. The status of every complaint and Action Taken Report (ATR) thereon can be viewed online, and if required, the investor can send reminder for the complaints. Through this system, the investors are also able to check the status of the complaints, such as with whom the complaint is pending, upon whom the responsibility has been fixed and for how much time the complaint is pending.

An investor, who is not familiar with SCORES or does not have access to SCORES, can lodge a complaint in physical form, or write to the Company at complianceofficer@recl.in.

3.4 Risk Management Committee

The Risk Management Committee (RMC) has been constituted in line with the provisions of Regulation 21 of SEBI LODR Regulations, to manage the integrated risk of the organization. The terms of reference of RMC are as under:

a. To manage the integrated risk;

b. To identify various risks likely to arise, evaluate overall risks faced by the Company including liquidity risk, monitor and review the risk management plan, policies and practices followed by the Company from time to time;

c. To oversee the mitigation of various risks and to perform all other risk management functions, which shall also cover cyber security; and

d. To perform any other function, as may be required for compliance of applicable statutory provisions issued by RBI, SEBI, MCA and/or any other agencies, from time to time.

For some part of the year under review, the composition of RMC was not in compliance of the applicable statutory provisions, due to absence of Independent Directors on the Board. For such period, the Company had constituted its RMC with Non-Executive Directors to the extent possible. However, after appointment of Independent Directors, the RMC was reconstituted in compliance of the applicable statutory provisions.

During the financial year 2021-22, the RMC met 2 (two) times. The composition of RMC as on March 31, 2022 and details of attendance at its meetings held during the year, were as under:

Sl. no.	Name of the Director	Position in the Committee	Meetings and attendance of RMC		Total number of meetings		
			19-Jul-2021	7-Jan-2022	Held during tenure	Attended by Director	% of attendance
1	Dr. Gambheer Singh *Independent Director*	Chairperson *w.e.f. 7-Dec-2021*	N.A.	📹	1	1	100
2	Shri Praveen Kumar Singh *PFC Nominee Director*	Chairperson *upto 6-Dec-2021*	👤	N.A.	1	1	100
3	Dr. Manoj Manohar Pande *Independent Director*	Member *w.e.f. 7-Dec-2021*	N.A.	📹	1	1	100
4	Shri Ajoy Choudhury *Director (Finance)*	Member	👤	👤	2	2	100
5	Shri Sanjeev Kumar Gupta *Director (Technical)*	Member *upto 31-Oct-2021*	👤	N.A.	1	1	100

👤 Present in person 📹 Present through video conferencing N.A. Not Applicable

The Company has appointed a Chief Risk Officer (CRO) as prescribed by RBI. The CRO acts as the convener to RMC.

The quorum for meetings of RMC is three members, including the Chairperson of the Committee. Further, Executive Director (Finance-Resources), Executive Director (Private Sector Project Management), Executive Director (State Operations) and Chief General Manager / Executive Director (Asset Liability Management) Division are standing invitees to the meetings of the RMC.

3.5 Corporate Social Responsibility Committee

As per the provisions of Section 135 of the Companies Act, 2013 and Rules made thereunder and Guidelines on Corporate Social Responsibility for Central Public Sector Enterprises (CPSEs) issued by the Department of Public Enterprises, the Board of Directors of the Company has constituted a 'Corporate Social Responsibility Committee' (CSR Committee), the terms of reference of which are as under:

a) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;

b) To monitor the Corporate Social Responsibility Policy of the Company from time to time;

c) To recommend the amount of expenditure to be incurred on the activities referred to in clause (a);

d) To recommend/review CSR projects/programs/proposals, falling within the purview of Schedule VII of the Companies Act, 2013;

e) To institute a transparent monitoring mechanism for implementation of the CSR projects/programmes/activities undertaken by the Company;

f) To assist the Board of Directors to formulate strategies on CSR initiatives of the Company;

g) To approve the content of annual report on CSR activities as per performa given in the Rules, *inter-alia* covering responsibility statement that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company;

h) To periodically submit the reports to the Board of Directors for their information, consideration and necessary directions; and

i) To comply with the other requirements on Corporate Social Responsibility Policy, as amended from time to time.

For some part of the year under review, the composition of CSR Committee was not in compliance of the applicable statutory provisions, due to absence of Independent Directors on the Board. For such period, the Company had constituted its CSR Committee with Non-Executive Directors to the extent possible. However, after appointment of Independent Directors, the CSR Committee was re-constituted in compliance of the applicable statutory provisions.

During the year under review, the CSR Committee met 8 (eight) times. The composition of CSR Committee as on March 31, 2022 and details of attendance at its meetings held during the year, were as under:

Sl. no.	Name of the Director	Position in the Committee	Meetings and attendance of CSR Committee								Total number of meetings		
			28-May-21	19-Jul-21	4-Aug-21	16-Sep-21	28-Oct-21	7-Dec-21	4-Feb-22	21-Mar-22	Held during tenure	Attended by Director	% of attendance
1	Dr. Manoj M. Pande Independent Director	Chairperson *w.e.f. 7-Dec-2021*	N.A.	N.A.	N.A.	N.A.	N.A.	👤	👤	👤	3	3	100
2	Shri Sanjeev Kumar Gupta Director (Technical)	Chairperson *upto 31-Oct-2021*	👤	👤	👤	👤	👤	N.A.	N.A.	N.A.	5	5	100
3	Dr. Gambheer Singh Independent Director	Member *w.e.f. 7-Dec-2021*	N.A.	N.A.	N.A.	N.A.	N.A.	👤	👤	👤	3	3	100
4	Shri Praveen Kumar Singh PFC Nominee Director	Member *upto 7-Dec-2021*	📹	📹	📹	📹	👤	N.A.	N.A.	N.A.	5	5	100
5	Shri Ajoy Choudhury Director (Finance)	Member	👤	👤	👤	👤	👤	👤	👤	👤	8	8	100

👤 Present in person 📹 Present through video conferencing N.A. Not Applicable

The quorum for meetings of CSR Committee is two members, including the Chairperson of the Committee. The Company Secretary acts as the Secretary to the Committee.

The Corporate Social Responsibility & Sustainability Policy of the Company is available at https://recindia.nic.in/uploads/files/REC-CSR-Policy-07-12-2021.pdf.

3.6 Committee for Investment / Deployment of Surplus Funds

The Committee for Investment / Deployment of Surplus Funds has been constituted for the purpose of approving investment / deployment of short-term surplus funds of ₹1000 crore and above in single instance in Certificate of Deposits or ₹2000 crore and above in Mutual Funds and Fixed Deposits at any time. The Committee comprises of the CMD as Chairperson; and Director (Finance) and Director (Technical) as members.

The quorum for meetings of the said Committee is two members, including CMD. However, no meeting of the said Committee was held during the financial year 2021-22.

3.7 Asset Liability Management Committee (ALCO)

In pursuance to RBI guidelines on Asset Liability Management (ALM) system for NBFCs, the Company has constituted an Asset Liability Management Committee (ALCO). The ALCO monitors risks related to liquidity, interest rates and currency rates with the help of ALM support group, which provides various reports on liquidity gap analysis, interest rate sensitivity analysis and foreign currency movements etc. ALCO meets every quarter to review the position of above risks.

ALCO is headed by the CMD, with members including Director (Finance), Director (Technical) and Executive Directors (EDs)

or Chief General Managers (CGMs) from the finance and operating divisions of the Company. After superannuation of the erstwhile Director (Technical), the post of Director (Technical) was not occupied till March 31, 2022.

During the year under review, the ALCO met 4 (four) times. The composition of ALCO as on March 31, 2022 and details of attendance at its meetings held during the year, were as under:

Sl. no.	Name/Designation of the Director / Member	Position in the Committee	Meetings and attendance of ALCO				Total number of meetings		
			28-Jun-21	28-Sep-21	24-Dec-21	19-Mar-22	Held during tenure	Attended by Director/ Member	% of attendance
1	Shri Sudhir Kumar Gangadhar Rahate *CMD*	Chairperson *w.e.f. 22-Feb-2022*	N.A.	N.A.	N.A.	👤	1	1	100
2	Shri Sanjay Malhotra *CMD*	Chairperson *upto 10-Feb-2022*	📹	👤	👤	N.A.	3	3	100
3	Shri Ajoy Choudhury *Director (Finance)*	Member	📹	👤	👤	👤	4	4	100
4	Shri Sanjeev Kumar Gupta *Director (Technical)*	Member	📹	👤	👤	N.A.	2	2	100
5	ED (Resources)	Member	📹	👤	👤	👤	4	4	100
6	ED / CGM *(Private / State Operations)*	Member	📹	👤	👤	👤	4	4	100
7	ED / CGM (ALM)	Member	📹	👤	👤	👤	4	4	100

👤 Present in person 📹 Present through video conferencing N.A. Not Applicable

The quorum for meetings of ALCO is three members, including CMD and the Director (Finance). The ED/CGM (ALM) acts as the convener of ALCO. Other senior officials of the Company are also invited to meetings of ALCO, as per requirement.

The CMD may authorize a Whole-time Director to chair the meeting of ALCO in his absence. The CMD may also authorize a backup executive for each of the members and convener of ALCO, in case of need.

3.8 IT Strategy Committee

In compliance of RBI's Master Directions for NBFCs, the Board of Directors has constituted an IT Strategy Committee (ITSC). The ITSC comprises of an Independent Director as the Chairperson; and Chief Information Officer (CIO), Chief Technology Officer (CTO)/ISMS Officer and one external Technical Expert as its members. The role of ITSC includes monitoring the methods to determine the IT resources needed to achieve strategic goals and to provide high-level direction for sourcing and use of IT resources & approving IT strategy and policy documents.

For some part of the financial year 2021-22, the composition of ITSC was not in compliance of the applicable statutory provisions, due to absence of Independent Directors on the Board. However, after appointment of Independent Directors, the ITSC was re-constituted in compliance of the applicable statutory provisions.

During the year under review, the ITSC met 2 (two) times. The composition of ITSC as on March 31, 2022 and details of attendance at its meetings held during the year, were as under:

Sl. no.	Name / Designation of the Director / Member	Position in the Committee	Meetings and attendance of ITSC		Total number of meetings		
			18-Aug-21	18-Feb-22	Held during tenure of Member	Attended by the Member	Percentage of attendance
1	Dr. Gambheer Singh Independent Director	Chairperson *w.e.f. 7-Dec-2021*	N.A.	📹	1	1	100
2	Executive Director (IT) (CIO)	Chairperson *upto 6-Dec-2021* Member *w.e.f. 7-Dec-2021*	👤	📹	2	2	100
3	CGM / HOD (IT) (CTO)	Member	👤	📹	2	2	100
4	External Technical Expert	Member	📹	📹	2	2	100

👤 Present in person 📹 Present through video conferencing N.A. Not Applicable

3.9 Sub-committee to ensure compliance of GoI directives on 'Make in India'

The Board of REC has constituted Sub-committee to ensure compliance of GoI directives on 'Make in India', comprising of the Government Nominee Director as Chairperson and Director (Finance) and Nominee Director of PFC as its members, to *inter-alia*, scrutiny/review the tender notices, as and when being floated by REC or its subsidiaries, valuing ₹250 crore or above. However, no meeting of the said Sub-committee was held during the financial year 2021-22.

3.10 Executive Committee

The Executive Committee was constituted for sanction of financial assistance, subject to limits, as given hereinafter :

Type of entity	Limit for individual scheme / project and overall ceiling in a financial year
Central/State Government power utilities or Central/ State PSUs	Rupee Term Loan of upto ₹150 crore with overall ceiling of ₹25,000 crore in a financial year
Private Sector power utilities	Upto ₹100 crore with overall ceiling of ₹6,000 crore in a financial year

During the financial year 2021-22, the Executive Committee met 4 (four) times and details of attendance at its meetings held during the year, were as under:

Sl. no.	Name of the Director	Position in the Committee	Meetings and attendance of Executive Committee				Total number of meetings		
			15-Apr-21	19-Apr-21	22-Apr-21	24-May-21	Held during tenure of Member	Attended by the Member	Percentage of attendance
1	Shri Sanjay Malhotra CMD	Chairperson	👤	👤	👤	👤	4	4	100
2	Shri Ajoy Choudhury Director (Finance)	Member	👤	👤	👤	👤	4	4	100
3	Shri Sanjeev Kumar Gupta Director (Technical)	Member	👤	👤	👤	👤	4	4	100

👤 Present in person 📹 Present through video conferencing N.A. Not Applicable

However, in order to expedite the decision-making without diluting the due diligence and level of approval, the Board of Directors dissolved the Executive Committee w.e.f. May 28, 2021 and delegated its powers to the Chairman and Managing Director in concurrence with Director (Technical) and Director (Finance).

3.11 Loan Committee

The Loan Committee of the Directors was constituted for sanction of financial assistance, subject to the following limits:

Type of entity	Limit for individual scheme / project and overall ceiling in a financial year
Central/State Government power utilities or Central/ State PSUs	Rupee Term Loan of upto ₹500 crore with overall ceiling of ₹30,000 crore in a financial year
	Special Long-Term Transition Loans of above ₹500 crore to discoms under COVID-19
	Special Loans of above ₹500 crore under the UDAY scheme
	Special Long-Term Transition Loans of above ₹500 crore to discoms in exemption of UDAY Limit
	Revolving bill payment facilities of above ₹500 crore to discoms/gedcos
Private Sector power utilities	Upto ₹500 crore with overall ceiling of ₹10,000 crore in a financial year

However, in order to expedite the decision-making without diluting the due diligence and level of approval, the Board of Directors dissolved the Loan Committee w.e.f. May 28, 2021 and delegated its powers to the Chairman and Managing Director in concurrence with Director (Technical) and Director (Finance). No meeting of the said Committee was held during the year under review.

3.12 Sub-Committee for Review of Lending Rates for Term Loans / Short Term Loans

The Sub-Committee of Directors for Review of Lending Rates for Term Loans / Short Term Loans was constituted for review of various lending rates for the term loans and short-term loans given by the Company.

However, in order to expedite the decision-making without diluting the due diligence and level of approval, the Board of Directors dissolved the said Sub-Committee w.e.f. May 28, 2021 and delegated its powers to the Chairman and Managing Director in concurrence with Director (Technical) and Director (Finance).

During the financial year 2021-22, the Sub-Committee met once and details of attendance at the said meeting, were as given hereinafter:

Sl. no.	Name of the Director	Position in the Committee	Meetings and attendance of Sub-Committee	Total number of meetings		
			24-May-21	Held during tenure of Member	Attended by the Member	Percentage of attendance
1	Shri Sanjay Malhotra CMD	Chairperson	👤	1	1	100
2	Shri Ajoy Choudhury Director (Finance)	Member	👤	1	1	100
3	Shri Sanjeev Kumar Gupta Director (Technical)	Member	👤	1	1	100

👤 Present in person 📹 Present through video conferencing N.A. Not Applicable

4. OTHER COMMITTEES

In addition to the abovementioned Committees, the Board of Directors has also constituted some additional Committees to look into specific matters, details of which are provided below.

4.1 Perpetual Debt Instrument Committee

In line with the Board-approved "Perpetual Debt Instrument Policy", the Company has raised Perpetual Debt Instruments to the tune of ₹558.40 crore in January, 2021, which are unsecured, subordinated, non-convertible instruments. In compliance of the said policy, a Committee comprising of CMD, Director (Finance) and Director (Technical) has been constituted, to decide upon the payment/non-payment of coupon on the Perpetual Debt Instruments after taking into account different factors. The quorum for meetings of the Committee is at least two members.

During the financial year 2021-22, 1 (one) meeting of the Perpetual Debt Instrument Committee was held on January 12, 2022, which was attended by CMD and Director (Finance).

4.2 Share Transfer Committee

The Share Transfer Committee considers requests for transmission, transposition, splitting and consolidation of shares exceeding 500 equity shares per individual in each case under the physical segment and for issue of duplicate share certificates. As on March 31, 2022, the Share Transfer Committee comprised of senior officials of the Company, namely, Shri J.S. Amitabh (Executive Director & Company Secretary) and Shri Daljeet Singh Khatri (Executive Director-Finance), as members. However, no meeting of the said Committee was held during the financial year 2021-22.

5. SUBSIDIARY COMPANIES

REC has a wholly owned subsidiary, namely, **REC Power Development and Consultancy Limited (RECPDCL)** (formerly known as REC Power Distribution Company Limited). RECPDCL *inter-alia* acts as the "Bid Process Coordinator" for selection of Transmission Service Providers through Tariff Based Competitive Bidding (TBCB) process, for independent inter-state and intra-state transmission projects assigned by the Ministry of Power and State Governments from time to time. In order to initiate development of each independent inter-state / intra-state transmission project, RECPDCL incorporates project specific Special Purpose Vehicles (SPVs), as its wholly owned subsidiaries.

Such wholly owned subsidiaries (project specific SPVs) are also wholly owned subsidiaries of REC, pursuant to Section 2(87) of the Companies Act, 2013. After selection of the successful bidder in accordance with the TBCB Guidelines, such subsidiaries are transferred to the successful bidder along with all assets & liabilities.

As on March 31, 2022, RECPDCL had the following project specific SPVs / wholly owned subsidiaries, which were also wholly-owned subsidiaries of REC:

(1) Chandil Transmission Limited

(2) Dumka Transmission Limited

(3) Koderma Transmission Limited

(4) Mandar Transmission Limited

(5) Bidar Transmission Limited

(6) Rajgarh Transmission Limited

(7) MP Power Transmission Package-I Limited

(8) ER-NER Transmission Limited

Detailed information about the SPVs / subsidiaries is appearing in the Board's Report forming part of this Annual Report.

The minutes of Board meetings of all subsidiary companies are placed before the Board of Directors of REC. The financial statements of unlisted subsidiary companies, in particular the investments made by them, are reviewed by the Audit Committee of REC. The audited financial statements and related information of RECPDCL and other subsidiaries, is available on the website of the Company at https://recindia.nic.in/recpdcl.

The Company does not have any "material subsidiary" as defined under the SEBI LODR Regulations. Further, the Company has devised a Policy on Materiality of Subsidiaries as required under the said Regulations. The said policy is available at https://www.recindia.nic.in/uploads/files/cs-policy-determining-material-subsidiaries-dt230719.pdf

6. GENERAL BODY MEETINGS

The details of the last three AGMs of the Company and special resolutions passed thereat, are given hereinafter:-

AGM no.	Financial year	Date	Time	Venue	Special Resolution passed
50th	2018-19	29-Aug-2019	11:00 A.M.	Manekshaw Centre, Parade Road, Delhi Cantonment, New Delhi -110010.	1. Approval for Private Placement of securities.
51st	2019-20	25-Sep-2020	11:00 A.M.	Through VC/OAVM	1. To increase the overall Borrowing Limit of the Company. 2. To create mortgage and/or charge on all or any of the movable and/or immovable properties of the Company. 3. Approval for Private Placement of Securities.
52nd	2020-21	24-Sep-2021	11:00 A.M.	Through VC/OAVM	1. Approval for private placement of securities. 2. Alteration of Objects Clause of Memorandum of Association of the Company.

The Ministry of Corporate Affairs (MCA) has issued a General Circular no. 02/22 dated May 5, 2022, pursuant to which the ensuing 53rd AGM of REC will be held on Friday, September 16, 2022 through VC/OAVM mode. The Company will provide the facility of electronic participation and e-voting for the said AGM to the shareholders, relevant details of which are appearing in the Notice of the 53rd AGM forming part of this Annual Report.

Further, in light of the said MCA General Circular read with SEBI Circulars dated May 13, 2022, the Annual Report of the Company for financial year 2021-22 is being sent in soft copy to those shareholders and holders of non-convertible securities of the Company, whose email addresses are registered. Physical copy will be provided, if requested.

6.1 Postal Ballot

(a) Postal Ballot process conducted in March - April, 2022

During the financial year 2021-22, the Company sought the approval of shareholders through Postal Ballot Notice dated March 25, 2022, for:

- Appointment of Smt. Parminder Chopra (DIN: 08530587) as Nominee Director of PFC; and
- Appointment of Shri Sudhir Kumar Gangadhar Rahate (DIN: 05254178) as CMD.

The Postal Ballot Notice was sent by email to only those shareholders, whose email addresses were registered and whose names appeared in the register of members / list of beneficial owners of the Company as on March 23, 2022 (i.e., the "Cut-off Date"), in line with applicable MCA Circulars issued in this regard. The electronic dispatch of the Postal Ballot Notice was completed on March 25, 2022. An advertisement regarding completion of dispatch was published in Business Standard newspaper (English and Hindi editions) on Monday, March 28, 2022.

National Securities Depository Limited ("NSDL") was the remote e-voting agency appointed for the said postal ballot. The remote e-voting period was open during Tuesday, March 29, 2022 (0900 hours) India Standard Time (IST) to Wednesday, April 27, 2022 (1700 hours) (IST), both days inclusive. CS Hemant Kumar Singh (FCS no. 6033, Certificate of Practice no. 6370), from M/s Hemant Singh & Associates, Company Secretaries, was appointed as the Scrutinizer for conducting the said postal ballot process in a fair and transparent manner.

After completion of the remote e-voting period and receipt of Scrunitizer's Report, the results of e-voting were announced on Friday, April 29, 2022. Both the resolutions were passed with overwhelming majority. The details of voting pattern for the said resolutions was as under:

Brief description of the resolution	Type of Resolu-tion	Votes cast in favour	Votes cast against
		%	%
Appointment of Smt. Parminder Chopra (DIN: 08530587) as Nominee Director of PFC.	Ordinary	85.95%	14.05%
Appointment of Shri Sudhir Kumar Gangadhar Rahate (DIN: 05254178) as CMD.	Ordinary	93.70%	6.30%

The results were displayed on the website and at the registered and corporate office(s) of the Company; and communicated to Stock Exchanges, Depositories and Registrar and Share Transfer Agents within the stipulated timelines. More details with respect to this postal ballot process are appearing at https://recindia.nic.in/postalballot.

(b) Postal Ballot process conducted in July - August, 2022

After March 31, 2022, the Company sought the approval of shareholders through Postal Ballot Notice dated July 8, 2022, for:

- Appointment of Shri Vivek Kumar Dewangan (DIN: 01377212) as CMD; and
- Capitalize the reserves and issue Bonus shares to the shareholders of the Company.

The Postal Ballot Notice was sent by email to only those shareholders, whose email addresses were registered and whose names appeared in the register of members / list of beneficial owners of the Company as on July 5, 2022 (i.e., the "Cut-off Date"), in line with applicable MCA Circulars issued in this regard. The electronic dispatch of the Postal Ballot Notice was completed on July 8, 2022. An advertisement regarding completion of dispatch was published in Business Standard newspaper (English and Hindi editions) on Saturday, July 9, 2022.

NSDL was the remote e-voting agency appointed for the said postal ballot. The remote e-voting period was open during Monday, July 11, 2022 (0900 hours) India Standard Time (IST) to Tuesday, August 9, 2022 (0900 hours), both days inclusive. CS Hemant Kumar Singh was appointed as the Scrutinizer for conducting the said postal ballot process in a fair and transparent manner.

After completion of the remote e-voting period and receipt of Scrunitizer's Report, the results of e-voting were announced on Tuesday, August 9, 2022. Both the resolutions were passed with overwhelming majority. The details of voting pattern for the said resolutions was as under:

Brief description of the resolution	Type of Resolu-tion	Votes cast in favour	Votes cast against
		%	%
Appointment of Shri Vivek Kumar Dewangan (DIN: 01377212) as CMD.	Ordinary	93.68%	6.32%
Capitalize the reserves and issue Bonus shares to the shareholders of the Company.	Ordinary	98.39%	1.61%

The results were displayed on the website and at the registered and corporate office(s) of the Company; and communicated to Stock Exchanges, Depositories and Registrar and Share Transfer Agents within the stipulated timelines. More details with respect to this postal ballot process are appearing at https://recindia.nic.in/postalballot.

7. SERVICE OF DOCUMENTS THROUGH ELECTRONIC MEANS

REC has been effecting electronic delivery of documents such as Notice of AGM, Annual Report etc. since financial year 2010-11, to those shareholders whose email ids are registered with the respective Depository Participants (DPs) or Registrar & Share Transfer Agent (R&TA). The intimation of Dividend (interim or final) is also being sent electronically to those shareholders, whose email IDs are registered.

In line with the circulars issued by MCA and SEBI, Notice of the 53rd AGM of the Company along with Annual Report for the financial year 2021-22, would be sent by e-mail to all those shareholders and holders of non-convertible securities, whose e-mail IDs are registered with the Company.

The Company has published advertisements in newspapers, to encourage the shareholders holding shares in physical and electronic form to register or update their email IDs, for receiving soft copy of Annual Report of the Company for financial year 2021-22. Further, the Company has also sent SMSes to the shareholders whose mobile numbers were registered with the concerned Depository, for updation of e-mail IDs. Despite the above efforts, those shareholders who have still not registered or updated their e-mail IDs, may follow the process mentioned in the Notice of 53rd AGM, for registration of e-mail ID and procuring the User ID and Passwordfor e-voting at the ensuing AGM.

8. SECRETARIAL AUDIT

M/s Hemant Singh & Associates, Company Secretaries, Delhi have conducted the Secretarial Audit of the Company for the financial year 2021-22 and have submitted their report to the Company. A copy of the Secretarial Audit Report is annexed in this Annual Report for information of the stakeholders. Further, observations of the Secretarial Auditor and Management's Reply thereto, are appearing in the Board's Report forming part of this Annual Report.

9. RELATED PARTY TRANSACTIONS

The Company has formulated a Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions, as per the latest provisions of SEBI LODR Regulations. In line with the said Policy, all related party transactions are approved by the Audit Committee and / or the Board of Directors or Shareholders, as the case may be. The transactions with related parties are included in the Notes to Accounts as per the applicable provisions of the Companies Act, 2013. A status report on Related Party Transactions is put up for information of the Audit Committee and the Board of Directors periodically. The said policy is available at https://recindia.nic.in/uploads/files/RPT-Policy-of-REC-dated-150722.pdf.

For the financial year 2021-22, the particulars of Related Party Transactions required to be disclosed in Form AOC-2, were 'Nil'.

10. DISCLOSURES

1. There were no instances of non-compliance on any matter related to the Capital Markets during the last three years. For the financial year ended on March 31, 2022, the Company has complied with all requirements of SEBI LODR Regulations, the Companies Act, 2013 and rules made thereunder, applicable Secretarial Standards issued by ICSI and DPE Guidelines on Corporate Governance, as amended from time to time, except compliance related to appointment of requisite number of Independent Directors. Further, for some part of the year, the Company had no Independent Directors including Woman Independent Director on its Board and the composition of some Committees was also not in conformity with statutory provisions.

   Due to such non-compliances, NSE and BSE have imposed a total fine of ₹86,21,080/- including GST (₹43,10,540/- each including GST), for all the four quarters of FY 2021-22. Prior to this, NSE and BSE had also imposed total fine of ₹95,93,400/- including GST (₹47,96,700/- each including GST) for the quarter ended on March 31, 2020 and for all four quarters of FY 2020-21.

   It is pertinent to mention that the power to appoint Directors on the Board of the Company vests with the President of India, acting through the administrative ministry i.e., Ministry of Power, Government of India. The Company has been requesting the appointing authority, i.e., MoP, for appointment of requisite number of Independent Directors and the Company has no control in the appointment of Directors or maintaining the Composition of its Board & Committees thereof. In view of the same, the Company had requested / is requesting the stock exchanges to waive off the said fines. It is pertinent to mention, that BSE has already waived off the fine imposed on the Company for the quarters ended on September 2020 and December 2020. The Company is following up with the Stock Exchanges for waiving off the balance fine(s) as well.

2. As required under statutory provisions, all returns, reports and disclosures were filed with the stock exchanges and other authorities within the stipulated time.

3. The Company has complied with the requirements of Regulation 17 to 27 of SEBI LODR Regulations relating

to Board, Committees and Corporate Governance, as amended from time to time; and maintaining and updating the website of the Company as required under Regulation 46 of SEBI LODR Regulations, except where the Company did not have requisite number of Independent Directors including Woman Independent Director and composition of some Committees of the Board for some part of the year, as detailed in point no. 1 above.

The Company has also complied with the disclosure requirements under Corporate Governance Report as per Part C of Schedule V of the SEBI LODR Regulations.

Further, in compliance of Regulation 46 of SEBI LODR Regulations, the Company has *inter-alia*, disclosed the relevant information on its website at https://recindia.nic.in/disclosures-under-regulation-46-of-sebi.

4. The Company has a Board-approved Risk Management Policy, which covers Hedging Policy that provides a framework for the management of foreign currency exchange risk, involving exchange rate movements among currencies that may adversely impact the value of foreign currency denominated assets, liabilities and off-balance sheet arrangements. Appropriate disclosures regarding the foreign currency risks are made in the Notes to Accounts, forming part of the Audited Financial Statements and the same are being managed through various derivative instruments such as swaps, options, forwards etc. The nature of business of the Company is not such, as may give rise to any commodity price risk.

5. The Company has laid down the procedure to inform the Board about risk assessment and mitigation. The Board of Directors of the Company reviews the procedures to ensure that the integrated risks are managed through a properly defined framework. Further, a Risk Management Committee of the Board is also in place.

6. To indemnify the Directors and Officers, the Company has obtained a 'Director's and Officer's (D&O) Liability Insurance Policy', which comprehensively covers the liabilities that may arise against Directors and Officers of the Company. The insurance policy covers the Board of Directors of REC including Independent Directors, Company Secretary, other Key Managerial Personnel and all Manager and above level Officials of the Company.

7. There were no materially significant transactions with related parties i.e., Promoters, Directors or Management, conflicting with the Company's interest. Further, the Independent Director do not hold any equity shares of the Company.

8. The Company has not entered into any material, financial or commercial transactions with the Director(s) or the Management or their relatives or the companies and firms, etc., in which they are either directly or through their relatives interested as Directors and/or Partners.

9. All members of senior management have made disclosures to the Board relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company at large (e.g., dealing in Company shares, commercial dealings with bodies which have shareholding of management and their relatives etc.) and there was no such instance of conflict for financial year 2021-22.

10. During the financial year 2021-22, the Company and its subsidiaries did not provide any loans or advances in the nature of loans to firms & companies in which the Directors are interested.

11. The administrative and office expenses for the financial year 2021-22 have increased to ₹ 116.06 crore as compared to ₹106.71 crore during the previous financial year, which is a minor variation in line with normal increase in business activities of the Company. Administrative and office expenses as a percentage of total expenses for the financial year 2021-22 were 0.43% (previous year 0.43%); and as a percentage of financial expenses for the financial year 2021-22 were 0.53% (previous year 0.50%).

12. The Company has not incurred any expenditure which is not for the purpose of the business. Further, no expense was incurred which was personal in nature and was incurred for the Board of Directors and Top Management.

13. The Balance Sheet, Statement of Profit & Loss, Statement of Changes in Equity and Cash Flow Statement for the financial year 2021-22 have been prepared as per the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS"), as amended, and other accounting principles generally accepted in India.

14. There are no audit qualifications by the Statutory Auditors in their report pertaining to financial year 2021-22. Further, the Company has informed the Stock Exchanges that Statutory Auditors have furnished Audit Report on Standalone and Consolidated Financial Results with unmodified opinion, in line with provisions of SEBI LODR Regulations.

15. The Company has not issued any Stock Options / ESOPs during the financial year 2021-22.

16. Pursuant to the DPE Guidelines on Corporate Governance, quarterly compliance report is being submitted to the Ministry of Power, through DPE, within the stipulated time. The details of submission of the compliance report to DPE during the financial year 2021-22 were as under:

Report for Quarter ended	Date of submission of report
June 30, 2021	July 7, 2021
September 30, 2021	October 14, 2021
December 31, 2021	January 10, 2022
March 31, 2022	April 7, 2022

Further, the Report containing Annual Score (consolidated score of four quarters) was submitted to DPE on April 7, 2022, within the prescribed timeline.

The Company has also submitted to the Stock Exchanges, quarterly compliance reports on Corporate Governance under Regulation 27(2)(a) of SEBI LODR Regulations, for all the quarters of financial year 2021-22 within the stipulated time.

17. In line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the disclosure regarding complaints under the said Act during the financial year 2021-22, is as under:

Sl. no.	Particulars	Number of complaints
1.	Number of complaints pending as at the beginnig of the financial year	Nil
2.	Number of complaints filed during the financial year	Nil
3.	Number of complaints disposed of during the financial year	Nil
4.	Number of complaints pending as on the end of the financial year	Nil

18. During the financial year 2021-22 and in the last three years, the Company has not received any Presidential Directives.

19. The Company familiarizes its Independent Directors about the nature of business & operations, strategy and performance of the Company, their role & responsibilities as Independent Directors and other relevant topics from time to time. During the financial year 2021-22, the Company conducted 3 (three) such training programmes for its Independent Directors appointed during the year, of total 20 hours duration per Director. In addition to the same, the Company also provided them with necessary documents, reports, internal policies etc., to familiarize them with the Company's procedures and practices.

Further, with the help of presentations at the Board & Committee meetings, regular interactions with Directors, senior management personnel and other officials of the Company, efforts are made to provide all relevant information to the Independent Directors. The details of familiarization programmes conducted for Independent Directors of the Company are available at https://recindia.nic.in/uploads/files/Familiarization-programme---13072022.pdf.

Further, as per the requirement of DPE Guidelines on Corporate Governance, the Company has formulated a *Policy for Training of Board Members*. Based on their requirement, the Board members attend various seminars, conferences and training programmes etc. from time to time.

20. The Company has adopted all mandatory items (except for having requisite number of Independent Directors on the Board); and also some of the non-mandatory items on Corporate Governance, as prescribed under SEBI LODR Regulations, status of which is as under:

a) **The Board:** The Company is headed by an Executive Chairman;

b) **Shareholder Rights:** The Company is making all relevant information available to the shareholders / investors in a timely manner, to enable them to be sufficiently informed of the major decisions of the Company;

c) **Modified opinion in audit report:** There are no audit qualifications / modified opinion pertaining to financial year 2021-22. It is always the Company's endeavour to maintain unqualified financial statements;

d) **Separate posts of Chairman and MD or CEO:** There are no separate posts of Chairman and CEO. Being a Government Company, the role of CEO is performed in REC by the Chairman & Managing Director and the role of CFO is performed by Director (Finance);

e) **Reporting of Internal Auditor:** The Head of Internal Audit function of the Company directly reports to the Audit Committee and is invited to the meetings of the Audit Committee.

21. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) and Regulation 52(7) of SEBI LODR Regulations was not applicable during the year under review. Further, there was no variation in use of issue proceeds of private placement of bonds in the financial year 2021-22.

22. The domestic debt instruments of REC continued to enjoy "AAA" rating, the highest rating assigned by CRISIL, CARE, India Ratings & Research and ICRA, credit rating agencies throughout the financial year 2021-22. The Company also enjoys international credit rating of "Baa3" and "BBB-" from international credit rating agencies Moody's and FITCH, respectively, throughout the financial year 2021-22. There is no revision in the ratings assigned to REC during the financial year 2021-22.

23. On an annual basis, the Company obtains from each Director, *inter-alia*, the details of Board and Committee positions occupied by them in other companies and changes therein, if any. Further, M/s Hemant Singh & Associates, Practicing Company Secretaries, have provided a certificate confirming that none of the Directors on the Board of the Company is debarred or disqualified from being appointed or continuing as Director of the Company by SEBI, Ministry of Corporate Affairs or any other statutory authority. Copy of the said certificate is placed at **Annexure-A** to this report.

24. To oversee specific operational areas, the Board of Directors of the Company has constituted various Board-level Committees and delegated certain functions to these Committees. The respective Committee(s) focus on their assigned areas and make informed decisions and wherever required, make recommendations for further consideration of the Board of Directors. During the financial year 2021-22, there was no instance where the Board of Directors did not accept the recommendation given by any Board-level Committee of the Company.

11. **COMPLIANCE WITH APPLICABLE LAWS**

The Company has a robust system in place for monitoring the compliance with applicable laws and related statutory and procedural compliances. The Board of Directors of the Company periodically reviews the status of statutory, policy and related procedural compliances, in order to ensure proper compliance of all laws applicable to the Company.

12. **CODE OF BUSINESS CONDUCT AND ETHICS FOR BOARD MEMBERS AND SENIOR MANAGEMENT**

The Company has a "Code of Business Conduct and Ethics for Board Members and Senior Management", which is applicable to all Directors, Key Managerial Personnel and Senior Management Personnel of the Company. The said Code is aligned with the Company's mission / vision and objectives and aims at enhancing ethical and transparent process in managing the affairs of the Company.

The Code of Conduct of REC can be accessed at https://recindia.nic.in/uploads/files/Code_Business_Conduct_Ethics.pdf. Based on the affirmations received from all Board members and Senior Management Personnel, a declaration by the Chairman and Managing Director of the Company regarding compliance of said Code is as under:

Declaration under Code of Business Conduct and Ethics for Board Members and Senior Management

All Board Members and Senior Management have affirmed compliance with the 'Code of Business Conduct and Ethics for Board Members and Senior Management' of the Company for the financial year ended March 31, 2022.

Sd/-
Vivek Kumar Dewangan
Chairman & Managing Director
DIN: 01377212

Place : Gurugram
Date : July 8, 2022

13. **CODE OF CONDUCT FOR REGULATING, MONITORING AND REPORTING TRADING BY DESIGNATED PERSONS AND THEIR IMMEDIATE RELATIVES AND FOR FAIR DISCLOSURE**

The Company has a "Code of Conduct for Regulating, Monitoring and Reporting Trading by Designated Persons and their Immediate Relatives and for Fair Disclosure", framed with an aim that the Designated Persons and their immediate relatives, as defined in the said Code, do not derive any benefit or assist others to derive any benefit from the access to and possession of Unpublished Price Sensitive Information (UPSI) about the Company which is not in the public domain and thus constitutes insider information. The Company Secretary has been appointed as the Compliance Officer of the Company; and is responsible for adherence of the said Code. The said Code is available at https://recindia.nic.in/uploads/files/cs-revised-insider-trading-code-submitted-to-stock-exchanges-dt070619.pdf.

The said Code sets up policies and procedures to prevent leakage of UPSI and to institute adequate mechanism of Internal Controls to preserve confidentiality of the sensitive information. Further, it also prescribes the practices, procedures and norms to be followed for fair disclosure of UPSI and to prescribe legitimate purposes, subject to which the UPSI can be shared with any stakeholders or business partner of REC. The Code lays down the procedures to be followed and disclosures to be made while dealing in the equity shares/securities of the Company and the consequences of non-compliance.

In line with the requirement of the said Code, whenever some UPSI is submitted to the Board for consideration and approval including consideration of quarterly results, the trading window is closed and notice of such closure of trading window is issued to the designated employees and concerned persons well in advance. Further, proper announcements are also made on the website of the Company as well as to Stock Exchanges where the shares of the Company are listed, restraining them and their dependent family members from dealing in listed securities of the Company, when the trading window is closed.

14. **POLICY FOR PREVENTION OF FRAUD**

The Company has framed a "Policy for Prevention of Fraud", to *inter-alia* provide a system for detection and prevention of fraud, reporting of any fraud that is detected or suspected and fair dealing of matters pertaining to fraud. The Policy covers the following:

i. To ensure that management is aware of its responsibilities for detection and prevention of fraud and for establishing procedures for preventing fraud and/or detecting fraud when it occurs.

ii. To provide a clear guidance to employees and others dealing with REC forbidding them from involvement in any fraudulent activity and the action to be taken by them where they suspect any fraudulent activity.

iii. To provide timeline and details to Nodal Officer for reporting fraud once detected or suspected.

iv. To conduct investigations into fraudulent activities.

v. To provide assurances that any and all suspected fraudulent activity(ies) will be fully investigated.

vi. Fraud in any form against REC will not be tolerated.

The said policy is available at https://recindia.nic.in/uploads/files/Revised-Fraud-Prevention-Policy-310122.pdf.

15. **WHISTLE BLOWER POLICY**

The Company has in place a "Whistle Blower Policy", in compliance of the provisions of the Companies Act, 2013, SEBI LODR Regulations and DPE Guidelines on Corporate Governance. The Whistle Blower Policy enables the Directors/ employees of REC and/or its subsidiaries to raise concerns regarding any alleged malpractice or wrong doing, which could affect the business or reputation of the Company. The manner and competent authority for making complaint is prescribed under the Policy. The policy is available at https://www.recindia.nic.in/uploads/files/Whistle_Blower_Policy.pdf.

Pursuant to the Whistle Blower Policy, no complaint was received during the year under review. Further, a declaration by the CMD that no person has been denied access to the Competent Authority under the said policy during the financial year 2021-22 and that necessary system has been put in place to provide protection to the complainant, wherever required, is as under:

Annual Affirmation in terms of Whistle Blower Policy of the Company

During the financial year 2021-22, no person has been denied access to the Competent Authority and necessary system has been put in place, to provide protection to the complainant, wherever required.

Sd/-
Vivek Kumar Dewangan
Chairman & Managing Director
DIN: 01377212

Place : Gurugram
Date : June 20, 2022

In addition to the above, REC has also adopted Whistle Blower Policy (PIDPI Resolution) issued by the Central Vigilance Commission vide Office Order dated May 17, 2004; and the same is incorporated in the "Vigilance Hand Book" of the Company.

16. **TOTAL FEES PAID TO AUDITORS**

Details of the total fees for all services paid by REC and its subsidiaries, on a consolidated basis, to the Statutory Auditors of REC and all entities in the network firm/network entity of which the Statutory Auditors are a part, are as under:

(₹ in crore)

Sl. no.	Particulars	FY 2021-22	FY 2020-21
A.	Fee paid to Statutory Auditor:		
(i)	As Auditor	0.58	0.66
(ii)	For Taxation matters*	0.15	0.25
(iii)	For Company law matters (includes limited review fees)	0.33	0.26
(iv)	For other services:		
	(a) Certification of MTN Offer Document/Comfort Letter	0.10	0.10
	(b) Other certifications	0.22	0.04
(v)	For reimbursement of expenses	0.03	-
	Sub-total	**1.41**	**1.38**
B.	Non-recoverable tax credit in respect of fees paid to auditors	0.12	0.12
	Total	**1.53**	**1.43**

** Fees for taxation matters for FY 2020-21 includes ₹ 0.12 crore pertaining to earlier years.*

17. **MEANS OF COMMUNICATION**

The Company recognizes that timely communication of relevant information with all stakeholders, is a key element of its overall Corporate Governance framework. The Company communicates with its shareholders, bondholders and other stakeholders through various means including through its website, filings made on stock exchanges, ads published in the media, social media updates and publication of annual reports. The Company also communicates with its institutional investors through analyst meets and press releases from time to time.

Latest updates and relevant corporate disclosures made to the Stock Exchanges from time to time, quarterly and annual financial results, shareholding pattern, annual reports and other relevant information, including official news releases and result presentations made to institutional investors or analysts, are available on REC's website i.e., https://recindia.nic.in/disclosures-under-regulation-46-of-sebi, under the Investor section. Further, financial results of the Company are published in national newspapers like Economic Times (English & Hindi), Mint (English), Hindustan (Hindi) etc.

The Company has designated telephone numbers and e-mail IDs for addressing the queries of its shareholders and bondholders. Such details can be accessed at https://recindia.nic.in/investors-contact.

18. **CEO/CFO CERTIFICATION**

In terms of Regulation 17(8) of the SEBI LODR Regulations, a Certificate on financial reporting and internal controls to the Board, duly signed by the Chairman and Managing Director and Director (Finance) of the Company, was placed before the Board in its meeting held on May 13, 2022, alongwith the Annual Audited Financial Statements of the Company for the financial year ended on March 31, 2022. A copy of the said certificate is enclosed at **Annexure-B** to this report.

19. **GENERAL SHAREHOLDERS' INFORMATION**

i. **Annual General Meeting for the financial year 2021-22.**

The ensuing 53rd Annual General Meeting (AGM) of shareholders of the Company will be held through video conferencing / other audio visual means on the following day, date and time:-

Day, date	Friday, September 16, 2022
Time	11.00 A.M.

Details regarding participation in the said meeting and other relevant information of shareholders, are appearing in the Notice of the 53rd AGM of the Company forming part of this Annual Report.

ii. **Financial Calendar (FY2021-22 *vis-à-vis* FY 2022-23)**

The financial calendar for the last / completed financial year (FY 2021-22) *vis-à-vis* the next / ongoing financial year (FY 2022-23), is as follows:-

Financial year	FY 2021-22		FY 2022-23	
Accounting Period	1-Apr-2021 to 31-Mar-2022		1-Apr-2022 to 31-Mar-2023	
Announcement of Financial Results	Q1	5-Aug-2021	Q1	Within 45 days from end of quarter
	Q2	29-Oct-2021	Q2	
	Q3	4-Feb-2022	Q3	
	Q4 & Annual	13-May-2022	Q4 & Annual	Within 60 days from end of financial year
Date of AGM	16-Sep-2022		August/September, 2023	

iii. Dividend

(a) Dividend Distribution Policy

The Company has formulated a Dividend Distribution Policy in compliance of Regulation 43A of the SEBI LODR Regulations, which, *inter-alia*, specifies the external and internal factors including financial parameters, that shall be considered while declaring dividend and the circumstances under which the shareholders of the Company may or may not expect dividend. The policy is available at https://recindia.nic.in/uploads/files/Dividend_Distribution_Policy.pdf.

(b) Dividend for the financial year 2021-22

In pursuance of Article 114 of the Articles of Association of the Company read with Section 123 of the Companies Act, 2013 and Companies (Declaration and Payment of Dividend) Rules, 2014, as amended from time to time, the Company has paid three interim dividend and recommended final dividend for the financial year 2021-22, as detailed hereunder:

Thus, subject to approval of shareholders of the Final Dividend at the ensuing 53rd AGM, the total dividend for the financial year 2021-22 would amount to ₹15.30/- per equity share of ₹10/- each, representing 153.10% of the paid-up share capital of the Company, which is higher than the dividend of ₹12.71/- per equity share of ₹10/- each paid for the last financial year 2020-21, representing 127.10% of the paid-up share capital of the Company.

The Company has fixed July 13, 2022 as the 'Record Date', for determining the eligibility of members for the aforesaid Final Dividend, subject to approval of the shareholders at the ensuing 53rd AGM of the Company. If declared, the Final Dividend would be paid to the shareholders on Thursday, October 13, 2022.

Particulars	Date of Dividend Payment	Dividend per Equity Share of ₹10/- each
1st Interim Dividend	2-Sep-2021	₹2.00/-
2nd Interim Dividend	25-Nov-2021	₹2.50/-
3rd Interim Dividend	3-Mar-2022	₹6.00/-
Final Dividend	13-Oct-2022*	*₹4.80/-
TOTAL		**₹15.30/-**

**Subject to shareholders' approval at 53rd AGM*

Dividend history for the last five financial years

Financial Year	Total paid-up Share Capital (₹ in crore)	Total Dividend paid (₹ in crore)	Rate of Dividend (%)	Date of payment	Dividend per Equity Share of ₹10/- each
2016-17	1,974.92	1,905.79	*96.50	6-Mar-2017	Interim Dividend (₹7.00)
				9-Oct-2017	Final Dividend (₹2.65)
2017-18	1,974.92	1,807.05	91.50	27-Feb-2018	Interim Dividend (₹7.40)
				15-Oct-2018	Final Dividend (₹1.75)
2018-19	1,974.92	2,172.41	110.00	19-Mar-2019	Interim Dividend (₹11.00)
2019-20	1,974.92	2,172.41	110.00	24-Feb-2020	Interim Dividend (₹11.00)
2020-21	1,974.92	2,510.12	127.10	3-Dec-2020	1st Interim Dividend (₹6.00)
				30-Mar-2021	2nd Interim Dividend (₹5.00)
				21-Oct-2021	Final Dividend (₹1.71)

**The percentage of dividend from financial year 2016-17 onwards is after adjustment, due to issue of Bonus Shares in the ratio of 1:1 by the Company in the said financial year*

Pursuant to comprehensive guidelines on Capital Restructuring of Central Public Sector Enterprises, issued by the Department of Investment and Public Asset Management (DIPAM), Ministry of Finance, Government of India, and based on the financial statements of the Company for the financial year ended on March 31, 2022, the Company has declared bonus shares in the ratio of 1:3, i.e., one (1) bonus equity share of ₹10/- each fully paid-up for every three (3) existing equity shares of ₹10/- each fully paid-up, by capitalizing a sum of ₹6,58,30,60,000 out of the sum standing to the credit of its 'Securities Premium Account'. The shareholders have approved the said bonus issue through postal ballot on August 9, 2022. The said bonus shares will rank *pari-passu* with the existing fully paid-up equity shares of the Company.

The postal ballot notice and results can be accessed at https://recindia.nic.in/postalballot. After the allotment of the bonus shares, the paid up share capital of the Company will be increased to ₹2,633.22 crore, consisting of 2,63,32,24,000 equity shares of ₹10/- each.

(c) Unpaid/Unclaimed Dividend w.r.t Equity Shares and Unpaid/Unclaimed Principal/Interest w.r.t Debentures etc. and Equity Shares and Debentures' Principal and Interest transferred to the Investor Education & Protection Fund (IEPF)

Amounts transferred to IEPF

Pursuant to Section 124(5) of the Companies Act 2013, the dividend amounts and amounts of principal and interest thereon in respect of debt securities, which remain unpaid/unclaimed for a period of seven years, are transferred to the Investor Education & Protection Fund (IEPF) of the Central Government.

During the financial year 2021-22, the following amounts of dividend became due for transfer to IEPF, which were deposited as per details given below:

Particulars	Date of Transfer	Amount (₹)
Final Dividend FY 2013-14	17.11.2021	6,79,301
Interim Dividend FY 2014-15	09.04.2022	25,66,648
TOTAL		**32,45,949**

As per Section 125 of Companies Act, 2013 read with Rules of IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 {IEPF Rules}, all the matured debentures alongwith interest accrued on the debentures which has remained unclaimed and unpaid for a period of seven years from the date it became due for payment shall be transferred to IEPF. Accordingly, the following amount has been transferred to IEPF in FY 21-22 w.r.t Unclaimed Principal/Interest on Debentures

Particulars	Date of IEPF Transfer	Amount (₹)
Principal & Interest 54 EC Bonds	27.04.2021	4,16,784
Principal & Interest 54 EC Bonds	21.05.2021	46,150
Principal & Interest 54 EC Bonds	28.06.2021	55,75,342
Principal & Interest 54 EC Bonds	19.07.2021	3,42,741
Principal & Interest 54 EC Bonds	17.08.2021	58,70,071
Interest 54 EC Bonds	22.09.2021	77,400
Principal & Interest 54 EC Bonds	13.01.2022	1,19,927
Interest Bond Series 74	18.01.2022	35,803
Principal & Interest54 EC Bonds	17.02.2022	1,64,581
Interest 54 EC Bonds	17.03.2022	4,23,000
TOTAL		**1,30,71,799**

Note: *The above cases pertain to financial year 2014-15*

The Company has been issuing notices in the newspapers from time to time, in order to invite attention of shareholders to submit their claims towards the unpaid/unclaimed dividend. It is again advised to all shareholders to encash their warrants relating to dividend immediately or to write to the R&TA of the Company for revalidation or issue of Demand Drafts in place of old warrants.

Equity Shares transferred to IEPF

As per the provisions of Section 124(6) of the Companies Act, 2013 read with Rule 6 of IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 {IEPF Rules}, all shares in respect of which dividend has not been claimed for seven consecutive years, are required to be transferred by the Company to the Demat Account of the IEPF Authority. Accordingly, the Company has transferred 9,896 Equity Shares of ₹10/- each to the IEPF in November, 2021. As on March 31, 2022, the number of equity shares held in Demat account of IEPF Authority were 1,29,038. Subsequently, 1,968 Equity Shares of ₹10/- each have been transferred to the IEPF Authority in April, 2022, in line with the statutory provisions.

The members who have a claim on the above dividends and/or shares or Interest and/or Principal of Debentures may claim the same from IEPF Authority by submitting an online application in the prescribed e-Form no. IEPF-5 available on the website www.iepf.gov.in and sending a self-attested physical copy of the form, challan, Indemnity Bond and all other requisite documents enumerated in Form no. IEPF-5, in an envelope marked "Claim for refund from IEPF Authority", to the Company Secretary at the Corporate Office.

Claim forms complete in all aspects will be verified and on the basis of Company's verification report, refund will be processed by IEPF Authority in favour of claimants' Aadhaar-linked bank account, through electronic transfer and credit of shares in the demat account. No claims shall lie against the Company in respect of the dividends / shares so transferred to the IEPF Authority, as per the provisions of the Companies Act, 2013.

Nodal Officer

Pursuant to Rule 7(2A) of the IEPF Rules, the following persons are the Nodal Officers of the Company in respect of IEPF matters:

Designation	Name
Nodal Officer	**Shri J.S. Amitabh** Executive Director & Company Secretary
Deputy Nodal Officer for Debentures/ Bonds	**Shri Daljeet Singh Khatri** Executive Director (Finance)
Deputy Nodal Officer for Equity Shares	**Shri M.L. Kumawat** Senior General Manager (Fin) & HoD-CS

The Company will upload the details of unclaimed/ unpaid amounts pertaining to shareholders/ bondholders of the company containing information like name, address, amount due to be transferred to IEPF and due date of transfer of amount to IEPF, on its website at https://recindia.nic.in/unpaid-dividend, within 60 days from AGM. The shareholder-wise details of amounts and shares, which have already been transferred by the Company to IEPF, are also available on REC's website i.e., https://recindia.nic.in/iepf-details.

The Company has uploaded the details of unclaimed/ unpaid amounts pertaining to shareholders/ bondholders of the company containing information like name, address, amount due to be transferred to IEPF and due date of transfer of amount to IEPF, on its website at https://recindia.nic.in/iepf-details. The investor-wise details of amounts and shares, which have already been transferred by the Company to IEPF, are also available on REC's website i.e., https://recindia.nic.in/iepf-details.

iv. Listing of Equity Shares & Debt Securities

Equity Sharesof REC are listed on the following Stock Exchanges:

Particulars	NSE	BSE
Scrip Code	RECLTD	532955
Address	National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai-400051	BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai-400001
Telephone	+91-22-2659 8100/8114	+91-22-2272 1233/34
Email	cmlist@nse.co.in	corp.comm@bseindia.com
Website	www.nseindia.com	www.bseindia.com

Further, various Non-Convertible Debt Securities of the Company are also listed on the Stock Exchanges, details of which are appearing as an Annexure to the Board's Report.

v. International Securities Identification Number (ISIN)

ISIN of the Equity Shares of REC is INE020B01018. Further, details of ISIN of various debt securities issued by the Company are given as an Annexure to the Board's Report.

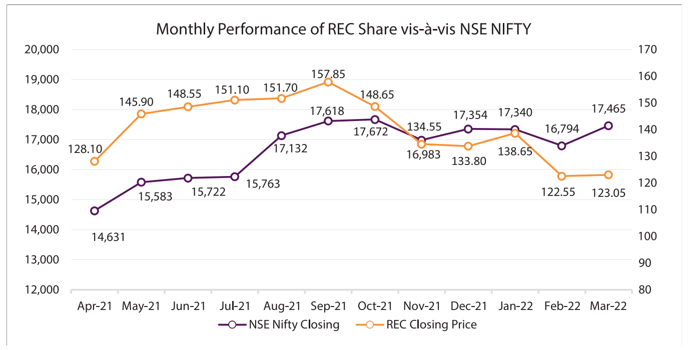
vi. Registrar and Transfer Agent (R&TA) contact details

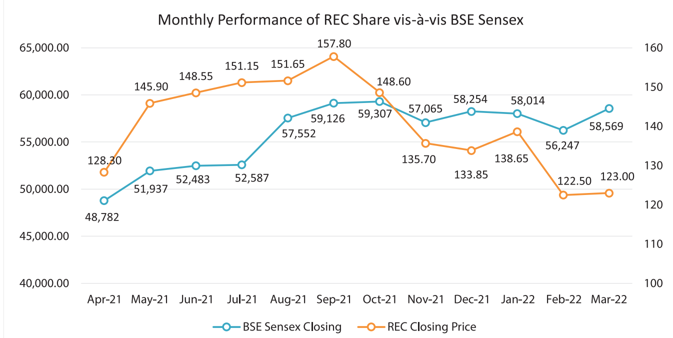
R&TA for Equity Shares		
Address	**KFin Technologies Limited** Selenium Tower B, Plot 31&32 Gachibowli Financial District, Nanakramguda, Hyderabad-500032	
Telephone	1800-309-4001	
Email	einward.ris@kfintech.com, balajireddy.s@kfintech.com, raju.sv@kfintech.com	
Website	www.kfintech.com	
R&TA(s) for various Debt Securities		
Address	**KFin Technologies Limited** Selenium Tower B, Plot 31&32 Gachibowli, Financial District Nanakramguda Hyderabad-500032	**Beetal Financial & Computer Services (P) Limited** Beetal House, 3rd Floor 99 Madangir, Behind Local Shopping Centre New Delhi-110062
Telephone	1-800-309-4001	+91-11-29961281-83
Email	einward.ris@kfintech.com, gopalakrishna.kvs@kfintech.com	recbonds3@gmail.com, spgupta123@gmail.com
Website	https://www.kfintech.com	www.beetalfinancial.com

vii. Market Price Data for the financial year 2021-22

Monthly Performance of REC's Equity Share *vis-à-vis* movement of NSE NIFTY and BSE SENSEX during the financial year 2021-22, was as under:

Month	REC Share Price at NSE (₹)			Movement of NSE NIFTY		
	High	Low	Close	High	Low	Close
Apr' 2021	135.50	122.15	128.10	15,044.35	14,151.40	14,631.10
May' 2021	148.00	126.10	145.90	15,606.35	14,416.25	15,582.80
Jun' 2021	167.80	140.50	148.55	15,915.65	15,450.90	15,721.50
Jul' 2021	154.80	142.75	151.10	15,962.25	15,513.45	15,763.05
Aug' 2021	160.50	139.25	151.70	17,153.50	15,834.65	17,132.20
Sep' 2021	166.00	149.60	157.85	17,947.65	17,055.05	17,618.15
Oct' 2021	168.85	146.65	148.65	18,604.45	17,452.90	17,671.65
Nov' 2021	155.65	126.15	134.55	18,210.15	16,782.40	16,983.20
Dec' 2021	138.70	125.15	133.80	17,639.50	16,410.20	17,354.05
Jan' 2022	141.50	127.85	138.65	18,350.95	16,836.80	17,339.85
Feb' 2022	143.30	116.60	122.55	17,794.6	16,203.25	16,793.90
Mar' 2022	126.95	119.15	123.05	17,559.8	15,671.45	17,464.75





Month	REC Share Price at BSE (₹)			Movement of BSE SENSEX		
	High	Low	Close	High	Low	Close
Apr' 2021	135.55	122.20	128.30	50,375.77	47,204.50	48,782.36
May' 2021	148.00	126.20	145.90	52,013.22	48,028.07	51,937.44
Jun' 2021	167.75	140.70	148.55	53,126.73	51,450.58	52,482.71
Jul' 2021	154.85	142.80	151.15	53,290.81	51,802.73	52,586.84
Aug' 2021	160.45	139.00	151.65	57,625.26	52,804.08	57,552.39
Sep' 2021	165.90	149.55	157.80	60,412.32	57,263.90	59,126.36
Oct' 2021	168.70	146.80	148.60	62,245.43	58,551.14	59,306.93
Nov' 2021	155.70	126.30	135.70	61,036.56	56,382.93	57,064.87
Dec' 2021	138.70	125.25	133.85	59,203.37	55,132.68	58,253.82
Jan' 2022	141.50	127.95	138.65	61,475.15	56,409.63	58,014.17
Feb' 2022	143.00	116.65	122.50	59,618.51	54,383.20	56,247.28
Mar' 2022	126.95	119.20	123.00	58,890.92	52,260.82	58,568.51

viii. Share transfer system

SEBI, through its press release dated December 3, 2018, has prescribed that with effect from April 1, 2019, requests for effecting transfer of securities shall not be processed, unless the securities are held in dematerialized form with a depository. Further, SEBI vide circular dated January 25, 2022 has also prescribed that while processing investor service requests such as transmission, transposition, renewal, exchange, sub-division, consolidation and issue of duplicate certificates etc., the securities shall be issued in dematerialized form only. Accordingly, all shareholders are requested to convert their shareholdings from physical form to demat form at the earliest to reap the benefits of dematerialization.

SEBI vide Circular dated November 3, 2021, has *inter-alia* made it mandatory for holders of physical securities to furnish/update PAN, email address, mobile number, bank account and nomination details, besides linking their PAN with Aadhar. The said circular also prescribes that those folios wherein any one or more of the aforesaid details are not available on or after April 1, 2023 shall be frozen and the investor will not be eligible to lodge grievance or avail service request from R&TA and will not be eligible for receipt of dividend in physical mode. In view of the same, members holding shares in physical mode are requested to furnish PAN, KYC details and nomination forms immediately to the Company / R&TA in the prescribed forms (as under), to ensure that their folios are not frozen on or after April 1, 2023:

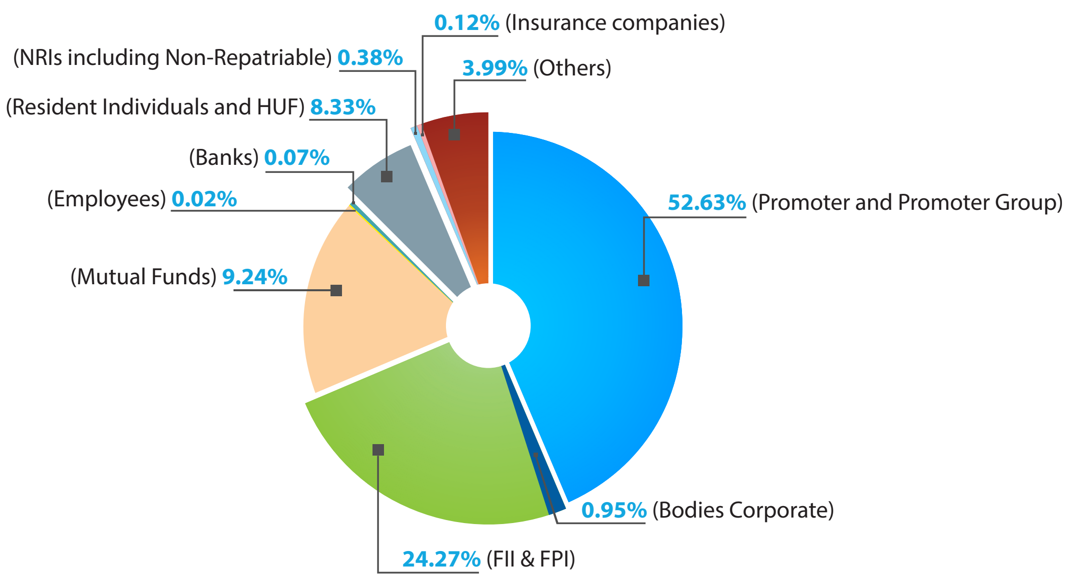
Forms	Particulars	Web-link for download
Form ISR-1	Request for registering PAN, KYC details or changes/ updation thereof	https://recindia.nic.in/uploads/files/Form-ISR-1.pdf
Form ISR-2	Confirmation of signature of securities holder by the Banker (in case of major mismatch in signatures)	https://recindia.nic.in/uploads/files/Form-ISR-2.pdf
Form ISR-3	Declaration form for opting-out of nomination by holders of physical securities	https://recindia.nic.in/uploads/files/Form-ISR-3.pdf
Form SH-13	Nomination form	https://recindia.nic.in/uploads/files/Form-no-SH-13.pdf
Form SH-14	Cancellation or variation of nomination	https://recindia.nic.in/uploads/files/Form-No-SH-14.pdf

The duly filled forms along with the signed documents/ details (self-attested with date) may be furnished to the R&TA through 'In Person Verification' (IPV) by R&TA, through hard copies or through electronic mode with e-sign. The e-signed documents are required to be sent from your registered e-mail ID, to einward.ris@kfintech.com with a copy marked to complianceofficer@recl.in. Further, for details/queries w.r.t bonds, please visit https://recindia.nic.in/Forms.

Pursuant to Regulation 40(9) & (10) of the SEBI LODR Regulations, Certificate from Practicing Company Secretary confirming due compliance of share transfer formalities by the Company, has been submitted to the Stock Exchanges on yearly basis within the stipulated time. Further, it is also confirmed that all transfer of shares were completed within the prescribed time period.

Shareholding Pattern/Distribution of Shareholding

Shareholding Pattern of REC as on March 31, 2022



(a) Shareholding Pattern on the basis of Ownership

The category-wise shareholding pattern of the Company as on March 31, 2022, vis-à-vis last year i.e., as on March 31, 2021, was as under:

Particulars		As on March 31, 2022		As on March 31, 2021	
		Number of Shares	% of Total Shares	Number of Shares	% of Total Shares
Promoter & Promoter Group	-	1,03,94,95,247	52.63	1,03,94,95,247	52.63
FPI, FPC& FII	↓	47,93,18,179	24.27	52,83,00,945	26.75
Mutual Funds	↑	18,24,09,568	9.24	17,90,43,306	9.07
Resident Individuals	↑	15,56,83,646	7.88	11,67,78,937	5.91
Insurance Companies	↓	24,53,392	0.12	5,88,95,240	2.98
Bodies Corporates	↑	1,87,36,424	0.95	1,13,61,284	0.58
Clearing Members	↓	20,02,781	0.10	25,75,891	0.13
Banks	↓	14,39,838	0.07	45,87,838	0.23
HUF	↑	87,73,935	0.45	69,41,329	0.35
Trusts	↓	8,93,577	0.05	9,49,715	0.05
Non Resident Indians	↑	53,46,627	0.27	31,12,828	0.16
Indian Financial Institutions/QIB	↑	7,55,52,364	3.83	2,04,85,544	1.04
NRI-Non Repatriable	↑	22,34,359	0.11	18,01,188	0.09
Employees	↑	4,44,669	0.02	4,27,797	0.02
Others (IEPF, AIF)	↓	1,29,038	0.01	1,52,567	0.01
NBFCs	↓	4,356	Negligible	8,344	Negligible
TOTAL		**1,97,49,18,000**	**100%**	**1,97,49,18,000**	**100%**

(b) Distribution of Shareholding as on March 31, 2022

The distribution of shareholding as on March 31, 2022 by number of shares held, was as under:

Particulars	Number of Shareholders	% of Shareholders	Number of Shares held	% of Total Shares
1-5000	4,44,017	98.99	11,13,34,927	5.64
5001 -10000	2,504	0.56	1,79,42,497	0.91
10001-20000	978	0.22	1,37,58,436	0.70
20001-30000	271	0.06	67,83,015	0.34
30001-40000	136	0.03	47,35,785	0.24
40001-50000	69	0.01	31,79,259	0.16
50001-100000	188	0.04	1,35,48,617	0.68
100001& above	392	0.09	1,80,36,35,464	91.33
TOTAL	**4,48,555**	**100.00**	**1,97,49,18,000**	**100.00**

ix. **Liquidity**

The shares of the Company are in compulsory dematerialized segment and available for trading under systems of both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The correspondence details of the depositories are as under:

Particulars	NSDL	CDSL
Address	Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013	Marathon Futurex, A-Wing, 25th Floor, NM Joshi Marg, Lower Parel, Mumbai - 400013
Telephone	+91-22-2499 4200 1-800-222-990	+91-22-2305 8640/24/39/42/63 1-800-22-5533
Email	relations@nsdl.co.in info@nsdl.co.in	helpdesk@cdslindia.com complaints@cdslindia.com
Website	https://nsdl.co.in/	www.cdslindia.com

The details of number of shares held in dematerialized and physical form as on March 31, 2022 were as under:

Particulars	Number of Shareholders	Number of Shares held	% of Total Shares
Physical	13,402	26,825	Negligible
NSDL (Demat)	2,01,746	1,89,71,80,836	96.06%
CDSL (Demat)	2,33,407	7,77,10,339	3.94%
TOTAL	**4,48,555**	**1,97,49,18,000**	**100.00%**

x. **Reconciliation of Share Capital Audit Report**

In terms of Regulation 76 of SEBI (Depositories & Participants) Regulations, 2018, M/s Savita Jyoti Associates, Practicing Company Secretaries, Secunderabad had issued *Reconciliation of Share Capital Audit Report* for every quarter of the financial year 2021-22, after carrying out audits to reconcile the total admitted, issued and listed share capital of the Company with NSDL and CDSL.

The reports confirmed that the total issued / paid up share capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL. The said reports were submitted by the Company to the Stock Exchanges within the stipulated time.

xi. **Details of Demat Suspense Account**

The Company went for Initial Public Offer (IPO) of 15,61,20,000 equity shares in February 2008, which comprised of fresh issue of 7,80,60,000 Equity Shares of ₹10/- each by the Company and an Offer for Sale of another equal number of Equity Shares by the President of India.

Further, the Company went for Follow-on Public Offer (FPO) of 17,17,32,000 Equity Shares in February 2010 which comprised of fresh issue of 12,87,99,000 Equity Shares by the Company and Offer for Sale of 4,29,33,000 Equity Shares by the President of India.

The details of Equity Shares of the Company in Demat Suspense Account during April 1, 2021 to March 31, 2022, in accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the SEBI LODR Regulations, were as under:

Particulars	Number of cases	Number of shares involved
Aggregate number of shareholders and outstanding unclaimed shares in the Suspense Account as on 1-Apr-2021	32	4,988
Number of shareholders who approached the Company for transfer of unclaimed shares from the Suspense account during the financial year	Nil	Nil
Number of shareholders to whom unclaimed shares were transferred from the Suspense Account during the financial year	Nil	Nil
Aggregate number of shareholders and the outstanding unclaimed shares in the Suspense Account as on 31-Mar- 2022	32	4,988

Notes:

1. *The voting rights on the shares outstanding in the suspense account as on March 31, 2022 shall remain frozen till the time rightful owner of such shares claims the same.*
2. *All the above cases are pertaining to IPO; there are no cases of unclaimed shares pertaining to the FPO.*

xii. **Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion dates and likely impact on equity.**

No GDRs/ADRs/Warrants or any convertible instruments have been issued by the Company.

xiii. **Annual Listing Fee to Stock Exchanges**

The Company has paid the Annual Listing Fee for the financial year 2022-23 to National Stock Exchange of India Limited and BSE Limited, in relation to its listed securities.

xiv. **Annual Custodial Fee to Depositories**

The Company has paid the Annual Custodial Fee for the financial year 2022-23 to National Securities Depository Limited and Central Depository Services (India) Limited.

xv. **Plant Locations**

The Company is a public financial institution and it does not have any plant location(s).

However, apart from its Registered Office at New Delhi and Corporate Office at Gurugram, Haryana, the Company has various Regional Offices / State Offices across the country and a Training Institute at Hyderabad (REC Institute of Power Management and Training), details of which are appearing at the end of this Annual Report.

xvi. **Corporate Identification Number (CIN)**

The CIN of the Company is L40101DL1969GOI005095.

xvii. **Corporate Website**

The corporate website of the Company is www.recindia.nic.in.

xviii. **Address for correspondence**

The address and contact details for correspondence with the Company are:

Registered Office	
Address	Core-4, SCOPE Complex, 7, Lodhi Road New Delhi - 110003
Telephone	+91-11-4309 1500/1501
Email	contactus@recl.in
Corporate Office	
Address	REC World Headquarters, Plot no. I-4, Sector 29 Gurugram, Haryana - 122001
Telephone	+91-124-271 1000 +91-124-444 1300
Email	contactus@recl.in

xix. **Compliance Officer and Public Spokesperson**

The name and contact details of Compliance Officer and Public Spokesperson of the Company are:

Compliance Officer and Public Spokesperson	
Name	Shri J. S. Amitabh Executive Director & Company Secretary
Address	REC World Headquarters Plot no. I-4, Sector 29 Gurugram, Haryana-122001
Telephone	+91-124-444 1331
Email	complianceofficer@recl.in jsamitabh@recl.in

For and on behalf of the Board of Directors

Vivek Kumar Dewangan
Chairman & Managing Director
(DIN: 01377212)

Place : Gurugram
Date : August 20, 2022

Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
REC Limited
Registered Office:
Core 4, SCOPE Complex,
7, Lodi Road, New Delhi - 110003

We have examined the relevant registers, records, forms, returns maintained by the Company and the disclosures received from the Directors of **REC Limited having CIN: L40101DL1969GOI005095** and having its registered office at Core 4, SCOPE Complex, 7, Lodi Road, New Delhi - 110003 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including Director Identification Number (DIN) status at the portal www.mca.gov.in] as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as on March 31, 2022, have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Details of the Directors of REC Limited as on March 31, 2022:

Sl. no.	Name of Director	Director Identification Number (DIN)	Date of Appointment*
1.	Shri Sudhir Kumar Gangadhar Rahate#	05254178	February 22, 2022
2.	Shri Ajoy Choudhury	06629871	June 1, 2020
3.	Shri Vishal Kapoor	08700132	September 7, 2021
4.	Smt. Parminder Chopra	08530587	February 4, 2022
5.	Dr. Gambheer Singh	02003319	November 15, 2021
6.	Dr. Manoj Manohar Pande	09388430	November 15, 2021
7.	Smt. Durgesh Nandini	09398540	December 30, 2021

**The date of appointment is as per the MCA portal.*
#Ceased to be Director of REC w.e.f. May 10, 2022.

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on the same based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Hemant Singh & Associates
Company Secretaries

Hemant Kumar Singh
(Partner)
Membership No.: F6033
CP No : 6370
UDIN: F006033D000506060

Date : June 18, 2022
Place : New Delhi

CERTIFICATE

Under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

May 13, 2022

This is to certify that:

a. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2022 and that to the best of our knowledge and belief:

   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and

   ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the auditors and the Audit Committee:

   i. significant changes in internal control over financial reporting during the year;

   ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Sd/-
(Ajoy Choudhury)
Director (Finance)
DIN: 06629871

Sd/-
(Ravinder Singh Dhillon)
Chairman & Managing Director
DIN: 00278074

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L40101DL1969GOI005095
2.	Name of the Listed Entity	REC Limited
3.	Year of incorporation	July 25, 1969
4.	Registered office address	Core 4, Scope Complex, 7, Lodhi Road, New Delhi-110003
5.	Corporate address	REC World Headquarters, Plot no. I-4, Sector 29, Gurugram-122001
6.	E-mail	complianceofficer@recl.in
7.	Telephone	+91-124-444 1300
8.	Website	www.recindia.nic.in
9.	Financial year for which reporting is being done	FY 2021-22
10.	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited BSE Limited
11.	Paid-up capital	₹1,974.92 crore (As on March 31, 2022)
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Shri V.K. Singh DIN: 02772733 Director (Technical) +91-124-444 1318 dtsectt@recl.in
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).	The disclosures are made in this report on a standalone basis.

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

Sl. no.	Description of main activity	Description of business activity	% of turnover of the entity
1.	Financial and Insurance Service	Financial and Credit leasing activities	99.75%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sl. no.	Product/Service	NIC Code	% of total turnover contributed
1	Other Financial Services and Activities - Other Credit Granting	64920	99.71%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	-	23	23
International	-	-	-

Note: Addresses of REC offices are appearing separately in this Annual Report.

17. Markets served by the entity

a. Number of locations

Location	Number
National (No. of States)	28
International (No. of Countries)	1

b. What is the contribution of exports as a percentage of the total turnover of the entity?

The Company is a Non-Banking Financial Company (NBFC) categorized as Infrastructure Finance Company (IFC) by the Reserve Bank of India. The contribution of exports to the turnover of the Company was Nil for the financial year 2021-22. However, REC had sanctioned a loan of ₹2,500 crore towards 4x150 MW Kholongchhu hydroelectric project in Bhutan during the year under review.

c. A brief on types of customers

REC's principal products are interest-bearing loans to State utilities, private-sector borrowers etc. The Company's business activities involve financing projects in the entire power sector value chain, be it power generation (both conventional and renewable energy), transmission, distribution, rural electrification, e-mobility, financing equipment manufacturing for power sector and activities having forward / backward linkage with power projects. The key products of the Company include long term loans, medium term loans, short terms loans etc. for the entire power sector value chain.

Customers of the Company include State Governments, Central/State power utilities, State Electricity Boards, independent power producers, rural electric cooperatives and private sector utilities etc.

IV. Employees

18. Details as at the end of financial year:

a. Employees and workers (including differently abled):

Sl. no.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Employees						
1.	Permanent (D)	440	368	83.64%	72	16.29%
2.	Other than Permanent (E)	2	2	100%	-	-
3.	Total employees (D + E)	442	370	83.71%	72	16.29%
Workers						
4.	Permanent (F)	-	-	-	-	-
5.	Other than Permanent (G)	-	-	-	-	-
6.	Total workers (F + G)	-	-	-	-	-

b. Differently abled Employees and workers:

Sl. no.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Differently Abled Employees						
1.	Permanent (D)	13	12	92.31%	1	7.69%
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total differently abled employees (D + E)	13	12	92.31%	1	7.69%
Differently Abled Workers						
4.	Permanent (F)	-	-	-	-	-
5.	Other than Permanent (G)	-	-	-	-	-
6.	Total differently abled workers (F + G)	-	-	-	-	-

19. Participation/Inclusion/Representation of women:

	Total (A)	No. and Percentage of Females	
		No. (B)	% (B / A)
Board of Directors	**7**	2	28.57%
Key Management Personnel	**3**	0	0.00 %

20. Turnover rate for permanent employees and workers *(Disclose trends for the past 3 years)*

	FY 2021-22			FY 2020-21			FY 2019-20		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	8.25	7.0	15.25*	9.7	12	21.7*	12.79	9.75	22.54*
Permanent Workers	-	-	-	-	-	-	-	-	-

** including superannuation*

V. **Holding, Subsidiary and Associate Companies (including joint ventures)**

21. **(a) Names of holding/subsidiary/associate companies/joint ventures**

Sl. no.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Power Finance Corporation Limited (PFC)	Holding company	PFC holds 52.63% in REC	Yes
2	REC Power Development and Consultancy Limited (RECPDCL)	Subsidiary	100%	Yes
3	Chandil Transmission Limited	Subsidiary	100%	Yes
4	Dumka Transmission Limited	Subsidiary	100%	Yes
5	Mandar Transmission Limited	Subsidiary	100%	Yes
6	Koderma Transmission Limited	Subsidiary	100%	Yes
7	Bidar Transmission Limited	Subsidiary	100%	Yes
8	Rajgarh Transmission Limited#	Subsidiary	100%	Yes
9	MP Power Transmission Package-I Limited	Subsidiary	100%	Yes
10	ER NER Transmission Limited	Subsidiary	100%	Yes
11	Energy Efficiency Services Limited	Joint Venture	15.68%	Yes

 # Was subsidiary as on March 31, 2022, subsequently transferred to GR Infraprojects Limited on May 30, 2022.

VI. **CSR Details**

22. **(i) Whether CSR is applicable as per section 135 of Companies Act, 2013 (Yes/No):** Yes

(ii) Turnover: ₹39,132.49 crore

(iii) Net worth: ₹50,985.60 crore

VII. **Transparency and Disclosures Compliances**

23. **Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2021-22			FY 2020-21		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes https://recindia.nic.in/grievances	98	1	-	166	2	-
Investors (other than shareholders)	Yes https://recindia.nic.in/bonds-grievances	18,042	0	-	16,655	0	-
Shareholders	Yes https://recindia.nic.in/investors-contact	4,670	3	The pending cases have since been resolved	2,304	0	-
Employees and workers	Yes Available on intranet	-	-	-	-	-	-
Customers	Yes https://recindia.nic.in/uploads/files/Fair-Practices-Code.pdf	-	-	-	-	-	-
Value Chain Partners	Yes https://recindia.nic.in/independent-external-monitor-iem-for-rural-electrification-corporation-ltd	-	-	-	-	-	-
Other (please specify)	-	-	-	-	-	-	-

24. **Overview of the entity's material responsible business conduct issues**

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

Sl. no.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Gradual shift from conventional power sources to renewable power sources	Opportunity	Thrust for cleaner power shall provide additional financing avenues for the corporation.	-	REC shall experience positive financial implication due to additional revenues from financing towards cleaner power.
2.	Shift to paperless environment to further the sustainability	Opportunity	Shift to digital means of communication & record management shall enhance speed, accuracy, efficiency, cost saving, accountability & preservation of records.	-	REC shall experience positive financial implication due to cost saving & increase in swiftness of operations.
3.	Climate conscious measures to ensure the sustainability	Risk	Growing climate concerns may pose a threat to operations of the Company.	REC has taken an "Adapt" approach to address the climate concerns. REC has built a climate conscious "Green" building for its corporate office. Further, REC has focused on financing towards cleaner & environment friendly projects.	REC shall experience positive financial implication due to cost saving & additional revenues.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
1.	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	c. Web Link of the Policies, if available	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	REC enters into Memorandum of Understanding (MoU) with its holding company, PFC, under the framework prescribed in MoU Guidelines issued by the Department of Public Enterprises (DPE). The MoU demarcates key performance parameters for the Company finalized in consultation with the Ministry of Power, Government of India. REC's MoU score for FY 2020-21 was 100 out of 100 and was rated as "Excellent".								
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.									
Governance, leadership and oversight										
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) The Company is committed to develop a suitable ESG framework for the organization. The ESG Policy covering targets, challenges etc., is presently under preparation.									
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Board of Directors								
9.	Does the entity have a specified Committee of the Board / Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes. The Company has a committee of senior officials for ESG matters. Further, Director (Technical) is resposible for decision making on sustainability related issues.								
10.	Details of Review of NGRBCs by the Company:									

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y	On quarterly and annual basis								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y	On quarterly and annual basis								

		P1	P2	P3	P4	P5	P6	P7	P8	P9
11.	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	Y	Y	Y	Y	Y	Y	Y	Y	Y

Note: The relevant explanation/information/links are mentioned in the Annexure to this Report.

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated.

Not applicable.

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

ESSENTIAL INDICATORS

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	3	Orientation programmes for familiarization of Independent directors with business and operations of the Company, industry structure, nature of services offered. The above trainings covered Principles 1, 2 & 9.	42.86%
Key Managerial Personnel	1	Experiential Learning Programme	25%
Employees other than BoD and KMPs	21	Various technical and financial topics including experiential learning and personal effectiveness which are relevant for day to day work	52.27%
Workers	-	-	-

2. Details of fines/ penalties/ punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors/ KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Principle 1	1. National Stock Exchange of India Limited 2. BSE	₹86,21,080/-	For the financial year ended on March 31, 2022, the Company has complied with all requirements of SEBI LODR Regulations, the Companies Act, 2013 and rules made thereunder, applicable Secretarial Standards issued by ICSI and DPE Guidelines on Corporate Governance, as amended from time to time, except compliance related to appointment of requisite number of Independent Directors. Further, for some part of the year, the Company had no Independent Directors including Woman Independent Director on its Board and the composition of some Committees were also not in conformity with statutory provisions. Due to such non-compliances, NSE and BSE have imposed a total fine of ₹86,21,080/- including GST (₹43,10,540/- each including GST), for all the four quarters of FY 2021-22.	Yes

Monetary					
	NGRBC Principle	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Amount (In INR)**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Settlement	-	-	-	-	-
Compounding fee	-	-	-	-	-

Non-Monetary					
	NGRBC Principle	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**	
Imprisonment	-	-	-	-	
Punishment	-	-	-	-	

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
In connection with fine levied by NSE and BSE for non-appointment of Independent Directors / Woman Independent Director, as stated in the previous question, since the power to appoint Directors on the Board of the Company vests with the President of India, acting through the administrative ministry i.e., Ministry of Power (MoP), Government of India, therefore the Company has been requesting the appointing authority, i.e., MoP, for appointment of requisite number of Independent Directors. The Company has no control in the appointment of Directors or maintaining the composition of its Board & Committees thereof. In view of the same, the Company had requested / is requesting the stock exchanges to waive off the said fines. It is pertinent to mention, that BSE has already waived off the fine imposed on the Company for earlier quarters ended on September 2020 and December 2020. The Company is following up with the Stock Exchanges for waiving off the balance fine(s) as well.	1. National Stock Exchange of India Limited 2. BSE

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

REC follows procedures and norms of CVC regarding anti-corruption and anti-bribery and also the PIDPI Resolution (GOI Resolution on Public Interest Disclosure and Protection of Informers) relating to complaints for disclosure on any allegation of corruption or misuse of office wherein CVC is Designated Agency. Apart from the above, REC also adopted Whistle Blower Policy.

Further, the Company's *Conduct, Discipline and Appeal (CDA) Rules* define the code of conduct for all employees and recognizes acts of bribery, corruption, etc. as misconduct.

The Company also has a *Policy for Prevention of Frauds*, which sets forth obligation on part of every employee of the Company for prevention, detection and reporting of any act of fraud, bribery or corruption.

5. Number of Directors / KMPs / employees / workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption:

	FY 2021-22	FY 2020-21
Directors	-	-
KMPs	-	-
Employees	-	-
Workers	-	-

6. Details of complaints with regard to conflict of interest:

	FY 2021-22		FY 2020-21	
	Number	**Remarks**	**Number**	**Remarks**
Number of complaints received in relation to issues of Conflict of Interest of the Directors	-	-	-	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	-	-	-	-

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not applicable.

LEADERSHIP INDICATORS

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
3	Vigilance Division of REC conducted training program/ workshop for employees of REC including Regional Offices, Subsidiary & Training Centre, on following topics: • Contracts Management • PIDPI • Forensic Audit The above trainings covered Principles 1 & 2.	100%
2	Procurement & Contracts Management Division of REC conduced Vendor Development Programmes, one for general category vendors and 1 for SC/ST owned MSEs, on following topics: • GeM Awareness • Benefits to MSMEs/Start-Ups • Make-In-India Policy Awareness • Restrictions under Rule 144 (xi) of GFR 2017 : Country which shares a land border with India • Awareness for *"Atmanirbhar Bharat Abhiyan"* The above trainings covered Principles 2, 3, 8 & 9.	100%

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

The Company has a Code of Conduct for Board Members and Senior Management, which covers *inter-alia* the process of dealing with conflict of interests. The Policy is available at https://recindia.nic.in/uploads/files/Code_Business_Conduct_Ethics.pdf.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

ESSENTIAL INDICATORS

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	-	-	-
Capex	₹12.22 crore*	-	REC does not own any manufacturing facility, there are no significant particulars relating to R&D and Capex. However, the Company has set up a 979kWp solar power plant on top of its corporate office building in Gurugram (supported by solar pergola structure), to cater to the load requirement by using clean and renewable source of energy. The solar plant is functional since July 2021 and connected to grid. During the financial year 2021-22, it has generated 8,22,072 units of electricity, which has catered to around 50% of the total load requirement of REC corporate office building (i.e., 16,30,956 units).

** total capital investment on energy conservation equipment by the Company i.e., towards SITC (supply, installation, testing and commissioning of solar pergola and solar panels)*

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Considering the business activities of the Company, this question has limited applicability. As a NBFC, REC's resource use is mainly limited to electricity, office supplies and communication or IT equipment.

Being a NBFC, REC is less resource-intensive in terms of material requirements. Despite the limited scope, REC ensures responsible sourcing of all its material requirements. The Company promotes GeM portal (Government e-Marketplace) in its procurements and also promotes sourcing from MSME vendors. All procurement / sourcing of material and services is done as per the procedure defined in the Procurement Guidelines of the Company.

b. **If yes, what percentage of inputs were sourced sustainably?**

In terms of material requirements, REC has made it mandatory to procure common use goods & services available on GeM (Government e-Marketplace) portal, with purchase preference to MII/MSMEs as per Government directives.

During the financial year 2021-22, REC not only achieved but exceeded its target for procurement from GeM. The procurement from GeM portal was 51.14% in respect of MoU and procurement from MSMEs was 36.60%.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

Given the nature of business and operations, the Company does not have material plastic waste, e-waste and other waste. Further, the Company does not have any hazardous waste.

Disposal of old, unserviceable & obsolete IT equipment's, identified as e-waste, is done through registered Recyclers/ Re-processers under Central Pollution Control Board, Government of India & State Pollution Control Committee/ Board Electronic waste, by following Procurement Guidelines of the Company.

The Company has also reduced plastic use to very minimal and encourages use of substitutes such as jute bags, cloth bags etc.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Not Applicable.

LEADERSHIP INDICATORS

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

Being a NBFC categorized as IFC, the main products offered by REC include rupee term loans, short-term and medium-term loans etc. to borrowers for schemes and projects in the entire power sector value chain. Further, as nodal agency for various programmes of the Government of India, REC contributes towards the overall development of power sector.

The loan products are developed in line with the market norms, borrower requirements and applicable statutory and regulatory provisions of RBI and/or any other regulators. Details of loan products offered by the Company are available at the website at https://recindia.nic.in/financial-products.

REC has prepared Environmental Social Impact Analysis (ESIA) report in year 2016, under Official Development Assistance - KfW-III LoA between REC & KfW, applicable for financing renewable energy projects. The same serves as the roadmap for REC to address environmental & social issues in financing renewable power projects.

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Name of Product / Service	Description of the risk / concern	Action Taken
Other Financial Services and Activities - Other Credit Granting	No significant social or environmental concern / risk is envisaged from production or disposal of the Company's products / services.	-

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Considering the nature of business and operations, the percentage of recycled or reused input material used by the Company is negligible.

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

	FY 2021-22			FY 2020-21		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	-	-	-	-	-	-
E-waste	-	-	*140			*177
Hazardous waste	-	-	-	-	-	-
Other waste	-	-	-	-	-	-

** Denotes number of IT units safely disposed.*

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Not Applicable

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

ESSENTIAL INDICATORS

1. a. **Details of measures for the well-being of employees**

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	368	-	-	368	100	0	0	368	100	368	100
Female	72	-	-	72	100	72	100	0	0	72	100
Total	440	-	-	440	100	72	16.36	368	83.64	440	100
Other than Permanent employees											
Male	2	-	-	-	-	-	-	2	100	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	2	-	-	-	-	-	-	2	100	-	-

b. **Details of measures for the well-being of workers:**

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent Workers											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-
Other than Permanent Workers											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

2. **Details of retirement benefits, for Current FY and Previous Financial Year.**

Benefits		FY 2021-22			FY 2020-21		
		No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF		100%	N.A.	Yes	100%	N.A.	Yes
Gratuity		100%	N.A.	Yes	100%	N.A.	Yes
ESI		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Others – please specify	NPS	100%	N.A.	Yes	100%	N.A.	Yes
	PRMS	100%*	N.A.	Yes	100%*	N.A.	Yes

** subject to eligibility conditions prescribed by DPE*

3. **Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, the premises are accessible to differently abled employees, with elevators and ramps, wheel chair accessible restrooms and direction signs in braille at various points.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes, the Company has an Equal Opportunity policy and the same is available on intranet of the Company.

5. **Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	-	-
Female	100%	100%	-	-
Total	100%	100%	-	-

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

	Yes/No *(If Yes, then give details of the mechanism in brief)*
Permanent Workers	-
Other than Permanent Workers	-
Permanent Employees	Yes. A detailed grievance redressal mechanism is in place. It is available on the intranet of the Company.
Other than Permanent Employees	-

7. **Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

Yes, REC has recognized a union of its non-supervisory permanent employees and an association of its executives.Regular employees of the Company are members of either the Employee Union or the Executive Association of REC.

8. **Details of training given to employees and workers:**

Category	FY 2021-22					FY 2020-21				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	188	25	13.3	163	86.70	358	20	5.59	114	31.84
Female	36	2	5.56	34	94.44	70	10	14.29	35	50.00
Total	224	27	12.05	197	87.95	428	30	7.00	149	34.81
Workers										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-

9. **Details of performance and career development reviews of employees and worker:**

	FY 2021-22			FY 2020-21		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	71	27	38.03%	86	63*	73.26%
Female	13	10	76.92%	20	15	75.00%
Total	84	37	44.05%	106	78	73.58%
Workers						
Male	-	-	-	-	-	-
Female	-	-	-	-	-	-
Total	-	-	-	-	-	-

** excluding 02 employees who were considered for promotion in FY 2019-20 but promoted in FY 2020-21 (upon availability of vacancy)*

10. **Health and safety management system:**

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Considering the nature of business and operations, the occupational health and safety issues are minimal. The Company takes care of health and well-being of its employees by reimbursing in-patient and out-patient medical costs, provision for leaves on medical grounds, rehabilitation policy in case of death or permanent disability, which are applicable for all employees.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Not applicable

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Not applicable

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, in order to provide improved health care facilities to the employees and their dependent family members, part-time services of doctors were engaged to provide onsite medical facilities. Additionally, the Company conducted 7 (seven) Covid vaccination camps for its employees, their dependent family members and retired employees.

11. **Details of safety related incidents, in the following format:**

Safety Incident/ Number	Category	FY 2021-22	FY 2020-21
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Not Applicable	
	Workers		
Total recordable work-related injuries	Employees		
	Workers		
No. of fatalities	Employees		
	Workers		
High consequence work-related injury or ill - health (excluding fatalities)	Employees		
	Workers		

12. **Describe the measures taken by the entity to ensure a safe and healthy work place.**

In view of the pandemic, the Company has ensured necessary precautions for the health and well-being of its employees, which included ensuring Covid appropriate behaviour, vaccination camps, remote working facilities and following social distancing norms.

13. Number of complaints on the following made by employees and workers:

	FY 2021-22			FY 2020-21		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	-	-	-	-	-	-
Health & Safety	-	-	-	-	-	-

14. Assessments for the year:

None.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Not applicable.

LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

(A) Employees-Yes, the Company provides rehabilitation package in case of death or permanent disability to the employee and/or his/her family member.

(B) Worker- Not applicable.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners. -

Being NBFC, the Company includes in the terms & conditions of loans granted to its borrowers, necessary conditions stipulating timely deposit of their statutory dues, obtaining of statutory clearances and meeting such other similar obligations as per statutory requirements etc. The borrowers are also required to furnish compliance of the same to the Company at various stages.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Nil for FY 2021-22 and FY 2020-21.

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

The Company is a CPSE, which follows employment norms of DPE in cases of retirement or termination of employment. The Company also provides post-retirement medical benefits and other welfare measures to its retired employees.

5. Details on assessment of value chain partners:

None.

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not applicable.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

ESSENTIAL INDICATORS

1. Describe the processes for identifying key stakeholder groups of the entity.

Yes. The Company has mapped its internal and external stakeholders. Internal stakeholders include employees and staff of the Company; and external stakeholders include equity shareholders, bondholders, creditors, bankers, borrowers and customers from both public and private sectors, Governmental bodies and regulatory authorities including State Government(s), Reserve Bank of India, Ministry of Corporate Affairs, Securities and Exchange Board of India, Stock Exchanges etc.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	Email/SMS/Website/ Letters/Telephone/ Newspaper etc.	On quarterly basis, through AGM, Postal Ballot and as and when required.	Communication of financial results, adoption of financial statement and transaction of ordinary and special business from time to time. Addressing requests/grievances of shareholders from time to time.
Bondholders	No	Email/SMS/Website/ Letters/Telephone/ Newspaper etc.	As and when required.	Allotment, Interest Servicing, Redemption Payment, Bond Certificate/Demat Credit. Addressing requests/grievances of bondholders from time to time.
Vendors	No	Email/SMS/Website/ Letters/Telephone /GeM, Tender Wizard and other portals of Government.	As and when required.	Vendor Development Programmes are organised from time to time.
Customers	No	Email/SMS/Website/ Letters/ Telephone	On a regular basis.	Customer Satisfaction Survey 2022 conducted through Administrative Staff College of India, Hyderabad.

LEADERSHIP INDICATORS

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Company already has various Board-approved policies in place, to address the economic, environmental, and social topics relating to its business. The said policies have been developed over a period of time based on the inputs from relevant stakeholders.

The Company has formed a committee of its senior officials to formulate ESG policy on Environmental, Social and Governance matters, which will submit its report in due course.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, stakeholder consultation is used to support the identification and management of environmental, and social topics:

a. During the financial year 2021-22, with approval of the Ministry of Power, the Objects Clause of the Memorandum of Association of the Company was amended to add new lines of business in the product portfolio of the Company, including energy conservation, energy efficiency and environmental aspects of power including co-generation/ tri-generation/combined heat and power, e-mobility & associated infrastructure, financing of equipment manufacturing for power sector, financing of electrical and electromechanical/hydro systems, projects of lift irrigation, smart city, electrification of railways line, airport, works for energy conservation, waste heat recovery system etc.

b. In addition to above, REC is a nodal agency for reforms-based and results-linked Revamped Distribution Sector Scheme (RDSS) for supporting discoms to undertake reforms and improve their performance in a time-bound manner. RDSS, *inter-alia* aims to improve the quality, reliability and affordability of power supply to consumers through a financially sustainable and operationally efficient distribution sector, reduce the AT&C losses to Pan-India levels of 12-15% by 2024-25 and reduce the ACS-ARR gap to zero by 2024-25. As nodal agency, REC is actively participating in this initiative of the Ministry of Power, Government of India, towards a better power sector for the country.

c. REC has a well-defined CSR Policy in line with the Companies Act, 2013 and DPE Guidelines on CSR. In terms of DPE guidelines for the year 2021-22, which mandated CPSEs to spend 60% of their CSR budget on the theme of "Health & Nutrition, with special focus on COVID related measures including setting up makeshift hospitals and temporary COVID care facilities", preferably in aspirational districts, the Company undertook various CSR projects aimed at improving health services and reducing malnutrition in Gajapati (Odisha), Mamit (Mizoram), Kiphire (Nagaland), Muzaffarpur (Bihar), Udham Singh Nagar (Uttarakhand), Chandel (Manipur) and West Sikkim (Sikkim) districts.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

REC promotes procurement from MSMEs and extends certain facilities in its procurement procedures to registered MSMEs. REC has welfare-oriented policies for its employees, especially those who are vulnerable.

The Company makes efforts on a regular basis to reach out to those equity shareholders and bondholders, who have unclaimed / unpaid dividends amounts/shares or unclaimed redemption amounts lying with the Company, so that such investors do not miss out on getting their rightful dues.

PRINCIPLE 5: Businesses should respect and promote human rights

ESSENTIAL INDICATORS

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

None for FY 2021-22 and FY 2020-21.

2. Details of minimum wages paid to employees and workers, in the following format:

All permanent employees are paid remuneration as per the guidelines of DPE which are higher than the minimum wages.

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	1	85,31,281	-	-
Key Managerial Personnel	1	85,87,993	-	-
Employees other than BoD and KMP	329	28,65,225	65	28,84,107
Workers	-	-	-	-

Notes:

1. *The above schedule includes only permanent employees who have worked for the entire period of 12 months during the financial year 2021-22.*
2. *Remuneration/salary/wages include allowances exempt u/s 10 of the Income Tax Act 1961 and Employer contribution towards Pension scheme. Further, it excludes employer's contribution into REC Gratuity Fund, Leave Encashment Provision based on actuarial valuation, various reimbursements given to employees for e.g. uniform, entertainment, conveyance, electricity, water and attendant charges and exempt medical expenses.*
3. *The above remuneration is paid in line with the guidelines issued by the DPE in this regard.*
4. *The Company has not given any stock options during the financial year 2021-22.*

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Company has a detailed grievance redressal mechanism in place. Any aggrieved employee can sought relief through the said mechanism. The said policy is available to the employees on the intranet.

6. Number of Complaints on the following made by employees and workers:

	FY 2021-22			FY 2020-21		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	-	-	-	-	-	-
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour/Involuntary Labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights related issues	-	-	-	-	-	-

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Pursuant to the Whistle Blower Policy of the Company, necessary mechanism has been put in place to provide protection to the complainant, wherever required. The Whistle Blower Policy is available at https://recindia.nic.in/uploads/files/Whistle_Blower_Policy.pdf.

REC believes that a sustainable organization rests on the foundation of ethics and respect for human rights. The Company ensures diversity and equal opportunities in workplace and upholds that career advancement is based on talent and performance.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Business agreements and contracts are primarily in nature of loan documents, which are executed on the basis of specific terms sanctioned to Borrowers. Human rights requirements do not form part of said loan documents. To protect the human rights of employees, REC has adopted employee-oriented policies, in line with the general laws and sound ethical practices.

9. Assessments for the year:

Nil for FY 2021-22 and FY 2020-21.

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not applicable.

LEADERSHIP INDICATORS

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

Not applicable.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

Not applicable.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, the premises are accessible to differently abled visitors, with elevators and ramps, wheel chair accessible restrooms and direction signs in braille at various points.

4. Details on assessment of value chain partners:

Nil for FY 2021-22 and FY 2020-21.

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not applicable.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

ESSENTIAL INDICATORS

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

REC is a NBFC and does not have and production / manufacturing facility, therefore its energy intensity is limited.

However, REC has installed a 979kWp roof top solar plant in its corporate office, to cater to its electricity requirement. The solar plant is functional and connected to grid w.e.f. July 2021 and has generated 8,22,072 units of electricity, which has catered to around 50% of the total load requirement of REC corporate office building (i.e., 16,30,956 units). The building also has radiant cooling for slabs, Integrated Building Management System (IBMS), automated sensor controlled lighting, bio-climatic glass façade with motorized blinds, etc. for energy saving.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable.

3. Provide details of the following disclosures related to water, in the following format:

REC is a NBFC and does not have and production / manufacturing facility, therefore its water intensity is negligible.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Not Applicable.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

REC is not a manufacturing or a production company. However, as a part of its appraisal process for all the power projects it finances, REC identifies and assesses the potential environmental risks of the projects. Environmental issues, if any, are identified through due diligence, site visits and review of applicable compliances etc.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Not Applicable.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Not Applicable.

REC is contributing significantly to the renewable energy financing in India. The country has set an ambitious target of 500 GW installed renewable energy capacity by 2030 and increase in the share of green energy to 50% of the total energy requirement by 2030. Further, at the 26th session of the Conference of Parties (COP26) to the United Nation Framework Convention on Climate Change (UNFCC) in Glasgow, UK in November 2021, it was decided to cut India's total projected carbon emission by one billion tonnes by 2030, reduce the carbon intensity of the nation's economy by less than 45% by the end of the decade and achieve net-zero carbon emissions by 2070.

In line with the Government's outlook for renewable energy sector, REC has been promoting competitive financing for renewable projects. REC has introduced various policies for competitive financing of clean energy projects across the country, including solar, wind, biomass projects and e-mobility. The total sanctions for renewable energy projects during the financial year 2021-22 were ₹14,733.52 crore towards 15 renewable energy projects, with aggregate installed generation capacity of 1,609 MW.

The Company's policies for renewable energy projects are reviewed from time to time, to meet its ever-evolving and dynamic needs. Till date, REC has funded nearly 11.6 GW of renewable energy projects, to support a greener future for the country. REC's financing norms for renewable energy projects can be accessed from the corporate website at https://www.recindia.nic.in/renewables.

REC is also the first Indian PSU to raise money from the international markets through Green Bonds listed on International Securities Market segment of London Stock Exchange in year 2017, with tenure of 10 years, the proceeds of which are applied for financing or re-financing of eligible green projects as per the Climate Bond Standards.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2021-22	FY 2020-21
Total Waste generated (in metric tonnes)		
Plastic waste (A)	-	-
E-waste (B)	140 units identified to be disposed as e-waste.	177 units identified to be disposed as e-waste.
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	-	-
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	-	-
Total (A+B + C + D + E + F + G + H)	**140 units identified to be disposed as e-waste.***	**177 units identified to be disposed as e-waste.***
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total		
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
Total	**-**	**-**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

*Considering the nature of business, the Company does not generate any material waste other than negligible quantity of e-waste.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Disposal of old, un-serviceable & obsolete IT equipment, identified as e-waste, is done through registered recyclers/ re-processors under Central Pollution Control Board and State Pollution Control Committee/Board, by following the procedure defined under REC's Procurement Guidelines.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

The Company is an NBFC with pan-India operations. Its registered office is in New Delhi and corporate office is in Gurugram. The Company has regional/state offices across India, which are located in State capitals. Offices of the Company are not located in ecologically sensitive areas.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

REC being a NBFC, finances power projects but does not own or execute/implement any project.

For renewable energy projects funded by REC, the Company requires the borrowers to submit Environmental and Social Impact Assessment (ESIA) as per applicable rules and regulations.

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

REC is not a manufacturing company. Hence, the given question has limited relevance. However, the Company complies with applicable environmental regulations in respect of its premises and operations. The Company also covers environmental concerns in the due diligence of the projects it finances.

LEADERSHIP INDICATORS

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

REC has installed a 979 kWp roof top solar plant in its corporate office, to cater to its electricity requirement. The solar plant is functional since July 2021 and connected to grid and has generated 8,22,072 units of electricity, which has catered to around 50% of the total load requirement of REC corporate office building (i.e., 16,30,956 units) during the financial year 2021-22. The building also has radiant cooling for slabs, Integrated Building Management System (IBMS), automated sensor controlled lighting, bio-climatic glass façade with motorized blinds, etc. for energy saving.

2. Provide the following details related to water discharged:

Not Applicable.

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area

(ii) Nature of operations

(iii) Water withdrawal, consumption and discharge in the following format:

Not Applicable.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Not Applicable.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

During the financial year 2021-22, the Company has shifted to its new corporate office building at Gurugram, Haryana, which has features like radiant cooling for slabs to reduce power consumption for air conditioning by 30%, Integrated Building Management System (IBMS), automated sensor controlled lighting, bio-climatic glass façade with motorized blinds and other latest technological features to save power consumption. The Company has also installed a 979kWp roof top solar plant in its corporate office, to cater to its electricity requirement, which catered to around 50% of the electricity requirement of the corporate office building during the year. Highly efficient solar panels (efficiency = 21.2%) are installed and operating since July 2021.

For minimizing paper consumption, REC uses 'E-office' system in all its offices across the country. REC has actively used remote working methods through secure IT systems and processes, especially after onset of the pandemic, for ensuring business continuity while taking precautions for the health of its employees.

7. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

Yes, REC has implemented Business Continuity and Disaster Recovery Plan for its data center and disaster recovery operations and the same is also ISO 27001:2013 certified.

The Primary Data Centre (PDC) and Disaster Recovery Centre (DRC) of REC are ISO/IEC 27001:2013 certified and also comply with National Cyber Security Policy of Government of India. REC has also implemented Data Leakage & Prevention (DLP) system at DC and DRC for preventing sharing of confidential and critical information outside the corporate network. Further, REC has implemented IT security directives of RBI's Master Direction of IT Framework for NBFCs.

8. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

REC is also financing installation of pollution control equipment in thermal power plants, in line with Government directives. This includes installation of Flue Gas Desulphurization (FGDs), Selective Catalytic Reduction (SCR) and Electrostatic Precipitators (ESP), which contribute towards curbing of harmful emissions and particulate matter. During the financial year REC has sanctioned 9 projects for installation of pollution control equipment, with total loan amount of ₹752 crore.

9. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

REC being a NBFC, does not own or execute/implement project. For renewable energy projects funded by REC, the Company requires its borrowers to get Environmental and Social Impact Assessment (ESIA) as per applicable rules and regulations.

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

ESSENTIAL INDICATORS

1. a. **Number of affiliations with trade and industry chambers/ associations.**

13 (Thirteen)

b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

Sl. no.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/ National)
1.	Confederation of Indian Industry (CII)	National
2.	The Federation of Indian Chambers of Commerce and Industry (FICCI)	National
3.	The Associated Chambers of Commerce and Industry of India (ASSOCHAM)	National
4.	Central Board of Irrigation & Power (CBIP)	National
5.	World Energy Council (WEC), India	National
6.	Standing Conference of Public Enterprises (SCOPE)	National
7.	All India Management Association (AIMA)	National
8.	Institute of Public Enterprises (IPE)	National
9.	International Solar Alliance (ISA).	International
10.	UN Global Compact	International

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

No adverse orders were passed from regulatory authorities.

LEADERSHIP INDICATORS

1. **Details of public policy positions advocated by the entity:**

REC is a member of World Energy Council (WEC), which functions under the patronage of MoP with the support of energy ministries and leading organizations in the energy sector. It is chaired by Secretary, Power with Secretaries of MoPNG, Coal, MNRE, MEA and CEA, Department of Atomic Energy acting as Vice Chairman of the body. The Directors & senior officials of REC contribute towards formulation of various policies relating to power sector, as part of various committees/working groups constituted by MoP.

The Company has advocated for clean technology, energy efficiency and renewable energy through various platforms from time to time. The Company raises public awareness on matters relating to the power sector through its social media handles.

REC has contributed towards achieving village and household electrification in the country, especially in the far-flung areas, with dedicated efforts of many years. The Company has been the nodal agency for key power sector schemes such as *Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY)* and *Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA)*. During the financial year 2021-22, REC has contributed towards electrification of 4.41 lakh households in the country, under the SAUBHAGYA scheme. REC is currently playing the role of nodal agency for Revamped Distribution Sector Scheme (RDSS), for revamping the distribution sector which has been struggling for long with various financial & operational issues.

REC's wholly owned subsidiary, REC Power Development and Consultancy Limited (RECPDCL) is doing significant work in the fields of smart metering, 11 kV Rural Feeder Monitoring Scheme and monitoring of household electrification works, all aimed at betterment of power sector in the country.

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

ESSENTIAL INDICATORS

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Not Applicable.

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

Not Applicable.

3. **Describe the mechanisms to receive and redress grievances of the community.**

The Company has a Public Grievance Redressal system for dealing with the grievances of the public at large. The Company has appointed a senior official in this regard as the Chairman, Public Grievance Committee, to ensure prompt redressal of grievances within the stipulated time frame.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2021-22	FY 2020-21
Directly sourced from MSMEs/ small producers	36.60%	70.76%
Sourced directly from within the district and neighbouring districts	-	-

LEADERSHIP INDICATORS

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Not applicable.

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by Government bodies:**

Sl. no.	State	Aspirational District	Amount spent (In INR)
1.	Bihar	Muzaffarpur	3,75,01,141
2.	Manipur	Chandel	60,36,096
3.	Mizoram	Mamit	4,08,39,762
4.	Nagaland	Kiphire	1,50,00,000
5.	Odisha	Gajapati	1,95,65,164
6.	Sikkim	West Sikkim	31,05,086
7.	Himachal Pradesh	Chamba	79,14,810
8.	Rajasthan	Baran	1,56,50,622
9.	Jharkhand	Chatra	50,19,919
	Total		**15,06,32,600**

3. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**

Yes, REC has a policy to support public procurement from MSMEs. The policy is available at https://recindia.nic.in/uploads/files/RECPolicy-for-MSME-11022022.pdf.

(b) **From which marginalized /vulnerable groups do you procure?**

REC has made it mandatory to procure 100% of common use goods & services valuing upto ₹10 lakh from MSME vendors and also to allow price preference upto 50% to MSEs, out of which 20% is reserved for SC/ST and women entrepreneurs. The Company extends various facilities in its procurement procedures to registered MSMEs, such as supply of tender sets free of cost, exemption from payment of earnest money etc.

(c) **What percentage of total procurement (by value) does it constitute?**

Government mandate is for minimum 25% from MSME out of which 4% is to be from SC/ST vendors and 3% from Woman vendors. For financial year 2021-22, REC has achieved its MOU target set by Government of India for procurement from GeM (achieved 51.14% against the target of 25%) and for MSMEs (achieved 36.6% against the target of 25%). It is noteworthy that the bifurcation of procurements from SC, ST and women entrepreneurs, highly depends on the claims lodged by vendors, on which REC has no control.

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

Not applicable.

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

No adverse orders were passed in relation to intellectual property related disputes.

6. **Details of beneficiaries of CSR Projects:**

Sl. no.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Construction of Building in SVNIRTAR to establish the Institute as a Centre of Excellence for Deformity Correction in Odisha	2,000	60%
2.	Distribution of aids & assistive devices to approximate to 8000-9000 numbers of persons with disabilities in various states of India	9,000	100%
3.	Providing better health facilities to leprosy affected and other poor people by constructing and equipping operation theatre and maternity block in The Leprosy Mission hospitals, Chhattisgarh, Uttar Pradesh and Tamil Nadu	1,500	90%
4.	Construction & renovation of Gandhi Memorial Hospital (a Government Hospital) affiliated to Shyam Shah Medical College in Rewa, Madhya Pradesh	60,000	60%
5.	Part-funding for Community based program for control of Sickle cell diseases and Thalassemia in the 30 districts of Odisha	1,00,000	80%
6.	Construction of blood bank cum administrative block and upgradation of blood bank equipment at Andhra Pradesh	5000	90%
7.	Construction of radiotherapy unit in Virat Hospice, run under Brahmrishi Mission Samiti, to support to the terminally ill cancer patients in Madhya Pradesh	100	100%
8.	Construction of Integrated muscular dystrophy and rehabilitation center 'Manav Mandir' (third floor)' at Himachal Pradesh	700	80%
9.	Providing medical equipment and instrument in District Hospital and 7 Public Health Center at Sikkim	2,000	90%
10.	Construction / extension of staff quarter for medical department and Modular prefabricated housing (quarter) for teachers at Kiphire, Nagaland	200	40%
11.	Improvement of health services and renovation & construction in Primary Health Centre, Primary Sub Health Centre, Community Health Centre and District hospital in Mamit, Mizoram	5,000	80%
12.	Solar powered solutions in the areas of education, healthcare, portable and smart model anganwadis in Bihar	500	90%
13.	Construction of Sewage Treatment Plant in Advanced Center for Treatment, Research and Education in Cancer (ACTREC), Tata Memorial Center, Khargahr, Navi Mumbai	NA	NA
14.	Providing food to migrant labourers/ family members engaged at construction/ sub stations, poor people, daily wage labourers etc. due to lockdown in view of the outbreak of pandemic corona virus COVID-19	1,00,000	90%
15.	Construction of 100 bedded waiting hall for the attendant of patients, multipurpose hall and incubation center at Sadar Hosptial and procurement &installation of 25 nos. of incubators at district hospital and PHCs in Bihar	1,000	90%
16.	Providing REC-Zodawn Mobile Health Clinics Van and emergency ambulance for 12 villages in churachandpur, Manipur	3,000	90%
17.	Construction of 200 bedded rest room (Vishram Sadan) for patient's attendants in Sri Krishna Medical College & Hospital in Bihar	1,000	90%
18.	Renovation of 50 nos. Anganwadi Centers (AWCs) and providing containers for storing food grains, LPG gas connection & setting up of Antenatal care corners in 1125 nos. AWCs in Bihar	5,000	90%
19.	Procurement of Blood Bank equipment for separating the blood components' in District Hospital, Machilipatnam, Krishna district, Andhra Pradesh	1,000	90%
20.	Distribution of 3400 nos. of aids and appliances to specially-abled persons across the country in Karnataka, Bihar, Jharkhand, Uttar Pradesh and Andhra Pradesh	3,400	100%
21.	Procurement of Cold Chain Equipment (CCE) for COVID-19 Vaccination program in Dadra & Nagar Haveli, Nagaland and West Bengal	10,000	60%
22.	Procurement, installation & commissioning of blood bank equipment/items at Indian Red Cross Society (IRCS) in Telangana	2,000	90%
23.	Strengthening cancer screening and basic cancer care services in 14 districts of Bihar	1,50,000	90%
24.	Procurement, installation & commissioning of Digital Subtraction Angiography machine in Rajasthan	500	80%
25.	Assistance for repair and maintenance of the 132 toilets in the government schools constructed under REC CSR support in Punjab	3,500	100%
26.	Construction of 140 bedded home (Block-B & Part Block-C of Anandam) - A home for the homeless sick, destitute, unknown & elderly people in Rajasthan	140	100%
27.	Installation of 1700 liters per minute oxygen generation plant (full assembly) and 150 kV generator plant in Maharashtra	100	90%
28.	Installation of 1000 LPM oxygen generation plant, procurement of 22 oxygen concentrators and 200 semi fowlers beds to strengthen COVID care/health care facilities at Base Hospital, Pithoragarh, Uttarakhand	100	90%
29.	Providing packed lunch facility daily to 300 nos. of doctors and health staffs deployed in Safdarjung Hospital, New Delhi	300	30%
30.	Installation of PSA (Pressure Swing Adsorption) Oxygen plant, oxygen pipelines, Beds/ICU equipment, Type-D Ambulance for referral cases and mobile blood donation van at Community Health Centre (CHC), Hunterganj, Chatra	100	90%
31.	Installation of 1000 litres per minute oxygen generation plant and 100 KVA DG set at District Hospital, Baran	100	90%
32.	Installation of 400 LPM oxygen generation plant and DG set of 62.5 KVA at Civil Hospital (Community Health Center), Dalhousie	100	90%
33.	Setting up 2 Nos. of electrical cum gas operated (Hybrid)) Crematorium in Jhansi, UP	NA	NA
34.	Up-gradation of the District Hospital, Mon by procurement of the medical equipment to strengthen health care services at District Hospital	500	90%
35.	Establishment of Oxygen ventilators, ALS Ambulance, and ICU patients beds at Govt. Charak Hospital, Ujjain, Madhya Pradesh, to be implemented by Indian red cross Society, Ujjain	2,000	90%
36.	Providing medical equipment at various government hospitals in Alwar, Rajasthan, to be implemented by Rajasthan Medicare Relief Society	2,000	90%
37.	Setting up of 10 Bedded ICU for paediatric and neo natal section, Medical equipment for 20 bedded service in District Hospital, Chaibasa, Jharkhand	500	90%
38.	Installation and commissioning of 32 slice CT Scan Machine at New District Hospital, Yadgir, Karnataka	200	90%
39.	Improving Screening for Cervical Cancer through Empowering Communities in UP	4,000	90%
40.	Survey and repair of 12347 toilets constructed during 2014-15 under Swachh Vidyalaya Abhiyan (SVA) by REC' in 5 states Uttar Pradesh, Bihar, Rajasthan, Telangana and Madhya Pradesh	3,00,000	100%
41.	Installation of 275 nos. of hand pump in district Shrawasti	500	100%
42.	Supporting for installation of 20 nos. of water ATM machines at Kumbh Mela site & at various iconic places in India	10,000	80%

Sl. no.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
43.	Installation of 200 nos. of Reverse Osmosis water treatment plant with 500 liters overhead storage tank and 1 HP electrical pump in 200 nos. of Aanganwadi Kendra/ primary school in Purnea district, Bihar	5,000	100%
44.	Adopting a slum for ensuring cleanliness of the slum-drinking water, sanitation, toilets, IEC campaigning, etc. under Swachhta Action Plan (SAP)	500	80%
45.	Construction of compound walls and providing gates in 24 nos. of government schools in Andhra Pradesh	700	100%
46.	Transforming school education by providing projectors, water facilities, furniture, white boards & markers, infrastructure support in schools & hostels, improvement of science laboratories etc.in Chandel Manipur	1,000	90%
47.	Infrastructure development by construction of auditorium in Govt. Higher Secondary School, in Kerala	50	100%
48.	Providing water purifier in govt. schools and initiating Super 30 for HSC (Higher Secondary Certificate) appearing students in Odisha	300	100%
49.	Transforming school education by providing equipment, teachers' training, increasing female literacy, providing drinking water in govt. schools, etc.in Mamit Mizoram	5,000	100%
50.	Construction of boys hostel (second floor) for 75 tribal children at Sandalpur village and providing support for studies, food and other basic necessities to 150 residential girls at Parivaar Bengal Residential Institution in Barkalikapur village	225	100%
51.	Setting up Research & Rehabilitation Center (third floor), boundary wall with gate and playground at Research and Rehabilitation Centre for specially abled children in Himachal Pradesh	100	80%
52.	Transforming school education by upgrading the infrastructure of 15 Govt. primary schools, 1 Govt. higher school & 1 Govt. senior secondary school by repairing, renovating classrooms; redesigning kitchen, boundary walls, electrical wiring/ providing internet, procurement of water cooler, almirahs, cutlery, converting class rooms in to smart class rooms, providing play equipment, school library, science/ mathematics laboratory, etc. in Himachal Pradesh	3,000	100%
53.	Providing training to 10,000 candidates for appearing in competitive exams in Haryana	10,000	100%
54.	An innovative mobile school for imparting education to 462 nos. of deprived children belonging to migrant labourers residing in various slums in Gurugram, Haryana	462	100%
55.	Construction of 53 nos. of additional classrooms in 32 nos. of Government schools in Gajapati, Odisha	1,000	100%
56.	Assistance for construction of residential building (G+2) for 150 tribal girls at Sehore district, Madhya Pradesh and providing support for studies, food and other basic necessities to 11 Seva Kutirs comprising approx. 1541 children	1,541	100%
57.	Assistance for construction of a building for providing value education' in Haryana	1,000	60%
58.	Construction of 2 hostel tower (G+9) with furniture, fixtures, landscaping, external lighting & approach road for post graduate students and installation of grid connected 100kWp roof top sloar PV Panel under School of Medical Research and Technology (SMRT) on IIT, Kanpur	72	80%
59.	Construction of hostel building for Scheduled Tribes/ vulnerable/ weaker section of the society in Kelwada (Kumbhalgarh) village, Rajsamand district, Rajasthan,	100	100%
60.	Job oriented skill development training (residential) to specially abled and economically weaker section beneficiaries across India	350	100%

Sl. no.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
61.	Job oriented skill development training to 2000 no. of beneficiaries belonging to economically weaker section of the society in Maharashtra.	2,000	100%
62.	Job oriented skill development training (residential) program to 1200 beneficiaries belonging to EWS/SC/ST/ women etc. in Madhya Pradesh	1,200	100%
63.	Job oriented skill development training to 1100 unemployed youths belonging to SC/ST/OBC/Women/Minority/EWS/ Underprivileged across India	1,100	100%
64.	Providing job oriented skill development training to 1000 nos. of beneficiaries belonging to economically weaker section in UP	1,000	100%
65.	Providing skill development training and distribution of equipment kit for self-employment to 500 nos. of women belonging to economically weaker section in Aurangabad district, Maharashtra	500	100%
66.	Providing job oriented skill development training to 2500 nos. of people belonging to SC/ST/OBC/Women/Minority/EWS at various locations in India	2,500	100%
67.	Providing job-oriented Skill development training to 360 nos. of beneficiaries belonging to SC/ST/OBC/ Women/ EWS etc. in Madhya Pradesh	360	100%
68.	Free distribution of seeds (Rabi season) to farmers residing in draught prone area in Maharastra.	9,225	100%
69.	Installation of 2 MW SPV system in at various locations at campus of IIM, Tiruchirappalli	NA	NA
70.	Installation of 0.25 MW SPV system and LED lights at various locations at Sambalpur University Campus, Odisha	NA	NA
71.	Providing sustainable energy systems for SMARTGRAM initiative of Rashtrapati Bhawan in forty five villages of Haryana	NA	NA
72.	Conservation & sustainable management of bio resources of Andhra Pradesh	NA	NA
73.	Installation of 1 MWp SPV system at various locations at campus of Madurai Kamaraj University, Tamil Nadu	NA	NA
74.	Installation of 2 MWp SPV system at various locations on campus of Acharya Nagarjuna University, Andhra Pradesh	NA	NA
75.	Construction and operation of shelter home with wellness facility (60 seaters) for the care of the elderly in Ladakh, Jammu & Kashmir	60	100%
76.	Farmer-Centric Integrated Watershed Management for Improving Rural Livelihood in Andhra Pradesh and Telangana	10,000	100%
77.	Community development awareness program for ultimate utilization of the naturally available nutrition, food and energy around the communities in Meghalaya and Nagaland	3,000	90%
78.	'Construction of multipurpose hall cum indoor stadium in Somdal village of Ukhrul district, Manipur	500	90%
79.	Rural Development Works like construction of community hall, PCC Road, Conduits, Yatri Shed, installation of LED Lights, RO Plants etc. in Bihar	10,000	80%
80.	Broad basing of Sports and promotion of excellence in sports in India	250	80%
81.	Undertaking reconstruction and restoration of Govt Schools and Govt. Health Centres in various district of Uttarakhand.	4,000	100%
82.	Contribution to PM CARES Fund	NA	NA

*NA- Not Applicable

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

ESSENTIAL INDICATORS

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

Being a NBFC, the Company has adopted a Fair Practices Code in line with the statutory requirements prescribed by RBI. The Code covers in detail a grievance redressal mechanism for consumers to submit their complaints if any. The Board of Directors periodically reviews the status of compliance of Fair practices code and also grievances received under the same. For the financial year 2021-22, no complaints were received under the Fair Practices Code.

The Fair Practices Code of REC can be accessed at https://recindia.nic.in/uploads/files/Fair-Practices-Code.pdf

2. **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not Applicable
Safe and responsible usage	100%
Recycling and/or safe disposal	Not Applicable

The products of the Company are mainly loans for the power sector and hence, the necessary terms & conditions and other legally binding clauses etc. are incorporated in the loan documentation in each case.

3. **Number of consumer complaints in respect of the following:**

	FY 2021-22		Remarks	FY 2020-21		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Other: Consumer Cases	4	3	-	5	4	-

4. **Details of instances of product recalls on account of safety issues:**

Not Applicable.

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

The Company has a comprehensive risk management policy which essentially covers cyber security and related aspects. The policy is an internal document of the Company available on its intranet.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

Not Applicable.

LEADERSHIP INDICATORS

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

REC offers a gamut of financial services to the entire power sector value chain, for setting up power infrastructure in generation, transmission & distribution, bolstering operational efficiency and implementing innovative technology solutions, by financing State power utilities, State Governments and private sector power developers. The product portfolio, interest rates and relaed information for customers is available on the Company's website at https://recindia.nic.in/financial-products.

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

REC has a pan-India presence, with regional offices across the country. At each regional office, the Chief Program Manager (CPM) is the single point of contact for all borrowers in the State and for any concern over the products and services offered by the Company. Contact details of regional offices/ CPMs are available at https://recindia.nic.in/contact. The Company has also displayed consumer awareness literature on its website at https://recindia.nic.in/financial-products.

Further, REC has an in-house training institute *viz.* REC Institute of Power Management and Training (RECIPMT), which caters to the training and development needs of engineers and managers of power sector organizations across the country and beyond. RECIPMT undertakes various training programmes including on electrical safety, techno commercial improvement of discom performance, sustainability of power utilities etc. During the financial year 2021-22, RECIPMT conducted a total of 868 training programmes for 20,728 participants, achieving 64,361 training man-days in total.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

REC has implemented Business Continuity and Disaster Recovery Plan for its data center and disaster recovery operations and is also ISO 27001:2013 certified.

Further, under the guidance of Ministry of Power, REC's wholly owned subsidiary, *viz.* REC Power Development and Consultancy Limited ("RECPDCL") has implemented the Urja Mitra App, which provides a Central Outage Management and notification platform for State power distribution utilities, to disseminate power outage information to urban and rural power consumers across India through SMS, email or push notifications.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

The Company is a NBFC offering financial products, hence it is ensured that adequate disclosures are made to its borrowers through loan agreements and documentation; and through the corporate website at https://recindia.nic.in/financial-products.

Being a NBFC, the Company also adheres to *Fair Practices Code* mandated by RBI, which sets out the fair lending practices to be followed with borrowers, in matters relating to application for loans and their processing, loan sanction, disbursement, post-disbursement supervision and grievance redressal mechanism etc. The *Fair Practices Code* is available at https://recindia.nic.in/uploads/files/Fair-Practices-Code.pdf.

REC has conducted Customer Satisfaction Survey 2022 of its esteemed customers across the country, comprising of Central and State Government power entities and private players in power space, through Administrative Staff College of India, Hyderabad. The overall Customer Satisfaction Index (CSI) score of the survey was 80%, reposing faith and confidence in the customer-friendly services being extended by REC to its borrowers.

5. **Provide the following information relating to data breaches:**

a. **Number of instances of data breaches along-with impact**

b. **Percentage of data breaches involving personally identifiable information of customers**

Such instances were Nil for the financial year 2021-22.

For and on behalf of the Board of Directors

Vivek Kumar Dewangan
Chairman & Managing Director
(DIN: 01377212)

Place : Gurugram
Date : August 20, 2022

P1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

REC conducts its business activities with utmost importance to ethics, transparency and accountability. The various policies, codes and rules framed in this regard include:-

Name of the Policy	Weblink
Internal Guidelines on Corporate Governance	https://recindia.nic.in/uploads/files/Final---Internal-Guidelines-on-Corporate-Governance.pdf .
Policy for Prevention of Fraud	https://recindia.nic.in/uploads/files/Revised-Fraud-Prevention-Policy-310122.pdf.
Whistle Blower Policy	https://www.recindia.nic.in/uploads/files/Whistle_Blower_Policy.pdf.
Code of Business Conduct and Ethics	https://www.recindia.nic.in/uploads/files/Code_Business_Conduct_Ethics.pdf.
Fair Practices Code	https://recindia.nic.in/uploads/files/Fair-Practices-Code.pdf
Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions	https://recindia.nic.in/uploads/files/RPT-Policy-of-REC-dated-150722.pdf.
Code of Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons and their Immediate Relatives and for Fair Disclosure	https://www.recindia.nic.in/uploads/files/cs-revised-insider-trading-code-submitted-to-stock-exchanges-dt070619.pdf
Policy on 'fit & proper' criteria of Directors	https://recindia.nic.in/uploads/files/Amended---Policy-on-Fit--Proper-Criteria.pdf

In addition to the above, there are other policies and rules, which are internal documents of the Company and are accessible to the employees of the Company on Intranet.

P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

The Company is a NBFC offering financial products, which include loans to renewable energy projects for environmental sustainability. Details of the Company's products & services are available at https://www.recindia.nic.in/financial-products.

Further, CSR Policy of the Company is available at https://recindia.nic.in/uploads/files/REC-CSR-Policy-07-12-2021.pdf.

P3 Businesses should promote the well-being of all employees

The Company has adopted various employee-oriented policies in line with the general laws and regulations and sound ethical practices. Such policies are normally approved by the Board of Directors and are accessible to the employees of the Company on the intranet.

P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

The Company respects the interest of all its stakeholders, including those who are disadvantaged, vulnerable & marginalized. The Company works towards inclusive growth through its CSR Policy approved by the Board of Directors. The CSR Policy is available at https://recindia.nic.in/uploads/files/REC-CSR-Policy-07-12-2021.pdf.

P5 Businesses should respect and promote human rights

REC strives to safeguard and uphold human rights in all ways possible. The Company has a Code of Business Conduct & Ethics for its Board Members and Senior Management, which, *inter-alia*, casts moral imperative on the members of senior management to keep in mind the safety and protection of human life and environment and also to avoid discrimination on any grounds. The said Code is available at https://www.recindia.nic.in/uploads/files/Code_Business_Conduct_Ethics.pdf.

P6 Businesses should respect, protect and make efforts to restore the environment

As a financial institution in the power sector, REC has been increasingly supporting the development of renewable energy space. REC's financing norms for renewable energy are available at https://www.recindia.nic.in/renewables.

P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

Being a key financial institution of power sector, REC plays an active and responsible role in matters concerning public & regulatory policy. REC's interactions with public at large can be followed through its various social media handles.

P8 Businesses should support inclusive growth and equitable development

REC has various policies to support inclusive growth and equitable development of all its stakeholders, including public procurement policy for MSMEs (https://www.recindia.nic.in/uploads/files/Public_Procurement_Policy.pdf), equal opportunity policy for its employees (available on REC intranet), attractive lending rates for green-energy projects (https://www.recindia.nic.in/renewables) and also CSR policy (https://recindia.nic.in/uploads/files/REC-CSR-Policy-07-12-2021.pdf).

P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner

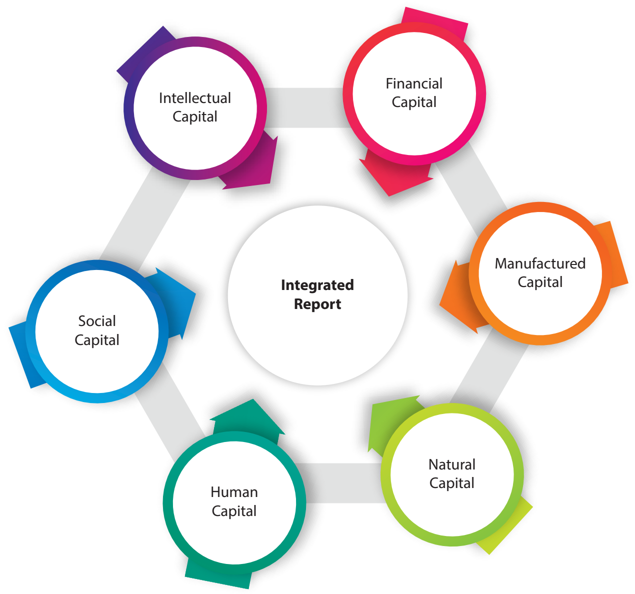
REC has a Board-approved 'Fair Practices Code' in place, to ensure that fair and transparent practices are followed by the Company while dealing with customers in its lending operations. The Code is available at https://www.recindia.nic.in/uploads/files/Fair-Practices-Code.pdf.

All policies & processes are reviewed by the Board of Directors/senior management from time to time.

Integrated Report

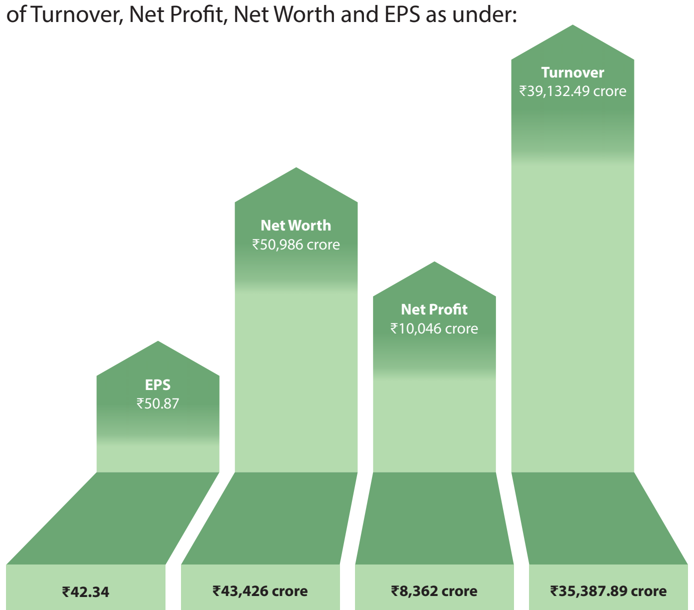
An Integrated Report is a concise communication about an organization's strategy, governance, performance and prospects, in the context of external environment leading to creation of value over short, medium and long term. It provides insight about the resources and relationships used by an organization and seeks to explain how an organization creates value over time. An Integrated Report enhances transparency and accountability, by disclosing a holistic view of value created by an entity beyond the financial capital, contributing to the economic, social and environmental system.

REC has prepared this report voluntarily on the basis of International Integrated Reporting Council (IIRC) framework, relying on business disclosures through six capitals that guide businesses in long term decision making and planning.



The governance framework of REC complies with the statutory requirements of applicable laws and regulations, except for a shortfall in appointment of Independent Directors, which has been explained in the Report on Corporate Governance. Being a NBFC, the Company also complies with various directives of Reserve Bank of India (RBI). REC's Internal Guidelines on Corporate Governance, which codify its governance philosophy and framework, can be accessed at http://www.recindia.nic.in/uploads/files/Final---Internal-Guidelines-on-Corporate-Governance.pdf

REC has posted an impressive performance during the financial year 2021-22 *vis-à-vis* previous year, with a vital increase in the parameters of Turnover, Net Profit, Net Worth and EPS as under:



The Company is a Non-Banking Financial Company (NBFC) categorized as Infrastructure Finance Company (IFC), lending in the power sector space. Financing activities of REC cover the entire gamut of activities in power sector including generation, transmission & distribution, for renewable as well as conventional sources of energy, in public and private sector. REC also acts as nodal agency, project implementation / management agency for various Government programmes of national importance. REC has been in operation since over half a century now.

REC is a Government company under the aegis of Ministry of Power (MoP), Government of India. Since March 2019, the Company's majority equity stake is held by Power Finance Corporation Limited (PFC), another Central Public Sector Enterprise (CPSE) under the aegis of MoP. REC enters into Memorandum of Understanding (MoU) with its holding company, PFC, under the framework prescribed in MoU Guidelines issued by the Department of Public Enterprises (DPE). The MoU demarcates key performance parameters for the Company finalized in consultation with MoP. For FY 2020-21, REC's MoU score was rated as "Excellent", with 100 out of 100 score, the only CPSE to achieve this feat in the said year.

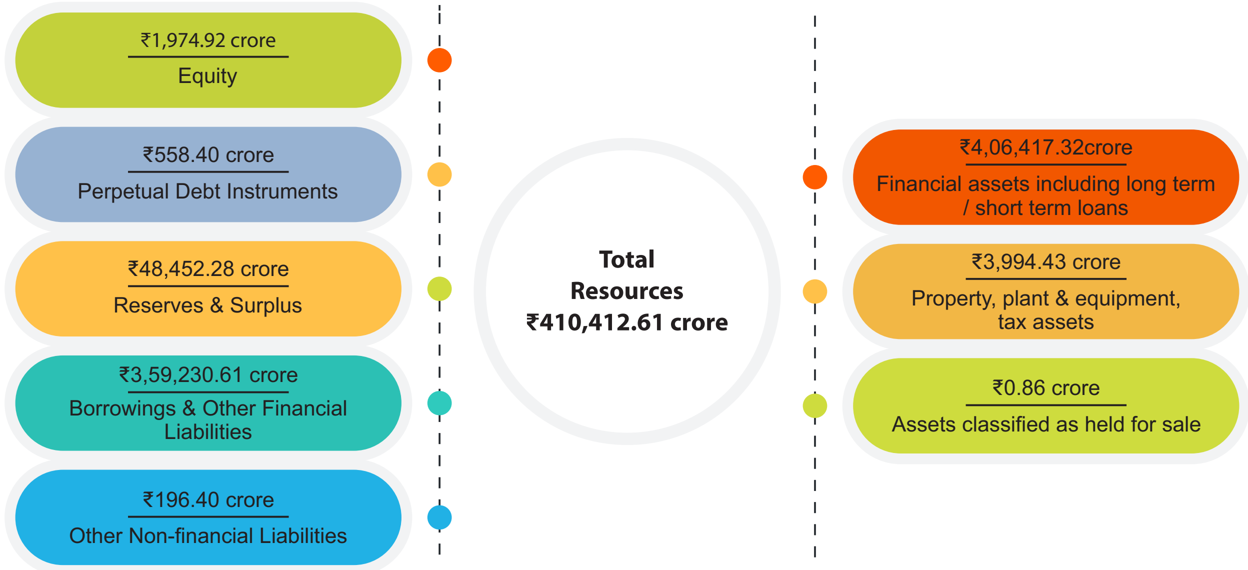
REC aspires to emerge as the largest lender of renewable energy projects in the coming years. REC is also looking to diversify into financing non-power infrastructure and distribution works, to maximize the value for its stakeholders. This is achieved through investment in the six capitals namely Financial Capital, Manufactured Capital, Intellectual Capital, Social & Relationship Capital, Human Capital and Natural Capital, which are explained below.

Financial Capital

Financial Capital, in respect of REC, refers to the pool of funds available for use in the provision of its services, i.e., lending to power sector. REC is a non-banking financing company for entire gamut of activities in the power sector including generation, transmission & distribution, for renewable as well as conventional sources of energy, in public as well as private sector.

REC also enjoys "AAA" rating from CRISIL, CARE, India Ratings & Research and ICRA for its domestic debt instruments and international rating of "Baa3" and "BBB-" rating from Moody's and FITCH respectively, which is at par with the sovereign rating of India.

As on March 31, 2022, the total resources of the Company stood of the Company and their deployment stood at ₹410,412.61 crore, the breakup of which was as under:



Given the nature of business of the Company, borrowings form the most substantial part of source of funds. The Company's borrowings comprise Institutional Bonds, Foreign Currency Borrowings, FCNR (B) Loans, Capital Gain Bonds, Tax Free Bonds, Infra Bonds, Commercial Paper and loans taken from banks & financial institutions and multilateral agencies.

Raising of funds at competitive rates forms the basis of profitability in financing business. REC has been raising funds at consistently competitive rates. The overall weighted average annualized cost of funds for the outstanding borrowing as on March 31, 2022 was 7.00% (lesser than 7.26% for previous year).

The deployment of these resources is done primarily in the form of loans sanctioned by the Company towards various power projects. As on March 31, 2022, REC's loan portfolio was categorized as 39% into generation projects, 17% into transmission projects, 40% into distribution projects, 3% into renewable energy projects and 1% in short term loans. Further, 86% of REC's loan portfolio is State sector scheme / projects, followed by 9% in private sector projects and 5% in joint sector projects. Non-performing assets (NPAs) of REC are one of the lowest in the industry.

Through its financial capital, REC has been able to create value not only for its shareholders and investors, but for the entire power sector in the country. REC has maintained its profitability and is consistently paying dividend to its shareholders.

Manufactured Capital

Being a NBFC, REC does not own any manufacturing facility. However, the Company is a pioneer in the field of power sector financing and till March 31, 2022, has disbursed a cumulative amount of ₹7,54,260 crore towards various generation, transmission & distribution schemes. Power being a critical input into industrial activity, services sector as well as the day-to-day life of common man, REC's contribution lies in significant creation of power infrastructure across the country.

Owing to its nature, REC's asset use is limited to IT & communication infrastructure and office supplies. It is pertinent to mention that all material requirements are sourced as per Procurement Guidelines laid down in the Company, including through GeM (Government e-Marketplace) portal.

The Company uses E-Business ERP containing latest features. The ERP hardware is migrated to private cloud environment at REC Data center. The Company has revamped its network to meet the requirements of network, bandwidth and security. The secured VPN network facilitates remote location access to critical business applications for seamless operations. The Primary Data Center and Disaster Recovery Center of REC is ISO/IEC 27001:2013 certified and comply with National Cyber Security Policy of Government of India. REC has also implemented IT security directives of RBI prescribed for NBFCs. The Company was one of the early adopters of 'e-office' system amongst power sector PSUs, which facilitates paperless working.

Intellectual Capital

The Company has implemented Quality Management Systems as per ISO 9001:2015 standards in its corporate office and regional / state offices for processing of claims. The Company has also deployed a number of in-house developed systems as part of its IT initiatives, towards achieving better e-governance. Further, the Company has implemented Data Leakage & prevention (DLP) system at Data Center and Disaster Recovery Center for preventing sharing of confidential and critical information outside the corporate network.

Since 1979, REC has under its umbrella, a premier training institute i.e., REC Institute of Power Management and Training, dedicated for training human resources of power sector in technical as well as non-technical areas. RECIPMT has been engaged by Ministry of Power and various power sector organizations for conducting training programmes. It is also conducting training programmes under Indian Technical and Economic Co-operation (ITEC) scheme of Ministry of External Affairs.

It is pertinent to mention that even during the pandemic, the imparting of trainings by RECIPMT has not slowed down. With the help of online session and webinars, alongwith in-person trainings as conducted, RECIPMT has been able to achieve 64,361 training man days for 20,728 personnel in financial year 2021-22.

Human Capital

REC has a professionally qualified, experienced and skilled workforce along with congenial culture and supportive environment, which not only motivates its human capital but also retains it. The Company has a robust system to ensure effective management of human resources and to enhance their productivity. The human resources are trained on the organization's mission and policy framework right from the beginning. At work also, sharpening of skills and business acumen is given a special focus, through various training & development programmes.

REC's HR pool is diversified with representation of various categories. REC empowers its women employees through various initiatives and policies; and endeavors towards gender parity, promoting a fruitful work environment making it conducive for its employees to grow as professionals and as individuals.

Work life balance is given special focus through welfare-oriented policies. Regular health checkups for employees, talks on preventive health issues are organized from time to time. The Company has a well-equipped gymnasium at its corporate office for the staff. The employees also participate in various sports, cultural and literary events, which promote their overall development.

Social and Relationship Capital

REC is not only a financial institution, but an organization striving for the development of the entire power sector; and the country as a whole. Being a nodal agency of the Government of India for various electrification programmes, the Company has completed the work of electrification of all un-electrified census inhabited villages in the country, within the timeline announced by the Hon'ble Prime Minister of India. Further, the country has facilitated electrification of nearly 3 crore households in the country under various Government programmes, thereby contributing to the collective development agenda of the Government.

REC is also supporting various social causes through its CSR arm, CSR Foundation. During the financial year 2021-22, REC spent an amount of ₹171.07 crore (including excess spent of ₹3.45 crore carried forward from the previous year) towards various CSR projects, including contribution of ₹50 crore towards PM CARES Fund and CSR spend on development of various aspirational districts, distribution of aids to Divyang persons, strengthening cancer screening and basic cancer care services, supporting studies and basic necessities for disadvantaged students and supporting oxygen generation plants at various places, in the backdrop of Covid-19. Further, REC also supports the development of sports facilities across India, emphasizing on women hockey, athletics and boxing.

Natural Capital

REC always endeavors to protect environment by minimizing consumption of natural resources and also by minimizing wastage of the same.

As a power sector financing organization, REC has been consistently improving its renewable energy portfolio. During the financial year 2021-22, the Company sanctioned loans aggregating to ₹14,733.52 crore towards 15 renewable energy projects, with total generation capacity of 1,609 MW. Till date, REC has funded nearly 11.6 GW of capacity under renewable energy projects, to support a greener future for the country.

REC had prepared Environmental Social Impact Analysis (ESIA) report in year 2016, under Official Development Assistance - KfW-III LoA between REC & KfW, applicable for financing renewable energy projects. ESIA serves as the roadmap for REC to address environmental & social issues in financing renewable power projects.

REC is also financing installation of pollution control equipment in thermal power plants, such as Flue Gas Desulphurization (FGDs), Selective Catalytic Reduction (SCR) and Electrostatic Precipitators (ESP), which contribute towards curbing of harmful emissions and particulate matter. During the financial year 2021-22, REC has sanctioned 9 such projects for installation of pollution control equipment, with total loan amount of ₹752 crore.

REC has installed a 979 kWp (kilowatts peak) rooftop solar plant on its corporate office building, to cater to its electricity requirement. The plant, which started operating in July 2021, has generated 8.22 lakh units of electricity in FY 2021-22, which has catered to around 50% of the total load requirement of the building. The building also has energy saving features like radiant cooling for slabs to reduce power consumption for air conditioning by 30%, Integrated Building Management System (IBMS), automated sensor controlled lighting and bio-climatic glass façade with motorized blinds

For and on behalf of the Board of Directors

Vivek Kumar Dewangan
Chairman & Managing Director
(DIN: 01377212)

Place : Gurugram
Date : August 20, 2022

FORM NO.MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
REC LIMITED
Registered Office:
Core 4, SCOPE Complex, 7,
Lodi Road, New Delhi - 110003

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **REC 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 books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information, explanations and clarifications provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the representation made by the Management and considering the relaxation granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 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 the Company for the financial year ended on March 31, 2022, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not applicable to the Company during the Audit Period);**

d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **(Not applicable to the Company during the Audit Period)**;

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client with respect to issue of securities;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period)**;

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the Audit Period)**; and

i. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.

The Company is a Non - Banking Financial Company (NBFC) categorized as Infrastructure Finance Company (IFC) with the Reserve Bank of India (RBI) and the Company is engaged in the business of providing finance for power sector. As confirmed and certified by the management, following laws are specifically applicable to the Company based on the Sector(s) / Business(es):

- Reserve Bank of India Act, 1934 and rules, regulations and directions issued by RBI, from time to time.
- Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises.

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

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

(ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR)].

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

1. *The Company was not in compliance with the provisions of section 149 of the Companies Act, 2013 read with Regulation 17 of the SEBI (LODR), in respect of the appointment of requisite number of Independent Directors including a Woman Independent Director, as the Board had a total of three Independent Directors against the requirement of four Independent Directors (two Independent Directors appointed on November 15, 2021 and one Independent Woman Director appointed on December 30, 2021).*

2. *The composition, chairmanship and quorum of meetings of Audit Committee & Nomination & Remuneration Committee and composition of Stakeholders Relationship Committee were not in compliance with section 177 & 178 of the Companies Act, 2013 read with regulation 18, 19 & 20 of SEBI (LODR) from April 1, 2021 till December 6, 2021.*

3. *The composition of Corporate Social Responsibility Committee was not in compliance with section 135(1) of the Companies Act, 2013 from April 1, 2021 till December 6, 2021.*

4. *The composition of Risk Management Committee was not in compliance with regulation 21(2) of SEBI (LODR) from May 5, 2021 to December 6, 2021.*

5. *The Company was not in compliance of Regulation 25(6) of SEBI (LODR) with respect to appointment of Independent Directors within the stipulated time.*

Being a Government Company, in terms of Article 91 of Articles of Association of the Company, all Directors on the Board of REC are appointed by President of India acting through Ministry of Power. During the year under review, the Board did not have requisite number of Independent Directors. However, two Independent Directors were appointed on November 15, 2021 and One Independent Woman Director was appointed on December 30, 2021 on the Board of the Company.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors but the company did not have requisite number of Independent Directors on the Board during the period under review as stated above.The changes, in the composition of the Board that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

We further report that during the audit period the following specific activities took place in the Company having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.:

The Company has raised long term/short term funds by issue of different debt instruments for financing various projects as listed below:

Sl. no.	Type of Debt Instruments	Amount (₹ in crore)
1.	54 EC Capital Gains Tax Exemption bonds	7,316
2.	Institutional Bonds/Subordinate Bonds	9,080
3.	Term Loans from Banks/FIs/ Government	25,850
4.	Foreign Currency Borrowings & FCNR (B) Loan	30,178
5.	Loans from Banks (Tenor more than 6 months)	3,950
6.	Commercial Papers	2,000
	Total Funds Raised during the period	**78,374**

For Hemant Singh & Associates
Company Secretaries

Hemant Kumar Singh
(Partner)
Membership No: F6033
COP No : 6370
UDIN: F006033D000642669

Place : Delhi
Date : July 18, 2022

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

Annexure-A

The Members
REC LIMITED
Registered Office:
Core 4, SCOPE Complex, 7,
Lodi Road, New Delhi -110003

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

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

For Hemant Singh & Associates
Company Secretaries

Hemant Kumar Singh
(Partner)
Membership No: F6033
COP No : 6370
UDIN: F006033D000642669

Place : Delhi
Date : July 18, 2022

ANNEXURE-VI TO BOARD'S REPORT

Auditors' Certificate on Corporate Governance

To,

The Members,
REC Limited
New Delhi

We have examined the compliance of conditions of Corporate Governance by REC Limited ("the Company") for the financial year ended March 31, 2022, as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (as amended) executed with the Stock Exchanges and Clause 8.2.1 of Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs), 2010 issued by the Department of Public Enterprises (DPE), Ministry of Finance, Government of India.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to review of the procedures and implementation thereof, adopted by the Company, for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion of financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that as on March 31, 2022, the Company was in compliance with the requirement of Corporate Governance as stipulated in Listing Regulations and Guidelines on Corporate Governance for CPSEs, 2010, except for the appointment of requisite number of Independent Directors. Further, REC being a Government Company, all the Directors are appointed by the President of India, acting through administrative ministry, i.e., Ministry of Power and this is beyond the control of the Company.

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

M/s S.K. Mittal & Co.
Chartered Accountants,
ICAI Firm Registration: 001135N

Name - S. Murthy
Designation: Partner
Membership Number: 072290
UDIN: 22072290APPCYW3700

M/s O.P. Bagla & Co. LLP.
Chartered Accountants,
ICAI Firm Registration: 000018N/N500091

Name - Atul Aggarwal
Designation: Partner
Membership Number: 092656
UDIN: 22092656APOFNC3555

Date : August 20, 2022
Place : New Delhi

Annual Report on CSR

1. Brief outline on CSR policy of the Company:

The Company has its Corporate Social Responsibility Policy, in consonance with Section 135 of the Companies Act, 2013 and rules made thereunder. Consequent upon issuance of CSR Amendment Rules effective from 22 January 2021, REC CSR policy has been amended and approved by the Board of Directors.

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

CSR Projects:

During the year, 40 CSR projects were approved with aggregate assistance of ₹307.17 crore and spent on CSR projects was ₹171.07 crore. The assistance has broadly been channelized to the following type of projects:

i. Upgradation of various government hospitals, procurement & commissioning of medical equipment, distribution of aids & assistive devices to person with special abilities, upgradation of blood banks, construction of sewage treatment plant & water treatment plant, cancer screening & cancer care services for early detection & cure, providing safe drinking water.

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

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

REC Limited undertakes its CSR activities through 'REC Foundation', a registered society. The foundation is governed by Governing Body wherein officials of REC Limited are nominated.

ii. Providing meals for doctors and nurses of Safdarjung Hospital during spread of Covid pandemic, providing cold chain equipment to store COVID-19 vaccines.

iii. Installation and commissioning of 4300 LPM Pressure Swing Adsorption (PSA) Oxygen generation plant in 5 locations, namely, Baran, Pune, Chamba, Pithoragarh & Chatra.

iv. Survey and repair of 12,347 toilets constructed under *Swaccha Vidyalaya Abhiyan* in 2014-2015, in schools in 5 states namely Uttar Pradesh, Bihar, Rajasthan, Telangana and Madhya Pradesh.

v. Development of infrastructure facilities in various schools/educational institutions, providing education equipment/items, upgradation of classrooms in smart classrooms, rendering innovative education through mobile school bus to children of migrant labourers, inculcating research & aptitude among youngsters, upbringing vulnerable children by providing education, food and other basic necessities, enhancing skills among youngsters by providing skill development training to earn their livelihood, etc.

vi. Enhancing skills of adolescent/homemaker women by providing training on sewing, beautician, construction of shelter home with wellness facility for the care of the elders, educating adolescent/ young girls about menstrual hygiene, leadership, life skills, gender & rights issues, providing self-defense training, health counseling, etc.

vii. Erection of rooftop/floating solar photovoltaic panels on various educational institutions, commissioning of LED based solar street lighting systems, etc.

viii. Setting up two electrical cum gas-operated (Hybrid) crematorium facilities. The project aims to reduce pollution and promote environment sustainability.

ix. Contribution to Prime Minister's Citizen Assistance and Relief in Emergency Situations (PM CARES) Fund to deal with pandemic caused by COVID-19.

x. Contributing to support national/regional/state/K sports academies, support TOPS athletes and Targets the Olympic Podium Scheme (TOPS) which is a flagship program of MYAS to assist India's top athletes, thereby enabling them to win in the Olympics and support for coaches and other supporting staff. Women's sports will be promoted initially including boxing, hockey and athletics.

xi. Distribution of free seeds in Kharif season to farmers in draught prone area, farmer-centric integrated watershed development for improving rural livelihoods, educating community by creating awareness about ultimate utilization of naturally available nutrition, food and energy, infrastructure development of rural areas by construction of check dams, culvert, community hall, deepening of wells, construction of indoor stadium, etc.

xii. REC undertakes projects in the thematic area, healthcare services and nutrition, preferably in aspirational districts, namely, Gajapati in Odisha, Mamit in Mizoram, Kiphire in Nagaland, Muzaffarpur in Bihar, Udham Singh Nagar in Uttarakhand, Chandel in Manipur and West Sikkim in Sikkim.

2. Composition of the CSR Committee:

In line with the Companies Act 2013, CSR committee of the Company is constituted. The composition of the same is as under:

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	Dr. Manoj M. Pande (Independent Director)	Chairperson *(w.e.f. Dec 7, 2021)*	3	3
2	Shri Sanjeev Kumar Gupta Director (Technical)	Chairperson *(upto Oct 31, 2021)*	5	5
3	Dr. Gambheer Singh (Independent Director)	Member *(w.e.f. Dec 7, 2021)*	3	3
4	Shri Ajoy Choudhury Director (Finance)	Member	8	8
5	Shri Praveen Kumar Singh Nominee Director of PFC	Member *(upto Dec 7, 2021)*	5	5

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

https://www.recindia.nic.in/our-csr-initiatives

4. 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:

The impact assessment was carried out as per CSR Amendment Rules effective from 22 January 2021, of projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study. M/s PricewaterhouseCoopers (PWC) carried out the Impact assessment study. The tables below provide name of projects, key findings of the impact of the projects.

Sl. no	Project details	Key findings of the impact of the project
1.	₹1.50 crore for reviving Crafts Heritage and Providing Sustainable Livelihood to the Artisans by National Culture Fund (Trust) / Gujarat State Women SEWA Cooperative Federation Ltd. **(SEWA)**.	The design SEWA center is revived and restored. Women artisans of the informal sector achieved economic security through traditional livelihoods. Respondents were of the view that the quality of training and capacity building is good. The beneficiaries were provided market linkage support.
2.	₹12.90 crore for distribution of about 1.5 lakh Solar Lanterns in poorly electrified areas of backward districts of Andhra Pradesh and Odisha by Solar Energy Corporation of India **(SECI)**.	The project has helped in reduction in usage of kerosene lamps thereby reducing the indoor air pollution. The solar lanterns were distributed to the marginalized communities from those villages / areas who were poorly electrified. The family members (especially women) felt safe and secure going out during night.

Sl. no	Project details	Key findings of the impact of the project
3.	₹8.70 crore for job oriented skill development training programme at Central and Eastern regions of India including Bihar, Odisha, Jharkhand, etc. implemented by National Skill Development Fund **(NSDF)** / National Skill Development Corporation.	78% beneficiaries were involved in income generation activities post completion of course. Soft skill sessions, industry visits and expert talks helped in the enhancement of skill of the trainees and benefited them during their time of employment.
4.	₹1.90 crore for establishment of virtual classrooms (VCR) in 10 nos. of Government high schools in Karnataka, implemented by Karnataka State Council for Science & Technology **(KSCST)**.	VCR facilities have led to an increase in participation, and academic performance including retention of students. The average pass % of the students in 10th standard across 10 schools has gone up from 67.8% in 2016-17 (pre-intervention) to 77% in 2018-19 (post-intervention). The teachers leveraged the VCR facility as it aids them in teaching.
5.	₹15.1 crore for installation of 2 MWp SPV system at various locations at campus of IIM Tiruchirappalli, implemented by Indian Institute of Management, Tiruchirappalli (IIM, Trichy).	Commissioned 2 MWp SPV system at IIM-Trichy permanent campus to meet the power requirements. The estimated reduction in the Greenhouse gas levels/ Chlorofluoro carbon levels is estimated to be about 1214.85 T CO_2 for the first 6 months of running the Solar PV. The regular inspection and maintenance ensured the long-term utility and functionality of the panels.
6.	₹4.2 crore for Water, Sanitation & Hygiene for all service in urban and rural areas to Scheduled caste communities and primary schools in Andhra Pradesh, implemented by Society for Integrated Development in Urban & Rural Areas **(SIDUR)**.	Completed water connection to 1,250 HH / primary schools in four districts. Constructed toilets in 1,750 HH / primary schools in four districts Reduced the prevalence of water borne diseases and associated expenditure. The changes in behavior also resulted towards regular cleaning and maintenance of toilets. The piped water connections and toilets were maintained well by the community members.
7.	₹3.9 crore for job oriented skill development training (residential) to 1,650 beneficiaries belonging to Scheduled caste in various states of India, implemented by National Scheduled Castes Finance & Development Corporation **(NSCFDC)**.	Out of beneficiaries trained in 5 skill development courses, the placement rate was 92%. 74% of the respondents are currently involved in income generating activities. The project has been able to create sustainable impact on the lives of beneficiaries.
8.	₹1.20 crore for setting up of electric crematorium in Ghaziabad district of Uttar Pradesh in Hindan River areas, Ghaziabad, Uttar Pradesh, implemented by Ghaziabad Developmental Authority **(GDA)**.	The wood based crematorium leads to deforestation - trees which would otherwise capture Carbon dioxide and prevent them from entering earth's atmosphere and adding to global warming. Around 600 bodies have been cremated in the electric crematorium.
9.	₹1.40 crore for replacement of the non-functional old structure and install 135 KWp off-grid solar plant (with battery) at various locations on the campus of the Barefoot College, Tilonia **(SWRC)**, Rajasthan implemented by Social Work and Research Centre (Barefoot College).	Commissioned 135 KWp off-grid solar plant (with battery) at various locations on the campus. The solar panel prevents 444 tons of Carbon di-oxide & 319 tons of Sulphur di-Oxide & 2.1 Tons of Nitrous oxide (greenhouse gas) from entering the atmosphere every year. The solar panel is available to run various equipment and machines required for training.
10.	₹12.9 crore for setting-up of 900 KWp rooftop solar PV plant in 30 nos. of Government residential schools; Insulating the existing rabbit ACSR conductor in 30 nos. of campuses. Providing polyolefin insulation through heat shrinking process to the existing open rabbit conductor campuses; Establishment of e-learning centers (virtual classrooms) in 10 residential schools., implemented by Karnataka Residential Educational Institutions Society **(KREIS)**.	The solar panel helped in providing sustainable, reliable and continuous power supply. The installation of rabbit conductor helped in making the accident free environment in the campus thereby reducing danger to hostel students. The installation of virtual classrooms has provided advanced learning environment by usage of digital contents, internet, computers and supplemented video conferences.

Sl. no	Project details	Key findings of the impact of the project
11.	₹1.40 crore for Job oriented skill development training to 1,300 nos. of women & youth belonging to economically weaker section of society, implemented by Mahila Ashram Muwani, Pithoragarh **(MAM)**.	Post completion of the course, 92% of the candidates were involved in the income generating activities. The project has been able to create sustainable impact on the life of beneficiaries.
12.	₹1.20 crore for Job oriented skill development training to 880 women belonging to economically weaker section in Gurdaspur, Punjab and Ghaziabad, Uttar Pradesh by Bisnouli Sarvodaya Gramodaya Sewa Sansthan **(BSGSS-I)**.	75% of the total candidates got placed after completion of training. The girls in beauty and wellness training started their own beauty and wellness services and earned an average of ₹1000 per month. The project has led to women empowerment and increased income generation among women belonging to economically weaker sections of society.
13.	₹5.80 crore for Job oriented skill development training (residential) to 1,000 nos. of youth belonging to EWS in approx. 20 districts across India, implemented by Central Institute of Plastic Engineering & Technology **(CIPET)**.	84% of the total respondents are involved in the income generating activities (through wage / self-employment).
14.	₹1.0 crore for installation of 100 nos. of hand pumps and excavation of pond at Bairati temple campus in Bagaha, Bihar, implemented by Paryavaran Care Society **(PSC)**.	The project has helped in reducing the average distance travelled to source water for daily domestic needs. Reduced the prevalence of water borne diseases. The project has culminated in the availability of easy accessibility of water source from the hand pumps installed.
15.	₹1.60 crore for installation of 283 KWp solar PV system on roof top of Shaheed Udham Singh Punjab University, Constituent College, implemented by Shaheed Udham Singh Punjab University **(SUSPU)**.	The solar PV system is producing around 1200 - 1500 units of electricity per day. The unutilized power is supplied to the State Government by the University. Reduction in carbon footprint and dependency on non-renewable energy.
16.	₹1.6 crore for Job oriented skill development training (residential) to nos. of beneficiaries belonging to economically weaker sections of the society in Uttar Pradesh, Haryana, Bihar, Uttarakhand, implemented by International Computer Institute **(ICI)**.	Out of candidates trained in 6 skill development trades, the placement rate was 78%. Beneficiaries reported that their overall standard of living has improved post completion of the project.
17.	₹18.30 crore for infrastructure development of Pandit Ram Sumer Shukla Smriti Government Medical College, Rudrapur Udham Singh Nagar, Uttarakhand, implemented by District Magistrate, Udham Singh Nagar **(DM, USN)**.	The new 300 bedded Government medical college has improved health care service delivery in the area during COVID-19. The medical test and procedures led to early diagnosis and treatment of the patients.
18.	₹1.9 crore free distribution of seeds to 5,000 nos. farmers residing in drought prone area in Aurangabad District, Maharashtra, implemented by Vishwasindhu Bhahudeshiya Seva Bhavi Sanstha **(VBSS-I)**.	98% beneficiaries were involved only in agricultural work, out of which 26% were BPL card holders. 38% of farmers reported that their harvest has increased due to availability of new type of seeds. 60% of farmers have reported that there has been an increase in the productivity (yield). The average annual income has increased by 18%.
19.	₹4.1 crore for free distribution of seeds to 10,000 nos. of farmers residing in drought prone area in Aurangabad District, Maharashtra, implemented by Vishwasindhu Bhahudeshiya Seva Bhavi Sanstha **(VBSS-II)**	99% beneficiaries were involved only in agricultural work, out of which 41% were BPL card holders. 35% of farmers reported that their harvest has increased due to availability of new type of seeds. The average annual income has increased by 16%.
20.	₹1.7 crore for installation of 20 nos. of water ATM machines at the site of Kumbh Mela 2019, Prayagraj and various iconic locations of India, implemented by Bisnouli Sarvodaya Gramodyog Sewa Sansthan **(BSGSS-II)**.	ATMs provide water for 12 hours/day in all the locations, thus ensuring clean and uninterrupted supply of drinking water to the visitors. 20 operators across all the locations were employed.
21.	₹5.0 crore for development and maintenance of public park at Deen Dayal Upadhyay **(DDU)** Marg, New Delhi, implemented by Central Public Works Department.	Appealing to all the age groups due to the amenities available. Created employment opportunities. Reduced crime and ensured safe gathering place for families. Contributing to the health and wellness of the community. Created valuable green space (>80% area under green cover)

The detailed impact assessment report is available at https://www.recindia.nic.in/our-csr-initiatives.

The table below provides the ratings for 21 projects on different parameters namely (i) Inclusiveness (ii) Relevance, (iii) Effectiveness, (iv) Convergence and (v) Sustainability. Each project has been assessed on the above key parameters and further categorized into High/Medium/Low basis the impact generated:

High	This category highlights that the project has been able to meet the key evaluation parameters of impact within the said IRECS framework.
Medium	This category highlights that the project has been able to partially meet the key evaluation parameters of impact within the said IRECS framework.
Low	This category highlights that the project has yet to meet the key evaluation parameters of impact within the said IRECS framework.

IRECS Parameters		Inclusiveness	Relevance	Effectiveness	Convergence	Sustainability
1	SEWA	High	High	Medium	Low	Low
2	SECI	High	High	Medium	High	Low
3	NSDF	High	High	Medium	High	Low
4	KSCST	High	High	High	High	High
5	IIM, Trichy	High	High	High	High	High
6	SIDUR	High	Medium	High	Medium	High
7	NSCFDC	Medium	High	High	High	High
8	GDA	High	Medium	Low	High	Medium
9	SWRC	High	High	High	High	High
10	KREIS	High	High	High	High	High
11	MAM	High	High	High	High	High
12	BSGSS-I	High	High	Medium	High	High
13	CIPET	High	High	High	High	High
14	PSC	High	Medium	High	Low	Low
15	SUSPU	High	High	High	High	Medium
16	ICI	High	High	High	High	High
17	DM, USN	High	Medium	Medium	High	Medium
18	VBSS-I	High	High	High	High	High
19	VBSS-II	High	High	High	High	High
20	BSGSS-II	High	High	High	High	High
21	DDU	High	High	High	High	Medium

5. 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:

Sl. no.	**Financial Year**	**Amount available for set-off from preceding financial years (₹in crore)**	**Amount required to be set-off for the financial year, if any (₹in crore)**
1	2021-22	3.45	3.45

6. Average net profit of the Company as per Section 135(5) : ₹8,533.62 crore

7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 170.67 crore

   (b) Surplus arising out of the CSR projects, programmes or activities of the previous financial years: Nil

   (c) Amount required to be set off for the financial year: ₹ 3.45 crore

   (d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 167.22 crore

8. a. CSR amount spent or unspent for the financial year:

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

b. Details of CSR amount spent against ongoing projects for the financial year: Nil

c. Details of CSR amount spent against other than ongoing projects for the financial year: ₹162.15 crore **(Annexure A)**

d. Amount spent in Administrative Overheads: ₹5.24 crore

e. Amount spent on Impact Assessment: ₹0.23 crore

f. Total amount Financial Year (8b+8c+8d+8e): ₹167.62 crore

g. Excess amount for set off

Sl. no.	**Particular**	**Amount (₹ in crore)**
(i)	Two percent of average net profit of the company as per section 135(5)	170.67
(ii)	Total amount spent for the Financial Year	171.07
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.40
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.40

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

Sl. no.	**Preceding Financial Year**	**Amount transferred to Unspent CSR Account under section 135 (6) (₹ in crore)**	**Amount spent in the reporting Financial Year (₹ in crore)**	**Amount transferred to any fund specified under Schedule VII as per section 135(6), if any**			**Amount remaining to be spent in succeeding financial years (₹ in crore)**
				Name of the Fund	**Amount (₹ in crore)**	**Date of transfer**	
Not Applicable							

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

(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(7)**	**(8)**	**(9)**
Sl. no.	**Project ID**	**Name of the Project**	**Financial Year in Which the project was commenced**	**Project duration**	**Total amount allocated for the project (₹ in Crore)**	**Amount spent on the project in the reporting Financial Year (₹ in crore)**	**Cumulative amount spent at the end of reporting Financial Year (₹ in crore)**	**Status of the project Completed / Ongoing**
Not Applicable								

10. In case of creation or acquisition of capital as set, the details relating to the asset so created or acquired through CSR spent in the financial year: Nil

a. Date of creation of asset: 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

11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section135(5):

The Company has fully spent its CSR Budget for the Financial Year 2021-22.

Sd/-
(Ajoy Choudhury)
Director (Finance)
DIN : 06629871

Sd/-
(Dr. Manoj Manohar Pande)
Independent Director and
Chairperson of CSR Committee
DIN : 09388430

Annexure-A: Details of CSR expenditure during the year 2021-22

1	2	3	4	5a	5b	6	7	8	
Sl. no.	Name of the Project	Item from the list of activities in Schedule VII of the Act	Local Area (Yes/No)	Location of the Project	Location of the Project	Amount spent in for the project (₹ in crore)	Mode of Implementation-Direct (Yes/No)	Mode of Implementation-Through implementing Agency	
				State	District			Implementing Agency	CSR Registration No.
1	Construction of Building in SVNIRTAR to establish the Institute as a Centre of Excellence for Deformity Correction	Health care	NA	Odisha	Cuttack	4.26	No	Swami Vivekanand National Institute of Rehabilitation Training and Research	NA
2	Distribution of aids & assistive devices to approximate to 8000-9000 numbers of persons with disabilities in various states of India	Health care	NA	Across India	Across India	1.91	No	Artificial Limbs Manufacturing Corporation of India	CSR00000532
3	Providing better health facilities to leprosy affected and other poor people by constructing and equipping operation theatre and maternity block in The Leprosy Mission hospitals	Health care	NA	Chhattisgarh, Uttar Pradesh and Tamil Nadu	Champa, Faizabad, and Vadathorasalur	2.33	No	The Leprosy Mission Trust India	CSR00001796
4	Construction & renovation of Gandhi Memorial Hospital (a Government Hospital) affiliated to Shyam Shah Medical College in Rewa	Health care	NA	Madhya Pradesh	Rewa	2.63	No	Shyam Shah Medical College, Rewa	NA
5	Part-funding for Community based program for control of Sickle cell diseases and Thalassemia in the 30 districts of Odisha	Health care	NA	Odisha	Odisha	3.94	No	Christian Medical College, Vellore	NA
6	Construction of blood bank cum administrative block and upgradation of blood bank equipment	Health care	NA	Andhra Pradesh	Ananthapuram	0.37	No	Indian Red Cross Society, Andhra Pradesh	NA
7	Construction of radiotherapy unit in Virat Hospice, run under Brahmrishi Mission Samiti, to support to the terminally ill cancer patients	Health care	NA	Madhya Pradesh	Jabalpur	0.45	No	Brahmrishi Mission Samiti	CSR00004300
8	Construction of Integrated muscular dystrophy and rehabilitation center 'Manav Mandir' (third floor)	Health care	NA	Himachal Pradesh	Solan	0.21	No	Indian Association of Muscular Dystrophy, Himachal Pradesh	NA
9	Providing medical equipment and instrument in District Hospital and Public Health Center	Health care	NA	Sikkim	West Sikkim	0.31	No	District Magistrate, West Sikkim	NA
10	Construction / extension of staff quarter for medical department and Modular prefabricated housing (quarter) for teachers	Health care	NA	Nagaland	Kiphire	1.50	No	Deputy Commissioner, Kiphire	NA
11	Improvement of health services and renovation & construction in Primary Health Centre, Primary Sub Health Centre, Community Health Centre and District hospital	Health care	NA	Mizoram	Mamit	3.86	No	Deputy Commissioner, Mamit	NA
12	Solar powered solutions in the areas of education, healthcare, portable and smart model anganwadis	Health care	NA	Bihar	Muzaffarpur	0.05	No	Selco Foundation	NA
13	Construction of Sewage Treatment Plant in Advanced Center for Treatment, Research and Education in Cancer (ACTREC), Tata Memorial Center, Khargahr, Navi Mumbai	Health care	NA	Maharashtra	Navi Mumbai	2.95	No	Tata Memorial Center	NA
14	Providing food to migrant labourers/family members engaged at construction/sub stations, poor people, daily wage labourers etc. due to lockdown in view of the outbreak of pandemic corona virus COVID-19	Health care	NA	Across India	Across India	(0.40)	Yes	REC	CSR00005016

1	2	3	4	5a	5b	6	7	8	
Sl. no.	Name of the Project	Item from the list of activities in Schedule VII of the Act	Local Area (Yes/No)	Location of the Project	Location of the Project	Amount spent in for the project (₹ in crore)	Mode of Implementation-Direct (Yes/No)	Mode of Implementation-Through implementing Agency	
				State	District			Implementing Agency	CSR Registration No.
15	Construction of 100 bedded waiting hall for the attendant of patients, multipurpose hall and incubation center at Sadar Hosptial and procurement & installation of 25 nos. of incubators at district hospital and PHCs	Health care	NA	Bihar	Muzaffarpur	1.85	No	DC Muzaffarpur/ PMA_TCIL	NA
16	Providing REC-Zodawn Mobile Health Clinics Van and emergency ambulance for 12 villages	Health care	NA	Manipur	Churachandpur	0.28	No	Deputy Commissioner, Churachandpur, Manipur	NA
17	Construction of 200 bedded rest room (Vishram Sadan) for patient's attendants in Sri Krishna Medical College & Hospital	Health care	NA	Bihar	Muzaffarpur	1.00	No	DC Muzaffarpur/ PMA	NA
18	Renovation 50 nos. Anganwadi Centers (AWCs) and providing containers for storing food grains, LPG gas connection & setting up of Antenatal care corners in 1125 nos. AWCs	Health care	NA	Bihar	Muzaffarpur	0.85	No	DC Muzaffarpur/ PMA	NA
19	Procurement of Blood Bank equipment for separating the blood components' in District Hospital, Machilipatnam, Krishna district, Andhra Pradesh	Health care	NA	Andhra Pradesh	Machilipatnam, Krishna	0.30	No	District Hospital, Machilipatnam	NA
20	Distribution of 3400 nos. of aids and appliances to specially-abled persons across the country	Health care	NA	Karnataka, Bihar, Jharkhand, Uttar Pradesh and Andhra Pradesh	Bangalore, Patna, Ranchi, Noida and Hyderabad	0.44	No	Shri Bhagwan Mahaveer Viklang Sahayata Samiti	CSR00004300
21	Procurement of Cold Chain Equipment (CCE) for COVID-19 Vaccination program	Health care	NA	Dadra & Nagar Haveli, Nagaland and West Bengal	Dadra & Nagar Haveli, Nagaland and West Bengal	0.67	Yes	REC	CSR00005016
22	Procurement, installation & commissioning of blood bank equipment/items at Indian Red Cross Society (IRCS)	Health care	NA	Telangana	Warangal	0.89	No	Indian Red Cross Society, Warangal, Telangana	NA
23	Strengthening cancer screening and basic cancer care services in 14 districts of Bihar	Health care	NA	Bihar	14 districts of Bihar	3.74	No	Tata Memorial Cancer Hospital	NA
24	Procurement, installation & commissioning of Digital Substraction Angiography machine	Health care	NA	Rajasthan	Jaipur	5.22	No	SMS Hospital, Jaipur	NA
25	Assistance for repair and maintenance of the 132 toilets in the government schools constructed under REC CSR support	Health care	NA	Punjab	Punjab	0.40	No	Department of School Education, Government of Punjab	NA
26	Construction of 140 bedded home (Block-B & Part Block-C of Anandam) - A home for the homeless sick, destitute, unknown & elderly people	Health care	NA	Rajasthan	Dadikar, Alwar, Rajasthan	0.26	No	SAPNA/ PMA	CSR00000235
27	Installation of 1700 liters per minute oxygen generation plant (full assembly) and 150 kV generator plant	Health care	NA	Maharashtra	Pune	2.48	No	Pune Municipal Corporation	CSR00004302
28	Installation of 1000 LPM oxygen generation plant, procurement of 22 oxygen concentrators and 200 semi fowlers beds to strengthen COVID care/health care facilities at Base Hospital, Pithoragarh, Uttarakhand	Health care	NA	Uttarakhand	Pithoragarh	1.75	No	Chief Medical Officer, Pithoragarh, Uttarakhand	CSR00005343
29	Providing packed lunch facility daily to 300 nos. of doctors and health staffs deployed in Safdarjung Hospital, New Delhi	Health care	NA	Delhi	New Delhi	0.21	No	REC	CSR00005016

1	2	3	4	5a	5b	6	7	8	
Sl. no.	Name of the Project	Item from the list of activities in Schedule VII of the Act	Local Area (Yes/No)	Location of the Project	Location of the Project	Amount spent in for the project (₹ in crore)	Mode of Implementation-Direct (Yes/No)	Mode of Implementation-Through implementing Agency	
				State	District			Implementing Agency	CSR Registration No.
30	Installation of PSA (Pressure Swing Adsorption) Oxygen plant, oxygen pipelines, Beds/ICU equipment, Type-D Ambulance for referral cases and mobile blood donation van at Community Health Centre (CHC), Hunterganj, Chatra	Health care	NA	Jharkhand	Chatra	0.50	No	District Rural Health Society, Chatra, Jharkhand	CSR00006142
31	Installation of 1250 litres per minute oxygen generation plant and 100 KVA DG set at District Hospital, Baran	Health care	NA	Rajasthan	Baran	1.57	No	Baran Medicare Relief Society	CSR00005624
32	Installation of oxygen generation plant (400 to 600 LPM) and DG set of 62.5 KVA at Civil Hospital (Community Health Center), Dalhousie	Health care	NA	Himachal Pradesh	Chamba	0.79	No	Chief Medical Officer, Chamba, Himachal Pradesh	CSR00005997
33	Setting up 2 Nos. of electrical cum gas operated (Hybrid)) Crematorium in Jhansi, UP	Environment sustainbility	NA	Uttar Pradesh	Jhansi	3.53	No	Nagar Nigam, Jhansi	CSR00012233
34	Up-gradation of the District Hospital, Mon by procurement of the medical equipment to strengthen health care services at District Hospital	Health care	NA	Nagaland	Mon	0.41	No	Deputy Commissioner Mon	CSR00006825
35	Establishment of Oxygen ventilators, ALS Ambulance, and ICU patients beds at Govt. Charak Hospital, Ujjain, Madhya Pradesh, to be implemented by Indian red cross Society, Ujjain	Health care	NA	Madhya Pradesh	Ujjain	0.86	No	Indian red cross Society	CSR00008070
36	Providing medical equipment at various government hospitals in Alwar, Rajasthan, to be implemented by Rajasthan Medicare Relief Society	Health care	NA	Rajasthan	Alwar	1.23	No	Rajasthan Medicare Relief Society	CSR00008981
37	Setting up of 10 Bedded ICU for paediatric and neo natal section, Medical equipment for 20 bedded service in District Hospital, Chaibasa, Jharkhand, to be implemented by District CSR Fund Chaibasa, Jharkhand.	Health care	NA	Jharkhand	Chaibasa	0.31	No	District CSR Fund Chaibasa, Jharkhand.	CSR00006981
38	Procurement, installation and commissioning of 32 slice CT Scan Machine at New District Hospital, Yadgiri, Karnataka, to be implemented by Arogya Raksha Samithi District Hospital (ARSDH), Yadgir.	Health care	NA	Karnataka	Chittapur	1.75	No	Arogya Raksha Samithi District Hospital, Yadgir, Karnataka.	CSR00012195
39	Improving Screening for Cervical Cancer through Empowering Communities	Health care	NA	Uttar Pradesh	Barabanki	0.28	No	Progressive Foundation	CSR00013216
40	Survey and repair of 12347 toilets constructed during 2014-15 under Swachh Vidyalaya Abhiyan (SVA) by REC in 5 states.	Health care	NA	Uttar Pradesh, Bihar, Rajasthan, Telangana and Madhya Pradesh	Uttar Pradesh, Bihar, Rajasthan, Telangana and Madhya Pradesh	1.73	No	Bharat Sevashram Sangha	CSR00000812
41	Installation of 275 nos. of hand pump in district Shrawasti	Safe drinking water	NA	Uttar Pradesh	Shrawasti	(0.14)	No	Distrcit Magistrate, Shrawasti	NA
42	Supporting for installation of 20 nos. of water ATM machines at Kumbh Mela site & at various iconic places in India	Safe drinking water	NA	Uttar Pradesh	Prayagraj	0.19	No	Bisnouli Sarvodaya Gramodaya Sewa Sansthan	NA
43	Installation of 200 nos. of Reverse Osmosis water treatment plant with 500 liters overhead storage tank and 1 HP electrical pump in 200 nos. of Aanganwadi Kendra/ primary school in Purnea district, Bihar	Safe drinking water	NA	Bihar	Purnea	0.30	No	Society for Advancement of Villagers Empowerment and Rehabilitation of All	CSR00022145

1	2	3	4	5a	5b	6	7	8	
Sl. no.	Name of the Project	Item from the list of activities in Schedule VII of the Act	Local Area (Yes/No)	Location of the Project	Location of the Project	Amount spent in for the project (₹ in crore)	Mode of Implementation-Direct (Yes/No)	Mode of Implementation-Through implementing Agency	
				State	District			Implementing Agency	CSR Registration No.
44	Adopting a slum for ensuring cleanliness of the slum-drinking water, sanitation, toilets, IEC campaigning, etc. under Swachhta Action Plan (SAP)	Sanitation	NA	Across India	Across India	0.51	Yes	REC	CSR00005016
45	Construction of compound walls and providing gates in 24 nos. of government schools	Education	NA	Andhra Pradesh	Mahbubnagar	0.92	No	District Magistrate, Mahbubnagar	NA
46	Transforming school education by providing projectors, water facilities, furniture, white boards & markers, infrastructure support in schools & hostels, improvement of science laboratories etc.	Education	NA	Manipur	Chandel	0.60	No	Deputy Commissioner, Chandel	NA
47	Infrastructure development by construction of auditorium in Govt. Higher Secondary School,	Education	NA	Kerala	Kannur	1.08	No	District Panchayat, Kannur	NA
48	Providing water purifier in govt. schools and initiating Super 30 for HSC (Higher Secondary Certificate) appearing students	Education	NA	Odisha	Gajapati	0.63	No	District Collector, Gajapati	NA
49	Transforming school education by providing equipment, teachers training, increasing female literacy, providing drinking water in govt. schools etc.	Education	NA	Mizoram	Mamit	0.23	No	Deputy Commissioner, Mamit	NA
50	Construction of boys hostel (second floor) for tribal children at Sandalpur village and providing support for studies, food and other basic necessities to 150 residential girls at Parivaar Bengal Residential Institution in Barkalikapur village	Education	NA	Madhya Pradesh and West Bengal	Dewas, 24 Pargana	0.10	No	Parivaar Education Society	CSR00000052
51	Setting up Research & Rehabilitation Center (third floor), boundary wall with gate and playground at Research and Rehabilitation Centre for specially abled children	Education	NA	Himachal Pradesh	Bilaspur	0.39	No	Chetna, Himachal Pradesh	NA
52	Transforming school education by upgrading the infrastructure of 15 Govt. primary schools, 1 Govt. higher school & 1 Govt. senior secondary school by repairing, renovating classrooms redesigning kitchen, boundary walls, electrical wiring/ providing internet, procurement of water cooler, almirahs, cutlery, converting class rooms in to smart class rooms, providing play equipment, school library, science/ mathematics laboratory etc.	Education	NA	Himachal Pradesh	Kangra	0.76	No	Deputy Commissioner, Kangra	NA
53	Providing training to 10,000 candidates for appearing in competitive exams	Education	NA	Haryana	Ambala, Jhajjar, Jind, Kaithal & Yamuna Nagar	0.71	No	Haryana CSR Advisory Board	NA
54	An innovative mobile school for imparting education to 462 nos. of deprived children belonging to migrant labourers residing in various slums in Gurugram, Haryana	Education	NA	Haryana	Gurugram	0.11	No	All India Citizens Alliance for progress & Development	CSR00002627
55	Construction of 53 nos. of additional classrooms in 32 nos. of Government schools in Gajapati, Odisha	Education	NA	Odisha	Gajapati	1.33	No	District Collector, Gajapati	NA

1	2	3	4	5a	5b	6	7	8	
Sl. no.	**Name of the Project**	**Item from the list of activities in Schedule VII of the Act**	**Local Area (Yes/No)**	**Location of the Project**		**Amount spent in for the project (₹ in crore)**	**Mode of Implementation-Direct (Yes/No)**	**Mode of Implementation-Through implementing Agency**	
				State	**District**			**Implementing Agency**	**CSR Registration No.**
56	Assistance for construction of residential building (G+2) for 150 tribal girls at Sehore district, Madhya Pradesh and providing support for studies, food and other basic necessities to 11 Seva Kutirs comprising approx. 1541 children	Education	NA	Madhya Pradesh	Khandwa	1.61	No	Parivaar Education Society	CSR00000052
57	Assistance for construction of a building for providing value education.	Education	NA	Haryana	Gurugram	0.44	No	RK Mission	NA
58	Operation of innovative mobile school for imparting free education to 462 children of migrant construction labourers in Gurugram, Haryana and Hardoi, Uttar Pradesh	Education	NA	Haryana and Uttar Pradesh	Gurugram, Hardoi	0.26	No	All India Citizens Alliance for Progress & Development	CSR00002627
59	Construction of 2 hostel tower (G+9) with furniture, fixtures, landscaping, external lighting & approach road for post graduate students and installation of grid connected 100kWp roof top sloar PV Panel under School of Medical Research and Technology (SMRT on IIT, Kanpur)	Education	NA	Uttar Pradesh	Kanpur	0.20	No	IIT Kanpur	CSR00004774
60	Construction of hostel building for Scheduled Tribes/ vulnerable/ weaker section of the society in Kelwada (Kumbhalgarh) village, Rajsamand district, Rajasthan	Education	NA	Rajasthan	Rajsamand	0.23	No	Rajasthan Vanvasi Kalyan Parishad	CSR00008067
61	Job oriented skill development training (residential) to 700 nos. of specially abled and economically weaker section beneficiaries	Skill development training	NA	Across India	Across India	0.36	No	Samarthanam Trust for the Disabled	NA
62	Job oriented skill development training to 2000 no. of beneficiaries belonging to economically weaker section of the society	Skill development training	NA	Maharashtra	Aurangabad	2.52	No	Maharshi Shikshan Prasarak Mandal	NA
63	Job oriented skill development training (residential) program to 1200 beneficiaries belonging to EWS/SC/ST/ women etc.	Skill development training	NA	Madhya Pradesh	Madhya Pradesh	1.14	No	Centre for Research and Industrial Staff Performance	NA
64	Job oriented skill development training to 1100 unemployed youths belonging to SC/ST/OBC/ Women/Minority/ EWS/Underprivileged	Skill development training	NA	Across India	Across India	0.55	No	The Apparel Training & Design Centre	CSR00000938
65	Providing job oriented skill development training to 1000 nos. of beneficiaries belonging to economically weaker section	Skill development training	NA	Uttar Pradesh	Mirzapur	0.15	No	Matrix Society for Social Service	CSR00000323
66	Providing skill development training and distribution of equipment kit for self-employment to 500 nos. of women belonging to economically weaker section in Aurangabad district, Maharashtra	Skill development training	NA	Maharashtra	Aurangabad	0.62	No	Rajureshwar Ganesh Bahudeshiya Sevabhavi Sanstha	NA
67	Providing job oriented skill development training to 2500 nos. of people belonging to SC/ST/OBC/ Women/Minority/EWS at various locations	Skill development training	NA	Across India	Across India	1.14	No	Confederation of Indian Industry	NA
68	Providing job-oriented Skill development training to 360 nos. of beneficiaries belonging to SC/ST/OBC/ Women/ EWS etc.	Skill development training	NA	Madhya Pradesh	Chhatarpur	0.09	No	Indian Institute for Higher Education and Research Trust	CSR00003571
69	Free distribution of seeds (Rabi season) to farmers residing in draught prone area	Livelihood enhancement	NA	Maharastra	Aurangabad	3.52	No	National Cooperative Consumers Federation of India	CSR00017175

1	2	3	4	5a	5b	6	7	8	
Sl. no.	**Name of the Project**	**Item from the list of activities in Schedule VII of the Act**	**Local Area (Yes/No)**	**Location of the Project**		**Amount spent in for the project (₹ in crore)**	**Mode of Implementation-Direct (Yes/No)**	**Mode of Implementation-Through implementing Agency**	
				State	**District**			**Implementing Agency**	**CSR Registration No.**
70	Installation of 2 MW SPV system in at various locations at campus of IIM, Tiruchirappalli	Environment sustainbility	NA	Tamil Nadu	Tiruchirappalli	0.03	No	Indian Institute of Management, Tiruchirappalli, Tamil Nadu	NA
71	Installation of 0.25 MW SPV system and LED lights at various locations at Sambalpur University Campus	Environment sustainbility	NA	Odisha	Sambalpur	0.41	No	Sambalpur University, Odisha	NA
72	Providing sustainable energy systems for SMARTGRAM initiative of Rashtrapati Bhawan in forty five villages of Haryana	Environment sustainbility	NA	Haryana	Select 40 villages of Haryana	0.17	No	Skill Council for Green Jobs	NA
73	Conservation & sustainable management of bio resources of Andhra Pradesh	Environment sustainbility	NA	Andhra Pradesh	Andhra Pradesh	0.04	No	Andhra Pradesh State Biodiversity Board	NA
74	Installation of 1 MWp SPV system at various locations at campus of Madurai Kamaraj University	Environment sustainbility	NA	Tamil Nadu	Madurai	2.55	No	Madurai Kamaraj University	NA
75	Installation of 2 MWp SPV system at various locations on campus of Acharya Nagarjuna University	Environment sustainbility	NA	Andhra Pradesh	Guntur	1.33	No	New & Renewable Energy Development Corporation of Andhra Pradesh Ltd.	NA
76	Construction and operation of shelter home with wellness facility (60 seaters) for the care of the elderly	Old age	NA	Ladakh, Jammu & Kashmir	Leh	0.84	No	Helpage India	NA
77	Construction and operation of shelter home with wellness facility (60 seaters) for the care of the elderly	Old age	NA	Ladakh, Jammu & Kashmir	Leh	0.65	No	Helpage India	NA
78	Farmer-Centric Integrated Watershed Management for Improving Rural Livelihood	Rural development	NA	Andhra Pradesh and Telangana	Mahboobnagar and Anantapur	6.29	No	International Crop Research Institute for the semi-arid Tropics	NA
79	Community development awareness program for ultimate utilization of the naturally available nutrition, food and energy around the communities	Rural development	NA	Meghalaya and Nagaland	Meghalaya and Nagaland	0.90	No	North East Slow Food & Agrobiodiversity Society	NA
80	Construction of multipurpose hall cum indoor stadium in Somdal village of Ukhrul district, Manipur	Rural development	NA	Manipur	Ukhrul	0.41	No	North Eastern Region Community Resource Management Society	NA
81	Rural Development Works like construction of community hall, PCC Road, Conduits, Yatri Shed, installation of LED Lights, RO Plants etc.	Rural development	NA	Bihar	Bhojpur	0.29	No	NHPC Limited	NA
82	Broad basing of Sports and promotion of excellence in sports in India	Sports	NA	Across India	Across India	15.00	No	National Sports Development Fund, Ministry of Youth Affairs & Sports, GoI	CSR00016457
83	CSR assistance of ₹5.00 crore for undertaking reconstruction and restoration of Govt Schools and Government Health Centres in various district of Uttarakhand	Relief and Rehabilitation	NA	Uttarakhand	Uttarakhand	5.00	No	Uttarakhand State Disaster Management Authority	CSR00017007
84	Contribution to PM CARES Fund	PM CARES	NA	Across India	Across India	50.00	No	Government of India	NA
	Total Disbursement					**162.15**			
85	Administrative overhead					5.24			
86	Amount spent on Impact Assessment					0.23			
87	Excess spent previous year					3.45			
	Total CSR spent during the year 2021-22					**171.07**			

Details of Debenture Trustees as on March 31, 2022

(In terms of Regulation 53 of SEBI LODR Regulations, 2015)

Sl. no.	Name of Debenture Trustee	Contact Details	ISIN	Series no.	Secured / Unsecured	Redemption date	Coupon Rate	Listed at NSE	Listed at BSE	Registrar & Transfer Agent
1	IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17 R, Kamani Marg, Ballard Estate, Mumbai-400001	Shri Krishnakant Sharma Phone: +91-22-4080 7000 Email: krishnakant@idbitrustee.com, response@idbitrustee.com Website: www.idbitrustee.com	INE020B08427	94	Unsecured	9-Jun-2025	8.75%	Yes	No	Beetal Financial & Computer Services (P) Limited, Beetal House, 3rd floor, 99 Madangir, Behind LSC, Opp. Dada Harsukhdas Mandir, New Delhi-110062 Contact Person: Shri Sanjay Rastogi Phone: +91-11-2996 1281-83 Email: recbonds1@gmail.com, beetalrta@gmail.com Website: www.beetalfinancial.com
			INE020B08443	95-II	Unsecured	14-Jul-2025	8.75%	Yes	No	
			INE020B08740	107	Unsecured	15-Jun-2022	9.35%	Yes	No	
			INE020B08807	111-II	Unsecured	19-Nov-2022	9.02%	Yes	Yes	
			INE020B08831	114	Unsecured	12-Apr-2023	8.82%	Yes	Yes	
			INE020B08849	115	Unsecured	31-May-2023	8.06%	Yes	Yes	
			INE020B07IZ5	123-III-10yrs	Secured	23-Aug-2024	9.34%	Yes	Yes	KFin Technologies Limited Selenium Tower B, Plot nos. 31 & 32, Financial District, Nanakramguda Serilingampally Mandal Hyderabad-500032 Contact Person: Shri Gopala Krishna Phone: 1-800-309-4001 Email: einward.ris@kfintech.com, gopalakrishna.kvs@kfintech.com Website: www.kfintech.com
			INE020B08880	128	Unsecured	21-Dec-2024	8.57%	Yes	Yes	
			INE020B08898	129	Unsecured	23-Jan-2025	8.23%	Yes	Yes	
			INE020B08906	130	Unsecured	6-Feb-2025	8.27%	Yes	Yes	
			INE020B08914	131	Unsecured	21-Feb-2025	8.35%	Yes	Yes	
2	Beacon Trusteeship Limited 4C & D, Siddhivinayak Chambers, Gandhi Nagar, Opp. MIG Cricket Club, Bandra (East), Mumbai-400051	Shri Vitthal Naawandhar Phone: +91-22-2655 8759 Email: compliance@beacontrustee.co.in Website: www.beacontrustee.co.in	INE020B08BA1	162	Unsecured	9-Aug-2028	8.55%	Yes	Yes	KFin Technologies Limited Selenium Tower B, Plot nos. 31 & 32, Financial District, Nanakramguda Serilingampally Mandal Hyderabad-500032 Contact Person: Shri Gopala Krishna Phone: 1-800-309-4001 Email: einward.ris@kfintech.com, gopalakrishna.kvs@kfintech.com Website: www.kfintech.com
			INE020B08BB9	163	Unsecured	25-Aug-2028	8.63%	Yes	Yes	
			INE020B08BG8	168	Unsecured	29-Nov-2028	8.56%	Yes	Yes	
			INE020B08BH6	169	Unsecured	7-Dec-2028	8.37%	Yes	Yes	
			INE020B08BP9	175	Unsecured	28-Mar-2029	8.97%	Yes	Yes	
			INE020B08BQ7	176	Unsecured	16-Apr-2029	8.85%	Yes	Yes	
			INE020B08BS3	178	Unsecured	14-May-2029	8.80%	Yes	Yes	
			INE020B08BT1	179	Unsecured	10-Jun-2022	8.15%	Yes	Yes	
			INE020B08BV7	180-A	Unsecured	25-Jun-2024	8.10%	Yes	Yes	
			INE020B08BU9	180-B	Unsecured	25-Jun-2029	8.30%	Yes	Yes	
			INE020B08BW5	182	Unsecured	22-Aug-2034	8.18%	Yes	Yes	
			INE020B08BX3	183	Unsecured	16-Sep-2034	8.29%	Yes	Yes	
			INE020B08DD1	184-A (Partly paid up)	Unsecured	26-Sep-2029	8.25%	Yes	Yes	
			INE020B08CB7	184-B (C)	Unsecured	26-Sep-2022	7.55%	Yes	Yes	
			INE020B08CC5	184-B (D)	Unsecured	26-Sep-2023	7.55%	Yes	Yes	
			INE020B08CD3	185	Unsecured	13-Dec-2022	7.09%	Yes	Yes	
			INE020B08CE1	186-A	Unsecured	30-Jun-2022	6.90%	Yes	Yes	
			INE020B08CF8	186-B	Unsecured	26-Nov-2024	7.40%	Yes	Yes	
			INE020B08CG6	187	Unsecured	31-Dec-2022	7.24%	Yes	Yes	
			INE020B08CH4	188-A	Unsecured	31-Mar-2023	7.12%	Yes	Yes	
			INE020B08CI2	188-B	Unsecured	31-Mar-2030	7.89%	Yes	Yes	
			INE020B08CJ0	189	Unsecured	31-Mar-2030	7.92%	Yes	Yes	
			INE020B08CK8	190-A	Unsecured	20-Mar-2025	6.88%	Yes	Yes	
			INE020B08CN2	191-A	Unsecured	30-Jun-2023	6.80%	Yes	Yes	
			INE020B08CM4	191-B	Unsecured	30-Sep-2024	6.99%	Yes	Yes	
			INE020B08CP7	192	Unsecured	28-Feb-2030	7.50%	Yes	Yes	
			INE020B08CT9	195	Unsecured	22-Apr-2023	6.92%	Yes	Yes	
			INE020B08CU7	197	Unsecured	11-May-2030	7.55%	Yes	Yes	
			INE020B08CW3	198B	Unsecured	21-May-2030	7.79%	Yes	Yes	
			INE020B08CX1	199	Unsecured	15-Jun-2030	7.96%	Yes	Yes	
			INE020B08CY9	200 PP-MLD	Unsecured	30-Jun-2023	5.36%	Yes	Yes	
			INE020B08CZ6	201A	Unsecured	31-Mar-2025	5.90%	Yes	Yes	
			INE020B08DA7	201B	Unsecured	31-Mar-2031	6.90%	Yes	Yes	
			INE020B08DB5	202A	Unsecured	30-Sep-2030	7.25%	Yes	Yes	
			INE020B08DC3	202B	Unsecured	30-Sep-2023	5.69%	Yes	Yes	

Sl. no.	Name of Debenture Trustee	Contact Details	ISIN	Series no.	Secured / Unsecured	Redemption date	Coupon Rate	Listed at		Registrar & Transfer Agent
								NSE	BSE	
			INE020B08DE9	203A	Unsecured	20-Dec-2030	6.80%	Yes	Yes	
			INE020B08DF6	203B	Unsecured	20-Dec-2025	5.85%	Yes	Yes	
			INE020B08DG4	204A	Unsecured	31-Jan-2031	6.90%	Yes	Yes	
			INE020B08DH2	204B	Unsecured	31-Dec-2025	5.81%	Yes	Yes	
			INE020B08DJ8	205A	Unsecured	31-Jan-2024	4.99%	Yes	Yes	
			INE020B08DK6	205B	Unsecured	31-Jan-2026	5.94%	Yes	Yes	
			INE020B08DL4	206-PDI	Unsecured	Not Applicable*	7.97%	Yes	Yes	
			INE020B08DM2	207	Unsecured	31-Jan-2036	7.02%	Yes	Yes	
			INE020B08DO8	208	Unsecured	15-Mar-2036	7.40%	Yes	Yes	
			INE020B08DP5	209	Unsecured	20-Mar-2024	5.79%	Yes	Yes	
			INE020B08DR1	210	Unsecured	20-Jun-2024	5.74%	Yes	Yes	
			INE020B08DT7	211	Unsecured	31-Oct-2031	6.23%	Yes	Yes	
			INE020B08DU5	212	Unsecured	31-Oct-2024	Floating (4.19%)	Yes	Yes	
			INE020B08DV3	213	Unsecured	30-Mar-2032	6.92%	Yes	Yes	
			INE020B08BC7	GOI-IV	Unsecured	28-Sep-2028	8.70%	Yes	Yes	
			INE020B08BE3	GOI-V	Unsecured	15-Nov-2028	8.54%	Yes	Yes	
			INE020B08BJ2	GOI-VI	Unsecured	22-Jan-2029	8.80%	Yes	Yes	
			INE020B08BL8	GOI-VII	Unsecured	8-Mar-2029	8.60%	Yes	Yes	
			INE020B08BO2	GOI-VIII	Unsecured	25-Mar-2029	8.30%	Yes	Yes	
			INE020B08CO0	GOI-IX	Unsecured	2-Mar-2030	7.14%	Yes	Yes	
			INE020B08CR3	GOI-X	Unsecured	26-Mar-2030	8.25%	Yes	Yes	
			INE020B08CS1	GOI-XI	Unsecured	31-Mar-2030	7.20%	Yes	Yes	
			INE020B08DI0	GOI-XII	Unsecured	7-Jan-2031	6.45%	Yes	Yes	
			INE020B08DN0	GOI-XIII	Unsecured	28-Jan-2031	6.63%	Yes	Yes	
			INE020B08DQ3	GOI-XIV	Unsecured	26-Mar-2031	6.50%	Yes	Yes	
3	Vistra ITCL (India) Limited The IL&FS Financial Centre G Block, Plot C-22, BKC, Bandra Mumbai-400051	Shri Sanjay Dodti Phone: +91-22-2659 3644 Email: sanjay.dodti@vistra.com, sandesh.vaidya@vistra.com Website: www.vistraitcl.com	INE020B08724	Infra Bonds Series-II (2011-12)	Unsecured	15-Feb-2027	9.15%	Yes	No	Beetal Financial & Computer Services (P) Limited, Beetal House, 3rd floor, 99 Madangir, Behind LSC, Opp. Dada Harsukhdas Mandir, New Delhi-110062 Contact Person: Shri Sanjay Rastogi Phone: +91-11-2996 1281-83 Email: recbonds3@gmail.com Website: www.beetalfinancial.com
			INE020B08732							
			INE020B07GH7	2011-12 Public Issue Tranche-1	Secured	29-Mar-2027	8.12%	No	Yes	KFin Technologies Limited Selenium Tower B, Plot nos. 31 & 32, Financial District, Nanakramguda Serilingampally Mandal Hyderabad-500032 Contact Person: Shri Gopala Krishna Phone: 1-800-309-4001 Email: einward.ris@kfintech.com, gopalakrishna.kvs@kfintech.com Website: www.kfintech.com
							8.32%			
4	SBICAP Trustee Company Limited Mistry Bhavan, 4th Floor, 122 Dinshaw Vachha Road, Churchgate, Mumbai-400020	Shri Jatin Bhat Phone: +91-22-4302 5555 Email: corporate@sbicaptrustee.com Website: www.sbicaptrustee.com	INE020B07GU0	2012-13 Private Placement	Secured	21-Nov-2022	7.21%	Yes	Yes	KFin Technologies Limited Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda Serilingampally Mandal Hyderabad-500032 Contact Person: Shri Gopala Krishna Phone: 1-800-309-4001 Email: einward.ris@kfintech.com, gopalakrishna.kvs@kfintech.com Website: www.kfintech.com
			INE020B07GV8	2012-13 Private Placement	Secured	22-Nov-2027	7.38%	Yes	Yes	
			INE020B07GW6	2012-13 Public Issue Tranche-1	Secured	19-Dec-2022	7.22%	Yes	Yes	
							7.72%	Yes	Yes	
			INE020B07GX4	2012-13 Public Issue Tranche-1	Secured	20-Dec-2027	7.38%	Yes	Yes	
							7.88%	Yes	Yes	
			INE020B07GY2	2012-13 Public Issue Tranche-2	Secured	27-Mar-2023	6.88%	Yes	Yes	
							7.38%	Yes	Yes	
			INE020B07GZ9	2012-13 Public Issue Tranche-2	Secured	27-Mar-2028	7.04%	Yes	Yes	
							7.54%	Yes	Yes	

** Perpetual Det Instruments*

Sl. no.	Name of Debenture Trustee	Contact Details	ISIN	Series no.	Secured / Unsecured	Redemption date	Coupon Rate	Listed at		Registrar & Transfer Agent
								NSE	BSE	
			INE020B07HM5	2013-14 Private Placement-1	Secured	29-Aug-2023	8.01%	Yes	Yes	
			INE020B07HN3	2013-14 Private Placement-1	Secured	29-Aug-2028	8.46%	Yes	Yes	
			INE020B07HO1	2013-14 Public Issue Tranche-1	Secured	25-Sep-2023	8.01%	Yes	Yes	
			INE020B07HR4	2013-14 Public Issue Tranche-1	Secured	25-Sep-2023	8.26%	Yes	Yes	
			INE020B07HP8	2013-14 Public Issue Tranche-1	Secured	25-Sep-2028	8.46%	Yes	Yes	
			INE020B07HS2	2013-14 Public Issue Tranche-1	Secured	25-Sep-2028	8.71%	Yes	Yes	
			INE020B07HQ6	2013-14 Public Issue Tranche-1	Secured	26-Sep-2033	8.37%	Yes	Yes	
			INE020B07HT0	2013-14 Public Issue Tranche-1	Secured	26-Sep-2033	8.62%	Yes	Yes	
			INE020B07HU8	2013-14 Private Placement-2	Secured	11-Oct-2023	8.18%	Yes	Yes	
			INE020B07HV6	2013-14 Private Placement-2	Secured	11-Oct-2028	8.54%	Yes	Yes	
			INE020B07IC4	2013-14 Public Issue Tranche-2	Secured	22-Mar-2024	8.19%	Yes	Yes	
			INE020B07IF7	2013-14 Public Issue Tranche-2	Secured	22-Mar-2024	8.44%	Yes	Yes	
			INE020B07ID2	2013-14 Public Issue Tranche-2	Secured	23-Mar-2029	8.63%	Yes	Yes	
			INE020B07IG5	2013-14 Public Issue Tranche-2	Secured	23-Mar-2029	8.88%	Yes	Yes	
			INE020B07IE0	2013-14 Public Issue Tranche-2	Secured	24-Mar-2034	8.61%	Yes	Yes	
			INE020B07IH3	2013-14 Public Issue Tranche-2	Secured	24-Mar-2034	8.86%	Yes	Yes	
			INE020B07JO7	2015-16 Private Placement	Secured	23-Jul-2025	7.17%	Yes	Yes	
			INE020B07JP4	2015-16 Public Issue Tranche-1	Secured	5-Nov-2025	6.89%	No	Yes	
			INE020B07JQ2	2015-16 Public Issue Tranche-1	Secured	5-Nov-2025	7.14%	No	Yes	
			INE020B07JR0	2015-16 Public Issue Tranche-1	Secured	5-Nov-2030	7.09%	No	Yes	
			INE020B07JS8	2015-16 Public Issue Tranche-1	Secured	5-Nov-2030	7.34%	No	Yes	
			INE020B07JT6	2015-16 Public Issue Tranche-1	Secured	5-Nov-2035	7.18%	No	Yes	
			INE020B07JU4	2015-16 Public Issue Tranche-1	Secured	5-Nov-2035	7.43%	No	Yes	
			INE020B07KU2	54EC Series XII (2018-19)	Secured	30-Apr-2023	5.75%	No	No	
			INE020B07KV0	54EC Series XII (2018-19)	Secured	31-May-2023	5.75%	No	No	
			INE020B07KW8	54EC Series XII (2018-19)	Secured	30-Jun-2023	5.75%	No	No	
			INE020B07KX6	54EC Series XII (2018-19)	Secured	31-Jul-2023	5.75%	No	No	
			INE020B07KY4	54EC Series XII (2018-19)	Secured	31-Aug-2023	5.75%	No	No	
			INE020B07KZ1	54EC Series XII (2018-19)	Secured	30-Sep-2023	5.75%	No	No	
			INE020B07LA2	54EC Series XII (2018-19)	Secured	31-Oct-2023	5.75%	No	No	
			INE020B07LB0	54EC Series XII (2018-19)	Secured	30-Nov-2023	5.75%	No	No	
			INE020B07LC8	54EC Series XII (2018-19)	Secured	31-Dec-2023	5.75%	No	No	
			INE020B07LD6	54EC Series XII (2018-19)	Secured	31-Jan-2024	5.75%	No	No	
			INE020B07LE4	54EC Series XII (2018-19)	Secured	29-Feb-2024	5.75%	No	No	
			INE020B07LF1	54EC Series XII (2018-19)	Secured	31-Mar-2024	5.75%	No	No	
			INE020B07LG9	54EC Series XIII (2019-20)	Secured	30-Apr-2024	5.75%	No	No	
			INE020B07LH7	54EC Series XIII (2019-20)	Secured	31-May-2024	5.75%	No	No	
			INE020B07LI5	54EC Series XIII (2019-20)	Secured	30-Jun-2024	5.75%	No	No	
			INE020B07LJ3	54EC Series XIII (2019-20)	Secured	31-Jul-2024	5.75%	No	No	
			INE020B07LK1	54EC Series XIII (2019-20)	Secured	31-Aug-2024	5.75%	No	No	
			INE020B07LL9	54EC Series XIII (2019-20)	Secured	30-Sep-2024	5.75%	No	No	
			INE020B07LM7	54EC Series XIII (2019-20)	Secured	31-Oct-2024	5.75%	No	No	
			INE020B07LN5	54EC Series XIII (2019-20)	Secured	30-Nov-2024	5.75%	No	No	
			INE020B07LO3	54EC Series XIII (2019-20)	Secured	31-Dec-2024	5.75%	No	No	
			INE020B07LP0	54EC Series XIII (2019-20)	Secured	31-Jan-2025	5.75%	No	No	
			INE020B07LQ8	54EC Series XIII (2019-20)	Secured	28-Feb-2025	5.75%	No	No	
			INE020B07LR6	54EC Series XIII (2019-20)	Secured	31-Mar-2025	5.75%	No	No	
			INE020B07LS4	54EC Series XIV (2020-21)	Secured	30-Apr-2025	5.75%	No	No	
			INE020B07LT2	54EC Series XIV (2020-21)	Secured	31-May-2025	5.75%	No	No	
			INE020B07LU0	54EC Series XIV (2020-21)	Secured	30-Jun-2025	5.75%	No	No	
			INE020B07LV8	54EC Series XIV (2020-21)	Secured	31-Jul-2025	5.75%	No	No	
			INE020B07LW6	54EC Series XIV (2020-21)	Secured	31-Aug-2025	5.00%	No	No	
			INE020B07LX4	54EC Series XIV (2020-21)	Secured	30-Sep-2025	5.00%	No	No	

Sl. no.	Name of Debenture Trustee	Contact Details	ISIN	Series no.	Secured / Unsecured	Redemption date	Coupon Rate	Listed at		Registrar & Transfer Agent
								NSE	BSE	
			INE020B07LY2	54EC Series XIV (2020-21)	Secured	31-Oct-2025	5.00%	No	No	
			INE020B07LZ9	54EC Series XIV (2020-21)	Secured	30-Nov-2025	5.00%	No	No	
			INE020B07MA0	54EC Series XIV (2020-21)	Secured	31-Dec-2025	5.00%	No	No	
			INE020B07MB8	54EC Series XIV (2020-21)	Secured	31-Jan-2026	5.00%	No	No	
			INE020B07MC6	54EC Series XIV (2020-21)	Secured	28-Feb-2026	5.00%	No	No	
			INE020B07MD4	54EC Series XIV (2020-21)	Secured	31-Mar-2026	5.00%	No	No	
			INE020B07ME2	54EC Series XV (2021-22)	Secured	30-Apr-2026	5.00%	No	No	
			INE020B07MF9	54EC Series XV (2021-22)	Secured	31-May-2026	5.00%	No	No	
			INE020B07MG7	54EC Series XV (2021-22)	Secured	30-Jun-2026	5.00%	No	No	
			INE020B07MH5	54EC Series XV (2021-22)	Secured	31-Jul-2026	5.00%	No	No	
			INE020B07MI3	54EC Series XV (2021-22)	Secured	31-Aug-2026	5.00%	No	No	
			INE020B07MJ1	54EC Series XV (2021-22)	Secured	30-Sep-2026	5.00%	No	No	
			INE020B07MK9	54EC Series XV (2021-22)	Secured	31-Oct-2026	5.00%	No	No	
			INE020B07ML7	54EC Series XV (2021-22)	Secured	30-Nov-2026	5.00%	No	No	
			INE020B07MM5	54EC Series XV (2021-22)	Secured	31-Dec-2026	5.00%	No	No	
			INE020B07MN3	54EC Series XV (2021-22)	Secured	31-Jan-2027	5.00%	No	No	
			INE020B07MO1	54EC Series XV (2021-22)	Secured	28-Feb-2027	5.00%	No	No	
		Shri Harish Shetty Phone: +91-22-4302 5576, +91-22-2204 0465 Email: corporate@sbicaptrustee.com, investor.cell@sbicaptrustee.com Website: www.sbicaptrustee.com	INE020B08930	133	Unsecured	10-Apr-2025	8.30%	Yes	Yes	KFin Technologies Limited Selenium Tower B, Plot nos. 31 & 32, Financial District, Nanakramguda Serilingampally Mandal Hyderabad-500032 Contact Person: Shri Gopala Krishna Phone: 1-800-309-4001 Email: einward.ris@kfintech.com, gopalakrishna.kvs@kfintech.com Website: www.kfintech.com
			INE020B08963	136	Unsecured	7-Oct-2025	8.11%	Yes	Yes	
			INE020B08AA3	140	Unsecured	7-Nov-2026	7.52%	Yes	Yes	
			INE020B08AC9	142	Unsecured	30-Dec-2026	7.54%	Yes	Yes	
			INE020B08AH8	147	Unsecured	12-Mar-2027	7.95%	Yes	Yes	
			INE020B08AK2	150	Unsecured	7-Sep-2022	7.03%	Yes	Yes	
			INE020B08AM8	152	Unsecured	17-Oct-2022	7.09%	Yes	Yes	
			INE020B08AP1	155	Unsecured	30-Nov-2022	7.45%	Yes	Yes	
			INE020B08AQ9	156	Unsecured	10-Dec-2027	7.70%	Yes	Yes	
			INE020B08AT3	159	Unsecured	23-Feb-2023	7.99%	Yes	Yes	
			INE020B08AX5	GOI-I	Unsecured	21-Mar-2028	8.09%	Yes	Yes	
			INE020B08AY3	GOI-II	Unsecured	24-Mar-2028	8.01%	Yes	Yes	
			INE020B08AZ0	GOI-III	Unsecured	27-Mar-2028	8.06%	Yes	Yes	

For and on behalf of the Board of Directors

Vivek Kumar Dewangan
Chairman & Managing Director
(DIN: 01377212)

Place : Gurugram
Date : August 20, 2022

Balance Sheet as at 31st March 2022

(₹ in Crores)

Sl. no.	Particulars	Note No.	As at 31.03.2022	As at 31.03.2021
	ASSETS			
(1)	**Financial Assets**			
(a)	Cash and cash equivalents	**6**	126.40	1,140.49
(b)	Bank balances other than (a) above	**7**	2,295.30	1,929.06
(c)	Derivative financial instruments	**8**	5,510.17	2,311.22
(d)	Loans	**9**	3,71,930.54	3,65,261.49
(e)	Investments	**10**	2,157.97	1,909.77
(f)	Other financial assets	**11**	24,396.94	24,399.21
	Total - Financial Assets (1)		**4,06,417.32**	**3,96,951.24**
(2)	**Non-Financial Assets**			
(a)	Current tax assets (net)	**12**	179.64	160.07
(b)	Deferred tax assets (net)	**13**	3,134.74	2,437.71
(c)	Investment Property	**14**	-	0.01
(d)	Property, Plant & Equipment	**15**	623.67	260.12
(e)	Capital Work-in-Progress	**15**	6.07	335.67
(f)	Intangible Assets Under Development	**15**	-	0.77
(g)	Other Intangible Assets	**15**	4.25	6.10
(h)	Other non-financial assets	**16**	46.06	81.50
	Total - Non-Financial Assets (2)		**3,994.43**	**3,281.95**
(3)	**Assets classified as held for sale**	**17**	0.86	-
	Total ASSETS (1+2+3)		**4,10,412.61**	**4,00,233.19**
	LIABILITIES AND EQUITY			
	LIABILITIES			
(1)	**Financial Liabilities**			
(a)	Derivative financial instruments	**8**	553.14	846.31
(b)	Debt Securities	**18**	2,19,633.57	2,37,328.06
(c)	Borrowings (other than debt securities)	**19**	1,06,651.59	85,507.36
(d)	Subordinated Liabilities	**20**	6,816.47	6,946.89
(e)	Other financial liabilities	**21**	25,575.84	25,934.10
	Total - Financial Liabilities (1)		***3,59,230.61***	***3,56,562.72***
(2)	**Non-Financial Liabilities**			
(a)	Current tax liabilities (net)	**22**	10.25	10.62
(b)	Provisions	**23**	104.51	112.97
(c)	Other non-financial liabilities	**24**	81.64	120.51
	Total - Non-Financial Liabilities (2)		**196.40**	**244.10**
(3)	**EQUITY**			
(a)	Equity Share Capital	**25**	1,974.92	1,974.92
(b)	Instruments Entirely Equity In Nature	**26**	558.40	558.40
(c)	Other equity	**27**	48,452.28	40,893.05
	Total - Equity (3)		**50,985.60**	**43,426.37**
	Total - LIABILITIES AND EQUITY (1+2+3)		**4,10,412.61**	**4,00,233.19**
	Company Overview and Significant Accounting Policies	**1 to 5**		

Accompanying Notes to Financial Statements **1 to 67**

For and on behalf of the Board

J.S. Amitabh
ED & Company Secretary

Ajoy Choudhury
Director (Finance)
DIN - 06629871

R.S. Dhillon
Chairman & Managing Director
DIN - 00278074

In terms of our Audit Report of even date

For S.K. Mittal & Co.
Chartered Accountants
Firm Reg. No.: 001135N

S.K. Mittal
Partner
M.No. : 008506

For O.P. Bagla & Co. LLP.
Chartered Accountants
Firm Reg. No.: 000018N/N500091

Rakesh Kumar
Partner
M.No. : 087537

Place : Gurugram
Date : 13th May 2022

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

(₹ in Crores)

Sl. no.	Particulars	Note No.	Year ended 31.03.2022	Year ended 31.03.2021
	Revenue from Operations			
(i)	Interest Income	**28**	38,186.46	34,683.78
(ii)	Dividend Income	**29**	26.64	36.40
(iii)	Fees and Commission Income	**30**	572.82	95.38
(iv)	Net gain/ (loss) on fair value changes	**35**	346.57	572.33
I.	**Total Revenue from Operations (i to iv)**		**39,132.49**	**35,387.89**
II.	Other Income	**31**	97.96	22.55
III.	**Total Income (I+II)**		**39,230.45**	**35,410.44**
	Expenses			
(i)	Finance Costs	**32**	22,052.91	21,489.08
(ii)	Net translation/ transaction exchange loss	**33**	799.05	330.26
(iii)	Fees and commission Expense	**34**	16.73	9.95
(iv)	Impairment on financial instruments	**36**	3,473.31	2,419.62
(v)	Employee Benefits Expenses	**37**	158.86	144.84
(vi)	Depreciation and amortization	**38**	17.96	9.53
(vii)	Corporate Social Responsibility Expenses	**39**	170.67	144.32
(viii)	Other Expenses	**40**	116.06	106.71
IV.	**Total Expenses (i to viii)**		**26,805.55**	**24,654.31**
V.	**Profit before Tax (III-IV)**		**12,424.90**	**10,756.13**
VI.	**Tax Expense**	**41**		
(i)	Current tax		3,047.37	2,906.90
(ii)	Deferred Tax		(668.39)	(512.55)
	Total Tax Expense (i+ii)		**2,378.98**	**2,394.35**
VII.	**Profit for the period**		**10,045.92**	**8,361.78**
	Other comprehensive Income/(Loss)			
(i)	**Items that will not be reclassified to profit or loss**			
(a)	Re-measurement gains/(losses) on defined benefit plans		(8.33)	(14.26)
(b)	Changes in Fair Value of FVOCI Equity Instruments		22.19	166.53
(c)	Income tax relating to these items			
	- Re-measurement gains/(losses) on defined benefit plans		2.10	3.59
	- Changes in Fair Value of FVOCI Equity Instruments		2.55	(6.01)
	Sub-Total (i)		***18.51***	***149.85***
(ii)	**Items that will be reclassified to profit or loss**			
(a)	Effective Portion of Cash Flow Hedges		480.84	80.81
(b)	Cost of hedging reserve		(584.51)	329.00
(c)	Income tax relating to these items			
	- Effective Portion of Cash Flow Hedges		(121.02)	(20.34)
	- Cost of hedging reserve		147.11	(82.80)
	Sub-Total (ii)		***(77.58)***	***306.67***
VIII.	**Other comprehensive Income/(Loss) for the period (i+ii)**		**(59.07)**	**456.52**
IX.	**Total comprehensive Income for the period (VII+VIII)**		**9,986.85**	**8,818.30**
X.	**Basic & Diluted Earnings per Equity Share of ₹ 10 each (in ₹)**	**42**		
(1)	For continuing operations		50.87	42.34
(2)	For continuing and discontinued operations		50.87	42.34
	Company Overview and Significant Accounting Policies	**1 to 5**		

Accompanying Notes to Financial Statements **1 to 67**

For and on behalf of the Board

J.S. Amitabh
ED & Company Secretary

Ajoy Choudhury
Director (Finance)
DIN - 06629871

R.S. Dhillon
Chairman & Managing Director
DIN - 00278074

In terms of our Audit Report of even date

For S.K. Mittal & Co.
Chartered Accountants
Firm Reg. No.: 001135N

S.K. Mittal
Partner
M.No. : 008506

For O.P. Bagla & Co. LLP.
Chartered Accountants
Firm Reg. No.: 000018N/N500091

Rakesh Kumar
Partner
M.No. : 087537

Place : Gurugram
Date : 13th May 2022

Statement of Cash Flows for the year ended 31st March 2022

(₹ in Crores)

Particulars	Year ended 31.03.2022		Year ended 31.03.2021	
A. Cash Flow from Operating Activities :				
Net Profit before Tax	12,424.90		10,756.13	
Adjustments for:				
1. Loss/ (Gain) on derecognition of Property, Plant and Equipment (net)	0.97		4.03	
2. Loss/ (Gain) on derecognition of Assets held for sale (net)	(30.19)		-	
3. Loss/ (Gain) on cessation of significant influence in Joint Venture (EESL)	(29.01)		-	
4. Depreciation & Amortization	17.96		9.53	
5. Impairment losses on Financial Instruments	3,473.31		2,419.62	
6. Adjustments towards Effective Interest Rate in respect of Loans	(11.95)		32.61	
7. Adjustments towards Effective Interest Rate in respect of Borrowings	(111.31)		152.19	
8. Fair Value Changes in Derivatives	(351.36)		(545.92)	
9. Fair Value Changes in Investments	12.78		(2.43)	
10. Interest on Commercial Paper	14.76		35.32	
11. Interest Accrued on Zero Coupon Bonds	-		81.78	
12. Loss/ (Gain) on Exchange Rate fluctuation	(2,164.42)		526.71	
13. Provision made for Interest on Advance Income Tax	-		22.71	
Operating profit before Changes in Operating Assets & Liabilities	**13,246.44**		**13,492.28**	
Inflow / (Outflow) on account of :				
1. Loan Assets	(9,877.12)		(56,522.42)	
2. Derivatives	(2,460.52)		711.20	
3. Other Operating Assets	(631.18)		(1,706.71)	
4. Operating Liabilities	(1,186.90)		3,187.83	
Cash flow from Operations	**(909.28)**		**(40,837.82)**	
1. Income Tax Paid (including TDS)	(3,076.64)		(2,694.33)	
2. Income Tax refund	23.26		11.73	
Net Cash Flow from Operating Activities		**(3,962.66)**		**(43,520.42)**
B. Cash Flow from Investing Activities				
1. Sale of Property, Plant & Equipment	0.10		0.16	
2. Sale of assets held for sale	31.24		-	
3. Investment in Property, Plant & Equipment (incl. CWIP & Capital Advances)	(47.84)		(73.18)	
4. Investment in Intangible Assets (including intangible assets under development & Capital Advances)	(0.25)		(0.90)	
5. Finance Costs Capitalised	(5.10)		(22.04)	
6. Sale/ (Investment) in Equity Shares and Venture Capital Fund	431.17		249.92	
7. Redemption/ (Investment) in High Quality Liquid Assets (HQLAs) (net)	(716.17)		(872.28)	
8. Redemption/ (Investment) in Debt Securities other than HQLAs (net)	96.53		1,582.15	
Net Cash Flow from Investing Activities		**(210.32)**		**863.83**
C. Cash Flow from Financing Activities				
1. Issue/ (Redemption) of Rupee Debt Securities (Net)	(20,844.10)		15,499.66	
2. Issue/ (Redemption) of Commercial Paper (net)	(14.76)		(2,925.00)	
3. Raising/ (Repayments) of Rupee Term Loans/ WCDL from Govt./Banks/ FIs (net)	2,164.16		26,275.47	
4. Raising/ (Repayments) of Foreign Currency Debt Securities and Borrowings (net)"	24,310.58		2,884.39	
5. Raising/ (Redemption) of Subordinated Liabilities (net)	-		1,999.50	
6. Issue of Perpetual Debt Instruments entirely equity in nature	-		558.40	
7. Issue Expenses on Perpetual Debt Instruments entirely equity in nature	-		(0.94)	
8. Coupon Expenses on Perpetual Debt Instruments entirely equity in nature	(45.60)		-	
9. Payment of Dividend on Equity Shares	(2,411.37)		(2,172.41)	

Statement of Cash Flows for the year ended 31st March 2022 (Contd.)

(₹ in Crores)

Particulars	Year ended 31.03.2022		Year ended 31.03.2021	
10. Repayment towards Lease Liability	(0.02)		(0.02)	
Net Cash flow from Financing Activities		**3,158.89**		**42,119.05**
Net Increase/ (Decrease) in Cash & Cash Equivalents		**(1,014.09)**		**(537.54)**
Cash & Cash Equivalents as at the beginning of the year		1,140.49		1,678.03
Cash & Cash Equivalents as at the end of the year		126.40		1,140.49

During the year, the Company has received Dividend of ₹ 26.64 crores (previous year ₹ 36.40 crores). Further, during the year, the Company has paid an amount of ₹ 167.61 crores (previous year ₹ 147.78 crores) towards Corporate Social Responsibility.

Components of Cash & Cash Equivalents as at end of the year are:

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
- Cash in Hand (including postage & imprest)	0.02	0.12
- Balances with Banks	124.01	237.93
- Short-term Deposits with Scheduled Banks	2.37	902.44
Total Cash & Cash Equivalents	**126.40**	**1,140.49**

Reconciliation of liabilities arising from financing activities

(₹ in Crores)

Particulars	Opening Balance	Cash Flows during the year (net)	Movement in Interest Accrued *	Other Adjustments		Closing Balance
				Exchange Differences	Ind AS Adjustments	
Year ended 31.03.2022						
Rupee Debt Securities	2,11,267.66	(20,844.10)	(859.83)	-	42.69	**1,89,606.42**
Commercial Paper	-	(14.76)	-	-	14.76	**-**
Rupee Term Loans/ WCDL	59,281.36	2,164.16	15.04	-	-	**61,460.56**
Foreign Currency Debt Securities & other Borrowings	52,286.40	24,310.58	44.66	(1,336.85)	(86.61)	**75,218.18**
Subordinated Liabilities	6,946.89	-	(2.54)	-	(127.88)	**6,816.47**
Total	**3,29,782.31**	**5,615.88**	**(802.67)**	**(1,336.85)**	**(157.04)**	**3,33,101.63**
Year ended 31.03.2021						
Rupee Debt Securities	1,95,022.98	15,499.66	657.68	-	87.34	**2,11,267.66**
Commercial Paper	2,889.68	(2,925.00)	-	-	35.32	**-**
Rupee Term Loans/ WCDL	32,978.45	26,275.47	27.44	-	-	**59,281.36**
Foreign Currency Debt Securities & other Borrowings	50,629.72	2,884.39	16.81	(1,392.24)	147.73	**52,286.41**
Subordinated Liabilities	4,819.65	1,999.50	128.90	-	(1.16)	**6,946.89**
Total	**2,86,340.48**	**43,734.02**	**830.83**	**(1,392.24)**	**269.23**	**3,29,782.32**

** Movement in Interest Accrued has been considered in 'Operating Liabilities' as Cash Flow from Operating Activities.*

Note : Previous year figures have been rearranged and regrouped wherever necessary.

For and on behalf of the Board

J.S. Amitabh
ED & Company Secretary

Ajoy Choudhury
Director (Finance)
DIN - 06629871

R.S. Dhillon
Chairman & Managing Director
DIN - 00278074

In terms of our Audit Report of even date

For S.K. Mittal & Co.
Chartered Accountants
Firm Reg. No.: 001135N

S.K. Mittal
Partner
M.No. : 008506

For O.P. Bagla & Co. LLP.
Chartered Accountants
Firm Reg. No.: 000018N/N500091

Rakesh Kumar
Partner
M.No. : 087537

Place : Gurugram
Date : 13th May 2022

Statement of Changes in Equity for the year ended 31st March 2022

A Equity share capital

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Balance at the beginning of the year	**1,974.92**	**1,974.92**
Changes in equity share capital during the year	-	-
Balance at the end of the year	**1,974.92**	**1,974.92**

Refer note 25 for detail

B Instruments entirely equity in nature

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Balance at the beginning of the year	**558.40**	**-**
Changes in instruments entirely equity in nature during the year	-	558.40
Balance at the end of the year	**558.40**	**558.40**

Refer note 26 for detail

C. Other Equity

(₹ in Crores)

Particulars	Reserves & Surplus								FVOCI- Equity Instruments	Effective Portion of Cash Flow Hedges	Costs of Hedging reserve	Total
	Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961	Reserve for Bad and doubtful debts u/s 36(1) (viia) of the Income Tax Act, 1961	Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	Securities Premium Account	Foreign Currency Monetary Item Translation Difference Account	General Reserve	Impairment Reserve	Retained Earnings				
Balance as at 31st March 2020	**16,659.10**	**2,992.83**	**2,131.00**	**2,236.54**	**(1,719.38)**	**6,923.09**	**793.29**	**3,409.74**	**106.26**	**(226.08)**	**(204.75)**	**33,101.64**
Profit for the period	-	-	-	-	-	-	-	8,361.78	-	-	-	8,361.78
Remeasurement of Defined Benefit Plans	-	-	-	-	-	-	-	(10.67)	-	-	-	(10.67)
Recognition through Other Comprehensive Income (net of taxes)	-	-	-	-	-	-	-	(0.05)	160.52	60.47	246.20	467.19
Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**8,351.11**	**160.52**	**60.47**	**246.20**	**8,818.30**
Other adjustments												
Transferred to/ (from) Retained Earnings	2,563.13	288.13	1,673.00	-	-	981.10	-	(5,505.36)	-	-	-	-
Transferred to General Reserve	-	(1,152.55)	-	-	-	1,945.84	(793.29)	-	-	-	-	-
Reclassification of gain/ (loss) on sale/ extinguishment of FVOCI equity instrument (net of taxes)	-	-	-	-	-	-	-	242.71	(242.71)	-	-	-
Foreign Currency Translation gain/ (loss) on long term monetary items during the year	-	-	-	-	437.65	-	-	-	-	-	-	437.65
Amortisation during the year	-	-	-	-	708.57	-	-	-	-	-	-	708.57
Issue expenses on Instrument Entirely Equity in Nature (Perpetual Debt Instruments) (Net of Taxes)	-	-	-	-	-	-	-	(0.70)	-	-	-	(0.70)
Total-Other adjustments	**2,563.13**	**(864.42)**	**1,673.00**	**-**	**1,146.22**	**2,926.94**	**(793.29)**	**(5,263.35)**	**(242.71)**	**-**	**-**	**1,145.52**
Dividends	-	-	-	-	-	-	-	(2,172.41)	-	-	-	(2,172.41)
Total-Transaction with owners	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(2,172.41)**	**-**	**-**	**-**	**(2,172.41)**
Balance as at 31st March 2021	**19,222.23**	**2,128.41**	**3,804.00**	**2,236.54**	**(573.16)**	**9,850.03**	**-**	**4,325.09**	**24.07**	**(165.61)**	**41.45**	**40,893.05**

C. Other Equity (Contd.)

(₹ in Crores)

Particulars	Reserves & Surplus								FVOCI- Equity Instruments	Effective Portion of Cash Flow Hedges	Costs of Hedging reserve	Total
	Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961	Reserve for Bad and doubtful debts u/s 36(1) (viia) of the Income Tax Act, 1961	Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	Securities Premium Account	Foreign Currency Monetary Item Translation Difference Account	General Reserve	Impairment Reserve	Retained Earnings				
Balance as at 31st March 2021	**19,222.23**	**2,128.41**	**3,804.00**	**2,236.54**	**(573.16)**	**9,850.03**	**-**	**4,325.09**	**24.07**	**(165.61)**	**41.45**	**40,893.05**
Profit for the year	-	-	-	-	-	-	-	10,045.92	-	-	-	10,045.92
Remeasurement of Defined Benefit Plans (net of taxes)	-	-	-	-	-	-	-	(6.23)	-	-	-	(6.23)
Recognition through Other Comprehensive Income (net of taxes)	-	-	-	-	-	-	-	-	24.74	359.82	(437.40)	(52.84)
Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**10,039.69**	**24.74**	**359.82**	**(437.40)**	**9,986.85**
Other adjustments	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transferred to/ (from) Retained Earnings	3,080.70	-	2,010.00	-	-	-	-	(5,090.70)	-	-	-	-
Transferred to/ (from) General Reserve	-	(1,931.59)	-	-	-	1,931.59	-	-	-	-	-	-
Reclassification of gain/ (loss) on sale/ extinguishment of FVOCI equity instrument (net of taxes)	-	-	-	-	-	-	-	86.79	(86.79)	-	-	-
Foreign Currency Translation gain/ (loss) on long term monetary items during the year	-	-	-	-	(216.94)	-	-	-	-	-	-	(216.94)
Amortisation during the year	-	-	-	-	234.81	-	-	-	-	-	-	234.81
Coupon payment on Instrument Entirely Equity in Nature (Perpetual Debt Instruments) (Net of Taxes)	-	-	-	-	-	-	-	(34.12)	-	-	-	(34.12)
Total-Other adjustments	**3,080.70**	**(1,931.59)**	**2,010.00**	**-**	**17.87**	**1,931.59**	**-**	**(5,038.03)**	**(86.79)**	**-**	**-**	**(16.25)**
Dividends	-	-	-	-	-	-	-	(2,411.37)	-	-	-	(2,411.37)
Total- Transaction with owners	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(2,411.37)**	**-**	**-**	**-**	**(2,411.37)**
Balance as at 31st March 2022	**22,302.93**	**196.82**	**5,814.00**	**2,236.54**	**(555.29)**	**11,781.62**	**-**	**6,915.38**	**(37.98)**	**194.21**	**(395.95)**	**48,452.28**

Refer Note No. 27.1 for details regarding drawdown/ transfers from Reserves

Accompanying Notes to Financial Statements 1 to 67

In terms of our Report of even date

For S.K. Mittal & Co.
Chartered Accountants
Firm Reg. No.: 001135N

S.K. Mittal
Partner
M.No. : 008506

For O.P. Bagla & Co. LLP.
Chartered Accountants
Firm Reg. No.: 000018N/N500091

Rakesh Kumar
Partner
M.No. : 087537

Place: Gurugram
Date: 13th May 2022

For and on behalf of the Board

J.S. Amitabh
ED & Company Secretary

Ajoy Choudhury
Director (Finance)
DIN - 06629871

R.S. Dhillon
Chairman & Managing Director
DIN - 00278074

1. Company Overview

REC Limited ("REC" or the "Company") was incorporated in the year 1969. The Company is domiciled in India and is limited by shares, having its registered office and principal place of business at Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003, India. The books of accounts and financial statements are maintained at the Corporate Office situated at Plot no. I-4, Sector-29, Gurugram, Haryana, in addition to the registered office of the Company. The Company has offices spread across the country, mainly in the State Capitals and one training center at Hyderabad.

The Company is a Government Company engaged in extending financial assistance across the power sector value chain and is a Systemically Important (Non-Deposit Accepting or Holding) Non-Banking Finance Company (NBFC) registered with Reserve Bank of India (RBI).

REC is a leading Infrastructure Finance Company in India and the principal products of REC are interest-bearing loans to State Electricity Boards, State Power utilities/State Power Departments and Private sector for all segments of Power infrastructure.

The shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited. Further, various debt securities of the Company are also listed on the Stock Exchanges

2. Statement of Compliance and Basis of Preparation

These Standalone Financial Statements comply with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), applicable provisions of the Companies Act, 2013 and other applicable regulatory norms / guidelines.

The financial statements for the year ended 31st March 2022 were authorized and approved for issue by the Board of Directors on 13th May 2022.

3. Significant Accounting Policies

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

3.1 Basis of Preparation and Measurement

The financial statements have been prepared on going concern basis following accrual system of accounting on historical cost basis except for certain financial assets and financial liabilities which are measured at fair values as explained in relevant accounting policies. These policies have been applied consistently for all the periods presented in the financial statements.

Functional and presentation currency

The financial statements are presented in Indian Rupee ('INR') which is also the functional currency of the Company.

3.2 Income recognition

Interest income

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

Unless otherwise specified, the recoveries from the borrowers are appropriated in the order of (i) costs and expenses of REC (ii) delayed and penal interest including interest tax, if any (iii) overdue interest including interest tax, if any and (iv) repayment of principal; the oldest being adjusted first, except for credit impaired loans and recalled loans, where principal amount is appropriated only after the complete recovery of other costs, expenses, delayed and penal interest and overdue interest including interest tax, if any. The recoveries under One Time Settlement (OTS)/ Insolvency and Bankruptcy Code (IBC) proceedings are appropriated first towards the principal outstanding and remaining recovery thereafter, towards interest and other charges, if any.

For financial assets measured at amortized cost, interest income is recorded using the effective interest rate (EIR), i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets.

Interest on financial assets subsequently measured at fair value through profit and loss is recognized on an accrual basis in accordance with the terms of the respective contract and is disclosed separately under the head interest income.

Interest income on credit-impaired loan assets is not being recognised as a matter of prudence, pending the outcome of resolutions of stressed assets.

Rebate on account of timely payment of interest by borrowers is recognized on receipt of entire interest amount due in time, in accordance with the terms of the respective contract and is netted against the corresponding interest income.

Income from Government schemes

Income of agency fee on Government schemes is recognized on accrual basis based on the services rendered.

Dividend income

Income from dividend on shares of corporate bodies and units of mutual funds is taken into account on accrual basis when right to receive payment is established.

Provided that in case of final dividend, the right to receive payment shall be considered as established only upon approval of the dividend by the shareholders in the Annual General Meeting.

Dividend on financial assets subsequently measured at fair value through profit and loss is recognised separately under the head 'Dividend Income'.

Other services

Fees/ charges on loan assets, other than those considered an

adjustment to EIR, are accounted for on accrual basis. Pre-payment premium is accounted for by the Company in the year of receipt.

3.3 Borrowing costs

Borrowing costs consist of interest and other costs that the Company incurred in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition and/ or construction of a qualifying asset, till the time such qualifying asset becomes ready for its intended use, are capitalized. A qualifying asset is one that necessarily takes a substantial period to get ready for its intended use.

All other borrowing costs are charged to the Statement of Profit and Loss on an accrual basis as per the effective interest rate method.

3.4 Earnings per share

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

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

3.5 Foreign Currency Translation

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Company using the exchange rates prevailing on the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of such transactions and the re-measurement of monetary items denominated in foreign currency at period-end exchange rates are recognized in the Statement of Profit or Loss. However, for the long-term monetary items recognized in the financial statements before 1 April 2018, such gains and losses are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortized over the balance period of such long term monetary item, by recognition as income or expense in each of such periods.

Non-monetary items are not retranslated at period-end and are measured at historical cost (translated using the exchange rates at the transaction date).

3.6 Property, Plant and Equipment (PPE)

Recognition and initial measurement

Land

Land held for use is initially recognized at cost. For land, as no finite useful life can be determined, related carrying amounts are not depreciated.

Land also includes land treated as a Right of Use asset under lease agreement earlier classified as finance lease and is amortised over the lease term.

Other Tangible assets

PPE other than land is initially recognized at acquisition cost or construction cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Company's management.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company beyond one year. Maintenance or servicing costs of PPE are recognized in the Statement of Profit and Loss as incurred.

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

PPE are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on PPE is provided on the straight-line method over the useful life of the assets as prescribed under Part 'C' of Schedule II of the Companies Act, 2013.

Depreciation on assets purchased/sold during the year is charged for the full month if the asset is in use for more than 15 days. Depreciation on assets purchased during the year up to ₹5,000/- is provided @ 100%.

The residual values, useful lives, and method of depreciation are reviewed at the end of each financial year. PPE other than land is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

De-recognition

An item of PPE and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of an item of PPE is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

Capital Work-in-Progress

The cost of PPE under construction at the reporting date is disclosed as 'Capital work-in-progress.' The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Advances paid for the acquisition/ construction of PPE which are outstanding at the balance sheet date are classified under 'Capital Advances.'

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3.7 Intangible assets

Recognition and initial measurement

Intangible assets mainly comprise of computer software which is initially measured at cost. Such assets are recognized where it is probable that the future economic benefits attributable to the assets will flow to the company.

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

All intangible assets with finite useful life are amortized on a straight line basis over the estimated useful lives, and a possible impairment is assessed if there is an indication that the intangible asset may be impaired. Residual values and useful lives for all intangible assets are reviewed at each reporting date. Changes, if any, are accounted for as changes in accounting estimates. Management estimates the useful life of intangible assets to be five years.

Intangible Assets under Development

Expenditure incurred which are eligible for capitalization under intangible assets is carried as 'Intangible assets under development' till they are ready for their intended use. Advances paid for the acquisition/ development of intangible assets which are outstanding at the balance sheet date are classified under 'Capital Advances'.

Derecognition of Intangible Assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognized in the Statement of Profit and Loss when the asset is derecognized.

3.8 Assets held for sale

Assets are classified as Held for Sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and the sale is highly probable. A sale is considered as highly probable when such assets have been decided to be sold by the Company; are available for immediate sale in their present condition; are being actively marketed for sale at a price and the sale has been agreed or is expected to be concluded within one year of the date of classification. Such assets are measured at lower of carrying amount or fair value less selling costs.

Assets held for sale are presented separately from other assets in the Balance Sheet and are not depreciated or amortised while they are classified as held for sale.

3.9 Investment property

Investment properties are the assets which have undetermined future use. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, the investment properties are stated at cost less accumulated depreciation. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company beyond one year. All other repair and maintenance costs are recognized in the Statement of Profit and Loss as incurred.

Subsequent measurement (depreciation and useful lives)

The Company only has land as an investment property, which is not depreciated.

De-recognition

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

3.10 Financial Instruments

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

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- Amortized cost
- Financial assets at fair value through profit or loss (FVTPL)
- Financial assets at fair value through other comprehensive income (FVOCI)
- Investments in equity shares of subsidiaries and joint ventures (carried at cost in accordance with Ind AS 27)

All financial assets except for those at FVTPL or equity instruments at FVOCI are subject to review for impairment at least at each reporting date to identify whether there is

Notes to Accounts

any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied to each category of financial assets, which are described below.

Amortized cost

A financial asset is measured at amortized cost using Effective Interest Rate (EIR) if both of the following conditions are met:

a) the financial asset is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A loss allowance for expected credit losses is recognized on financial assets carried at amortized cost.

Modification of cash flows

When the contractual cash flows of a financial asset are renegotiated or otherwise modified, and the renegotiation or modification does not result in derecognition of that financial asset, the Company recalculates the gross carrying amount of the financial asset and recognizes a modification gain or loss in profit or loss. The gross carrying amount of the financial asset shall be recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortized over the remaining term of the modified financial asset.

Financial assets at FVTPL

Financial assets at FVTPL include financial assets that are either do not meet the criteria for amortized cost classification or are equity instruments held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. All derivative financial instruments also fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements may apply. Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Embedded derivatives

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, foreign exchange rate, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract.

Derivatives embedded in all host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts or if the embedded derivative feature leverages the exposure and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

Financial assets at FVOCI

FVOCI financial assets comprise of equity instruments measured at fair value. An equity investment classified as FVOCI is initially measured at fair value plus transaction costs. Gains and losses are recognized in Other Comprehensive Income (OCI) and reported within the FVOCI reserve within equity, except for dividend income, which is recognized in profit or loss. There is no recycling of such gains and losses from OCI to Statement of Profit & Loss, even on the derecognition of the investment. However, the Company may transfer the same within equity.

De-recognition of financial assets

De-recognition of financial assets due to a substantial modification of terms and conditions

The Company derecognizes a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognized as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded.

De-recognition of financial assets other than due to substantial modification

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are derecognized (i.e. removed from the Company's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. The Company also derecognizes the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

Classification and subsequent measurement of financial liabilities

Financial liabilities are measured subsequently at amortized cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognized in profit or loss. All host contracts which are in nature of a financial liability and separated from embedded derivative are measured at amortised cost using the effective interest method.

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Derecognition of financial liabilities

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

Hedge accounting

To qualify for hedge accounting, the hedging relationship must meet all of the following requirements:

- there is an economic relationship between the hedged item and the hedging instrument
- the effect of credit risk does not dominate the value changes that result from that economic relationship
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Company actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge that quantity of hedged item.

All derivative financial instruments designated under hedge accounting are recognised initially at fair value and reported subsequently at fair value at each reporting date. To the extent that the hedge is effective, changes in the fair value of derivatives designated as hedging instruments in cash flow hedges are recognised in other comprehensive income and included within the cash flow hedge reserve in equity. Any ineffectiveness in the hedge relationship is recognised immediately in profit or loss.

At the time the hedged item affects profit or loss, any gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and presented as a reclassification adjustment within other comprehensive income.

At the inception of each hedging relationship, the Company formally designates and documents the hedge relationship, in accordance with the Company's risk management objective and strategies. The documentation includes identification of the hedged item, hedging instrument, the nature of risk(s) being hedged, the hedge ratio and how the hedging relationship meets the hedging effectiveness requirements.

Fair Value Hedges

In line with the recognition of change in the fair value of the hedging instruments in the Statement of Profit & Loss, the change in the fair value of the hedged item attributable to the risk hedged is recognised in the Statement of Profit and Loss. Such changes are made to the carrying amount of the hedged item and are adjusted in Effective Interest Rate in the period when the hedging instrument ceases to exit. If the hedged item is derecognised, the unamortised fair value is recognised immediately in Statement of Profit and Loss.

3.11 Impairment of financial assets

Loan assets

The Company follows a 'three-stage' model for impairment in the form of Expected Credit Loss (ECL) based on changes in credit quality since initial recognition as summarised below:

- Stage 1 includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.
- Stage 2 includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.
- Stage 3 includes loan assets that have objective evidence of impairment at the reporting date.

The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default, defined as follows:

Probability of Default (PD) - The PD represents the likelihood of the borrower defaulting on its obligation either over next 12 months or over the remaining lifetime of the instrument.

Loss Given Default (LGD) – LGD represents the Company's expectation of loss given that a default occurs. LGD is expressed in percentage and it shows the proportion of the amount that will actually be lost post recoveries in case of a default.

Exposure at Default (EAD) – EAD represents the amounts, including the principal outstanding, interest accrued and outstanding Letters of Comfort that the Company expects to be owed at the time of default.

Forward-looking economic information is included in determining the 12-month and lifetime PD, EAD and LGD. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis.

Financial assets other than Loans

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.

To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition. The Company also considers reasonable and supportable information, that is available without undue cost or effort that is indicative of

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significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

Write-offs

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery or as directed by the order of the Judicial Authority.

3.12 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments (original maturity less than three months) that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3.13 Dividend and Other Payments to holders of Instruments classified as Equity

Proposed dividends and interim dividends payable to the shareholders are recognized as changes in equity in the period in which they are approved by the shareholders and the Board of Directors respectively. Liability for the payments to the holders of instruments classified as equity are recognized in the period when such payments are authorized for payment by the Company.

3.14 Material prior period errors

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

3.15 Prepaid Expenses

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

3.16 Taxation

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

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

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

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

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

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

3.17 Employee benefits

Short-term employee benefits

Short-term employee benefits including salaries, short term compensated absences (such as a paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related service, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non-monetary benefits for current employees are estimated and measured on an undiscounted basis.

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

Defined contribution plan

A defined contribution plan is a plan under which the Company pays fixed contributions in respect of the employees into a separate fund. The Company has no legal or constructive obligations to pay further contributions after its payment of the fixed contribution. The contributions made by the Company towards defined contribution plans are charged to the profit or loss in the period to which the contributions relate.

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Defined benefit plan

The Company has an obligation towards gratuity, Post Retirement Medical Facility (PRMF) and Other Defined Retirement Benefit (ODRB) which are being considered as defined benefit plans covering eligible employees. Under the defined benefit plans, the amount that an employee will receive on retirement is defined by reference to the employee's length of service, final salary, and other defined parameters. The legal obligation for any benefits remains with the Company, even if plan assets for funding the defined benefit plan have been set aside.

The Company's obligation towards defined benefit plans is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The liability recognized in the statement of financial position for defined benefit plans is the present value of the Defined Benefit Obligation (DBO) at the reporting date less the fair value of plan assets. Management estimates the DBO annually with the assistance of independent actuaries.

Actuarial gains/losses resulting from re-measurements of the liability/asset are included in Other Comprehensive Income.

Other long-term employee benefits:

Liability in respect of compensated absences becoming due or expected to be availed more than one-year after the balance sheet date is estimated on the basis of actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to statement of profit and loss in the period in which such gains or losses are determined.

Loan to employees at concessional rate

Loans given to employees at concessional rate are initially recognized at fair value and subsequently measured at amortised cost. The difference between the initial fair value of such loans and transaction value is recognised as deferred employee benefits, which is amortised on a straight-line basis over the expected remaining period of the Loan. In case of change in expected remaining period of the Loan, the unamortised deferred employee benefits on the date of change is amortised over the updated expected remaining period of the loan on a prospective basis.

3.18 Provisions, Contingent Liabilities, and Contingent Assets

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

A contingent liability is disclosed for:

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

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

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

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

3.19 Fair value measurement

The Company measures financial instruments, such as derivatives at fair value at each reporting date.

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

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

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are

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available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements regularly, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

3.20 Offsetting of financial instruments

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

3.21 Business Combination under Common Control

A business combination, if any, involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and that control is not transitory.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values, or recognize new assets or liabilities. Adjustments are made only to harmonise significant accounting policies.
- The financial information in the financial statements in respect of prior periods is restated as if the business combination has occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination

The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee. The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee

The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

3.22 Expenditure on issue of shares

Expenditure on issue of shares, if any, is charged to the securities premium account

4. Implementation of New/ Modified Standards

During the year, the Ministry of Corporate Affairs (MCA) has issued amendments to certain Ind AS. The Company has analysed the impact of these amendments which is not material to the Company.

5. Significant management judgment in applying accounting policies and estimation of uncertainty

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

Significant management judgments

Recognition of deferred tax assets/ liability – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized. Further, the Company Management has no intention to make withdrawal from the Special Reserve created and maintained under section 36(1)(viii) of the Income tax Act, 1961 and thus, the special reserve created and maintained is not capable of being reversed. Hence, the company does not create any deferred tax liability on the said reserve.

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

Non recognition of Interest Income on Credit Impaired Loans - Interest income on credit-impaired loan assets is not being recognised as a matter of prudence, pending the outcome of resolutions of stressed assets.

Significant estimates

Impact of Covid-19 Outbreak - The Company has considered the possible impacts of COVID-19 in preparation of these financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition and impact on effectiveness of its hedges. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these standalone financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements owing to the nature and duration of COVID-19. The extent to which the Covid-19 pandemic will impact the Company will depend on future developments, which are uncertain, including, among other things, any new information concerning the severity of the Covid-19 pandemic and any further action by the Govt. or the Company to contain its spread or mitigate its impact.

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

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

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

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

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

- Determining criteria for a significant increase in credit risk;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/ market and the associated ECL; and
- Establishing groups of similar financial assets to measure ECL.
- Estimating the probability of default and loss given default (estimates of recoverable amounts in case of default)

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6 Cash and Cash Equivalents

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Cash in Hand (including postage & imprest)	0.02	0.12
Balances with Banks		
in current accounts	124.01	237.93
deposits with original maturity less than 3 months	2.37	902.44
Total (Cash & Cash Equivalents)	**126.40**	**1,140.49**

7 Bank Balances (other than Cash and Cash Equivalents)

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Earmarked Balances with Banks		
For unpaid dividends	6.39	5.79
For govt. funds for onward disbursement as grant	771.18	1,065.84
Earmarked Term Deposits		
Deposits in Compliance of Court Order	0.59	0.56
Term Deposit held as Margin Money against Bank Guarantee	0.27	0.25
Term Deposit- Debenture Redemption Reserves	225.33	-
Balances with banks not available for use pending allotment of 54EC Capital Gain Tax Exemption Bonds	1,291.54	856.62
Total (Other Bank Balances)	**2,295.30**	**1,929.06**
Term Deposits held as margin money against Bank Guarantee for more than 12 months	0.27	0.25

7.1 There are no repatriation restrictions with respect to Cash & Cash Equivalents and Bank balances (other than Cash & Cash Equivalents) as at 31st March 2022 (Previous year Nil).

8 Derivative Financial Instruments

The Company enters into derivatives for hedging foreign exchange risks and interest rate risks. Derivatives held for risk management purposes include hedges that are either designated as effective hedges under the hedge accounting requirements or hedges that are economic hedges. The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

Refer Note 48 for Risk Management Disclosures in respect of the derivatives.

Part I

(₹ in Crores)

	Particulars	As at 31.03.2022			As at 31.03.2021		
		Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
(i)	**Currency Derivatives**						
	- Currency swaps	2,850.13	1.39	48.37	2,854.54	43.07	121.08
	- Others						
	- Call Spread	1,895.18	76.73	-	4,263.27	271.36	-
	- Seagull Options	54,727.54	4,868.28	-	20,482.08	1,657.19	43.25
	Sub-total (i)	**59,472.85**	**4,946.40**	**48.37**	**27,599.89**	**1,971.62**	**164.33**
(ii)	**Interest Rate Derivatives**						
	- Forward Rate Agreements and Interest Rate Swaps	33,239.41	563.77	173.52	25,035.68	339.60	403.65
	Sub-total (ii)	**33,239.41**	**563.77**	**173.52**	**25,035.68**	**339.60**	**403.65**
(iii)	**Other derivatives**						
	- Reverse cross currency swaps	4,747.00	-	331.25	4,547.00	-	278.33
	Total - Derivative Financial Instruments (i+ii+iii)	**97,459.26**	**5,510.17**	**553.14**	**57,182.57**	**2,311.22**	**846.31**

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Part II

Included in Part I are derivatives held for hedging and risk management purposes as below:

(₹ in Crores)

Particulars	As at 31.03.2022			As at 31.03.2021		
	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
(i) Fair Value Hedging						
- Interest Rate Derivatives						
- Forward Rate Agreements and Interest Rate Swaps	11,850.70	19.76	112.00	-	-	-
(ii) Cash Flow Hedging						
- Currency Derivatives						
- Currency Swaps	2,842.77	-	48.37	2,756.43	23.86	121.08
- Others						
- Call Spread	1,895.18	76.73	-	1,837.62	77.74	-
- Seagull Options	54,727.54	4,868.28	-	20,482.08	1,657.19	43.25
- Interest Rate Derivatives						
- Forward Rate Agreements and Interest Rate Swaps	13,313.21	115.10	45.27	13,055.84	-	318.18
Sub-total (ii)	**72,778.70**	**5,060.11**	**93.64**	**38,131.97**	**1,758.79**	**482.51**
(iii) Undesignated Derivatives	12,829.86	430.30	347.50	19,050.60	552.43	363.80
Total - Derivative Financial Instruments (i+ii+iii)	**97,459.26**	**5,510.17**	**553.14**	**57,182.57**	**2,311.22**	**846.31**

Derivative financial instruments are measured at fair value at each reporting date. The changes in the fair value of derivatives designated as hedging instruments in effective cash flow hedges are recognised in Other Comprehensive Income. In case of fair value hedges, the changes in fair value of the derivatives designated as hedging instruments along with the fair value changes in the carrying amount of the hedged items are recognised in the Statment of Profit & Loss. For undesignated derivatives, the changes in the fair value are recognised in the Statement of Profit & Loss.

9 Loans

The Company has categorised all loans at Amortised Cost in accordance with the requirements of Ind AS 109.

(₹ in Crores)

Particulars		As at 31.03.2022		As at 31.03.2021	
		Principal O/s	Amortised Cost	Principal O/s	Amortised Cost
(A)	**Loans**				
(i)	Term Loans	3,83,310.40	3,84,566.08	3,77,041.98	3,78,090.36
(ii)	Working Capital Term Loans	2,060.86	2,069.12	376.17	377.24
	Total (A) - Gross Loans	**3,85,371.26**	**3,86,635.20**	**3,77,418.15**	**3,78,467.60**
	Less: Impairment loss allowance	(14,704.66)	(14,704.66)	(13,206.11)	(13,206.11)
	Total (A) - Net Loans	**3,70,666.60**	**3,71,930.54**	**3,64,212.04**	**3,65,261.49**
(B)	**Security Details**				
(i)	Secured by tangible assets	2,23,793.64	2,24,420.98	2,56,744.52	2,57,329.46
(ii)	Covered by Bank/ Govt. Guarantees	1,30,973.50	1,31,510.35	1,01,071.53	1,01,456.48
(iii)	Unsecured	30,604.12	30,703.87	19,602.10	19,681.67
	Total (B) - Gross Loans	**3,85,371.26**	**3,86,635.20**	**3,77,418.15**	**3,78,467.60**
	Less: Impairment loss allowance	(14,704.66)	(14,704.66)	(13,206.11)	(13,206.11)
	Total (B) - Net Loans	**3,70,666.60**	**3,71,930.54**	**3,64,212.04**	**3,65,261.49**
(C) (I)	**Loans in India**				
(i)	Public Sector	3,50,455.72	3,51,732.04	3,38,810.31	3,39,877.44
(ii)	Private Sector	34,915.54	34,903.16	38,607.84	38,590.16
	Total (C)(I) - Gross Loans	**3,85,371.26**	**3,86,635.20**	**3,77,418.15**	**3,78,467.60**
	Less: Impairment loss allowance	(14,704.66)	(14,704.66)	(13,206.11)	(13,206.11)
	Total (C)(I) - Net Loans	**3,70,666.60**	**3,71,930.54**	**3,64,212.04**	**3,65,261.49**
(C)(II)	**Loans outside India**	-	-	-	-
	Less: Impairment loss allowance	-	-		-
	Total (C)(II) - Net Loans	-	-	-	-
	Total (C)(I) and (C)(II)	**3,70,666.60**	**3,71,930.54**	**3,64,212.04**	**3,65,261.49**

Notes to Accounts

9.1 Reconciliation between the figures reported under Ind-AS and contractual amounts outstanding in respect of Loans:

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Net Loans	**3,71,930.54**	**3,65,261.49**
Less: Interest accrued and due on Loans classified under the same head as per Ind-AS	(423.59)	(504.10)
Less: Interest accrued and not due on Loans classified under the same head as per Ind-AS	(957.96)	(635.00)
Add: Allowance for Expected Credit Loss netted off as per Ind-AS	14,704.66	13,206.11
Add: Ind-AS Adjustments in respect of fees based income at Effective Interest Rate (EIR)	117.61	89.65
Gross Loans	**3,85,371.26**	**3,77,418.15**

9.2 Movement of Impairment Loss Allowance in respect of Loans:

(₹ in Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Opening Balance	**13,206.11**	**11,996.04**
Add: Impairment loss allowance provided during the year (Refer Note 36)*	3,422.56	2,362.62
Less: Allowance utilised towards write-off of loans	(1,924.01)	(1,152.55)
Closing Balance	**14,704.66**	**13,206.11**

** Includes impairment loss allowance created on Stage 1 & 2 loan assets which has been enhanced to a minimum level of 0.40% from FY 2021-22*

9.3 In terms of the settlement under Insolvency and Bankruptcy Code (IBC) proceedings/ One Time Settlement (OTS)/ Restructuring, the Company has written off loans amounting to ₹ 1,924.01 crores (Previous year ₹ 1,152.55 crores). The details of write-offs for the current year are as below:

(i) During the current year

(a) Pursuant to the Resolution Plan approved under IBC proceedings executed on 13th May 2021 in respect of VS Lignite Power Private Limited, the Company has written off an amount of ₹ 39.45 crores after appropriating the recoveries of ₹ 14.79 crores (Cash ₹ 1.30 crores and Term Loan of ₹ 13.49 crores).

(b) Pursuant to the liquidation order under IBC proceedings executed on 30th December 2021 in respect of Lanco Babandh Power Limited, the Company has written off an amount of ₹ 1,160.16 crores after appropriating cash recoveries of ₹ 40.39 crores.

(c) Pursuant to the Resolution Plan approved under IBC proceedings executed on 16th March 2022 in respect of Essar Power (MP) Limited (EPMPL), the Company has written off an amount of ₹ 724.40 crores after appropriating the recoveries of ₹ 620.60 crores (Cash ₹ 148.94 crores and Term Loan of ₹ 471.66 crores).

(d) Pursuant to the Resolution Plan approved under IBC proceedings executed on 23rd March 2022 in respect of Amrit Jal Ventures Private Limited, the company has recovered the entire outstanding loan of ₹ 4.35 crores and ₹ 0.28 crores overdue interest after appropriating cash recoveries of ₹ 4.63 crores.

(ii) During the previous year

(a) Pursuant to the restructuring executed on 4th June, 2020, in respect of Essar Power Transmission Corporation Ltd, the Company has written off an amount of ₹ 65.25 crores after appropriating the recoveries of ₹ 979.56 crores (Term Loan of ₹ 830.00 crores and Optionally convertible debentures of ₹ 149.56 crores).

(b) Pursuant to the Resolution Plan approved under IBC proceedings executed on 21st September, 2020 in respect of Facor Power Ltd, the Company has wriiten-off an amount of ₹181.86 crores after appropriating the recoveries of ₹ 329.12 crores (Cash ₹ 102.27 crores, Non-convertible debentures of ₹ 199.72 crores and amount recoverable of ₹ 27.13 crores).

(c) Pursuant to the restructuring executed on 4th December, 2020 in respect of R.K.M PowerGen Private Ltd, the Company has wriiten-off an amount of ₹ 905.44 crores after appropriating the recoveries of ₹ 1,396.55 crores (Term Loan of ₹ 1,396.55 crores and Optionally convertible debentures Nil).

The instruments received upon restructuring/ settlement have been classified under the head 'Investments' (Refer Note No. 10).

Notes to Accounts

9.4 The Company obtains balance confirmation from the borrowers for the balances standing as on the Balance Sheet date. The summary of the balance confirmations received from the borrowers is as under:

(₹ in Crores)

Particulars	As at 31.03.2022		As at 31.03.2021	
	%	Amount	%	Amount
Gross Loan Book		3,85,371.26		3,77,418.15
Loan Assets for which balance confirmations have been received from borrowers	93%	3,56,923.45	92%	3,48,293.80
Loan Assets for which balance confirmations are yet to be received from borrowers *of which,*	7%	28,447.81	8%	29,124.35
Loans secured by tangible assets	45%	12,813.68	71%	20,597.00
Loans covered by Government Guarantee/ Loans to Government	33%	9,295.96	10%	2,848.13
Unsecured loans	22%	6,338.17	19%	5,679.22

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

10 Investments

(₹ in Crores)

Particulars	Amortised Cost	At fair value			Sub-total	Others (At Cost)	Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss			
	(1)	(2)	(3)	(4)	(5= 1+2+3+4)	(6)	(7)
As at 31st March, 2022							
Govt. Securities	1,374.51	-	-	-	1,374.51	-	1,374.51
Debt Securities	333.03	-	132.55	-	465.58	-	465.58
Equity Instruments	-	268.26	49.52		317.78	0.10	317.88
Preference Shares	28.72	-	-	-	28.72	-	28.72
Others	-	-	-		-	-	-
Total - Gross (A)	**1,736.26**	**268.26**	**182.07**	**-**	**2,186.59**	**0.10**	**2,186.69**
Investments outside India	-	-	-	-	-	-	-
Investments in India	1,736.26	268.26	182.07	-	2,186.59	0.10	2,186.69
Total - Gross (B)	**1,736.26**	**268.26**	**182.07**	**-**	**2,186.59**	**0.10**	**2,186.69**
Total Investments	1,736.26	268.26	182.07	-	2,186.59	0.10	2,186.69
Less: impairment loss allowance (C)	(28.72)	-	-	-	(28.72)	-	(28.72)
Total - Net (D=A-C)	**1,707.54**	**268.26**	**182.07**	**-**	**2,157.87**	**0.10**	**2,157.97**
As at 31st March, 2021							
Govt. Securities	649.08	-	-	-	649.08	-	649.08
Debt Securities	376.62	-	143.06	-	519.68	-	519.68
Equity Instruments	-	430.13	23.60		453.73	218.20	671.93
Preference Shares	26.09	-	42.99	-	69.08	-	69.08
Others	-	-	-	-	-	-	-
Total - Gross (A)	**1,051.79**	**430.13**	**209.65**	**-**	**1,691.57**	**218.20**	**1,909.77**

Notes to Accounts

(₹ in Crores)

Particulars	Amortised Cost	At fair value			Sub-total	Others (At Cost)	Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss			
	(1)	(2)	(3)	(4)	(5= 1+2+3+4)	(6)	(7)
Investments outside India	-	-	-	-	-	-	-
Investments in India	1,051.79	430.13	209.65	-	1,691.57	218.20	1,909.77
Total - Gross (B)	**1,051.79**	**430.13**	**209.65**	**-**	**1,691.57**	**218.20**	**1,909.77**
Total Investments	1,051.79	430.13	209.65	-	1,691.57	218.20	1,909.77
Less: impairment loss allowance (C)	-	-	-	-	-	-	-
Total - Net (D=A-C)	**1,051.79**	**430.13**	**209.65**	**-**	**1,691.57**	**218.20**	**1,909.77**

10.1 Details of investments

(₹ in Crores)

	Particulars	Investment measured at	As at 31.03.2022		As at 31.03.2021	
			Number	Amount	Number	Amount
(A)	**Government Securities (HQLAs)***	**Amortised Cost**	**13,39,32,800**	**1,374.51**	**6,25,00,000**	**649.08**
	Debt Securities					
(i)	Debt Securities (HQLAs)*	Amortised Cost	2,150	226.82	2,150	227.52
(ii)	Debt Securities (other than HQLAs)					
	- 3% Optionally convertible debentures- Series A of Essar Power Transmission Co. Ltd.	Fair value through profit or loss	17,85,43,530	92.03	22,85,25,079	99.33
	- 3% Optionally convertible debentures- Series B of Essar Power Transmission Co. Ltd.	Fair value through profit or loss	7,86,06,161	40.52	10,06,12,911	43.73
	- Optionally convertible debentures- Series C of Essar Power Transmission Co. Ltd. **	Fair value through profit or loss	1,86,35,162	-	1,86,35,162	-
	- 0% Non- Convertible Debentures (NCDs) of Ferro Alloys Corporation Limited	Amortised Cost	2,54,95,144	106.21	2,52,91,783	149.10
	- 0.01% Optionally convertible Debentures (OCD) Series A of R.K.M PowerGen Private Ltd. **	Fair value through profit or loss	21,38,03,170	-	21,38,03,170	-
	- 0.01% Optionally convertible Debentures (OCD) Series B of R.K.M PowerGen Private Ltd. **	Fair value through profit or loss	63,03,032	-	63,03,032	-
	- 0.01% Optionally convertible Debentures (OCD) Series Ai of R.K.M PowerGen Private Ltd. **	Fair value through profit or loss	1,04,74,150	-	1,04,74,150	-
(B)	**Sub-total - Debt Securities (i+ii)**			**465.58**		**519.68**
	Equity Instruments					
	- NHPC Ltd.	Fair value through other comprehensive income	1,88,43,184	52.38	17,53,02,206	428.61
	- HUDCO Ltd.	Fair value through other comprehensive income	3,47,429	1.14	3,47,429	1.52
	- Energy Efficiency Services Ltd.	Fair value through other comprehensive income	21,81,00,000	214.74	-	-
	- Universal Commodity Exchange Ltd.	Fair value through other comprehensive income	1,60,00,000	-	1,60,00,000	-
	- Rattan India Power Ltd.	Fair value through profit or loss	9,25,68,105	49.52	9,25,68,105	23.60
	- R.K.M PowerGen Private Ltd.	Fair value through profit or loss	18,17,90,667	-	18,17,90,667	-
(C)	**Sub-total - Equity Instruments**			**317.78**		**453.73**
	Subsidiary (Refer note 10.2)					

Notes to Accounts

(₹ in Crores)

	Particulars	Investment measured at	As at 31.03.2022		As at 31.03.2021	
			Number	Amount	Number	Amount
	- REC Power Development and Consultancy Limited (formerly REC Power Distribution Company Limited)	Others (At Cost)	85,500	0.10	85,500	0.10
(D)	**Sub-total - Subsidiary**			**0.10**		**0.10**
	Joint Venture (Refer note 10.2)					
	- Energy Efficiency Services Ltd.	Others (At Cost)	-	-	21,81,00,000	218.10
	Sub-total - Joint Ventures			**-**		**218.10**
	Preference Shares (PS)					
	- Redeemable PS of Rattan India Power Ltd.	Amortised cost	2,87,20,978	28.72	2,87,20,978	26.09
	- Optionally Convertible PS of Rattan India Power Ltd.	Fair value through profit or loss	4,33,03,616	-	4,33,03,616	42.99
(E)	**Sub-total - Preference Shares**			**28.72**		**69.08**
	Others					
	- Units of 'Small is Beautiful' Venture Capital Fund	Fair value through other comprehensive income	-	-	61,52,200	-
(F)	**Sub-total - Others**			**-**		**-**
	Total Investments (G= A to F)			**2,186.69**		**1,909.77**
	Less: impairment loss allowance (H)			(28.72)		-
	Total - Net (I=G-H)			**2,157.97**		**1,909.77**

Refer note 52.1 for valuation technique of the investments shown at fair value

** High Quality Liquid Assets (HQLAs) maintained as per RBI Circular dated Novemeber 4, 2019*

*** Received against unsustainable portion of debt in terms of the settlement under Insolvency and Bankruptcy Code (IBC) proceedings/ One Time Settlement (OTS)/ Restructuring*

10.2 Details of Investment in Subsidiary and Joint Venture:

(₹ in Crores)

Name of the company	Principal place of business / Country of Incorporation	Proportion of ownership interest as at	
		31.03.2022	31.03.2021
Subsidiary :			
REC Power Development and Consultancy Limited (formerly REC Power Distribution Company Limited)	India	100.00%	100.00%
Joint Venture* :			
Energy Efficiency Services Limited (EESL)	India	-	22.18%

The investments in subsidiary and joint venture are measured at cost in accordance with the provisions of Ind AS 27 'Separate Financial Statements'.

* During the year, pursuant to agreement executed amongst the Joint Venture partners i.e. NTPC Limited, Power Finance Corporation Limited, REC Limited and Power Grid Corporation of India Limited, EESL ceased to be a jointly controlled entity of the Company with effect from September 01, 2021, under Ind-AS framework.

10.3 Movement of Impairment Loss Allowance in respect of Investments:

(₹ in Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Opening Balance	-	-
Add: Impairment loss allowance provided in respect to Redeemable PS of Rattan India Power Limited due for redemption during the year (Refer Note 36)	28.72	-
Less: Allowance utilised towards write-off of loans	-	-
Closing Balance	**28.72**	**-**

Notes to Accounts

10.4 In terms of the settlement under Insolvency and Bankruptcy Code (IBC) proceedings/ One Time Settlement (OTS)/ Restructuring , the Company has received the following Investments:

(i) During the current year:

Company has not received any instruments in terms of the settlement under Insolvency and Bankruptcy Code (IBC) proceedings/ One Time Settlement (OTS)/ Restructuring.

(ii) During the previous year:

(a) Pursuant to the restructuring in respect of Essar Power Transmission Corporation Ltd, the company has been allotted 22,85,25,079 no. of optionally convertible debentures (3%) Series- A, 10,06,12,911 no. of optionally convertible debentures (3%) Series- B and 1,86,35,162 no. of optionally convertible debentures (0%) Series- C.

(b) Pursuant to the One Time Settlement arrangement executed on 21st September 2020 in respect of Facor Power Ltd, the Company has been allotted 2,52,91,783 no. of zero coupon non-convertible debentures of Ferro Alloys Corporation Limited.

(c) Pursuant to the restructuring in respect of R.K.M PowerGen Private Ltd, the company has been allotted 21,38,03,170 no. of optionally convertible debentures (0.01%) Series- A, 63,03,032 no. of optionally convertible debentures (0.01%) Series- B and 1,04,74,150 no. of optionally convertible debentures (0.01%) Series- Ai.

Refer note 9.3 for further details.

10.5 The Company has elected an irrevocable option to designate some of the equity instruments at FVOCI (Fair Value through Other Comprehensive Income). The Company's main operation is to provide financial assistance to power sector. Thus, in order to isolate Standalone Statement of Profit & Loss from price fluctuations of these instruments, management believes that this provides a more meaningful presentation, rather than classifying them at FVTPL (Fair Value through Profit & Loss).

Details of FVOCI investments derecognised during the year

(₹ in Crores)

Name of the company	FY 2021-22			FY 2020-21		
	No. of shares derecognised	Fair Value as on de-recognition	Cumulative Gain/ (loss) on de-recognition	No. of shares derecognised	Fair Value as on de-recognition	Cumulative Gain/ (loss) on de-recognition
NHPC Limited*	15,64,59,022	430.62	89.86			
Small is Beautiful**	61,52,200	0.55	(5.60)			
India Energy Exchange Limited	-	-	-	1,22,71,211	249.92	248.69

** During the year, the Company has sold 15,64,59,022 equity shares of NHPC Limited considering the market scenerio for a consideration of ₹ 430.62 crores through stock exchange. The shares have thus been derecognised and the cumulative gain (net of tax) on such sale has been transferred from other comprehensive income to retained earnings.*

*** During the year, the Company has derecogniesd 61,52,200 units of 'Small is Beautiful' Venure Capital Fund, consequent to full and final settlement upon liquidation of the fund. As a result, the Company has written off an amount of ₹ 5.60 crores after appropriating cash recoveries of ₹ 0.55 crores*

11 Other financial assets

The Company has categorised all the components under 'Other Financial Assets' at Amortised Cost in accordance with the requirements of Ind AS 109.

(₹ in Crores)

	Particulars	As at 31.03.2022	As at 31.03.2021
(A)	**Loans to Employees (Refer Note No. 11.1)**	41.95	39.94
(B)	**Advances to Employees**	0.24	0.41
(C)	**Loans & Advances to Subsidiaries**	5.26	4.16
(D)	**Security Deposits**	1.64	1.23
(E)	**Recoverable from Govt. of India**		
	- Towards GoI Fully Serviced Bonds (Refer Note No. 21.5)	24,318.29	24,314.48
(F)	**Other amounts recoverable**	120.24	127.03
	Less: Impairment Loss allowance (Refer Note No. 11.2)	(90.68)	(88.04)
	Other Amounts Recoverable (Net)	**29.56**	**38.99**
	Total (A to F)	**24,396.94**	**24,399.21**

Notes to Accounts

11.1 Details of Loans to Employees

The Company has extended loans to employees with specified terms and repayment schedule, categorised at Amortised Cost in accordance with the requirements of Ind AS 109.

(₹ in Crores)

Particulars		As at 31.03.2022	As at 31.03.2021
(A)	**Secured Loans**		
	- To employees Other than Key Managerial Personnel	12.64	7.39
	Sub-total (A)	**12.64**	**7.39**
(B)	**Unsecured Loans**		
	- To Key Managerial Personnel	0.18	0.28
	- To Others	29.13	32.27
	Sub-total (B)	**29.31**	**32.55**
	Total (A+B)	**41.95**	**39.94**

The figures above include interest accrued on such loans amounting to ₹ 8.45 crores (Previous year ₹ 8.16 crores).

11.2 Movement of impairment loss allowance on other amounts recoverable

(₹ in Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Opening balance	88.04	30.85
Add: Created during the year	10.23	59.29
Less: Reversed/ Adjusted during the year	(7.59)	(2.10)
Closing balance	**90.68**	**88.04**

12 Current tax assets (net)

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Advance Income-tax & TDS	3,284.80	227.47
Provision for Income Tax	(3,110.11)	(72.35)
Sub-Total	**174.69**	**155.12**
Tax Deposited on income tax demands under contest	5.20	5.20
Provision for income tax for demand under contest	(0.25)	(0.25)
Sub-Total	**4.95**	**4.95**
Current tax assets (Net)	**179.64**	**160.07**

13 Deferred tax assets (net)

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Deferred Tax Assets (Net)	3,134.74	2,437.71

13.1 Significant components of net deferred tax assets and liabilities for the year ended 31st March 2022 are as follows

(₹ in Crores)

Particulars	Opening balance	Recognised in Profit or Loss	Recognised in OCI	Others	Closing balance
Deferred Tax Assets					
Expected Credit Loss	2,743.25	714.65			3,457.90
Provision for Earned Leave	4.53	1.81			6.34
Provision for Medical Leave	5.26	0.15			5.41
Fair Valuation of Investments	3.57	2.29	2.55		8.41
Fair Valuation of Derivatives	27.81	11.16	26.09		65.07
Total Deferred Tax Assets	**2,784.42**	**730.06**	**28.64**	**-**	**3,543.13**
Deferred Tax Liabilities					
Due to different tax base of Property, Plant & Equipment	2.12	10.81			12.93
Unamortised Foreign Currency Exchange Fluctuations	153.26	(2.21)			151.05
Financial assets and liabilities measured at amortised cost	191.33	24.90			216.24
Fair valuaton of Debt Securities	-	28.17			28.17
Others	-	-			-
Total Deferred Tax Liabilities	**346.71**	**61.67**	**-**	**-**	**408.39**
Total Deferred Tax Assets (Net)	**2,437.71**	**668.39**	**28.64**	**-**	**3,134.74**

Significant components of net deferred tax assets and liabilities for the year ended 31st March 2021 are as follows

(₹ in Crores)

Particulars	Opening balance	Recognised in Profit or Loss	Recognised in OCI	Others	Closing balance
Deferred Tax Assets					
Expected Credit Loss	2,275.92	467.33			2,743.25
Provision for Earned Leave	4.01	0.52			4.53
Provision for Medical Leave	5.51	(0.25)			5.26
Fair Valuation of Investments	10.00	(0.42)	(6.01)		3.57
Fair Valuation of Derivatives	439.65	(308.70)	(103.14)		27.81
Total Deferred Tax Assets	**2,735.09**	**158.48**	**(109.15)**	**-**	**2,784.42**
Deferred Tax Liabilities					
Due to different tax base of Property, Plant & Equipment	1.80	0.32			2.12
Unamortised Foreign Currency Exchange Fluctuations	448.95	(295.69)			153.26
Financial assets and liabilities measured at amortised cost	237.45	(46.13)			191.33
Others	12.57	(12.57)			-
Total Deferred Tax Liabilities	**700.77**	**(354.07)**	**-**	**-**	**346.71**
Total Deferred Tax Assets (Net)	**2,034.32**	**512.55**	**(109.15)**	**-**	**2,437.71**

14 Investment Property

(₹ in Crores)

Particulars	Opening Balance	Additions during the year	Sales/ adjustment during the year	Closing Balance
As at 31st March 2022	0.01	-	0.01	-
As at 31st March 2021	0.01	-	-	0.01

14.1 The company had classified the land held for undeterminable future use as investment property and didnt earn any rental income on it. The same has been sold during the year.

14.2 Fair value of investment property:

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Carrying Value	-	0.01
Fair Value	-	0.90

The Company obtains independent valuations for its investment properties at least annually. The fair values of investment property is determined by an independent registered valuer and the main inputs used are circle rates and current prices of similar properties. All resulting fair value estimates for investment property are included in Level 3.

Notes to Accounts

Notes to Accounts

15 Property, Plant & Equipment and Intangible Assets

(₹ in Crores)

Particulars	Property, Plant & Equipment									Capital Work-in-Progress	Intangible Assets under Development	Other Intangible Assets
	Freehold Land	Right-of-Use Land	Buildings	Plant & equipment	Furniture & Fixtures	EDP Equipments	Office Equipments	Vehicles	Total	Immovable Property	Computer Software	Computer Software
Gross carrying value												
As at 31.03.2020	**110.39**	**1.59**	**31.74**	**-**	**11.62**	**20.25**	**19.97**	**0.40**	**195.96**	**287.62**	**0.77**	**13.62**
Additions	-	-	98.66	-	9.65	4.71	5.10	-	118.12	131.70	-	0.02
Borrowings Cost Capitalised										22.04		
Disposals	-	-	-	-	0.72	3.28	7.97	-	11.97	105.69	-	-
As at 31.03.2021	**110.39**	**1.59**	**130.40**	**-**	**20.55**	**21.68**	**17.10**	**0.40**	**302.11**	**335.67**	**0.77**	**13.64**
Additions	-	-	303.73	19.90	47.55	3.30	7.14	-	381.62	32.35	-	1.02
Borrowings Cost Capitalised									-	5.10		
Disposals/ Adjustments	-	-	3.30	-	0.69	0.92	0.86	-	5.77	367.05	0.77	-
As at 31.03.2022	**110.39**	**1.59**	**430.83**	**19.90**	**67.41**	**24.06**	**23.38**	**0.40**	**677.96**	**6.07**	**-**	**14.66**
Accumulated depreciation/ amortisation												
As at 31.03.2020	**-**	**0.32**	**9.06**	**-**	**6.66**	**14.38**	**12.22**	**0.32**	**42.96**	**-**	**-**	**4.82**
Charge for the year	-	0.03	0.75	-	0.94	2.69	2.38	0.02	6.81	-	-	2.72
Adjustment for disposals	-	-	-	-	0.20	2.60	4.98	-	7.78	-	-	-
As at 31.03.2021	**-**	**0.35**	**9.81**	**-**	**7.40**	**14.47**	**9.62**	**0.34**	**41.99**	**-**	**-**	**7.54**
Charge for the year	-	0.02	4.96	0.95	3.65	3.05	2.43	0.03	15.09	-	-	2.87
Adjustment for disposals	-	-	1.26	-	0.41	0.71	0.41	-	2.79	-	-	-
As at 31.03.2022	**-**	**0.37**	**13.51**	**0.95**	**10.64**	**16.81**	**11.64**	**0.37**	**54.29**	**-**	**-**	**10.41**
Net block as at 31.03.2021	**110.39**	**1.24**	**120.59**	**-**	**13.15**	**7.21**	**7.48**	**0.06**	**260.12**	**335.67**	**0.77**	**6.10**
Net block as at 31.03.2022	**110.39**	**1.22**	**417.32**	**18.95**	**56.77**	**7.25**	**11.74**	**0.03**	**623.67**	**6.07**	**-**	**4.25**

15.1 The formalities regarding registration of title deed in respect of an immovable property acquired by the Company is yet to be executed. The details are as below:

(a) As at 31st March 2022

(₹ in Crores)

Description of Property, Plant & Equipment	Gross Carrying Value	Net Carrying Value	Title deed held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since	Reason for not being held in the name of the company
Building - Office at Core 4, SCOPE Complex, New Delhi - 110003	4.59	2.01	Land & Development officer under Ministry of Urban Development, New Delhi	No	1990	Pending formalities from Land & Development Officer, office flat allotted to the company at the SCOPE a central government Complex has not been registered in the name of the Company.

(b) As at 31st March 2021

(₹ in Crores)

Description of Property, Plant & Equipment	Gross Carrying Value	Net Carrying Value	Title deed held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since	Reason for not being held in the name of the company
Building - Office at Core 4, SCOPE Complex, New Delhi - 110003	4.59	2.07	Land & Development officer under Ministry of Urban Development, New Delhi	No	1990	Pending formalities from Land & Development Officer, office flat allotted to the company at the SCOPE a central government Complex has not been registered in the name of the Company.

Notes to Accounts

15.2 As on 31st March 2022, certain Property, Plant & Equipment has been pledged as security against secured borrowings of the Company as per the details below:

(₹ in Crores)

Particulars	As at 31st March 2022	As at 31st March 2021
Gross Carrying Value	3.30	3.30
Net Carrying Value	2.27	2.31

15.3 Capital Work in Progress (CWIP)

CWIP ageing schedule

(₹ in Crores)

Particulars	As at 31st March 2022					As at 31st March 2021				
	Amount in CWIP for a period of				Total	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	6.07	-	-	-	6.07	153.75	90.67	69.71	21.54	335.67

There are no capital work in progress as on the reporting year where activity has been suspended.

(b) CWIP completion schedule

(₹ in Crores)

Particulars	As at 31st March 2022					As at 31st March 2021				
	To be completed in				Total	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress										
- REC World Headquarter at Gurugram	6.07	-	-	-	6.07	329.60	6.07	-	-	335.67

15.4 Intangible assets under development

Intangible assets under development ageing schedule

(₹ in Crores)

Particulars	As at 31st March 2022					As at 31st March 2021				
	Amount in CWIP for a period of				Total	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	-	-	-	-	-	-	0.12	-	0.65	0.77

There are no intangible assets under development as on the reporting year where activity has been suspended or which have exceeded cost as compared to its original plan or where completion is overdue.

15.5 In the opinion of management, there are no events or changes in circumstances that indicate the impairment of PPE and Intangible Assets in terms of Ind AS 36 'Impairment of Assets'. Accordingly, no provision for impairment has been made.

15.5 While the Company has not made any specific borrowings for construction of a qualifying asset, the Company has capitalised certain borrowing costs on account of general borrowings at an average rate of borrowings of 7.94% (previous year 8%) for the Company in terms of Ind AS 23 'Borrowing Costs'.

15.6 Disclosure in respect of Intangible Assets as required under Ind-AS 38 *"Intangible Assets"*

Amortisation Rate 20% (100% in case the total cost of the asset is ₹ 5,000 or less)

Notes to Accounts

16 Other non-financial assets

(₹ in Crores)

	Particulars	As at 31.03.2022	As at 31.03.2021
	Unsecured, considered good		
(A)	Capital Advances	8.19	8.84
(B)	Other Advances	2.88	3.34
(C)	Balances with Govt. Authorities	20.35	47.47
(D)	Pre-Spent Corporate Social Responsibility (CSR) Expenses	0.40	3.45
(E)	Prepaid Expenses	3.11	4.29
(F)	Deferred Employee Benefits	11.11	14.09
(G)	Other Assets	0.02	0.02
	Total (A to G)	**46.06**	**81.50**

17 Assets Classified as Held for Sale

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Assets Classified as Held for Sale-Building	0.86	-
Total	**0.86**	**-**

17.1 With a view to monetise its idle assets, during the year the Company has disposed certain residential building units through e-auction process, with carrying value ₹ 1.18 crores (previous year Nil), classified under "Assets classified as held for sale" as required under Ind-AS 105. Such sale has resulted in gain of ₹ 30.19 crores during the current year (previous year Nil) (refer note 31). Further, residential building units with carrying value ₹ 0.86 crores (previous year Nil) classified under "Assets classified as held for sale" are pending for disposal as at 31st March 2022. The process for their disposal is expected to be completed during the year 2022-23 through e-auction process.

18 Debt Securities

The Company has categorised all debt securities at amortised cost in accordance with the requirements of Ind AS 109.

(₹ in Crores)

	Particulars	As at 31.03.2022		As at 31.03.2021	
		Face Value	Amortised Cost	Face Value	Amortised Cost
(A)	**Secured Long-Term Debt Securities**				
(i)	Institutional Bonds	1,955.00	2,065.31	3,470.00	3,679.52
(ii)	54EC Capital Gain Tax Exemption Bonds	24,146.13	25,025.49	17,264.97	17,901.65
(iii)	Tax Free Bonds	11,808.74	12,205.52	12,648.41	13,090.89
(iv)	Bond Application Money	1,291.54	1,291.13	856.62	854.71
	Sub-total (A)	**39,201.41**	**40,587.45**	**34,240.00**	**35,526.77**
(B)	**Unsecured Long-Term Debt Securities**				
(i)	Institutional Bonds	1,44,086.60	1,49,010.97	1,69,868.60	1,75,719.53
(ii)	Infrastructure Bonds	3.96	8.00	11.07	21.36
(iii)	Foreign Currency Bonds	30,322.85	30,027.15	26,461.71	26,060.40
	Sub-total (B)	**1,74,413.41**	**1,79,046.12**	**1,96,341.38**	**2,01,801.29**
	Total - Debt Securities (A+B)	**2,13,614.82**	**2,19,633.57**	**2,30,581.38**	**2,37,328.06**
	Debt Securities issued in/ outside India				
(i)	Debt Securities in India	1,83,291.97	1,89,606.42	2,04,119.67	2,11,267.66
(ii)	Debt Securities outside India	30,322.85	30,027.15	26,461.71	26,060.40
	Total - Debt Securities	**2,13,614.82**	**2,19,633.57**	**2,30,581.38**	**2,37,328.06**

Refer Note No. 20.2 for reconciliation between the figure represented in Face Value and Amortised Cost

Notes to Accounts

18.1 Details of Secured Long-Term Debt Securities - *Refer Note 19.5 for details of the security*

(i) Institutional Bonds

(₹ in Crores)

Particulars	As at 31.03.2022		As at 31.03.2021	
	Face Value	Amortised Cost	Face Value	Amortised Cost
123-I Series - 9.40% Redeemable at par on 17.07.2021	-	-	1,515.00	1,615.61
123-IIIB Series - 9.34% Redeemable at par on 23.08.2024	1,955.00	2,065.31	1,955.00	2,063.91
Total - Institutional Bonds	**1,955.00**	**2,065.31**	**3,470.00**	**3,679.52**

(ii) 54EC Capital Gain Tax Exemption Bonds

(₹ in Crores)

Particulars	As at 31.03.2022		As at 31.03.2021	
	Face Value	Amortised Cost	Face Value	Amortised Cost
Series XII (2018-19) - 5.75% Redeemable at par during financial year 2023-24	6,651.77	6,937.05	6,651.77	6,935.40
Series XIII (2019-20) - 5.75% Redeemable at par during financial year 2024-25	6,157.72	6,417.26	6,157.72	6,415.55
Series XIV (2020-21) - 5.75% and 5% Redeemable at par during financial year 2025-26	5,312.07	5,510.93	4,455.48	4,550.70
Series XV (2021-22) - 5% Redeemable at par during financial year 2026-27	6,024.57	6,160.25	-	-
Total - 54EC Capital Gain Tax Exemption Bonds	**24,146.13**	**25,025.49**	**17,264.97**	**17,901.65**

(iii) Tax Free Bonds

(₹ in Crores)

Particulars	As at 31.03.2022		As at 31.03.2021	
	Face Value	Amortised Cost	Face Value	Amortised Cost
Series 2011-12	2,160.33	2,287.99	3,000.00	3,176.71
Redeemable at par. Bonds amounting to ₹ 839.67 crores are redeemable on 28.03.2022 and bonds amounting to ₹ 2,160.33 crores are redeemable on 29.03.2027 with interest rates varying from 7.93% to 8.32% payable annually				
Series 2012-13 Series 2A & 2B	500.00	512.60	500.00	531.26
Redeemable at par. Bonds amounting to ₹ 255.00 crores are redeemable on 21.11.2022 and bonds amounting to ₹ 245.00 crores are redeemable on 22.11.2027 with interest rates of 7.21% and 7.38% respectively payable annually				
Series 2012-13 Tranche 1	2,017.35	2,065.32	2,017.35	2,041.10
Redeemable at par. Bonds amounting to ₹ 1,165.31 crores are redeemable on 19.12.2022 and bonds amounting to ₹ 852.04 crores are redeemable on 20.12.2027 with interest rates varying from 7.22% to 7.88% payable annually				
Series 2012-13 Tranche 2	131.06	134.06	131.06	138.66
Redeemable at par. Bonds amounting to ₹ 81.35 crores are redeemable on 27.03.2023 and bonds amounting to ₹ 49.71 crores are redeemable on 27.03.2028 with interest rates varying from 6.88% to 7.54% payable annually				
Series 2013-14 Series 3A & 3B	1,350.00	1,413.35	1,350.00	1,358.55
Redeemable at par. Bonds amounting to ₹ 209.00 crores are redeemable on 29.08.2023 and ₹ 1,141.00 crores are redeemable on 29.08.2028 with interest rates varying from 8.01% to 8.46% payable annually				

Notes to Accounts

(₹ in Crores)

Particulars	As at 31.03.2022		As at 31.03.2021	
	Face Value	Amortised Cost	Face Value	Amortised Cost
Series 2013-14 Tranche 1	3,440.60	3,528.73	3,440.60	3,530.70
Redeemable at par. Bonds amounting to ₹ 575.06 crores are redeemable on 25.09.2023, ₹ 2,810.26 crores are redeemable on 25.09.2028 and ₹ 55.28 crores are redeemable on 26.09.2033 with interest rates varying from 8.01% to 8.71% payable annually				
Series 2013-14 Series 4A & 4B	150.00	155.48	150.00	161.92
Redeemable at par. Bonds amounting to ₹ 105.00 crores are redeemable on 11.10.2023 and ₹ 45.00 crores are redeemable on 11.10.2028 with interest rates varying from 8.18% to 8.54% payable annually				
Series 2013-14 Tranche 2	1,059.40	1,086.83	1,059.40	1,131.05
Redeemable at par. Bonds amounting to ₹ 419.32 crores are redeemable on 22.03.2024, ₹ 530.42 crores are redeemable on 23.03.2029 and ₹ 109.66 crores are redeemable on 24.03.2034 with interest rates varying from 8.19% to 8.88% payable annually				
Series 2015-16 Series 5A	300.00	306.33	300.00	317.75
7.17% Redeemable at par on 23.07.2025				
Series 2015-16 Tranche 1	700.00	714.82	700.00	703.19
Redeemable at par. Bonds amounting to ₹ 105.93 crores are redeemable on 05.11.2025, ₹ 172.90 crores are redeemable on 05.11.2030 and ₹ 421.17 crores are redeemable on 05.11.2035 with interest rates varying from 6.89% to 7.43% payable annually				
Total - Tax Free Bonds	**11,808.74**	**12,205.52**	**12,648.41**	**13,090.89**

(iv) Bond Application Money

(₹ in Crores)

Particulars	As at 31.03.2022		As at 31.03.2021	
	Face Value	Amortised Cost	Face Value	Amortised Cost
54EC Capital Gain Tax Exemption Bonds	1,291.54	1,291.13	856.62	854.71
5% Redeemable at par after 5 years from the deemed date of allotment				
Total - Bond Application Money	**1,291.54**	**1,291.13**	**856.62**	**854.71**

18.2 Details of Unsecured Long-Term Debt Securities

(i) Institutional Bonds

(₹ in Crores)

Particulars	As at 31.03.2022		As at 31.03.2021	
	Face Value	Amortised Cost	Face Value	Amortised Cost
157th Series - 7.60% Redeemable at par on 17.04.2021	-	-	1,055.00	1,131.66
154th Series - 7.18% Redeemable at par on 21.05.2021	-	-	600.00	637.16
161B Series - 7.73% Redeemable at par on 15.06.2021	-	-	800.00	849.11
174th Series - 8.15% Redeemable at par on 18.06.2021	-	-	2,720.00	2,894.23
100th Series - 9.63% Redeemable at par on 15.07.2021	-	-	1,500.00	1,602.90
101-III Series - 9.48% Redeemable at par on 10.08.2021	-	-	3,171.80	3,364.42
184-B Series STRPP-B - 7.55% Redeemable at par on 26.09.2021**	-	-	300.00	311.58
139th Series - 7.24% Redeemable at par on 21.10.2021	-	-	2,500.00	2,575.17

Notes to Accounts

(₹ in Crores)

Particulars	As at 31.03.2022		As at 31.03.2021	
	Face Value	Amortised Cost	Face Value	Amortised Cost
105th Series - 9.75% Redeemable at par on 11.11.2021	-	-	3,922.20	4,069.73
127th Series - 8.44% Redeemable at par on 04.12.2021	-	-	1,550.00	1,664.92
141st Series - 7.14% Redeemable at par on 09.12.2021	-	-	1,020.00	1,038.03
177th Series - 8.50% Redeemable at par on 20.12.2021	-	-	1,245.00	1,274.16
190B Series - 6.32% Redeemable at par on 31.12.2021	-	-	2,489.40	2,502.64
193th Series - 6.99% Redeemable at par on 31.12.2021	-	-	1,115.00	1,121.46
165th Series - 8.83% Redeemable at par on 21.01.2022	-	-	2,171.00	2,207.16
145th Series - 7.46% Redeemable at par on 28.02.2022	-	-	625.00	628.85
132nd Series - 8.27% Redeemable at par on 09.03.2022	-	-	700.00	750.81
173th Series - 8.35% Redeemable at par on 11.03.2022	-	-	2,500.00	2,509.41
198A Series - 6.60% Redeemable at par on 21.03.2022	-	-	2,596.00	2,600.39
167th Series - 8.45% Redeemable at par on 22.03.2022	-	-	2,571.80	2,577.65
179th Series - 8.15% Redeemable at par on 10.06.2022	1,000.00	1,065.84	1,000.00	1,065.70
107th Series - 9.35% Redeemable at par on 15.06.2022	2,378.20	2,554.82	2,378.20	2,554.56
186A Series - 6.90% Redeemable at par on 30.06.2022	2,500.00	2,629.90	2,500.00	2,629.63
150th Series - 7.03% Redeemable at par on 07.09.2022	2,670.00	2,775.76	2,670.00	2,775.38
184-B Series STRPP-C - 7.55% Redeemable at par on 26.09.2022**	300.00	311.59	300.00	311.56
152nd Series - 7.09% Redeemable at par on 17.10.2022	1,225.00	1,264.38	1,225.00	1,264.18
111-II Series - 9.02% Redeemable at par on 19.11.2022	2,211.20	2,283.72	2,211.20	2,283.50
155th Series - 7.45% Redeemable at par on 30.11.2022	1,912.00	1,959.41	1,912.00	1,958.74
185th Series - 7.09% Redeemable at par on 13.12.2022	2,769.00	2,827.36	2,769.00	2,826.46
187th Series - 7.24% Redeemable at par on 31.12.2022	2,090.00	2,127.51	2,090.00	2,127.24
159th Series - 7.99% Redeemable at par on 23.02.2023	950.00	957.53	950.00	957.57
188A Series - 7.12% Redeemable at par on 31.03.2023	1,400.00	1,400.22	1,400.00	1,400.17
114th Series - 8.82% Redeemable at par on 12.04.2023	4,300.00	4,667.36	4,300.00	4,666.94
195th Series - 6.92% Redeemable at par on 22.04.2023	2,985.00	3,179.43	2,985.00	3,179.21
191A Series - 6.80% Redeemable at par on 30.06.2023	1,100.00	1,106.39	1,100.00	1,106.06
200th Series PP-MLD - 5.36% Redeemable at par on 30.06.2023*	500.00	546.01	500.00	518.94
184-B Series STRPP-D - 7.55% Redeemable at par on 26.09.2023**	300.00	311.57	300.00	311.54
202B Series - 5.69% Redeemable at par on 30.09.2023	2,474.00	2,544.12	2,474.00	2,556.56
205-A Series - 4.99 % Redeemable at par on 31.01.2024	2,135.00	2,151.79	2,135.00	2,157.04
209th Series - 5.79 % Redeemable at par on 20.03.2024	1,550.00	1,552.38	1,550.00	1,552.62
210th Series - 5.74 % Redeemable at par on 20.06.2024	4,000.00	4,215.56	-	-
180-A Series - 8.10% Redeemable at par on 25.06.2024	1,018.00	1,075.09	1,018.00	1,072.68
191B Series - 6.99% Redeemable at par on 30.09.2024	1,100.00	1,106.48	1,100.00	1,106.18
212th Series - Floating (linked to T-Bill) Redeemable at par on 31.10.2024	2,500.00	2,538.84	-	-
186B Series - 7.40% Redeemable at par on 26.11.2024	1,500.00	1,537.91	1,500.00	1,537.78
128th Series - 8.57% Redeemable at par on 21.12.2024	2,250.00	2,418.88	2,250.00	2,418.67
129th Series - 8.23% Redeemable at par on 23.01.2025	1,925.00	2,063.71	1,925.00	2,063.52
130th Series - 8.27% Redeemable at par on 06.02.2025	2,325.00	2,493.36	2,325.00	2,493.14
131st Series - 8.35% Redeemable at par on 21.02.2025	2,285.00	2,304.25	2,285.00	2,304.22
190A Series - 6.88% Redeemable at par on 20.03.2025	2,500.00	2,514.48	2,500.00	2,513.83
201A Series - 5.90% Redeemable at par on 31.03.2025	900.00	935.39	900.00	935.50
133rd Series - 8.30% Redeemable at par on 10.04.2025	2,396.00	2,453.50	2,396.00	2,453.28

Notes to Accounts

(₹ in Crores)

Particulars	As at 31.03.2022		As at 31.03.2021	
	Face Value	Amortised Cost	Face Value	Amortised Cost
94th Series - 8.75% Redeemable at par on 09.06.2025	1,250.00	1,339.00	1,250.00	1,339.00
95-II Series - 8.75% Redeemable at par on 14.07.2025	1,800.00	1,913.49	1,800.00	1,913.49
136th Series - 8.11% Redeemable at par on 07.10.2025	2,585.00	2,670.75	2,585.00	2,671.10
203B Series - 5.85% Redeemable at par on 20.12.2025	2,777.00	2,821.01	2,777.00	2,844.16
204B Series - 5.81% Redeemable at par on 31.12.2025	2,082.00	2,111.47	2,082.00	2,116.78
205-B Series - 5.94 % Redeemable at par on 31.01.2026	2,000.00	2,018.82	2,000.00	2,024.68
211th Series - 6.23% Redeemable at par on 31.10.2031 with Put/ Call option exercisable on 31.10.2026	1,200.00	1,232.57	-	-
140th Series - 7.52% Redeemable at par on 07.11.2026	2,100.00	2,152.19	2,100.00	2,151.65
142nd Series - 7.54% Redeemable at par on 30.12.2026	3,000.00	3,066.06	3,000.00	3,055.87
147th Series - 7.95% Redeemable at par on 12.03.2027	2,745.00	2,750.60	2,745.00	2,745.44
156th Series - 7.70% Redeemable at par on 10.12.2027	3,533.00	3,614.30	3,533.00	3,612.72
162nd Series - 8.55% Redeemable at par on 09.08.2028	2,500.00	2,637.39	2,500.00	2,637.36
163rd Series - 8.63% Redeemable at par on 25.08.2028	2,500.00	2,628.01	2,500.00	2,627.99
168th Series - 8.56% Redeemable at par on 29.11.2028	2,552.40	2,625.69	2,552.40	2,624.45
169th Series - 8.37% Redeemable at par on 07.12.2028	2,554.00	2,620.97	2,554.00	2,621.52
176th Series - 8.85% Redeemable at par on 16.04.2029	1,600.70	1,735.73	1,600.70	1,735.65
178th Series - 8.80% Redeemable at par on 14.05.2029	1,097.00	1,169.96	1,097.00	1,168.79
180-B Series - 8.30% Redeemable at par on 25.06.2029	2,070.90	2,169.56	2,070.90	2,166.39
184-A Series - 8.25% Partly Paid Debentures Redeemable at par on 26.09.2029	870.60	907.18	580.40	604.76
192nd Series - 7.50% Redeemable at par on 28.02.2030	2,382.00	2,396.36	2,382.00	2,395.75
188B Series - 7.89% Redeemable at par on 31.03.2030	1,100.00	1,100.09	1,100.00	1,100.08
189th Series - 7.92% Redeemable at par on 31.03.2030	3,054.90	3,054.91	3,054.90	3,054.85
197th Series - 7.55% Redeemable at par on 11.05.2030	3,740.00	3,989.89	3,740.00	3,989.76
198B Series - 7.79% Redeemable at par on 21.05.2030	1,569.00	1,673.76	1,569.00	1,673.70
202A Series - 7.25% Redeemable at par on 30.09.2030	3,500.00	3,627.03	3,500.00	3,649.96
203A Series - 6.80% Redeemable at par on 20.12.2030	5,000.00	5,094.06	5,000.00	5,142.50
204A Series - 6.90% Redeemable at par on 31.01.2031	2,500.00	2,527.79	2,500.00	2,527.31
201B Series - 6.90% Redeemable at par on 31.03.2031	1,300.00	1,359.79	1,300.00	1,360.02
213th Series - 6.92% Redeemable at par on 20.03.2032	1,380.00	1,382.86	-	-
182nd Series - 8.18% Redeemable at par on 22.08.2034	5,063.00	5,314.67	5,063.00	5,314.66
183rd Series - 8.29% Redeemable at par on 16.09.2034	3,028.00	3,163.24	3,028.00	3,163.23
207th Series - 7.02 % Redeemable at par on 31.01.2036	4,589.90	4,641.75	4,589.90	4,644.40
208th Series - 7.40 % Redeemable at par on 15.03.2036	3,613.80	3,625.48	3,613.80	3,627.67
Total - Institutional Bonds	**1,44,086.60**	**1,49,010.97**	**1,69,868.60**	**1,75,719.53**

** PP-MLD- Principal Protected Market Linked Debentures*

*** STRPP- Separately Transferable Redeemable Principal Parts*

(ii) Infrastructure Bonds

(₹ in Crores)

Particulars	As at 31.03.2022		As at 31.03.2021	
	Face Value	Amortised Cost	Face Value	Amortised Cost
Series-II (2011-12) - Redeemable at par	3.96	8.00	11.07	21.36
Total - Infrastructure Bonds	**3.96**	**8.00**	**11.07**	**21.36**

Notes to Accounts

Details of Infrastructure Bonds issued are as under :

Series II (2011-12) allotted on 15.02.2012

(₹ in Crores)

Rate of Interest	As at 31.03.2022	As at 31.03.2021	Redemption Details
8.95% Cumulative	-	5.73	Redeemable on the date falling 10 years from the date of allotment
8.95% Annual	-	1.38	
9.15% Cumulative	2.83	2.83	Redeemable on the date falling 15 years from the date of allotment
9.15% Annual	1.13	1.13	
Total	**3.96**	**11.07**	

Amounts have been shown at face value

(iii) Foreign Currency Bonds

(₹ in Crores)

Particulars	As at 31.03.2022		As at 31.03.2021	
	Face Value	Amortised Cost	Face Value	Amortised Cost
4.75% US $500 Mn Bonds - Redeemable at par on 19.05.2023	3,790.36	3,848.85	3,675.24	3,726.60
5.250% US $700 Mn Bonds - Redeemable at par on 13.11.2023	5,306.50	5,387.23	5,145.33	5,209.90
3.375% US $650 Mn Bonds - Redeemable at par on 25.07.2024	4,927.46	4,941.02	4,777.81	4,784.36
3.50% US $500 Mn Bonds - Redeemable at par on 12.12.2024	3,790.36	3,822.14	3,675.24	3,703.43
2.25% US $500 Mn Bonds - Redeemable at par on 01.09.2026	3,790.36	3,785.82	3,675.24	3,672.19
2.75% US $400 Mn Bonds - Redeemable at par on 13.01.2027	3,032.28	3,045.13	-	-
3.875% US $450 Mn Green Bonds - Redeemable at par on 07.07.2027	3,411.32	3,102.47	3,307.71	2,956.72
4.625% US $300 Mn Bonds - Redeemable at par on 22.03.2028	2,274.21	2,094.49	2,205.14	2,007.20
Total - Foreign Currency Bonds	**30,322.85**	**30,027.15**	**26,461.71**	**26,060.40**

Global Medium Term Note (GMTN) Programme

The Company has a Global Medium Term Note (GMTN) Programme of USD 7 Billion which is listed on SGX-ST (Singapore Stock Exchange - Securities Trading), LSE-ISM (London Stock Exchange – International Securities Market), GSM (Global Securities Market)of the India INX (India International Exchange) and NSE IFSC (NSE International Exchange). The summay of funds raised under the GMTN Programme is as below:

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Funds raised during the year under GMTN Programme	**USD 0.4 Billion**	**USD 1 Billion**
Cumulative amount raised under GMTN Programme	USD 4.4 Billion	USD 4 Billion
Outstanding amount out of funds raised under GMTN Programme	USD 4.0 Billion	USD 3.6 Billion

The amounts raised during the year have been utilized for the stated objects in the Offering Circular. Further, there has been no default as on the Balance Sheet date in the repayment of debt securities and borrowings and the Company has met all its debt servicing obligations, whether principal or interest, during the year.

19 Borrowings (Other than Debt Securities)

The Company has categorised all borrowings (other than debt securities) at Amortised Cost in accordance with the requirements of Ind AS 109.

(₹ in Crores)

	Particulars	As at 31.03.2022		As at 31.03.2021	
		Principal O/s	Amortised Cost	Principal O/s	Amortised Cost
(A)	**Unsecured Long-Term Borrowings**				
(i)	Term Loans from Banks	42,878.32	42,919.86	29,938.58	29,953.76
(ii)	Term Loans from Financial Institutions	6,800.00	6,800.00	5,800.00	5,800.00
(iii)	Foreign Currency Borrowings	35,634.60	35,329.87	21,024.72	20,890.94

Notes to Accounts

(₹ in Crores)

	Particulars	As at 31.03.2022		As at 31.03.2021	
		Principal O/s	Amortised Cost	Principal O/s	Amortised Cost
(iv)	Term Loans from Govt. of India	10,000.00	10,325.12	10,000.00	10,325.12
(v)	Lease Liability	0.03	0.03	0.05	0.05
	Sub-total (A)	**95,312.95**	**95,374.88**	**66,763.35**	**66,969.87**
(B)	**Unsecured Short-Term Borrowings**				
(i)	FCNR (B) Loans	9,854.92	9,861.13	5,329.10	5,335.01
(ii)	Short Term Loans/ Loans repayable on demand from Banks	1,410.93	1,415.58	10,186.52	10,201.99
(iii)	Loans repayable on demand from Holding Company	-	-	3,000.00	3,000.49
	Sub-total (B)	**11,265.85**	**11,276.71**	**18,515.62**	**18,537.49**
	Total - Borrowings (other than Debt Securities) (A to B)	**1,06,578.80**	**1,06,651.59**	**85,278.97**	**85,507.36**
	Borrowings (other than Debt Securities) in/ outside India				
(i)	Borrowings in India	70,944.20	71,321.72	64,254.25	64,616.42
(ii)	Borrowings outside India	35,634.60	35,329.87	21,024.72	20,890.94
	Total - Borrowings (other than Debt Securities)	**1,06,578.80**	**1,06,651.59**	**85,278.97**	**85,507.36**

Please refer Note No. 20.2 for reconciliation between the figure represented in Face Value and Amortised Cost

19.1 Details of Unsecured Long-term Borrowings

(i) Term Loans from Banks

(₹ in Crores)

Particulars	As at 31.03.2022		As at 31.03.2021	
	Principal O/s	Amortised Cost	Principal O/s	Amortised Cost
- Canara Bank ₹ 500 crores repaid on 05.07.2021, ₹ 500 crores repaid on 03.01.2022.	-	-	1,000.00	1,000.00
- Bank of Baroda ₹ 2,000 crores repaid on 29.10.2021.	-	-	2,000.00	2,000.36
- State Bank of India ₹ 4,999.98 crores repayable in 7 semi-annual instalments, first instalment due on 14.07.2022; ₹ 1,379.46 crores repayable in 3 annual instalments, next instalment due on 05.09.2022; ₹ 2,349.86 crores with ₹ 1650 crore repayable on 15.10.2022 and ₹ 699.86 crores on 05.03.2023; and ₹ 4,000 crores repayable in structured instalments, first instalment due on 29.10.2023.	12,729.30	12,729.30	10,839.90	10,839.90
- HDFC Bank ₹ 650 crores repayable on 30.09.2022, ₹ 2000 crores repayable on 04.12.2022, ₹ 2000 crores repayable on 15.06.2023, ₹ 1500 crores repayable on 19.06.2023, ₹ 300 crores repayable on 29.09.2023, ₹ 1500 crores repayable on 30.09.2023, ₹ 350 crores repayable on 11.10.2023, ₹ 350 crores repayable on 05.11.2023, ₹ 500 crores repayable on 15.01.2024, ₹ 850 crores repayable on 17.11.2026 and ₹ 2000 crores repayable on 31.03.2027.	12,000.00	12,040.15	4,650.00	4,664.47
- Punjab National Bank ₹ 1,996.98 crores repayable in 3 annual instalments, first instalment due on 27.08.2023, ₹ 2,000 crores repayable on 11.11.2026 and ₹ 1,000 crores repayable in 5 annual instalments, first instalment due on 29.03.2028.	4,996.98	4,996.98	4,396.84	4,396.84

(₹ in Crores)

Particulars	As at 31.03.2022		As at 31.03.2021	
	Principal O/s	Amortised Cost	Principal O/s	Amortised Cost
- ICICI Bank ₹ 2,000 crores repayable in 9 annual instalments, first instalment due on 28.09.2023 and ₹ 850 crores repayable in 17 semi-annual instalments, first instalment due on 09.12.2023.	2,850.00	2,850.48	-	-
- Deutsche Bank ₹ 500 crores repayable on 18.12.2023 and ₹ 500 crores repayable on 21.05.2024	1,000.00	1,000.15	500.00	500.08
- JP Morgan Chase Bank ₹ 1,500 crores repayable on 26.03.2024	1,500.00	1,500.00	1,500.00	1,500.00
- Bank of India ₹ 749.87 crores repayable in 5 annual instalments, first instalment due on 27.09.2024.	749.87	750.00	-	-
- HSBC Bank ₹ 565 crores repayable on 19.05.2025, ₹ 187.49 crores repayable on 18.12.2025, ₹ 900 crores repayable on 25.03.2026, ₹ 500 crores repayable on 06.07.2026, ₹ 500 crores repayable on 09.07.2026, ₹ 85 crores repayable on 25.03.2030 and ₹ 665 crores repayable on 28.03.2030	3,402.49	3,403.03	1,652.50	1,652.77
- Central Bank ₹ 500 crores repayable in 7 annual instalments, first instalment due on 28.02.2026.	500.00	500.00	-	-
- Jammu & Kashmir Bank ₹ 300 crores repayable on 28.10.2026	300.00	300.05	-	-
- Karur Vysya Bank ₹ 250 crores repayable on 29.10.2026	250.00	250.04	-	-
- South Indian Bank ₹ 300 crores repayable on 08.11.2026	300.00	300.00	-	-
- Mizuho Bank ₹ 300 crores repayable on 21.01.2027	300.00	300.00	-	-
- Union Bank of India ₹ 1,999.68 crores repayable in 5 annual instalments, first instalment due on 31.03.2027.	1,999.68	1,999.68	3,399.34	3,399.34
Total - Unsecured Term Loans from Banks	**42,878.32**	**42,919.86**	**29,938.58**	**29,953.76**

(ii) Term Loans from Others - Financial Institutions

(₹ in Crores)

Particulars	As at 31.03.2022		As at 31.03.2021	
	Principal O/s	Amortised Cost	Principal O/s	Amortised Cost
- Indian Infrastructure Finance Company Ltd. (IIFCL) ₹ 1,000 crores repayable on 03.06.2022 and ₹ 800 crores repayable on 23.06.2023, ₹ 1500 crores repayable on 23.02.2024, ₹ 500 crores repayable on 14.03.2024, ₹ 1000 crores repayable on 25.03.2026, ₹ 1000 crores repayable on 27.03.2026 and ₹ 1000 crores repayable on 09.08.2026	6,800.00	6,800.00	5,800.00	5,800.00
Total - Term Loans from Others - Financial Institutions	**6,800.00**	**6,800.00**	**5,800.00**	**5,800.00**

(iii) Foreign Currency Borrowings

(₹ in Crores)

	Particulars	As at 31.03.2022		As at 31.03.2021	
		Principal O/s	Amortised Cost	Principal O/s	Amortised Cost
(1)	**ODA Loans - Guaranteed by Govt. of India**				
	JICA Loan - JICA-II loan repayable in half-yearly instalments till 20.03.2023, next instalment falling due on 20.09.2022	23.47	23.48	50.06	50.07
	KfW-III Loan - Repayable in equal half-yearly instalments of €5.26 Mn till 30.03.2024, next instalment falling due on 30.06.2022	222.81	223.55	317.22	317.87
	Sub-Total (1)	**246.28**	**247.03**	**367.28**	**367.94**
(2)	**ODA Loans - Without Govt. Guarantee**				
	KfW-IV Loan - Repayable in equal half-yearly instalments of €12.00 Mn till 15.11.2030, next instalment falling due on 15.05.2022	1,637.43	1,639.80	1,241.16	1,243.23
	Sub-Total (2)	**1,637.43**	**1,639.80**	**1,241.16**	**1,243.23**
(3)	**Bilateral/ Syndicated Loans**				
	US $100 Mn - Repayable on 05.10.2021	-	-	735.05	733.36
	US $230 Mn - Repayable on 19.01.2022	-	-	1,690.61	1,676.86
	US $200 Mn - Repayable on 28.07.2022	1,516.14	1,516.11	1,470.09	1,461.67
	US $150 Mn - Repayable on 11.09.2022	1,137.11	1,136.75	1,102.57	1,097.49
	US $250 Mn - Repayable on 29.08.2023	1,895.18	1,895.18	1,837.62	1,831.68
	¥ 10,327.12 Mn - Repayable on 08.08.2023	642.66	636.04	685.31	673.06
	US $250 Mn - Repayable on 27.03.2024	1,895.18	1,880.88	1,837.62	1,815.96
	US $150 Mn - Repayable on 29.03.2024	1,137.11	1,125.35	1,102.57	1,085.82
	US $100 Mn - Repayable on 01.07.2024	758.07	755.34	735.05	729.68
	SG $72.08 Mn - Repayable on on 30.03.2025	403.21	396.92	391.79	383.78
	US $75 Mn - Repayable on 30.03.2025	568.55	561.90	551.29	542.57
	US $170 Mn - $100 Mn repayable on 26.03.2025 and $ 70 Mn repayable on 06.10.2025	1,288.72	1,288.65	1,249.58	1,249.55
	¥ 10,519 Mn - Repayable on 25.09.2025	654.60	645.86	698.04	686.00
	US $425 Mn - Repayable on 16.03.2026	3,221.80	3,207.65	3,123.95	3,095.46
	US $600 Mn - Repayable on 25.08.2026	4,548.43	4,499.53	-	-
	US $75 Mn - Repayable on 07.10.2026	568.55	565.00	-	-
	US $1175 Mn - Repayable on 29.12.2026	8,907.33	8,751.96	-	-
	¥ 37506 Mn - Repayable on 03.03.2027	2,334.04	2,293.52	-	-
	US $300 Mn - Repayable on 02.06.2030	2,274.21	2,286.40	2,205.14	2,216.83
	Sub-Total (3)	**33,750.89**	**33,443.04**	**19,416.28**	**19,279.77**
	Total - Foreign Currency Borrowings (1+2+3)	**35,634.60**	**35,329.87**	**21,024.72**	**20,890.94**

(iv) Term Loans from Govt. of India

(₹ in Crores)

Particulars	As at 31.03.2022		As at 31.03.2021	
	Principal O/s	Amortised Cost	Principal O/s	Amortised Cost
- Loan from National Small Savings Fund (NSSF) ₹ 5000 crores repayable on 13.12.2028 and ₹ 5000 crores repayable on 04.10.2029	10,000.00	10,325.12	10,000.00	10,325.12
Total - Term Loans from Govt.	**10,000.00**	**10,325.12**	**10,000.00**	**10,325.12**

19.2 Unsecured Short-Term Borrowings

(i) FCNR (B) Loans

(₹ in Crores)

Particulars	As at 31.03.2022		As at 31.03.2021	
	Principal O/s	Amortised Cost	Principal O/s	Amortised Cost
US$75 Mn - Repaid on 22.04.2021	-	-	551.29	553.09
US$75 Mn - Repaid on 20.05.2021	-	-	551.29	553.11
US$75 Mn - Repaid on 15.11.2021	-	-	551.29	551.29
US$200 Mn - Repaid on 20.12.2021	-	-	1,470.09	1,470.15
US$200 Mn - Repaid on 30.12.2021	-	-	1,470.09	1,472.31
US$100 Mn - Repaid on 30.12.2021	-	-	735.05	735.06
US$200 Mn - Repayable on 24.05.2022	1,516.14	1,517.78	-	-
US$150 Mn - Repayable on 27.05.2022	1,137.11	1,137.16	-	-
US$200 Mn - Repayable on 03.06.2022	1,516.14	1,516.21	-	-
US$25 Mn - Repayable on 07.06.2022	189.52	189.72	-	-
US$150 Mn - Repayable on 18.06.2022	1,137.11	1,137.17	-	-
US$200 Mn - Repayable on 10.12.2022	1,516.14	1,517.90	-	-
US$75 Mn - Repayable on 14.12.2022	568.55	569.21	-	-
US$200 Mn - Repayable on 30.12.2022	1,516.14	1,517.91	-	-
US$100 Mn - Repayable on 23.02.2023	758.07	758.07	-	-
Total - FCNR (B) Loans	**9,854.92**	**9,861.13**	**5,329.10**	**5,335.01**

19.3 Term Loans from banks/ financial institutions/ Govt. as mentioned in Note No. 19.1 (i), (ii) and (iv) have been raised at interest rates ranging from 5.00% to 8.29% payable on monthly/quarterly/semi annual rests.

19.4 Foreign Currency Borrowings in Note No. 19.1(iii) have been raised at fixed interest rates ranging from 0.65% to 1.86% per annum and variable interest rates ranging from a spread of 13 bps to 210 bps over external benchmarks including 1/3/6 Months' USD LIBOR (London Inter Bank Offered Rate), SORA (Singapore Overnight Rate Average), TONAR (Tokyo Overnight Average Rate), SOFR (Secured Overnight Financing Rate) and Credit Adjustment Spread as applicable on transition of loans to new benchmark rates.

19.5 Security Details of Secured Debt Securities and Borrowings

For all the secured bonds issued by the Company and outstanding as at balance sheet date, 100% security cover has been maintained by way of mortgage on certain immovable properties and/or charge on the receivables of the Company.

The Bond Series 123-IIIB of Institutional Bonds are secured by way of first pari passu charge on the specified immovable property and the book debts of the Issuer which are charged to other lender / trustee and as may be agreed between the Issuer and the Trustee, pursuant to the terms of the Bond Trust Deed with a minimum security cover of one time of the aggregate face value of amount of bonds outstanding at all times and amount of interest due thereon in favor of IDBI Trusteeship Services Ltd.

Tax Free Bonds issued during FY 2011-12 are secured by first pari passu charge on premises at Shop No. 12, Ground Floor, Block No. 35, Church Road, Mylapore, Chennai and hypothecation of receivables of ₹ 4,998.66 Crores of MSEDCL in favour of Vistra ITCL (India) Ltd. (formerly known as IL&FS Trust Company Ltd.).

Tax Free Bonds issued during FY 2013-14 are secured by first pari passu charge on the book debts (other than those that are exclusively charged/earmarked to lenders / other Trustees) of the Company in favour of SBICap Trustee Company Ltd.

The Bond Series XII and XIII of 54EC Capital Gain Tax Exemption Bonds and Tax Free Bonds issued during FY 2012-13 & 2015-16 are secured by first pari passu charge on (a) mortgage of premises at Sub Plot No. 8, TPS No 2, FP No. 584P, situated at Village Subhanpura, Distt Vadodara and (b) hypothecation of receivables (other than those that are exclusively charged/ earmarked to lenders / other Trustees) in favour of SBICap Trustee Company Ltd.

The Bond Series XIV and XV of 54EC Capital Gain Tax Exemption Bonds are secured by first pari passu charge on hypothecation of receivables (other than those that are exclusively charged/ earmarked to lenders / other Trustees) in favour of SBICap Trustee Company Ltd.

Refer Note No. 9 and 15.2 for the carrying value of receivables and Property, Plant and Equipment (PPE) pledged as security.

19.6 No charges or satisfaction are yet to be registered with Registrar of Companies ROC beyond the respective statutory date.

20 Subordinated Liabilities

The Company has categorised all debt securities at amortised cost in accordance with the requirements of Ind AS 109.

(₹ in Crores)

	Particulars	As at 31.03.2022		As at 31.03.2021	
		Face Value	Amortised Cost	Face Value	Amortised Cost
(i)	115th Series - Subordinate Tier-II Bonds - 8.06% Redeemable at par on 31.05.2023	2,500.00	2,668.11	2,500.00	2,667.90
(ii)	175th Series - Subordinate Tier-II Bonds - 8.97% Redeemable at par on 28.03.2029	2,151.20	2,100.70	2,151.20	2,151.45
(iii)	199th Series - Subordinate Tier-II Bonds - 7.96% Redeemable at par on 15.06.2030	1,999.50	2,047.66	1,999.50	2,127.54
	Total - Subordinated Liabilities	**6,650.70**	**6,816.47**	**6,650.70**	**6,946.89**
	Subordinated Liabilities in/ outside India				
(i)	Borrowings in India	6,650.70	6,816.47	6,650.70	6,946.89
(ii)	Borrowings outside India	-	-	-	-
	Total - Subordinated Liabilities	**6,650.70**	**6,816.47**	**6,650.70**	**6,946.89**

Refer Note No. 20.2 for reconciliation between the figure represented in Face Value and Amortised Cost

20.1 Ratings assigned by credit rating agencies and migration of ratings during the year

Particulars	Rating
Domestic Long-term Borrowings	CRISIL AAA, ICRA AAA, CARE AAA, IND AAA
Domestic Long Term Principal Protected Market Linked Debentures	CRISIL PP-MLD AAAr, ICRA PP-MLD AAA
Domestic Perpetual Bonds	CRISIL AAA, CARE AA+
Domestic Short term Borowings	CRISIL A1+, ICRA A1+, CARE A1+, IND A1+
International Long-term Issuer Rating	BBB- (Fitch), Baa3 (Moody's)

There has been no migration of ratings during the year.

20.2 Reconciliation between carrying values and the contractual amounts outstanding in respect of Borrowings:

(₹ in Crores)

Particulars	Debt Securities	Other Borrowings	Subordinated Liabilities	Total
As at 31st March 2022				
Total Amount as per Ind-AS	**2,19,633.57**	**1,06,651.59**	**6,816.47**	**3,33,101.63**
Less: Interest accrued on Borrowings classified under the same head as per Ind-AS	(6,737.95)	(430.69)	(296.94)	(7,465.58)
Add: Ind-AS Adjustments	719.20	357.90	131.17	1,208.27
Total Borrowings Outstanding	**2,13,614.82**	**1,06,578.80**	**6,650.70**	**3,26,844.32**
As at 31st March 2021				
Total Amount as per Ind-AS	**2,37,328.06**	**85,507.36**	**6,946.89**	**3,29,782.31**
Less: Interest accrued on Borrowings classified under the same head as per Ind-AS	(7,571.09)	(397.62)	(299.48)	(8,268.19)
Add: Ind-AS Adjustments	824.41	169.23	3.29	996.93
Total Borrowings Outstanding	**2,30,581.38**	**85,278.97**	**6,650.70**	**3,22,511.05**

20.3 The Company raises funds in different currencies through a mix of term loans from banks/ financial institutions/ Govt. agencies and bonds of different tenors through private placement of debt securities. The amounts raised during the year have been utilized for the stated objects in the offer document/ information memorandum. Further, there has been no default as on the Balance Sheet date in the repayment of debt securities, borrowings and subordinated liabilities and the Company has met all its debt servicing obligations, whether principal or interest, during the year.

20.4 The Company is a 'Large Corporate' in terms of the 'Framework for Fund raising by issuance of Debt Securities by Large Entities' laid under the SEBI Circular No. SEBI/HO/DDHS/P/CIR/2021/613 dated 10th August 2021. Disclosures required under the said circular are given below:

(all figures in ₹ Crores)

Particulars		Details
(1)	Name of the company	REC Limited
(2)	CIN	**L40101DL1969GOI005095**
(3)	Outstanding borrowing of company as on 31st March 2022 *	251504.70
(4)	Highest Credit Rating during the previous FY along with name of the Credit Rating Agency	ICRA AAA, CRISIL AAA, CARE AAA, IRRPL AAA
(5)	Name of Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	Bombay Stock Exchange
	Details of the borrowings	
(i)	2-year block period	2021-22 & 2022-23
(ii)	Incremental borrowing done in the FY 2021-22 **(a)**	42,966.99
(iii)	Mandatory borrowing to be done through debt securities in FY 2021-22 **(b) = (25% of a)**	10,741.75
(iv)	Actual borrowings done through debt securities in FY 2021-22 **(c)**	16,686.31
(v)	Shortfall in the borrowing through debt securities, if any, for FY 2020-21 carried forward to FY 2021-22 **(d)**	Nil
(vi)	Quantum of (d), which has been met from **(c) (e)**	Nil
(vii)	Shortfall, if any, in the mandatory borrowing through debt securities for FY 2021-22 {after adjusting for any shortfall in borrowing for FY 2020-21 which was carried forward to FY 2021-22 **(f)= (b)-[(c)-(e)]**	Nil

** Borrowings as mentioned in (3) above include all outstanding borrowings with original maturity of more than 1 year, but do not include external commercial borrowings as per the SEBI Circular.*

21 Other Financial Liabilities

(₹ in Crores)

Particulars		As at 31.03.2022	As at 31.03.2021
(A)	**Unpaid Dividends (Refer Note 21.1)**	6.39	5.79
(B)	**Bond Application Money refundable and interest accrued thereon**	-	0.01
(C)	**Unpaid Principal & Interest on Bonds (Refer Note 21.1)**		
	- Matured Bonds & Interest Accrued thereon	22.01	49.77
	- Interest on Bonds	6.72	18.95
	Sub-total (C)	**28.73**	**68.72**
(D)	**Funds Received from Govt. of India for Disbursement as Subsidy/ Grant (cumulative)**	95,578.81	89,640.91
	Add: Interest on such funds (net of refund)	3.95	2.63
	Less: Disbursed to Beneficiaries (cumulative)	(94,808.08)	(88,575.58)
	Undisbursed Funds to be disbursed as Subsidy/ Grant	**774.68**	**1,067.96**
(E)	**Payables towards Bonds Fully serviced by Govt. of India (Refer Note No. 21.5)**	24,318.29	24,314.43
(F)	**Other Liabilities**	447.75	477.19
	Total (A to F)	**25,575.84**	**25,934.10**

21.1 Unpaid dividends, unpaid principal and interest on bonds include the amounts which have either not been claimed by the investors or are on hold pending formalities pursuant to investors' claims etc. The amount due to be transferred to Investor Education and Protection Fund (IEPF) as at 31st March 2022 is ₹ 1.22 crores (₹ 0.62 crores as at 31st March 2021) which has been transferred within the prescribed time limit.

21.2 Subsidy Under Accelerated Generation & Supply Programme (AG&SP):

The Company is maintaining an Interest Subsidy Fund Account and was given AG&SP subsidy (for disbursement to the eligible borrowers) by Govt. of India at net present value calculated at indicative rates and year in accordance with GOI's letter vide D.O.No. 32024/17/97-PFC dated 23.09.1997 and O.M.No.32024/23/2001-PFC dated 07.03.2003 irrespective of the actual repayment schedule, moratorium year and duration of repayment of the eligible schemes. The impact of difference between the indicative rate and year considered at the time of drawl and the actual can be ascertained only after the end of the respective schemes.

Net amount of ₹ 0.73 Crores as at 31st March 2022 (₹ 0.71 Crores as at 31st March 2021) represents the balance amount of interest subsidy fund, which is to be passed on to the borrowers against their interest liability arising in future, under Accelerated Generation & Supply Programme (AG&SP), which comprises of the following :-

(₹ in Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Opening Balance of Interest Subsidy Fund	**0.71**	**0.69**
Add: Interest earned during the year	0.02	0.02
Less: Interest subsidy passed on to the borrower	-	-
Closing Balance of Interest Subsidy Fund	**0.73**	**0.71**

21.3 Government of India has appointed REC Ltd. as a nodal agency for implementation of Deen Dayal Upadhyaya Gram Jyoti Yojna (DDUGJY), Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya) and Revamped Distribution Sector Scheme (RDSS). The funds received for disbursement to various agencies under the schemes are kept in a respective separate bank accounts. The undisbursed funds for the schemes (including the funds received under erstwhile RGGVY Scheme) including interest earned thereto are classified under "Undisbursed Funds to be disbursed as Subsidy/ Grant" under the head "Other Financial Liabilities".

21.4 The movement in Interest on Subsidy/ Grant is explained as under:

(₹ in Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Opening Balance	**2.63**	**7.75**
Add: Interest earned during the year	19.81	26.38
Less: Amount refunded to Govt. during the year	(18.50)	(31.50)
Closing Balance	**3.95**	**2.63**

21.5 For meeting GOI's funding requirement of DDUGJY Scheme, during the year, the Company has raised funds an aggregate amount of ₹ Nil (Previous year ₹ 2,500 crores) through unsecured, redeemable, non-convertible, taxable bonds in the nature of debentures of face value of ₹ 10 lacs at par on private placement basis. As per Ministry of Finance (MoF) letter dated 2nd December, 2020 and 3rd March, 2021, the repayment of principal and interest of the above bonds shall be made by GoI by making suitable budget provisions in the demand of Ministry of Power. Accordingly, the amount of such bonds along-with interest is also appearing as recoverable by the Company from Govt. of India (Note 11).

Details of the GoI Fully Serviced Bonds raised are as follows:

(₹ in Crores)

Particulars	Coupon Rate	Interest Frequency	Redemption Date	As at 31.03.2022	As at 31.03.2021
GoI-I Series	8.09%	Semi-annual	21-03-2028	1,837.00	1,837.00
GoI-II Series	8.01%	Semi-annual	24-03-2028	1,410.00	1,410.00
GoI-III Series	8.06%	Semi-annual	27-03-2028	753.00	753.00
GoI-IV Series	8.70%	Semi-annual	28-09-2028	3,000.00	3,000.00
GoI-V Series	8.54%	Semi-annual	15-11-2028	3,600.00	3,600.00
GoI-VI Series	8.80%	Semi-annual	22-01-2029	2,027.00	2,027.00
GoI-VII Series	8.60%	Semi-annual	08-03-2029	1,200.00	1,200.00
GoI-VIII Series	8.30%	Semi-annual	25-03-2029	4,000.00	4,000.00
GoI- IX Series	7.14%	Semi-annual	02-03-2030	1,500.00	1,500.00
GoI- X Series	8.25%	Semi-annual	26-03-2030	532.30	532.30
GoI- XI Series	7.20%	Semi-annual	31-03-2030	1,750.00	1,750.00
GoI- XII Series	6.45%	Semi-annual	07-01-2031	1,000.00	1,000.00
GoI- XIII Series	6.63%	Semi-annual	28-01-2031	1,000.00	1,000.00
GoI- XIV Series	6.50%	Semi-annual	26-03-2031	500.00	500.00
Total				**24,109.30**	**24,109.30**

Notes to Accounts

22 Current tax liabilities (net)

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Provision for Income Tax	18.01	2,702.52
Less: Advance Income-tax & TDS	(7.76)	(2,691.90)
Current tax liabilities (Net)	**10.25**	**10.62**

23 Provisions

(₹ in Crores)

	Particulars	As at 31.03.2022	As at 31.03.2021
	Provisions for		
(A)	**Employee Benefits (Refer Note 56)**		
	Gratuity	0.34	1.30
	Earned Leave Liability	25.17	18.00
	Post Retirement Medical Benefits	0.71	7.71
	Medical Leave Liability	21.49	20.91
	Settlement Allowance	1.79	1.89
	Economic Rehabilitation Scheme	4.15	4.13
	Long Service Award	2.25	2.02
	Incentive	27.71	47.92
	Sub-total (A)	**83.61**	**103.88**
(B)	**Others**		
	Expected Credit Loss on Letters of Comfort (Refer 23.1 & 23.2)	20.90	9.09
	Sub-total (B)	**20.90**	**9.09**
	Total (A+B)	**104.51**	**112.97**

23.1 Movement of Expected Credit Loss provision on Letters of comfort

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Opening balance	**9.09**	**8.38**
Add: Created during the year	17.18	0.75
Less: Reversed/ Adjusted during the year	(5.37)	(0.04)
Closing balance	**20.90**	**9.09**

23.2 The Company has maximum credit risk exposure of ₹ 4,068.95 crores (previous year ₹ 2,608.85 crores) related to Letters of Comfort issued to the banks, as a financial guarantee on behalf of the borrowers.

24 Other Non-financial Liabilities

(₹ in Crores)

	Particulars	As at 31.03.2022	As at 31.03.2021
(A)	Sundry Liabilities Account (Interest Capitalisation)	4.10	5.07
(B)	Unbilled Liability towards Capital Account	26.96	28.53
(C)	Unamortised Fee on Undisbursed Loans	28.72	68.64
(D)	Advance received from Govt. towards Govt. Schemes	0.75	0.75
(E)	Statutory Dues	21.11	17.52
	Total (A to E)	**81.64**	**120.51**

Notes to Accounts

25 Equity Share Capital

(₹ in Crores)

Particulars	As at 31.03.2022		As at 31.03.2021	
	No. of Shares	Amount	No. of Shares	Amount
Authorised :				
Equity shares of ₹ 10 each	5,00,00,00,000	5,000.00	5,00,00,00,000	5,000.00
Issued, Subscribed and Paid up :				
Fully paid up Equity shares of ₹ 10 each	1,97,49,18,000	1,974.92	1,97,49,18,000	1,974.92
Total	**1,97,49,18,000**	**1,974.92**	**1,97,49,18,000**	**1,974.92**

25.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the year

(₹ in Crores)

Particulars	For the year ended 31.03.2022		For the year ended 31.03.2021	
	No. of Shares	Amount (₹ in cr.)	No. of Shares	Amount (₹ in cr.)
Share Capital at the beginning of the year	1,97,49,18,000	1,974.92	1,97,49,18,000	1,974.92
Add: Shares issued & allotted during the year	-	-	-	-
Share Capital at the end of the year	**1,97,49,18,000**	**1,974.92**	**1,97,49,18,000**	**1,974.92**

25.2 Allotment of Bonus Shares during the year and during preceding five years

During the current year and preceding five years, no bonus shares were issued by the Company except in the FY 2016-17, when the Company had allotted 98,74,59,000 Equity Shares as fully paid up by way of bonus shares.

25.3 The Company has neither issued any equity shares pursuant to contract without payment being received in cash nor has there been any buy-back of shares in the current year and five years immediately preceding the balance sheet date.

25.4 Rights, Preferences and Restrictions attached to Equity shares

The holders of the equity shares of the Company are entitled to receive dividends as and when declared by the Company and enjoy proportionate voting rights in case any resolution is put to vote. Further, the shareholders have all such rights, as may be available to a shareholder of a listed public company, under the Companies Act, 2013 and rules made thereunder, Companies Act, 1956 (to the extent applicable), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Memorandum of Association and Articles of Association of the Company.

25.5 Shareholders holding more than 5% of fully paid-up equity shares as at Balance Sheet date:

Name of the Shareholder	As at 31.03.2022		As at 31.03.2021	
	No. of Shares	Percentage	No. of Shares	Percentage
Power Finance Corporation Limited	1,03,94,95,247	52.63%	1,03,94,95,247	52.63%
HDFC Trustee Company Ltd. A/c HDFC Hybrid Debt Fund	15,89,92,122	8.05%	16,72,55,577	8.47%

25.6 Details of equity shares held by the Holding Company, including the subsidiaries and associates

Name of the Company	As at 31.03.2022		As at 31.03.2021	
	No. of Shares	Percentage	No. of Shares	Percentage
Power Finance Corporation Ltd.	1,03,94,95,247	52.63%	1,03,94,95,247	52.63%

25.7 Details of equity shares held by the promoters

Name of the Promoter	As at 31.03.2022			As at 31.03.2021		
	No. of Shares	Percentage	% change during the year	No. of Shares	Percentage	% change during the year
The President of India	-	-	-	-	-	-
Power Finance Corporation Limited	1,03,94,95,247	52.63%	-	1,03,94,95,247	52.63%	-

Notes to Accounts

26 Instruments entirely equity in nature

(₹ in Crores)

Particulars	As at 31.03.2022		As at 31.03.2021	
	Number	Amount	Number	Amount
Fully paid up Perpetual Debts Instrument entirely equity in nature of ₹ 10 lakhs each	5,584	558.40	5,584	558.40
Total	**5,584**	**558.40**	**5,584**	**558.40**

26.1 Reconciliation of the number of perpetual securities outstanding at the beginning and at the end of the year

(₹ in Crores)

Particulars	For the year ended 31.03.2022		For the year ended 31.03.2021	
	Number	Amount	Number	Amount
Balance at the beginning of the year	5,584	558.40	-	-
Increase/ (Decrease) during the year	-	-	5,584	558.40
Balance at the end of the year	**5,584**	**558.40**	**5,584**	**558.40**

26.2 Instrument holders holding more than 5% of Perpetual Debt Instruments entirely equity in nature as at Balance Sheet date:

Name of the Shareholder	As at 31.03.2022		As at 31.03.2021	
	Number	Percentage	Number	Percentage
HVPNL Employees Pension Fund Trust	665	11.91%	665	11.91%
HPGCL Employees Pension Fund Trust	500	8.95%	500	8.95%

26.3 Company had issued Perpetual Debt Instruments of face value of ₹ 10 lakhs each, with no maturity and callable only at the option of the Company after 10 years. The claims of the holders of the securities shall be (a) Superior to the claims of the holders of the equity shares issued by the Issuer; and (b) Subordinated to the claims of all other creditors of the Issuer. The instruments carry a step up provision if not called after 10 years. The payment of Coupons may be cancelled or suspended at the discretion of the Company. The coupon of the securities is not cumulative except where the Issuer shall not be liable to pay coupon and may defer the payment of coupon, if (i) The capital to risk assets ratio ("CRAR") of the Issuer is below the minimum regulatory requirement prescribed by RBI; or (ii) the impact of such payment results in CRAR of the Issuer falling below or remaining below the minimum regulatory requirement prescribed by RBI.

As these securities are perpetual in nature and the Company does not have any redemption obligation and discretion on payment of coupon, these have been classified as equity. Further, the periodic coupon payments are accordingly adjusted with retained earnings.

27 Other Equity

(₹ in Crores)

Particulars		As at 31.03.2022	As at 31.03.2021
(A)	**Other Reserves**		
(i)	Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961	22,302.93	19,222.23
(ii)	Reserve for Bad and doubtful debts u/s 36(1)(viia) of the Income Tax Act, 1961	196.82	2,128.41
(iii)	Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	5,814.00	3,804.00
(iv)	Debenture Redemption Reserve	-	-
(iv)	Securities Premium	2,236.54	2,236.54
(v)	Foreign Currency Monetary Item Translation Difference Account	(555.29)	(573.16)
(vi)	General Reserve	11,781.62	9,850.03
(vii)	Impairment Reserve	-	-
(B)	**Retained Earnings**	6,915.38	4,325.09
(C)	**Other Comprehensive Income (OCI)**		
	- Equity Instruments through Other Comprehensive Income	(37.98)	24.07
	- Effective Portion of Cash Flow Hedges	194.21	(165.61)
	- Cost of Hedging reserve	(395.95)	41.45
	Total - Other Equity	**48,452.28**	**40,893.05**

Additions and deductions to the components of 'Other Equity' has been disclosed in 'Statement of Changes in Equity'.

Notes to Accounts

27.1 Pursuant to regulatory guidelines and utilisation of reserves created for specific purposes, the Company has transferred the following amounts from different reserves to General Reserve:

(i) During the financial year 2021-22

(a) ₹ 1,931.59 crores from Reserve for Bad & Doubtful Debts under Section 36(1)(viia)(c) of the Income Tax Act, 1961 on account of actual write-offs on loan assets and other recoverables.

(ii) During the financial year 2020-21

(a) ₹ 1,152.55 crores from Reserve for Bad & Doubtful Debts under Section 36(1)(viia)(c) of the Income Tax Act, 1961 on account of actual write-offs on loan assets

(b) ₹ 793.29 crores from Impairment Reserves has been transferred to the General Reserves in pursuance of RBI Guidelines

27.2 Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961

Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961 is maintained by the Company in order to enable the Company to avail tax benefits. As per section 36(1)(viii) of the Income Tax Act, 1961, the company is eligible for deduction not exceeding 20% of profit derived from long term finance activity, provided such amount is transferred and maintained in special reserve account.

Detail of Movement during the year:

(₹ in Crores)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Balance as at the begining of the year	**19,222.23**	**16,659.10**
Add: Transferred from Retained Earnings	3,080.70	2,563.13
Less: Transferred to General Reserve	-	-
Balance as at the end of the year	**22,302.93**	**19,222.23**

27.3 Reserve for Bad and doubtful debts u/s 36(1)(viia) of the Income Tax Act, 1961

Reserve for Bad and doubtful debts u/s 36(1)(viia) of the Income Tax Act, 1961 is maintained by the Company in order to enable the Company to avail tax benefits. As per Section 36(1)(viia) of the Income Tax Act, 1961, the Company is eligible to avail deduction in respect of any provision/ reserve made for bad and doubtful debts, not exceeding five per cent of the total income as per Income Tax Act. The reserve so maintained shall be primarily utilised for adjustment of actual bad debts or part thereof.

Detail of Movement during the year:

(₹ in Crores)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Balance as at the begining of the year	**2,128.41**	**2,992.83**
Add: Transferred from Retained Earnings	-	288.13
Less: Transferred to General Reserve	(1,931.59)	(1,152.55)
Balance as at the end of the year	**196.82**	**2,128.41**

27.4 Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934

The Company is creating the Reserve Fund as required u/s 45IC of Reserve Bank of India Act, 1934, wherein at least 20% of net profit is required to be transferred before the declaration of dividend. No appropriation is allowed to be made from the reserve fund except for the purpose as may be specified by the Reserve Bank of India from time to time and further, any such appropriation is also required to be reported to the Reserve Bank of India within 21 days from the date of such withdrawal.

Detail of Movement during the year:

(₹ in Crores)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Balance as at the begining of the year	**3,804.00**	**2,131.00**
Add: Transferred from Retained Earnings	2,010.00	1,673.00
Less: Transferred to General Reserve	-	-
Balance as at the end of the year	**5,814.00**	**3,804.00**

Notes to Accounts

27.5 Securities Premium

Securities Premium represents the premium received by the Company on issue of shares and debt securities. It is utilised in accordance with the provisions of the Companies Act, 2013.

Detail of Movement during the year:

(₹ in Crores)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Balance as at the begining of the year	**2,236.54**	**2,236.54**
Add: Transferred from Retained Earnings	-	-
Less: Transferred to General Reserve	-	-
Balance as at the end of the year	**2,236.54**	**2,236.54**

27.6 Foreign Currency Monetary Item Translation Difference Account

The company had opted towards an irrevocable option for amortising the foreign exchange fluctuation loss/gain on the long term foreign currency monetary items over the balance period of such items in accordance with Para 46A of the erstwhile applicable Accounting Standard 11 'The Effects of Changes in Foreign Exchange Rates'. The Company opted to continue the policy of such amortisation as per the previous GAAP in respect of the exchange differences arising from translation of long-term foreign currency monetary items as on 31st March 2018 in line with the provisions of Ind-AS. The balance in this account represents the unamortised gain/ (loss) which will be amortised over the balance period of the eligible long term foreign currency monetary liabilities.

Detail of Movement during the year:

(₹ in Crores)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Balance as at the begining of the year	**(573.16)**	**(1,719.38)**
Add: Foreign Currency Translation Gain/ Loss (-) on long term monetary items during the year	(216.94)	437.65
Less: Amortisation during the year	234.81	708.57
Balance as at the end of the year	**(555.29)**	**(573.16)**

27.7 General Reserve

General Reserve includes the amounts appropriated from the profits of the Company and also amounts transferred from Statutory Reserves.

Detail of Movement during the year:

(₹ in Crores)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Balance as at the begining of the year	**9,850.03**	**6,923.09**
Add: Transferred from Retained Earnings	-	981.10
Add: Transferred from Reserve for Bad & Doubtful Debts u/s 36(1) (viia) of the Income Tax Act, 1961	1,931.59	1,152.55
Add: Transferred from Debenture Redemption Reserve	-	-
Add: Transferred from Impairment Reserve	-	793.29
Balance as at the end of the year	**11,781.62**	**9,850.03**

27.8 Impairment Reserve

As per the Reserve Bank of India (RBI) Guidelines, the Company is required to appropriate the difference from their net profit after tax to "Impairment Reserve" where the impairment allowance under Ind AS 109 is lower than the provisioning required under Income Recognition, Asset Classification and Provisioning (IRACP) Norms (including standard asset provisioning) issued by RBI. The Company reviews the requirement at each reporting date. In pursuance of the guidelines, an amount of ₹ 793.29 crores lying under Impairment reserve has been transferred to General Reserve during the FY 20-21.

Notes to Accounts

Detail of Movement during the year:

(₹ in Crores)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Balance as at the begining of the year	**-**	**793.29**
Add: Transferred from Retained Earnings	-	-
Less: Transferred to General Reserve	-	(793.29)
Balance as at the end of the year	**-**	**-**

27.9 Equity Instruments through Other Comprehensive Income (OCI)

The Company has elected to recognise changes in the fair value of certain investments in equity securities through other comprehensive income. These changes are accumulated within the OCI reserve within equity. The Company transfers amounts from this reserve to retained earnings when the related equity securities are derecognised.

Detail of Movement during the year:

(₹ in Crores)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Balance as at the begining of the year	**24.07**	**106.26**
Add: Recognition through Other Comprehensive Income (net of taxes)	24.74	160.52
Add: Reclassification of gain/ (loss) on sale/ extinguishment of FVOCI equity instrument (net of taxes)	(86.79)	(242.71)
Balance as at the end of the year	**(37.98)**	**24.07**

27.10 Effective Portion of Cash Flow Hedges

The Company uses derivative instruments in pursuance of managing its foreign currency risk and interest rate risk associated on borrowings. For hedging foreign currency and interest rate risk, the Company uses foreign currency forward contracts, cross currency swaps, foreign currency option contracts and interest rate swaps. To the extent the derivative contracts designated under the hedge accounting are effective hedges, the change in fair value of the hedging instrument is recognised in 'Effective Portion of Cash Flow Hedges'. Amounts recognised in such reserve are reclassified to the Statement of Profit or Loss when the hedged item affects profit or loss.

Detail of Movement during the year:

(₹ in Crores)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Balance as at the begining of the year	**(165.61)**	**(226.08)**
Add: Recognition through Other Comprehensive Income (net of taxes)	359.82	60.47
Balance as at the end of the year	**194.21**	**(165.61)**

27.11 Cost of Hedging Reserve

The Company designates the intrinsic value of foreign currency option contracts as hedging instruments in 'Cash Flow Hedge' relationships. The changes in fair value of the time value of an option are recognised in OCI and amortised to the Statement of Profit and Loss on a rational basis.

Detail of Movement during the year:

(₹ in Crores)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Balance as at the begining of the year	**41.45**	**(204.75)**
Add: Recognition through Other Comprehensive Income (net of taxes)	(437.40)	246.20
Balance as at the end of the year	**(395.95)**	**41.45**

Notes to Accounts

27.12 Detail of Movement in Retained Earnings during the year:

(₹ in Crores)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Balance as at the begining of the year	**4,325.09**	**3,409.74**
Add: Profit for the year	10,045.92	8,361.78
Add: Remeasurement of Defined Benefit Plans (net of taxes)	(6.23)	(10.67)
Less: Transferred to General Reserve	-	(981.10)
Less: Transferred to Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961	(3,080.70)	(2,563.13)
Less: Transferred to Reserve for Bad and doubtful debts u/s 36(1)(viia) of the Income Tax Act, 1961	-	(288.13)
Less: Transferred to Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	(2,010.00)	(1,673.00)
Less: Transferred to Debenture Redemption Reserve	-	-
Less: Transferred to Impairment Reserve	-	-
Add: Reclassification of gain/ (loss) on sale/ extinguishment of FVOCI equity instrument	86.79	242.71
Less: Coupon Payment on Instrument Entirely Equity in Nature (Perpetual Debt Instruments) (Net of Taxes)	(34.12)	-
Less: Issue Expenses on Instrument Entirely Equity in Nature (Perpetual Debt Instruments) (Net of Taxes)	-	(0.70)
Less: Dividend paid during the year	(2,411.37)	(2,172.41)
Less: Dividend Distribution Tax	-	-
Balance as at the end of the year	**6,915.38**	**4,325.09**

27.13 Dividend declared/ proposed by the Company for Equity Shares of ₹ 10/- each

Particulars	For the year ended 31st March, 2022		For the year ended 31st March, 2021	
	Dividend per Equity Share	Dividend Amount	Dividend per Equity Share	Dividend Amount
	(₹)	(₹ in Crores)	(₹)	(₹ in Crores)
Interim Dividend	10.50	2,073.66	11.00	2,172.41
Final/ Proposed Dividend	4.80	947.96	1.71	337.71
Total Dividend	**15.30**	**3,021.62**	**12.71**	**2,510.12**

The Board of Directors at its meeting held on 13th May, 2022 recommended final dividend of ₹ 4.80/- per equity share (on face value of ₹ 10/- each) for the financial year 2021-22, subject to approval of Shareholders in the ensuing Annual General Meeting.

As per the requirements of Ind-AS 10 'Events after the Reporting Period', the Company is not required to provide for the dividend proposed by the Board of Directors after the end of the financial year. Such appropriation is made after the approval in the Annual General Meeting (AGM) in case of final dividend.

28 Interest Income

(₹ in Crores)

Particulars		Year ended 31.03.2022			Year ended 31.03.2021		
		On Financial Assets measured at Fair Value through OCI	On Financial Assets measured at Amortised Cost	On Financial Assets measured at Fair Value through Profit or Loss	On Financial Assets measured at Fair Value through OCI	On Financial Assets measured at Amortised Cost	On Financial Assets measured at Fair Value through Profit or Loss
(A)	**Interest on Loan Assets**						
(i)	Long term financing	-	37,613.72	-	-	34,160.00	-
	Less: Rebate for timely payments/ completion etc	-	(0.04)	-	-	(0.06)	-
	Long term financing (net)	-	37,613.68	-	-	34,159.94	-
(ii)	Short term financing	-	197.16	-	-	69.98	-
	Sub-total (A)	**-**	**37,810.84**	**-**	**-**	**34,229.92**	**-**

Notes to Accounts

(₹ in Crores)

Particulars		Year ended 31.03.2022			Year ended 31.03.2021		
		On Financial Assets measured at Fair Value through OCI	On Financial Assets measured at Amortised Cost	On Financial Assets measured at Fair Value through Profit or Loss	On Financial Assets measured at Fair Value through OCI	On Financial Assets measured at Amortised Cost	On Financial Assets measured at Fair Value through Profit or Loss
(B)	**Interest Income from Investments**						
(i)	Interest from Long Term Investments	-	108.06	27.15	-	27.04	195.30
	Sub-total (B)	**-**	**108.06**	**27.15**	**-**	**27.04**	**195.30**
(C)	**Interest on Deposits with Banks**						
(i)	Interest from Deposits	-	84.66	-	-	154.41	-
	Sub-total (C)	**-**	**84.66**	**-**	**-**	**154.41**	**-**
(D)	**Other Interest Income**						
(i)	Interest on Delayed Payments by Borrowers	-	154.54	-	-	72.84	-
(ii)	Interest from Staff Advance	-	0.97	-	-	3.70	-
(iii)	Interest on Mobilisation Advance	-	0.24	-	-	0.56	-
(iv)	Unwinding of Discount of Security Deposits		-		-	0.01	-
	Sub-total (D)	**-**	**155.75**	**-**	**-**	**77.11**	**-**
	Total - Interest Income (A to D)	**-**	**38,159.31**	**27.15**	**-**	**34,488.48**	**195.30**

29 Dividend Income

(₹ in Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
- Dividend from Subsidiary Companies	22.43	8.43
- Dividend from Other Investments	4.21	27.97
Total - Dividend Income	**26.64**	**36.40**

29.1 Details of dividend recognised on Other Investments :

(₹ in Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Dividend on FVOCI Equity Investments		
- Investments held at the end of the year	3.20	27.63
- Investments derecognized during the year	1.01	0.34
Total	**4.21**	**27.97**

30 Fees and Commission Income

(₹ in Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Fees based Income	92.22	26.57
Prepayment Premium	465.37	35.14
Fee for Implementation of Govt. Schemes	15.23	33.67
Total - Fees and Commission Income	**572.82**	**95.38**

Notes to Accounts

31 Other Income

(₹ in Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Gain on ceasation of significant influence in Joint Venture (refer note 10.2)	29.01	-
Net gain/ (loss) on disposal of assets classified as held for sale	30.19	-
Rental Income	16.32	2.17
Liabilities/Provision Written Back	8.93	-
Fees from Training Courses	6.57	2.77
Interest from Income Tax Refund	0.83	0.94
Miscellaneous Income	6.11	16.67
Total - Other Income	**97.96**	**22.55**

32 Finance Costs

Finance Costs have been incurred on financial liabilities measured at amortised cost.

(₹ in Crores)

Particulars		Year ended 31.03.2022	Year ended 31.03.2021
(i)	**Interest on Borrowings**		
	- Loans from Govt. of India	822.50	820.81
	- Loans from Banks/ Financial Institutions	2,788.79	2,090.94
	- External Commercial Borrowings	577.12	630.50
	- Lease Liability	-	0.01
	Sub-Total (i)	**4,188.41**	**3,542.26**
(ii)	**Interest on Debt Securities**		
	- Domestic Debt Securities	14,763.99	15,293.60
	- Foreign Currency Debt Securities	1,294.73	1,196.54
	- Commercial Paper	14.76	35.32
	Sub-Total (ii)	**16,073.48**	**16,525.46**
(iii)	**Interest on Subordinated Liabilities**		
	- Subordinate Bonds	523.30	523.75
	Sub-Total (iii)	**523.30**	**523.75**
(iv)	**Other Interest Expense**		
	- Swap Premium	1,269.34	894.62
	- Interest on Advance Income Tax	-	22.71
	- Interest on liability towards employee benefits	3.48	2.32
	Sub-Total (iv)	**1,272.82**	**919.65**
	Total - Finance Costs	**22,058.01**	**21,511.12**
	Less: Finance Costs Capitalised	(5.10)	(22.04)
	Total - Finance Costs (Net)	**22,052.91**	**21,489.08**

33 Net translation/ transaction exchange loss/ (gain)

(₹ in Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Net translation/ transaction exchange loss/ (gain)	799.05	330.26
Total	**799.05**	**330.26**

The figures above include amortisation of net translation/ transaction exchange loss/ (gain) on Long Term Foreign Currency Monetary Items recognised in the financial statements before 1st April 2018 amounting to ₹ 234.81 crores (Previous year ₹ 708.57 crores).

33.1 The foreign currency monetary items are translated at FBIL (Financial Benchmark India Private Ltd) reference rates prevailing at the end of each reporting period or where the FBIL reference rate is not available for any currency, the closing rate for the same date quoted on Bloomberg. The respective rates as on the reporting date are as below:

Notes to Accounts

Exchange Rates	USD/INR	JPY/INR	Euro/INR	SGD/INR
As at 31st March 2022	75.8071	0.6223	84.6599	55.9438
As at 31st March 2021	73.5047	0.6636	86.0990	54.3581

34 Fees and commission expense

(₹ in Crores)

Particulars		Year ended 31.03.2022	Year ended 31.03.2021
(i)	Guarantee Fee	4.29	-
(ii)	Listing and Trusteeship Fee	0.84	0.78
(iii)	Agency Fees	2.01	3.01
(iv)	Credit Rating Expenses	6.69	3.33
(v)	Other Finance Charges	2.90	2.83
	Total (i to v)	**16.73**	**9.95**

35 Net Gain/ (loss) on Fair Value Changes

(₹ in Crores)

Particulars		Year ended 31.03.2022	Year ended 31.03.2021
(A)	**Net gain/ (loss) on financial instruments at Fair Value through profit or loss**		
(i)	**On trading Portfolio**	-	-
(ii)	**Others**		
	- Changes in fair value of Derivatives	351.36	545.92
	- Changes in fair value of Long Term Investments	(12.78)	2.43
	- Changes in fair value of Short-term MF investments	7.99	23.98
	Sub-total (ii)	**346.57**	**572.33**
	Total (A)	**346.57**	**572.33**
	Breakup of Fair Value Changes		
	- Realised	365.03	590.79
	- Unrealised	(18.46)	(18.46)
	Total Net Gain/ (loss) on Fair Value Changes	**346.57**	**572.33**

Fair value changes in this schedule are other than those arising on account of accrued interest income/ expense and represents changes in fair value of derivatives designated as economic hedges not designated under hedge accounting and ineffective hedge

36 Impairment on financial instruments

(₹ in Crores)

Particulars		Year ended 31.03.2022		Year ended 31.03.2021	
		On financial instruments measured at FVOCI	On financial instruments measured at Amortised Cost	On financial instruments measured at FVOCI	On financial instruments measured at Amortised Cost
(i)	- Loans *	-	3,434.36	-	2363.33
(ii)	- Investments	-	28.72	-	-
(iii)	- Others	-	10.23	-	56.29
	Total (i+ii+iii)	**-**	**3,473.31**	**-**	**2419.62**

** includes ₹ 11.81 crores (Previous year ₹ 0.71 crores) towards impairment allowance on Letter of Comfort.*

37 Employee Benefits Expense

(₹ in Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
- Salaries and Allowances	114.28	101.66
- Contribution to Provident Fund and Other Funds	11.27	13.61
- Expenses towards Post Employment Benefits	7.46	4.87
- Rent towards Residential Accomodation for Employees	3.77	2.19
- Staff Welfare Expenses	22.08	22.51
Total	**158.86**	**144.84**

Notes to Accounts

38 Depreciation and amortization

(₹ in Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
- Depreciation on Property, Plant & Equipment	15.09	6.81
- Amortization on Intangible Assets	2.87	2.72
Total	**17.96**	**9.53**

39 Corporate Social Responsibility Expenses

(₹ in Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
- Direct Expenditure	165.20	139.78
- Overheads	5.47	4.54
Total	**170.67**	**144.32**

39.1 Ministry of Corporate Affairs (MCA) vide its notification dated Janurary 22, 2021 has prescribed Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, effective prospectively from the date of notification, as clarified by MCA. These rules require that any unspent CSR amount, other than for any ongoing project, must be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year. In case such unspent amount pertains to any ongoing project, it must be transferred to unspent CSR Account by 30th April of the next year. However, if such amount is not utilised within three financial years, it is required to be transferred to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year. The Company also carries the right to set-off any amount spent in excess of the requirement under the Act within three succeeding financial years against the amount to be spent.

39.2 Details of Gross Amount required to be spent by the company:

(a) Gross amount required to be spent by the company during the year is ₹ 170.67 crores (previous year ₹ 144.32 crores)

(b) Amount approved by the Board to be spent during the year is ₹ 170.67 crores (previous year ₹ 144.32 crores)

(c) Refer Note no. 54 for related party transactions related to CSR.

(d) Amount required to be spent on CSR activities as per Section 135 (5) of the Companies Act, 2013:

(₹ in Crores)

	Particulars	Year ended 31.03.2022	Year ended 31.03.2021
(A)	**Opening Balance - Excess amount spent**	**(3.46)**	**-**
(B)	Amount required to be spent during the year	170.67	144.32
(C)	Amount spent during the year	167.61	147.78
(D)	**Closing Balance - Excess amount spent* (A+B-C)**	**(0.40)**	**(3.46)**

** eligible to be set-off in the next three succeeding financial years*

39.3 Amount spent during the year :

(₹ in Crores)

	Particulars	Year ended 31.03.2022			Year ended 31.03.2021		
		In Cash	Yet to be paid	Total	In Cash	Yet to be paid	Total
(i)	**Construction/ acquisition of any asset**	-	-	-	-	-	-
(ii)	**On purpose other than (i) above**						
	Health/Sanitation / Waste Management / Drinking water	54.75	-	54.75	27.59	-	27.59
	Education/ Vocational/ Skill Development	16.17	-	16.17	17.68	-	17.68
	Environmental Sustainability (Solar Applications/ Afforestation/ Energy efficient LED lighting)	8.06	-	8.06	17.63	-	17.63
	Sports	15.00	-	15.00	-	-	-
	Contribution to PM CARES Fund	50.00	-	50.00	50.00	-	50.00
	Provision of food/ration to migrant workers due to COVID- 19 and Providing Cold Chain equipment for COVID-19 vaccination	0.26	-	0.26	7.65	-	7.65
	Others	17.90	-	17.90	22.69	-	22.69
	Administrative overheads including training, impact assessment etc.	5.47	-	5.47	4.54	-	4.54
	Total (ii)	**167.61**	**-**	**167.61**	**147.78**	**-**	**147.78**

In support of the fight against the Covid-19 pandemic, the Company committed a total contribution of ₹ 200 crores to the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund), of which ₹ 50 crores was contributed during the year 2021-22, ₹ 50 crores contributed during the year 2020-21 and ₹ 100 crores contributed during the year 2019-20.

Notes to Accounts

40 Other Expenses

(₹ in Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
- Travelling and Conveyance	10.07	8.00
- Publicity & Promotion Expenses	1.66	7.40
- Repairs and Maintenance	21.62	17.40
- Rent, taxes and energy costs	7.60	13.23
- Insurance Charges	0.09	0.10
- Communication costs	2.86	3.31
- Printing & stationery	0.79	0.86
- Director's sitting fees	0.21	0.10
- Auditors' fees and expenses	1.53	1.43
- Legal & Professional Charges	9.29	9.86
- Net Loss on Disposal of Property, Plant & Equipment	0.97	4.03
- Training And Conference Expense	7.65	2.97
- Govt. Scheme Monitoring Expenses	30.94	26.26
- Other Expenditure	20.78	11.76
Total	**116.06**	**106.71**

40.1 Disclosure in respect of Auditors' fees and expenses

(₹ in Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Fees paid to statutory auditors :		
- as auditor	0.58	0.66
- for taxation matters*	0.15	0.25
- for company law matters (includes limited review fees)	0.33	0.26
- for other services		
(i) Certification of MTN Offer Document/ Comfort Letter	0.10	0.10
(i) For Certifications	0.22	0.04
- for reimbursement of expenses	0.03	-
Sub-total	**1.41**	**1.31**
Non-recoverable tax credit in respect of fees paid to auditors	0.12	0.12
Total - Auditor's fees and expenses	**1.53**	**1.43**

** includes ₹ Nil (Previous year ₹ 0.12 crore) of fees for taxation matters pertaining to earlier years.*

41 Tax Expense

(₹ in Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
- Current tax expense	3,051.33	2,683.62
- Current tax expense/ (benefit) pertaining to earlier years	(3.96)	223.28
Sub-total - Current Tax	**3,047.37**	**2,906.90**
- Deferred tax expense/ (credit)	(668.39)	(512.55)
Total	**2,378.98**	**2,394.35**

Notes to Accounts

41.1 Reconciliation of Effective Tax Rate

The reconciliation of estimated income tax expense at statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:

(₹ in Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Profit before Tax	**12,424.90**	**10,756.13**
Statutory income tax rate	**25.168%**	**25.168%**
Expected income tax expense	**3,127.10**	**2,707.10**
Tax effect of income tax adjustments:		
Benefit of deduction u/s 36(1)(viii) of Income Tax Act 1961	(775.36)	(645.09)
Non-allowability of CSR expenses & other adjustments	42.95	112.70
Other non-deductible tax expenses	(1.07)	5.52
Non Taxable Income	(6.70)	(9.16)
Tax Expense Earlier Years	(3.96)	223.28
Impact of income taxable at different rates	(3.98)	-
Tax expense	**2,378.98**	**2,394.35**

42 Earnings per Share

(₹ in Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Numerator		
Profit for the year from continuing operations as per Statement of Profit and Loss (₹ in Crores)	10,045.92	8,361.78
Profit for the year from continuing and discontinued operations as per Statement of Profit and Loss (₹ in Crores)	10,045.92	8,361.78
Denominator		
Weighted average Number of equity shares	1,97,49,18,000	1,97,49,18,000
Basic & Diluted Earnings per Share (in ₹ for an equity share of ₹ 10 each) (for continuing operations)	50.87	42.34
Basic & Diluted Earnings per Share (in ₹ for an equity share of ₹ 10 each) (for continuing and discontinued operations)	50.87	42.34

43 Contingent Liabilities and Commitments :

43.1 Contingent Liabilities not provided for in respect of:

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
(A) Claims against the Company not acknowledged as debts	0.78	0.24
(B) Taxation Demands		
(i) - Demands raised by the Income Tax Department	152.77	10.49
(ii) - Demands against appeals filed by the Income Tax Department against the relief allowed to the Company	0.90	0.30
(iii) - Demands raised in respect of GST	17.89	-
(C) Others		
- Letters of Comfort	4,068.95	2,608.85

The amount referred to in 'A' above are in respect of cases pending in various courts and is dependent upon the verdict of the court.

The amount referred to in B(i) above are against the various demands raised by Income Tax Department. The company is contesting these demands and the management believes that its position will likely be upheld in the appellate process.

The amount referred to in B(ii) above are against the appeal filed by Income Tax Department in High Court against the relief allowed to the Company at ITAT level.

The amount referred to in B(iii) above is against the GST refund appeal filed by REC.

Notes to Accounts

43.2 Commitments not provided for in respect of:

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
- Contracts remaining to be executed on capital account		
- Towards Property, Plant & Equipment	129.13	225.95
- Towards Intangible Assets	-	0.16
- Other Commitments		
- CSR Commitments	399.13	259.26

44 Details of Registration/ License/ authorisation obtained from financial sector regulators:

	Particulars	Regulator Name	Registration Details
(i)	Corporate Identification Number	Ministry of Corporate Affairs	L40101DL1969GOI005095
(ii)	Registration Number	Reserve Bank of India	14.000011
(iii)	Legal Entity Identifier (LEI) Code	Global Legal Entity Identifier Foundation (GLEIF)	335800B4YRYWAMIJZ374
(iv)	Registration Number	Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI)	L0012

45 Implementation of Govt. Schemes

45.1 Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA)

Government of India launched a scheme "Pradhan Mantri Sahaj Bijli Har Ghar Yojana" - Saubhagya to achieve universal household electrification in the country during Oct 2017. The scheme envisaged to provide last mile connectivity and electricity connections to all remaining un-electrified households in rural areas and poor households in urban areas. The capital outlay of Saubhagya Scheme was ₹ 16,320 Crore including Gross Budgetary Support of ₹ 12,320 Crore during the entire implementation period. Ministry of Power designated REC as the Nodal agency for operationalization of Saubhagya Scheme. The scheme has been successfully completed and closed in its sunset year FY 2021-22 i.e. 31.03.2022.

45.2 Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY)

Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY), the flagship scheme of Government of India covering all aspects of rural power distribution was launched in Nov 2014. Under the scheme 60% of the project cost (85% for special States) is provided as grant by Government of India and additional grant up to 15% (5% for special States) on achievement of prescribed milestones. DDUGJY facilitates towards achievement of '24x7 Power for All' in the country through the following project components:

(i) Separation of agriculture and non-agriculture feeders facilitating adequate power supply to agriculture & continuous power supply to non-agricultural consumers in the rural areas;

(ii) Strengthening and augmentation of sub-transmission & distribution infrastructure in rural areas, including metering of distribution transformers/ feeders/ consumers;

(iii) Micro-grid and Off-grid distribution network;

(iv) Rural Electrification component under the RGGVY 12th and 13th plans, subsumed to DDUGJY.

The scheme had estimated outlay of ₹ 75,893 Crore including budgetary support of ₹ 63,027 Crore from Government of India during the entire implementation period. Additional Infra under DDUGJY was sanctioned with a total outlay of ₹ 7,069 Cr including budgetary support of ₹ 5302 Cr. The scheme has been successfully completed and closed in its sunset year FY 2021-22 i.e. 31.03.2022.

45.3 National Electricity Fund (NEF)

The National Electricity Fund (NEF), an interest subsidy scheme, has become operational since FY 2012-13. The scheme has been introduced by the Government of India to promote capital investment in the distribution sector. The scheme provides interest subsidy linked with reform measures, on the loans taken by public and private distribution power utilities for various capital works in the Distribution sector. NEF would provide interest subsidy aggregating up to ₹ 8,466 Crore (including interest subsidy to the borrowers, Service Charges to the Nodal Agency, payments to Independent Evaluators and other incidental expenses) spread over 14 years for loan disbursement against projects approved during 2012-13 and 2013-14. REC has been nominated as the Nodal Agency for operationalization of NEF scheme across the country.

45.4 Revamped Distribution Sector Scheme (RDSS)

Government of India has approved the Revamped Distribution Sector Scheme (RDSS) to help DISCOMs improve their operational efficiencies and financial sustainability by providing result-linked financial assistance to them so as to strengthen supply infrastructure based on meeting pre-qualifying criteria and achieving basic minimum benchmarks. The scheme has an outlay of ₹ 3,03,758 Crore over 5 years i.e. FY 2021-22 to FY 2025-26 including an estimated Government Budgetary Support (GBS) of ₹ 97,631 Crore.

The main objective of the scheme includes :

(i) Reduction of AT&C losses to pan-India levels of 12-15% by 2024-25.

(ii) Reduction of ACS-ARR gap to zero by 2024-25.

(iii) Improvement in the quality, reliability and affordability of power supply to consumers through a financially sustainable and operationally efficient distribution sector.

Components of the scheme are :

Part A – Financial support for Prepaid Smart Metering & System Metering and up-gradation of the Distribution Infrastructure.

Part B – Training & Capacity Building and other Enabling & Supporting Activities.

46 Capital management

The Company manages its capital to ensure that it will continue as going concern while maximizing the return to stakeholders. The capital structure of the Company consists of the equity and the long-term borrowings made by the Company.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. The Company manages the capital structure and raises funds through the suitable instruments, in light of the dynamic business environment and liquidity position within the sector. Further, with regard to capital restructuring, the Company is also guided, inter alia, by guidelines on "Capital Restructuring of Central Public Sector Enterprises" issued by Department of Investment and Public Asset Management (DIPAM), Ministry of Finance, Department of Public Enterprises in respect of issue of bonus shares, dividend distribution, buy back of equity shares etc. The Company has complied with all externally imposed capital requirements.

The debt-equity ratio of the Company is as below:

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Net debt	3,26,717.92	3,21,370.56
Net Worth	50,985.60	43,426.37
Debt-equity ratio	**6.41**	**7.40**

Net debt represents principal outstanding less cash and cash equivalents available.

Dividend Distribution Policy

BoD monitors the dividend pay-out to the shareholders of the Company. Dividend distribution policy of the Company focuses on various factors including but not limited to the present & future capital requirements, profits earned during the financial year, Capital to Risk-weighted Assets Ratio (CRAR), cost of raising funds from alternate sources, cash flow position and applicable taxes including tax on dividend, subject to the guidelines as applicable from time to time, cash flow position and net worth of the Company, subject to the guidelines as applicable from time to time.

As per the extant guidelines issued by DIPAM, Govt. of India, Company is required to pay a minimum annual dividend of 30% of PAT or 5% of the net-worth, whichever is higher. Though the Company endeavors to declare the dividend as per these guidelines, the Company may propose lower dividend after analysis of various financial parameters, cash flow position and funds required for future growth.

The Company has also adopted various policies for the management of the Company which inter-alia include Comprehensive Risk Management Policy, Whistle Blower Policy, Code for Prevention of Insider Trading in REC Equity Shares/Securities, Policy for prevention of Fraud, The Code of Business Conduct and Ethics for Board Members and Senior Management, Fair Practices Code, etc.

47 Capital to Risk-weighted Assets Ratio

The Company is complying with the Capital Adequacy requirements as prescribed by the Reserve Bank of India. Being an NBFC and Infrastructure Finance Company (NBFC-IFC), REC is required to maintain a Capital Adequacy Ratio or Capital to Risk Weighted Assets Ratio (CRAR) of 15% (with a minimum Tier I Capital of 10%), computed by dividing company's Tier-I and Tier-II capital by Risk Weighted Assets.

	Particulars	Numerator* (₹ in Crores)	Denominator* (₹ in Crores)	As at 31.03.2022	As at 31.03.2021	% Variance
(i)	CRAR	57,937.08	2,45,436.54	23.61%	19.72%	19.70%
(ii)	CRAR - Tier I Capital	48,052.65	2,45,436.54	19.58%	16.31%	20.04%
(iii)	CRAR - Tier II Capital	9,884.43	2,45,436.54	4.03%	3.41%	18.10%

The amount of Perpetual Debt Instrument of the Tier-I capital is 1.16% (previous year 1.44%)

* Numerator being Tier-I & Tier-II capital majorily consists of Equity (Refer Note no. 25, 26 and 27) and Denominator being Risk Weighted Assets majorily represents the weighted sum of company's credit exposure(s) such as Loans (Refer Note no. 10) and Investments (Refer Note no. 11), calculated in line with circular(s) issued by RBI in this regard, from time to time.

Details of Tier II capital and perpetual debt instruments raised during the year are as under:

(₹ in Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Amount of Subordinated Debt raised as Tier-II capital	-	1,999.50
Amount raised by issue of Perpetual Debt Instruments	-	558.40

48 Financial Risk Management

The Company's board of directors has overall responsibility for the establishment and oversight of the Company risk management framework. The Company has formulated a comprehensive Risk Management Policy, which covers, inter-alia, Credit Risk, Operational Risk and Market Risk of the organization. The Company's risk management policies are guided by well-defined policies appropriate for various risk categories, independent risk oversight and periodic monitoring. A Risk Management Committee (RMC) has also been constituted under the chairmanship of an Independent Director, whose main function is to identify and monitor various risks of the organization and to suggest actions for mitigation of the same.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and Cash Equivalents, Loans, Financial Assets measured at amortised cost, Investment in G-Sec, State Development Loans, Debt Securities and Preference Shares	Ageing analysis	Bank deposits, liquid funds, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings, Debt Securities, Subordinated Liabilities, and Other Financial Liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - Currency risk	Recognised Financial Assets and Liabilities not denominated in Indian Rupee (INR)	Cash flow forecasting	Derivative contracts
Market risk - interest rate risk	Borrowings, Debt Securities and Subordinated Liabilities at variable interest rates	Sensitivity analysis	Derivative contracts
Market risk - equity price risk	Investments in Quoted Equity Securities	Sensitivity analysis	Diversification of portfolio, with focus on strategic investments

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

For managing these risks, the Company has put in place an integrated enterprise-wide risk management mechanism to ensure that these risks are monitored carefully and managed efficiently. Pursuant to RBI notification DNBR (PD) CC.NO/.099/03.10.001/2018-19, to augment risk management practices in the Company, the Board has also appointed a Chief Risk Officer (CRO) who is involved in the process of identification, measurement and mitigation of risks. The risk management approach i.e. Company's objectives, policies and processes for measuring and managing each of above risk is set out in the subsequent paragraphs.

48.1 Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, other bank balances, investments, loan assets, trade receivables and other financial assets. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

48.1.1 Financial assets that expose the entity to credit risk

(₹ in Crores)

	Particulars	As at 31.03.2022	As at 31.03.2021
(i)	**Low credit risk on financial reporting date**		
	Cash and cash equivalents	126.40	1,140.49
	Bank balances other than cash and cash equivalents	2,295.30	1,929.06
	Loans *	3,35,876.99	3,58,891.11
	Investments **	1,840.09	1,237.84
	Other financial assets	24,396.94	24,399.21
(ii)	**Moderate credit risk**		
	Loans *	36,424.23	2,888.05
(iii)	**High credit risk**		
	Loans *	17,159.89	18,256.93
	Investments in Preference Share ***	28.72	-
	Other financial assets	90.68	88.04

** Represents the principal outstanding (along with undisbursed amount towards Letters of Comfort) without deduction for expected credit losses*

*** This does not include investments in equity instruments and venture capital funds carried at FVOCI/ FVTPL and investments in subsidiary and joint venture as they are carried at cost in line with the exemption given under Ind AS 27.*

**** Represents principal outstanding without deduction for expected credit losses in respect to the investment in Redeemable Preference Shares of Rattan India Power Limited.*

Cash and Cash Equivalents and Bank Deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by parking funds in investment grade rated instruments and highly rated banks and also diversifying the deposit base by investing in different instruments/ banks across the country.

Loans

Credit risk related to borrowers are mitigated through adequate security arrangements for the loans by way of hypothecation of future project loan assets, receivables, inventories or any other assets, Govt. Guarantees, Corporate guarantees etc. and additionally Collaterals wherever required. The Company closely monitors the credit-worthiness of the promoters through well-defined entity appraisal guidelines that are configured from systematic institutional and project appraisal process analysis to assess the credit risk and define credit limits of borrower, thereby, limiting the credit risk to pre-calculated amounts. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures in form of pre-disbursement conditions.

Other Financial Assets measured at Amortized Cost

Other financial assets measured at amortized cost includes loans and advances to employees and subsidiary, security deposits and other amounts recoverable, including from Govt. of India. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

Investment in G-Sec, State Development loans and Debt Securities

Credit risk related to investment in High Quality Liquid Assets (HQLAs) is managed by investment in Govt. Securities, State Development Loans and investment in PSU Bonds with sound financial health and also diversifying the investment portfolio in different maturity/ sector and monitoring the financial health on regular basis.

Investment in Securities issued by Borrower entities at the time of Loan Settlement/ Resolution

REC also invests in securities issued by borrower entities as a part of the settlement/ resolution plan duly approved by the Company or the Consortium of Lenders, as applicable and in case of resolutions under Insolvency & Bankruptcy Code 2016, approved by Committee of Creditors and National Company Law Tribunal (NCLT) of the competent jurisdiction. Credit risk related to these securities is managed by monitoring the recoverability of such amounts continuously.

48.1.2 Expected Credit Losses (ECL) for financial assets other than loans

Company provides for expected credit losses on financial assets other than loans by assessing individual financial instruments for expectation of any credit losses:

- **For cash and cash equivalents and bank balances (other than cash and cash equivalents) -** Since the Company deals with only high-rated banks and financial institutions for banking operations and the liquid funds category in the debt funds with consistent track record for short term investment of surplus funds, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low.
- **For Investment in G-Sec, State Development loans and Debt Securities -** Considering that the investments are in debt securities including Governemnet Securities/ minimum investment grade rated Government Companies in High Quality Liquid Assets (HQLAs), credit risk is considered low.
- **For Investment in Securities issued by Borrower entities at the time of Loan Settlement/ Resolution -** Credit risk is evaluated on the basis of recoverability of such securities. Wherever medium or high risk evaluated on such investments, suitable loss allowance is provided.
- **For other financial assets -** Credit risk is evaluated based on Company's knowledge of the credit worthiness of those parties and loss allowance is measured for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk.

Details of expected credit loss for financial assets other than loans is disclosed as follows:

(₹ in Crores)

Particulars	As at 31.03.2022			As at 31.03.2021		
	Gross Carrying Amount	ECL	Net Carrying amount	Gross Carrying Amount	ECL	Net Carrying amount
Cash and cash equivalents	126.40	-	126.40	1,140.49	-	1,140.49
Bank balances (other than cash and cash equivalents)	2,295.30	-	2,295.30	1,929.06	-	1,929.06
Investments*	1,897.53	28.72	1,868.81	1,237.84	-	1,237.84
Other financial assets **	24,487.62	90.68	24,396.94	24,487.25	88.04	24,399.21

** The impairment allowance has been provided in full on 'Investments in Reedemable Prefernce Shares' of Rattan India Power Limited considered as credit-impaired.*

*** The impairment allowance has been provided in full on 'Other financial assets' considered as credit-impaired.*

48.1.3 Expected Credit Loss for loans

For risk management reporting purposes, the Company considers and consolidates following elements of credit risk:

Credit default risk: The risk of loss arising from a debtor being unlikely to pay its loan obligations in full or the debtor is more than 90 days past due on any material credit obligation; default risk may impact all credit-sensitive transactions, including loans and securities.

Concentration risk: The risk associated with any single exposure or group of exposures with the potential to produce large enough losses to threaten Company's core operations.

Notes to Accounts

(A) Credit Risk Management

The credit risk is managed at different levels including at appraisal, disbursements and post disbursement monitoring. The Company has "Integrated Rating Guidelines" and "Comprehensive Risk Management Policy". To mitigate credit risk, the company follows systematic institutional and project appraisal process to assess the credit risk. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. Further, on periodic basis, the loan assets are reviewed and categorized as High/Moderate/Low based on ECL methodology. The process for Credit Risk Management are as under:

(i) The Company has "Integrated Rating Guidelines" covering credit assessment, risk grading, collateral requirements, reporting, monitoring of end utilisation of funds etc. Further, independent Lender legal counsels are appointed to ensure effective documentation and mitigation of legal risk

(ii) For all existing private sector projects, where the Company is Lead Financial Institution, the Company engages Lender's Independent Engineers (LIE), Lender's Financial Advisors (LFA) and Lender's Insurance Advisors (LIA), which are independent agencies who act on behalf of various lenders and consortium members. LIE conducts periodic site visits and submits reports on progress status of the project, after discussion with borrower and inspection/ review of relevant documents. LFA submit the statements of fund flow and utilization of funds in the project periodically. In cases where the Company is not the lead Financial Institution, the tasks related to LIE and LFA services are being coordinated with the lead lender.

The Company also endeavors to appoint a separate Project Management Agency (PMA) for new projects being financed, which subsumes the entire works of LIE /Project Management Consultant (PMC), LFA and LIA for better coordination among the agencies. PMA is stationed at project site to closely monitor various day to day project execution activities including monitoring of project progress, review of EPC/non-EPC contracts & invoices, fund utilization and insurance for the project. PMA also verifies the bills of original equipment manufacturer/ supplier, composite works contractor and give its recommendation for disbursement. Initial due diligence is also be performed by PMA taking the sanctity of technical and financial parameters including original project cost & COD.

Concurrent Auditors/Agencies for Specialized monitoring/Cash Flow monitoring agencies are being appointed by REC/ Lenders on case to case basis for effective monitoring of Trust & Retention Account (TRA) for stressed projects.

(iii) The Company has an authorisation structure for the approval and renewal of credit facilities. Authorisation limits have been established commensurating with the size of business proposal at CMD/Executive Committee/Loan Committee/ Board of Directors based on the recommendation of Screening Committee, as appropriate.

(iv) The Company has developed risk grading structure to categorise its exposures according to the degree of risk of default by charging appropriate interest rates and security package.

(v) Regular reports on the credit quality of loan portfolios are provided to Risk Management Committee and Board, which may require appropriate corrective action to be taken.

(vi) External agencies are appointed from time to time to review the guidelines, policy and existing practices being followed by business units along with providing the specialist skills to promote best practice throughout the Company for management of credit risk.

(vii) Individual and Group Credit Exposures are assessed against designated limits, before facilities are committed to borrowers by the business unit concerned. Sanction of additional facilities are also subject to the same review process.

(viii) The Company continuously monitors delays and/ or default of borrowers & other counterparties and their recoverability. On occurrence of default in the borrower's account, the Company initiates necessary steps to cure the default which may involve action(s) including, but not limited to, Special Mention Account (SMA) reporting to RBI, credit information reporting to Central Repository of Information on Large Credits (CRILC), etc., monitoring of the TRA account, conversion of loan into equity as per loan agreement, restructuring of loan account, formulating resolution plan with the borrower, change in ownership, Corporate Insolvency Resolution Process (CIRP), sale of the exposures to other entities/ investors and other recovery mechanisms including invocation of guarantees/ securities to recover the dues.

(B) Credit risk Measurement

The impairment loss allowance on loan assets is provided as per Ind AS 109 in accordance with a board-approved policy, which measures the credit risk on the basis of key financial and operational parameters to assess improvement/ deterioration in credit quality. Management overlays to the model output, if any, are duly documented and approved by the Audit Committee. The evaluation of Expected Credit Loss (ECL) is undertaken by an independent agency, ICRA Analytics Limited (formerly ICRA Online Limited).

Notes to Accounts

The Company has an internal system of grading for State Governments, Public Sector Undertakings and State Power Utilities. However, for Distribution Companies (DISCOMs), the Company adopts the ratings by the Ministry of Power as and when they are updated. These ratings are mapped with external rating grades published by various credit rating agencies as part of rating transition matrix. For private borrowers, the Company uses the external rating as published by various credit rating agencies, or proxy risk score in case such rating is not available. The proxy risk score model considers following parameters

Quantitative factors

Debt / EBITDA (30% weightage)

Return on Capital Employed (15% weightage)
Interest Coverage (25% weightage)
Gearing (Debt/Equity) (30% weightage)

Qualitative Factors

Quarter wise Operational Parameters like PPA, PLF, ACS – ARR Gap, and LAF
Actual Default dates
Status of the Project

(C) Measurement of Expected Credit Loss (ECL)

Ind AS 109 outlines a "three stage" model for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial instrument that is not credit impaired on initial recognition and whose credit risk has not increased significantly since initial recognition is classified as "Stage 1".
- If a significant increase in credit risk since initial recognition is identified, the financial instrument is moved to "Stage 2" but is not yet deemed to be credit impaired.
- If a financial instrument is credit impaired, it is moved to "Stage 3".
- Financial instrument in Stage 1 have their ECL measured at an amount equal to expected credit loss that results from default events possible within the next 12 months. Instruments in Stage 2 or Stage 3 criteria have their ECL measured on lifetime basis.

(D) Significant Increase in Credit Risk (SICR)

The Company considers a financial instrument to have experienced a significant increase in credit risk when on any financial instrument if the payment is more than 30 days past due on its contractual payments.

(E) Definition of default and credit-impaired assets

The Company defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when the loan account is more than 90 days past due on its contractual payments or or any such period allowed by the company in line with circular issued by the Reserve Bank of India.

(F) Measuring ECL - explanation of inputs, assumptions and estimation techniques

Expected credit losses are the product of the probability of default (PD), exposure at default (EAD) and loss given default (LGD), defined as follows:

- PD represents the likelihood of the borrower defaulting on its obligation either over next 12 months or over the remaining lifetime of the instrument.
- EAD represents the amounts, including the principal outstanding, interest accrued and outstanding Letters of Comfort that the Company expects to be owed at the time of default.
- LGD represents the Company's expectation of loss given that a default occurs. LGD is expressed in percentage and it shows the proportion of the amount that will actually be lost post recoveries in case of a default.

Determination of Probability of Default (PD)

The Company has analysed the available average annual rating transition matrices published by Credit Rating Agencies to arrive at annual transition matrix based PD. This annual transition matrix PD was extrapolated to arrive at the lifetime probability of default of various rating grades by loan tenure / maturity profile i.e. lifetime PD.

Loss Given Default (LGD) computation model

Based on the historical trend, research and industry benchmarking the Company has constructed a LGD model. Factors reviewed in the LGD model include Project cost per unit, PPA status, FSA status etc. Based on internal research the company has benchmarked these factors for Thermal, Renewable in Private Sector. In case of Private sector borrowers, the realizable value of the assets were arrived at using suitable assumptions, including valuation on outcome of the resolution process etc., to arrive at LGD. For State Government and Public sector projects, the Company has factored in the state support and assumed that the State/Central governments would step in to repay debt obligations of the state utilities as witnessed in the past.

(G) Alignment of LGD in case of Stage 3 Assets

Stage-3 assets where REC and PFC (Group Companies) are in Consortium for Stage-III Loan accounts, LGD is taken on the following basis:

(a) In cases where either REC or PFC is lead lender, LGD % calculated by the lead lender is adopted.

(b) In cases where neither REC nor PFC is lead lender, higher of the LGD% worked out by REC and PFC is adopted.

(H) Key assumptions used in measurement of ECL

(i) The Company considers the date of initial recognition as the base date from which significant increase in credit risk is determined.

(ii) EAD represents the amounts, including the principal outstanding, interest accrued and outstanding Letters of Comfort that the Company expects to be owed at the time of default.

(I) Credit Risk Exposure

Credit Risk Exposure in respect of the borrowers with different credit ratings is as under

(₹ in Crores)

Credit Risk Category (Internal/ Mapped Ratings)	As at 31.03.2022				As at 31.03.2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing								
Very Good (AAA | AA | A | Government Loan)	1,81,968.90	11,661.35	-	1,93,630.25	2,20,485.16	1,421.82	-	2,21,906.98
Good (BBB | BB | B)	96,631.68	24,762.88	-	1,21,394.56	1,07,998.93	69.68	-	1,08,068.61
Average (C)	54,755.07	-	-	54,755.07	28,532.47	-	-	28,532.47
Fair (D)	2,521.34	-	-	2,521.34	1,874.55	1,396.55	-	3,271.10
Non- Performing (D)	**-**	**-**	**17,159.89**	**17,159.89**	**-**	**-**	**18,256.93**	**18,256.93**
Gross Exposure	**3,35,876.99**	**36,424.23**	**17,159.89**	**3,89,461.11**	**3,58,891.11**	**2,888.05**	**18,256.93**	**3,80,036.09**
Loss allowance	2,790.22	369.61	11,565.73	14,725.56	1,282.46	141.43	11,791.31	13,215.20
Net Exposure	**3,33,086.77**	**36,054.62**	**5,594.16**	**3,74,735.55**	**3,57,608.65**	**2,746.62**	**6,465.62**	**3,66,820.89**

(J) Collateral and other credit enhancements

The Company employs a range of policies and practices to mitigate credit risk. The most common of these is accepting collateral for funds disbursed. The Company has internal policies on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances are:

- Mortgage of Immovable properties
- Hypothecation of Moveable property
- Assignment of project contract documents
- Pledge of instruments through which promoters' contribution is infused in the project
- Pledge of Promoter Shareholding
- Corporate and personal Guarantee of Promoters

(K) Loss allowance

The loss allowance recognized in the period is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent "step up" (or "step down") between 12-month and Lifetime ECL
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models
- Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period

The following tables explain the changes in the loan assets (including undisbursed Letters of Comfort) and the corresponding ECL allowance between the beginning and the end of the reporting period:

(₹ in Crores)

For the Year ended 31st March 2022	Stage 1		Stage 2		Stage 3		Total	
	Gross Amount	12 months ECL	Gross Amount	Lifetime ECL	Gross Amount	Lifetime ECL	Gross Amount	ECL
Opening Balance	**3,58,891.11**	**1,282.46**	**2,888.05**	**141.43**	**18,256.93**	**11,791.31**	**3,80,036.09**	**13,215.20**
Transfer to 12 months ECL	2,031.94	134.62	(1,396.55)	(139.66)	(635.39)	5.03	-	(0.01)
Transfer to life time ECL not credit impaired	(35,361.06)	(40.15)	35,361.06	40.15	-	-	-	-
Transfer to Lifetime ECL credit impaired	(1,516.73)	(214.87)	-	-	1,516.73	214.87	-	-
Additional provision due to changes in PD/ LGD	-	1,235.51	-	293.79	-	1,517.77	-	3,047.07
New Financial assets originated or purchased (including further disbursements in existing assets)	62,483.86	569.85	3,877.11	40.22	-	-	66,360.97	610.07
Financial Assets that have been derecognised (including recoveries in existing assets)	(50,652.13)	(177.20)	(4,305.44)	(6.32)	(54.37)	(39.24)	(55,011.94)	(222.76)
Write offs	-	-	-	-	(1,924.01)	(1,924.01)	(1,924.01)	(1,924.01)
Closing Balance	**3,35,876.99**	**2,790.22**	**36,424.23**	**369.61**	**17,159.89**	**11,565.73**	**3,89,461.11**	**14,725.56**

(₹ in Crores)

For the Year ended 31st March 2021	Stage 1		Stage 2		Stage 3		Total	
	Gross Amount	12 months ECL	Gross Amount	Lifetime ECL	Gross Amount	Lifetime ECL	Gross Amount	ECL
Opening Balance	**2,99,697.53**	**488.46**	**2,431.27**	**963.83**	**21,255.55**	**10,552.13**	**3,23,384.35**	**12,004.42**
Transfer to 12 months ECL	2,509.24	353.78	(53.05)	(1.82)	(2,456.18)	(351.96)	0.01	-
Transfer to life time ECL not credit impaired	(1,609.07)	(1.90)	1,609.07	1.90	-	-	-	-
Transfer to Lifetime ECL credit impaired	-	-	(36.22)	(0.38)	36.22	0.38	-	-
Additional provision due to changes in PD/ LGD	-	123.92	-	178.15	-	2,037.68	-	2,339.75
New Financial assets originated or purchased (including further disbursements in existing assets)	94,564.60	414.89	264.00	0.47	2.00	0.20	94,830.60	415.56
Financial Assets that have been derecognised (including recoveries in existing assets)	(36,271.19)	(96.69)	(421.58)	(95.28)	(333.56)	(200.02)	(37,026.33)	(391.99)
Write offs	-	-	(905.44)	(905.44)	(247.10)	(247.10)	(1,152.54)	(1,152.54)
Closing Balance	**3,58,891.11**	**1,282.46**	**2,888.05**	**141.43**	**18,256.93**	**11,791.31**	**3,80,036.09**	**13,215.20**

(L) Details of Stage wise Exposure and Impairment Loss Allowance:

(₹ in Crores)

Particulars	As at 31.03.2022				As at 31.03.2021			
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
Total Exposure	**3,35,876.99**	**36,424.23**	**17,159.89**	**3,89,461.11**	**3,58,891.11**	**2,888.05**	**18,256.93**	**3,80,036.09**
Impairment Allowance	2,790.22	369.61	11,565.73	14,725.56	1,282.46	141.43	11,791.31	13,215.20
ECL %	0.83%	1.01%	67.40%	3.78%	0.36%	4.90%	64.59%	3.48%

Notes to Accounts

(M) Concentration of credit risk

The Company monitors concentration of credit risk (loan assets including undisbursed Letters of Comfort) by type of industry in which the borrower operates, further bifurcated into type of borrower, whether state or private.

(₹ in Crores)

Particulars	As at 31.03.2022		As at 31.03.2021	
	Gross Amount	ECL	Gross Amount	ECL
Concentration by industry				
Generation	1,55,202.14	12,298.95	1,56,901.95	12,035.54
Renewables	13,449.27	225.20	17,388.24	117.88
Transcos	64,879.92	774.38	61,309.37	502.51
Discoms	1,52,115.74	1,411.67	1,39,833.76	557.90
Government Loans	3,814.04	15.36	4,602.77	1.37
Total	**3,89,461.11**	**14,725.56**	**3,80,036.09**	**13,215.20**
Concentration by ownership				
State	3,50,584.17	2,684.59	3,38,973.84	938.40
Private	38,876.94	12,040.97	41,062.25	12,276.80
Total	**3,89,461.11**	**14,725.56**	**3,80,036.09**	**13,215.20**

(N) Sector-wise Credit-impaired Assets - Percentage of Stage-III Assets to Total Advances in that sector

Particulars	As at 31.03.2022	As at 31.03.2021
Power Sector	4.45%	4.84%

(O) Movement of Credit-impaired Assets

(₹ in Crores)

	Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021
(i)	**Gross Credit-impaired Assets to Gross Advances (%)**	4.45%	4.84%
(ii)	**Net Credit-impaired Assets to Gross Advances (%)**	1.45%	1.71%
(iii)	**Net Credit-impaired Assets to Net Advances (%)**	1.51%	1.78%
(iv)	**Movement of Credit-impaired Assets (Gross)**		
(a)	Opening balance	18,256.93	21,255.55
(b)	Additions during the year	1,516.73	38.22
(c)	Reductions during the year	(689.76)	(2789.74)
(d)	Write-off during the year	(1924.01)	(247.10)
(e)	**Closing balance**	**17,159.89**	**18,256.93**
(v)	**Movement of Credit-impaired Assets (Net)**		
(a)	Opening balance	6,465.62	10,703.42
(b)	Additions during the year	(215.91)	34.59
(c)	Reductions during the year	(655.55)	(4,272.39)
(d)	Write-off during the year	-	-
(e)	**Closing balance**	**5,594.16**	**6,465.62**
(vi)	**Movement of provisions for Credit-impaired Assets**		
(a)	Opening balance	11,791.31	10,552.13
(b)	Provisions made during the year	1,732.64	2,038.26
(c)	Write-back of excess provisions	(34.21)	(551.98)
(d)	Provision on assets written off during the year	(1924.01)	(247.10)
(e)	**Closing balance**	**11,565.73**	**11,791.31**

Notes to Accounts

(P) In accordance with RBI Circular on Implementation of Ind AS by NBFCs dated 13.03.2020, had the loans otherwise required to be classified as NPA as per IRACP norms been considered, Gross NPA to Gross Loans ratio would have been 4.45% (previous year 5.04%) and Net NPA to Net Loans would have been 1.51% (previous year 1.99%) as at 31st March 2022.

(Q) Write off policy

The Company writes off financial assets, in whole or in part, as directed by the order of the Judicial Authority or when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include ceasure of enforcement activity or where the Company's recovery method is foreclosing on collateral and the value of collateral is such that there is no reasonable expectation of recovery in full.

(R) Business Model Policy

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios.

The Company is in the business of lending loans across power sector value chain and such loans are managed to realize the cash flows by collecting contractual payments (including principal and interest) over the tenure of the loan. Further, investments in the nature of debt investments and other financial assets may also be held by the Company to collect the contractual payments as per the agreed terms.

The Company's business model therefore is "hold to collect" for Loans, certain Financial Investments and Other Financial Assets. Such financial assets are measured at amortised cost if the contractual terms gives rise to cash flows that are solely payments of principal and interest on the amount outstanding.

(S) There are no Accounts with overdues beyond 90 days but not treated as credit impaired (excluding accounts to whom release under RBI Covid-19 Relief package has been allowed) (previous year Nill).

(T) There are no reportable cases of loans transferred/ acquired during the FY 2021-22 (previous year Nil) under Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated 24th September 2021.

Notes to Accounts

(U) Comparison between provision required as per RBI Income Recognition, Asset Classificaion and Provisioning norms (IRACP) and Impairment Allowance as per Ind-AS

(₹ in Crores)

For the Year ended 31st March 2022 Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Outstanding amount	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)	(6)=(4)-(5)	(7)	(8)=(5)-(7)
Performing Assets							
Standard	Stage 1	3,31,787.14	3,32,586.36	2,769.32	3,29,817.04	1,771.72	997.60
	Stage 2	36,424.23	36,888.95	369.61	36,519.34	391.52	(21.91)
Sub Total (1)		**3,68,211.37**	**3,69,475.31**	**3,138.93**	**3,66,336.38**	**2,163.24**	**975.69**
Non-Performing Assets							
Substandard Assets	Stage 3	1,512.49	1,512.49	437.16	1,075.33	190.83	246.33
Doubtful Assets							
Up to 1 year	Stage 3	33.28	33.28	3.33	29.95	7.25	(3.92)
1 to 3 years	Stage 3	4,534.01	4,534.01	2,981.99	1,552.01	1,952.89	1029.10
More than 3 years	Stage 3	11,062.89	11,062.89	8,126.03	2,936.86	8,108.58	17.45
Subtotal for doubtful assets		**15,630.18**	**15,630.18**	**11,111.35**	**4,518.82**	**10,068.72**	**1042.63**
Loss Assets	Stage 3	17.22	17.22	17.22	-	17.22	-
Sub-total for NPA (2)		**17,159.89**	**17,159.89**	**11,565.73**	**5,594.15**	**10,276.77**	**1,288.96**
Total Loan Assets		**3,85,371.26**	**3,86,635.20**	**14,704.66**	**3,71,930.53**	**12,440.01**	**2264.65**
Other items which are in scope of Ind-AS 109 but not covered under current IRACP norms							
- Letter of Comfort*	Stage 1	4,089.85	4,089.85	20.90	4,068.95	-	20.90
Sub-Total (3)		**4,089.85**	**4,089.85**	**20.90**	**4,068.95**	**-**	**20.90**
Total	**Stage 1**	**3,35,876.99**	**3,36,676.21**	**2,790.22**	**3,33,885.99**	**1,771.72**	**1018.50**
	Stage 2	**36,424.23**	**36,888.95**	**369.61**	**36,519.34**	**391.52**	**(21.91)**
	Stage 3	**17,159.89**	**17,159.89**	**11,565.73**	**5,594.15**	**10,276.77**	**1,288.96**
	Total	**3,89,461.11**	**3,90,725.05**	**14,725.56**	**3,75,999.48**	**12,440.01**	**2285.55**

** Gross carrying amount towards Letter of Comfort (LoC) represents non fund based exposures considered as financial guarantee as per IndAS 109*

(₹ in Crores)

(₹ in Crores))

For the Year ended 31st March 2021 Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Outstanding amount	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)	(6)=(4)-(5)	(7)	(8)=(5)-(7)
Performing Assets							
Standard	Stage 1	3,56,273.17	3,57,285.43	1,273.37	3,56,012.06	2,304.84	(1031.47)
	Stage 2	2,888.05	2,925.24	141.43	2,783.81	145.62	(4.19)
Sub Total (1)		**3,59,161.22**	**3,60,210.67**	**1,414.80**	**3,58,795.87**	**2,450.46**	**(1035.66)**
Non-Performing Assets							
Substandard Assets	Stage 3	36.31	36.31	3.63	32.68	3.63	-
Doubtful Assets							
Up to 1 year	Stage 3	560.99	560.99	303.81	257.18	301.24	2.57
1 to 3 years	Stage 3	13,786.04	13,786.04	8,514.57	5,271.46	6,913.49	1601.08
More than 3 years	Stage 3	3,856.37	3,856.37	2,952.08	904.29	2,665.23	286.85
Subtotal for doubtful assets		**18,203.40**	**18,203.40**	**11,770.46**	**6,432.93**	**9,879.96**	**1890.50**
Loss Assets	Stage 3	17.22	17.22	17.22	-	17.22	-
Sub-total for NPA (2)		**18,256.93**	**18,256.93**	**11,791.31**	**6,465.61**	**9,900.81**	**1,890.50**
Total Loan Assets		**3,77,418.15**	**3,78,467.60**	**13,206.11**	**3,65,261.48**	**12,351.27**	**854.84**
Other items which are in scope of Ind-AS 109 but not covered under current IRACP norms							
- Letter of Comfort*	Stage 1	2,617.94	2,617.94	9.09	2,608.85	-	9.09
Sub-Total (3)		**2,617.94**	**2,617.94**	**9.09**	**2,608.85**	**-**	**9.09**
Total	**Stage 1**	**3,58,891.11**	**3,59,903.37**	**1,282.46**	**3,58,620.91**	**2,304.84**	**(1022.38)**
	Stage 2	**2,888.05**	**2,925.24**	**141.43**	**2,783.81**	**145.62**	**(4.19)**
	Stage 3	**18,256.93**	**18,256.93**	**11,791.31**	**6,465.61**	**9,900.81**	**1,890.50**
	Total	**3,80,036.09**	**3,81,085.54**	**13,215.20**	**3,67,870.33**	**12,351.27**	**863.93**

** Gross carrying amount towards Letter of Comfort (LoC) represents non fund based exposures considered as financial guarantee as per IndAS 109*

Notes to Accounts

48.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

The Company manages its liquidity risk through a mix of strategies, including forward-looking resource mobilization based on

Continued

projected disbursements and maturing obligations. The Company has put in place an effective Asset Liability Management System and has also constituted an Asset Liability Management Committee ("ALCO") which monitors the liquidity risk with the help of liquidity gap analysis.

The Company maintains adequate bank balances, short term investments that are readily convertible into cash and adequate borrowing and overdraft facilities by continuously monitoring the forecast and actual cash flows.

48.2.1 Maturity Pattern of Future Undiscounted Cash Flows

The cash flows towards items of financial liabilities (representing future undiscounted cash flows towards principal and interest) is as under:

(₹ in Crores)

As at 31st March 2022	1-7 Days	8-14 Days	Over 15 Days & up to 1 Months	Over 1 month & up to 2 Months	Over 2 months & up to 3 Months	Over 3 months & up to 6 Months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Non-Derivative Financial Liabilities :											
Rupee Borrowings											
Debt Securities											
- Principal	-	-	-	-	5,878.20	2,970.00	14,058.86	53,719.87	39,133.38	67,531.66	1,83,291.97
- Interest	-	379.26	348.22	1,085.23	2,345.40	2,433.79	6,290.73	21,667.98	14,748.20	22,337.48	71,636.29
Other Borrowings											
- Principal	-	-	160.93	1,150.00	1,000.00	1,824.29	5,163.63	17,836.77	15,155.51	18,798.15	61,089.28
- Interest	272.39	-	63.24	202.90	496.89	671.39	1,604.83	4,949.21	3,439.46	3,027.89	14,728.20
Subordinated Liabilities											
- Principal	-	-	-	-	-	-	-	2,500.00	-	4,150.70	6,650.70
- Interest	-	-	-	201.50	114.94	-	163.60	759.35	557.08	787.73	2,584.20
Foreign Currency Borrowings											
Debt Securities											
- Principal	-	-	-	-	-	-	-	17,814.67	6,822.64	5,685.54	30,322.85
- Interest	-	-	-	227.28	66.15	285.65	584.79	1,691.31	769.79	171.02	3,795.99
Other Borrowings											
- Principal	-	-	-	2,744.22	2,887.33	2,664.98	4,506.16	8,555.57	21,129.28	3,001.98	45,489.52
- Interest	8.00	7.18	22.42	67.65	124.53	263.85	447.00	1,388.28	812.26	516.82	3,657.99
Derivative Liabilities :											
Interest rate swaps	-	-	-	0.07	-	18.82	-	42.62	-	112.01	173.52
Currency swaps	-	-	-	-	-	-	-	13.87	-	34.50	48.37
Others -											
Reverse cross currency swap	-	-	-	-	-	-	-	22.50	-	308.74	331.24
Seagull Option	-	-	-	-	-	-	-	-	-	-	-

Notes to Accounts

(₹ in Crores)

As at 31st March 2021	1-7 Days	8-14 Days	Over 15 Days & up to 1 Months	Over 1 month & up to 2 Months	Over 2 months & up to 3 Months	Over 3 months & up to 6 Months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Non-Derivative Financial Liabilities :											
Rupee Borrowings											
Debt Securities											
- Principal	-	-	1,055.00	600.00	3,520.00	6,486.80	25,852.18	46,211.21	44,523.75	75,870.73	2,04,119.67
- Interest	-	379.26	429.06	1,313.74	1,981.43	3,293.77	7,841.36	22,724.28	16,731.83	27,645.59	82,340.32
Other Borrowings											
- Principal	-	350.00	2,400.00	7,099.52	4,137.00	1,526.67	3,658.51	20,600.55	9,152.90	10,000.00	58,925.15
- Interest	208.60	4.26	85.39	199.76	458.88	565.70	1,388.04	4,370.69	2,293.36	2,653.21	12,227.90
Subordinated Liabilities											
- Principal	-	-	-	-	-	-	-	2,500.00	-	4,150.70	6,650.70
- Interest	-	-	-	201.50	162.21	-	192.96	1,107.77	704.25	1,375.22	3,743.91
Foreign Currency Borrowings											
Debt Securities											
- Principal	-	-	-	-	-	-	-	8,820.56	12,128.28	5,512.87	26,461.71
- Interest	-	-	-	220.52	64.14	194.94	485.15	1,841.77	670.06	395.99	3,872.57
Other Borrowings											
- Principal	-	-	551.29	551.29	45.31	12.51	6,797.99	8,043.62	4,575.17	5,776.64	26,353.82
- Interest	8.81	1.21	7.27	68.26	60.15	130.44	246.98	841.03	615.06	800.45	2,779.66
Derivative Liabilities :											
Interest rate swaps	-	-	-	-	-	-	29.88	343.06	30.71	-	403.65
Currency swaps	-	-	-	-	-	-	-	-	16.48	104.60	121.08
Others -											
Reverse cross currency swap	-	-	-	-	-	-	-	-	19.67	258.66	278.33
Seagull Option	-	-	24.92	18.33	-	-	-	-	-	-	43.25

Bonds with put & call option have been shown considering the earliest exercise date. The liquidity analysis for derivative financial liabilities is based on fair values of the derivative contracts and the maturity buckets have been derived on the basis of the remaining tenor of the respective derivative instrument.

Significant cashflows required for financial liabilities shall be funded through the undiscounted cash flows (principal and interest) from loans as below:

(₹ in Crores)

Particulars	1-7 Days	8-14 Days	Over 15 Days & up to 1 Months	Over 1 month & up to 2 Months	Over 2 months & up to 3 Months	Over 3 months & up to 6 Months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
As at 31st March 2022											
Principal	158.66	-	2,077.03	2,142.80	4,800.08	8,892.93	19,691.55	74,970.39	74,346.88	1,83,586.28	3,70,666.60
Interest	611.62	-	892.06	1,559.14	6,094.78	9,076.43	17,252.35	59,983.17	44,663.39	71,842.69	2,11,975.63
As at 31st March 2021											
Principal	878.97	-	1,866.73	1,747.68	4,838.22	8,947.33	17,793.88	72,044.11	67,832.43	1,88,262.69	3,64,212.04
Interest	117.12	4.00	880.36	1,331.57	5,715.61	9,108.12	17,306.39	60,195.92	45,576.96	77,702.45	2,17,938.50

The principal cash flows relating to Stage III assets, net of Expected Credit Loss have been considered in over 5 years bucket irrespective of the maturity date.

48.2.2 Maturity Pattern of Significant Financial Assets & Liabilities, as prescribed by RBI

(₹ in Crores)

As at 31st March 2022	1-7 Days	8-14 Days	Over 15 Days & up to 1 Months	Over 1 month & up to 2 Months	Over 2 months & up to 3 Months	Over 3 months & up to 6 Months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Loan Assets	158.66	-	2,077.03	2,142.80	6,181.63	8,892.93	19,691.55	74,970.39	74,346.88	1,83,468.67	**3,71,930.54**
Investments	-	-	-	-	2.81	2.82	55.65	80.05	180.59	1,836.05	**2,157.97**
Rupee Borrowings											
Debt Securities	19.34	367.83	330.52	993.71	7,777.02	4,636.58	15,212.32	53,696.32	39,118.89	67,453.88	**1,89,606.42**
Other Borrowings	6.56	-	200.55	1,150.00	1,000.00	2,149.40	5,165.59	17,836.77	15,155.52	18,796.19	**61,460.59**
Subordinated Liabilities	-	-	-	168.38	126.46	-	2.11	2,499.73	-	4,019.79	**6,816.47**
Foreign Currency Borrowings											
Debt Securities	-	-	-	172.81	40.17	89.14	-	17,755.78	6,805.78	5,163.48	**30,027.15**
Other Borrowings	5.62	2.42	4.43	2,747.65	2,910.57	2,680.96	4,506.16	8,499.93	20,837.27	2,995.98	**45,191.00**
Foreign Currency Assets			-	-	-	-	-	-	-	-	**-**
Foreign Currency Liabilities (other than Borrowings)			-	-	-	-	-	-	-	-	**-**

(₹ in Crores)

As at 31st March 2021	1-7 Days	8-14 Days	Over 15 Days & up to 1 Months	Over 1 month & up to 2 Months	Over 2 months & up to 3 Months	Over 3 months & up to 6 Months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Loan Assets	878.97	-	1,866.73	1,747.68	4,838.22	9,451.43	17,793.88	72,044.11	67,832.43	1,88,808.04	**3,65,261.49**
Investments	-	-	-	-	-	-	37.28	100.64	136.13	1,635.73	**1,909.77**
Rupee Borrowings											
Debt Securities		367.83	1,462.17	1,143.76	5,127.49	8,436.25	28,244.43	46,217.54	44,490.29	75,777.90	**2,11,267.66**
Other Borrowings		350.00	2,431.14	7,099.52	4,462.12	1,526.67	3,658.51	20,600.55	9,152.91	9,999.99	**59,281.41**
Subordinated Liabilities		-	-	168.38	129.51	-	1.60	2,499.52	-	4,147.88	**6,946.89**
Foreign Currency Borrowings											
Debt Securities	-	-	-	-	-	62.02	213.39	8,768.94	12,094.51	4,921.54	**26,060.40**
Other Borrowings	6.59	-	551.29	557.44	68.01	12.51	6,785.72	7,968.17	4,505.29	5,770.93	**26,225.95**
Foreign Currency Assets			-	-	-	-	-	-	-	-	**-**
Foreign Currency Liabilities (other than Borrowings)			-	-	-	-	-	-	-	-	

Notes to Accounts

48.2.3 Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Expiring within one year (cash credit and other facilities)		
- Fixed rate	-	-
- Floating rate	8,803.05	5,547.28
Expiring beyond one year (loans/ borrowings)		
- Fixed rate	-	-
- Floating rate	1,245.90	-

48.2.4 Additional Disclosures in accordance with RBI Circular on liquidity risk management

The Company has put in place an effective Asset Liability Management System and has also constituted an Asset Liability Management Committee ("ALCO") which monitors the liquidity risk with the help of liquidity gap analysis. The Company continuously monitors the projected and actual cash flows and accordingly maintains adequate bank balances, overdraft facilities, short term investments that are readily convertible into cash and adequate borrowing plans.

(i) Funding Concentration based on significant counterparty (borrowings)

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Number of significant counterparties*	15	20
Amount	1,55,352.32	1,82,250.87
% of Total Liabilities	43.22%	51.08%

(ii) Top 10 borrowings

	Particulars	As at 31.03.2022		As at 31.03.2021	
		Amount (₹ in Crores)	% of Total borrowings	Amount (₹ in Crores)	% of Total borrowings
1	Term Loan from State Bank of India	12,729.30	3.89%	10,839.90	3.36%
2	Term Loan from HDFC Bank	12,000.00	3.67%	4,650.00	1.44%
3	Term Loan from Govt. of India- National Small Savings Fund (NSSF)	10,000.00	3.06%	10,000.00	3.10%
4	Foreign Currency Borrowings- US $1175 Mn	8,907.33	2.73%	-	-
5	Term Loan from India Infrastructure Finance Company Ltd. (IIFCL)	6,800.00	2.08%	5,800.00	1.80%
6	54EC- Series XII (2018-19)	6,651.77	2.04%	6,651.77	2.06%
7	54EC- Series XIII (2019-20)	6,157.72	1.88%	6,157.72	1.91%
8	54EC- Series XV (2021-22)	6,024.57	1.84%	-	-
9	Tax Free Bonds (2013-14 Series)	6,000.00	1.84%	-	-
10	54EC- Series XIV (2020-21)	5,312.07	1.63%	-	-
11	Foreign Currency Bonds- US $700 Mn Bonds	-	-	5,145.33	1.60%
12	Institutional Bonds- 182nd Series	-	-	5,063.00	1.57%
13	Institutional Bonds- 203rd A Series	-	-	5,000.00	1.55%
14	Foreign Currency Bonds- US $650 Mn Bonds	-	-	4,777.81	1.48%
	Total	**80,582.76**	**24.65%**	**64,085.53**	**19.87%**

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(iii) Funding Concentration based on significant instrument/ product

	Name of significant instrument/ product*	As at 31.03.2022		As at 31.03.2021	
		Amount (₹ in Crores)	% of Total Liabilities	Amount (₹ in Crores)	% of Total Liabilities
1	**Debt Securities**				
	Institutional Bonds	1,46,041.60	40.63%	1,73,338.60	48.58%
	Foreign Currency Bonds	30,322.85	8.44%	26,461.71	7.42%
	54EC Capital Gain Tax Exemption Bonds	25,437.67	7.08%	18,121.59	5.08%
	Tax Free Bonds	11,808.74	3.29%	12,648.41	3.54%
	Sub-Total (1)	**2,13,610.86**	**59.43%**	**2,30,570.31**	**64.62%**
2	**Borrowings (Other than Debt Securities)**				
	Term Loans from Banks	42,878.32	11.93%	29,938.58	8.39%
	Foreign Currency Borrowings	35,634.60	9.91%	21,024.72	5.89%
	Term Loans from Govt. of India	10,000.00	2.78%	10,000.00	2.80%
	FCNR (B) Loans	9,854.92	2.74%	5,329.10	1.49%
	Term Loans from Financial Institutions	6,800.00	1.89%	5,800.00	1.63%
	Loans repayable on demand from Banks	1,410.93	0.39%	10,186.52	2.85%
	Sub-Total (2)	**1,06,578.77**	**29.65%**	**82,278.92**	**23.06%**
3	**Subordinated Liabilities**	**6,650.70**	**1.85%**	**6,650.70**	**1.86%**
	Total (1+2+3)	**3,26,840.33**	**90.93%**	**3,19,499.93**	**89.54%**

** Significant counterparty/ significant instrument/ product is defined as a single counterparty/ single instrument/ product or group of connected or affiliated counterparties accounting in aggregate to more than 1% of the company's total liabilities.*

(iv) Stock Ratios:

Particulars	As at 31.03.2022				As at 31.03.2021			
	Amount (₹ in Crores)	% of Public Funds	% of Total Liabilities	% of Total Assets	Amount (₹ in Crores)	% of Public Funds	% of Total Liabilities	% of Total Assets
Commercial Papers	-	-	-	-	-	-	-	-
Non-Convertible debentures having maturity of less than one year	-	-	-	-	-	-	-	-
Other Short-Term liabilities	12,852.04	3.93%	3.58%	3.13%	20,511.10	6.36%	5.75%	5.12%

(v) Liquidity Coverage Ratio (LCR)

RBI, vide its Liquidity Framework dated 04 Nov, 2019 has stipulated maintaining of Liquidity Coverage Ratio (LCR) by Non-Deposit taking NBFCs with asset size of more than ₹ 10,000 Crores w.e.f. 01 Dec, 2020. These guidelines of RBI aims to ensure that Company has an adequate stock of unencumbered High-Quality Liquid Assets (HQLA) that can be converted into cash easily and immediately to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario.

The LCR is represented by:

$$\frac{\text{The Stock of High-Quality Liquid Assets}}{\text{Total Net Cash Outflows over the next 30 calendar days}}$$

where,

(i) Total net cash outflows is defined as the total expected cash outflows minus total expected cash inflows for the next 30 calendar days, where the cash flows are assigned a predefined stress percentage, as prescribed by RBI.

(ii) High Quality Liquid Assets (HQLA) means liquid assets that can be readily sold or immediately converted into cash at little or no loss of value or used as collateral to obtain funds in a range of stress scenarios.

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The LCR requirement is binding on NBFCs from December 1, 2020 with the minimum HQLAs to be held being 50% of the LCR, progressively reaching up to the required level of 100% by December 1, 2024.

At Present, HQLA investments are held in INR in the form of Government Securities(G-Sec)/ State Development Loans (SDLs) Securities and AAA/AA Corporate Bonds and auto swap balance with banks.

Composition of HQLA:

Out of the Stock of HQLA, the Government Securities is the highest proportion of HQLA followed by AAA/AA Corporate bonds and auto swap balances. The position of HQLA holding as on 31st March 2022 is as follows:

HQLA Items	% of Overall
Assets without Haircut	**89%**
- Cash and Cash Equivalents	12%
- G-Sec and SDLs	77%
Assets with 15% Haircut	**11%**
- Corporate Bonds	11%
Assets with 50% Haircut	-
Total	**100%**

Liquidity Coverage Ratio Disclosure

(₹ in Crores)

Particulars	Quarter ended 31.03.2022		Quarter ended 31.03.2021	
	Total Unweighted Value (average)*	Total Weighted Value (average)*	Total Unweighted Value (average)*	Total Weighted Value (average)*
High Quality Liquid Assets				
Total High Quality Liquid Assets (HQLA)	1,719.78	1,686.09	2,151.50	2,120.54
- AA/AAA Corporate Bonds	224.56	190.87	206.39	175.43
- G-SEC Bonds/ State Development Loans (SDLs)	1,296.73	1,296.73	483.29	483.29
- Banks Autoswap	198.49	198.49	1,461.82	1,461.82
Cash Outflows				
Other contractual funding obligations	8,279.00	9,520.85	11,720.66	13,478.76
Other contingent funding obligations	848.00	975.20	2,193.98	2,523.08
Total Cash Outflows	**9,127.00**	**10,496.05**	**13,914.64**	**16,001.84**
Cash Inflows				
Secured lending	-	-	-	-
Inflows from fully performing exposures	6,414.00	4,810.50	7,480.10	5,610.08
Other cash inflows	10,223.00	7,667.25	11,807.52	8,855.64
Total Cash Inflows (restricted to 75% of Outflows on every observation day)	**16,637.00**	**7,872.04**	**19,287.63**	**11,760.86**
Total Adjusted Value				
Total HQLA (A)		**1,686.09**		**2,120.54**
Total Net Cash Outflows (B)		**2,624.01**		**4,240.98**
Liquidity Coverage Ratio (A / B)		**64.26%**		**50.00%**
% Variance		**28.51%**		

** For average, daily observation during Quarter-4 of FY 2021-22, has been considered.*

Notes to Accounts

48.3 Market Risk - Currency Risk

The Company is exposed to foreign currency risk from various foreign currency borrowings primarily denominated in USD, EURO, JPY and SGD. The Company has a risk management policy which aims to manage the foreign currency risk arising from its borrowings denominated in a currency other than the functional currency of the Company. The Company uses combination of foreign currency options structures, forward contracts and cross currency swap to hedge its exposure to foreign currency risk.

An Asset Liability Management Committee (ALCO) is currently functioning under the chairmanship of CMD with Functional Directors, executive directors and Chief General Managers from Finance and Operating Divisions as its members. ALCO monitors Foreign currency risk with exchange rate and interest rate managed through various derivative instruments. 'The Company enters into various derivative transactions to cover exchange rate through various instruments like foreign currency forwards contracts, currency options, principal only swaps and forward rate agreements. These derivative transactions are done for hedging purpose and not for trading or speculative purpose.

In respect of foreign currency debt securities and borrowings, the company has also executed cross currency swaps (principal and/or interest) to hedge the Foreign Currency Exposure. The outstanding position of Foreign Currency Exposure as at 31st March 2022 is as under:

(Foreign Currency amounts in Millions, INR equivalent in ₹ Crores)

Currency	As at 31.03.2022			As at 31.03.2021		
	Total Exposure	Hedged through Derivatives	Unhedged Exposure	Total Exposure	Hedged through Derivatives	Unhedged Exposure
USD $	9,436.00	7,620.00	1,816.00	6,893.85	3,500.00	3,393.85
INR Equivalent	*71,531.58*	*57,765.01*	*13,766.57*	*50,673.04*	*25,726.65*	*24,946.39*
JPY ¥	58,729.87	20,846.05	37,883.82	21,600.36	20,845.99	754.37
INR Equivalent	*3,654.76*	*1,297.25*	*2,357.51*	*1,433.40*	*1,383.34*	*50.06*
EURO €	26.32	0.87	25.45	36.85	11.40	25.45
INR Equivalent	*222.82*	*7.37*	*215.45*	*317.30*	*98.12*	*219.18*
SGD $	72.08	72.08	-	72.08	72.08	-
INR Equivalent	*403.21*	*403.21*	-	*391.79*	*391.79*	-
Total	**75,812.37**	**59,472.84**	**16,339.53**	**52,815.53**	**27,599.90**	**25,215.63**

Sensitivity Analysis

The table below represents the impact on P&L including FCMITDA (+ Gain / (Loss) for 5% change in foreign currency exchange rate against INR on the unhedged exposures:

(₹ in Crores)

Particulars	As at 31.03.2022		As at 31.03.2021	
	Favorable	Adverse	Favorable	Adverse
USD/INR	515.09	(515.09)	933.39	(933.39)
JPY/INR	88.21	(88.21)	1.87	(1.87)
EUR/INR	8.06	(8.06)	8.20	(8.20)

Holding all other variables constant

48.4 Market Risk - Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in interest rates. Interest rates are dynamic and dependent on various internal and external factors including but not limited to RBI policy changes, liquidity in the market, movement of external benchmarks such as AAA bond/ G-Sec yields/ LIBOR etc. Some of the borrowings of the Company are exposed to interest rate risk with floating interest rates linked to USD LIBOR (London Inter Bank Offered Rate), SORA (Singapore Overnight Rate Average), TONAR (Tokyo Overnight Average Rate), SOFR (Secured Overnight Financing Rate), T-Bills, Repo Rate etc. The Company manages its interest rate risk through various derivative contracts like interest rate swap contracts, forward interest rate contracts to minimize the risk of fluctuation in interest rates. The Company also uses cross-currency interest rate swaps as a cost-reduction strategy to benefit from the interest differentials in different currencies.

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The table below shows the overall exposure of the Company to the liabilities linked with floating interest rates as at 31st March 2022 is as under:

(Foreign Currency amounts in Millions, INR equivalent in ₹ Crores)

Currency	As at 31.03.2022			As at 31.03.2021		
	Floating Interest Rate Exposure	Hedged through Derivatives	Unhedged Exposure	Floating Interest Rate Exposure	Hedged through Derivatives	Unhedged Exposure
INR Borrowings	50,178.32	-	50,178.32	35,738.58	-	35,738.58
USD $	4,636.00	1,325.00	3,311.00	2,768.85	1,630.00	1,138.85
INR Equivalent	*35,144.17*	*10,044.44*	*25,099.73*	*20,352.38*	*11,981.27*	*8,371.11*
JPY ¥	58,352.72	10,327.16	48,025.56	20,846.14	10,327.14	10,519.00
INR Equivalent	*3,631.29*	*642.66*	*2,988.63*	*1,383.35*	*685.31*	*698.04*
SGD $	72.08	72.08	-	72.08	72.08	-
INR Equivalent	*403.21*	*403.21*	-	*391.79*	*391.79*	-
Total INR Equivalent	**89,356.99**	**11,090.31**	**78,266.68**	**57,866.10**	**13,058.37**	**44,807.73**

The Company also uses Interest Rate Swaps to manage fair value risk on interest rate borrowings to mitigate the interest rate sensitivity mismatch. Through such swaps, the fixed rate borrowings amounting to ₹ 11,850.70 crores as on 31st March 2022 (Previous year Nil) have been converted into floating rate borrowings through the use of MIBOR-linked Overnight Indexed Swaps.

The Company's lending portfolio carries interest at semi-fixed rate i.e. fixed rate of interest with 1/3/10 year reset option with the borrower. The Company reviews its lending rates periodically based on prevailing market conditions, borrowing cost, yield, spread, competitors' rates, sanctions and disbursements etc. In order to manage pre-payment risks, the Company charges pre-payment premium from borrowers in case of pre- payment of loan. The interest rate risk is managed by the analysis of interest rate sensitivity gap statements and by evaluating the creation of assets and liabilities with a mix of fixed and floating interest rates.

The Company is exposed to interest rate risk on following Loan Assets which are at semi-fixed rates:

(₹ in Crores)

Description	As at 31.03.2022	As at 31.03.2021
Rupee Loans	3,75,805.76	3,63,580.03

Sensitivity Analysis

The table below represents the impact on P&L Gain / (Loss) for 50 basis points increase or decrease in interest rate on Company's floating rate assets and liabilities on the unhedged exposures:

(₹ in Crores)

Particulars	As at 31.03.2022		As at 31.03.2021	
	Increase	(Decrease)	Increase	(Decrease)
Floating Rate Loan Liabilities	(292.84)	292.84	(167.65)	167.65
Interest Rate Swaps	(44.34)	44.34	-	-
Floating/ semi-fixed Rate Loan Assets	1,406.11	(1406.11)	1,360.37	(1360.37)

** Holding all other variables constant*

The above sensitivity analysis has been prepared assuming that the amount outstanding at the end of the reporting period remains outstanding for the whole year. A 50 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

48.4.1 Disclosures in respect of Interest Rate Benchmark Reform (IBOR)

The Company has variable interest rate borrowings with interest rates linked with different benchmarks. Such interest rate benchmarks for foreign currency borrowings include 1/3/6 Month USD LIBOR (London Inter-Bank Offered Rate), Overnight SOFR (Secured

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Overnight Financing Rate), TONA (Tokyo Overnight Average Rate), SORA (Singapore Overnight Rate Averages), etc. The summary of such borrowings as on 31st March, 2022 are as below:

Benchmark	Amount (₹ in Crores)	Amount (USD Mn Equivalent)
3M USD LIBOR	7,201.67	950.00
6M USD LIBOR	27,373.94	3,611.00
O/N SOFR	568.55	75.00
TONA	3,631.29	479.02
SORA	403.21	53.19
Total	**39,178.67**	**5,168.21**

As announced by the UK Financial Conduct Authority (FCA) on 5 March 2021, JPY LIBOR has ceased to be published after 31st December 2021 and 1 Month, 3 Month and 6 Month USD LIBOR will cease to be published after 30th June 2023.

(i) Exposure directly affected by the Interest Rate Benchmark Reform (IBOR)

While some of the floating rate borrowings of the Company are already under the new benchmarks, some of the borrowings will also get repaid before the cessation date of the respective interest rates, i.e. 3M USD LIBOR and 6M USD LIBOR. Accordingly, the total amount of exposure that is directly affected by the Interest Rate Benchmark Reform (IBOR) is ₹ 25,963.93 crores (USD 3.425 Billion) as on 31st March, 2022. Out of this, the nominal amount of the derivative exposure linked with such liabilities and accounted for under hedge accounting is ₹ 3,790.36 crores (USD 0.500 Billion).

(ii) Managing the process to transition to alternative benchmark rates

Pursuant to the Interest Rate Benchmark Reform, LIBOR will be replaced with alternative Risk-Free Rates (RFRs). SOFR (Secured Overnight Financing Rate) will be the replacement for USD LIBOR, while TONA (Tokyo Overnight Average Rate) will replace JPY LIBOR. ISDA (International Swaps and Derivatives Association), the globally recognized statutory body governing the global derivative deals, has come up with the ISDA 2020 IBOR Fallbacks Protocol (commonly referred to as Fallback Protocol) to move all the legacy contracts to new benchmarks. The Company has adhered to the Fallbacks Protocol under which the fallbacks for the various LIBOR benchmarks will automatically become applicable to the existing derivative trades with all counterparties.

With respect to the term loans, REC has been actively engaging with the lenders to initiate the transition exercise at an early stage. During the year 2021-22, REC has completed the transition documentation for two JPY loans amounting to JPY 20,846.12 Billion (INR equivalent as on 31st March, 2022 ₹ 1,297.25 crores) with the benchmark changed from JPY LIBOR to TONA . Additionally, an active transition for one SGD loan amounting to SGD 72.08 Million (INR equivalent as on 31st March, 2022 ₹ 403.21 crores has also been concluded during the year with the benchmark changed from 6M SOR (Singapore Swap Offer Rate) to SORA (Singapore Overnight Rate Average). Where the interest rate risk for these loans was hedged, the interest rate benchmarks in such derivatives have been suitably changed to the new benchmarks.

(iii) Significant Assumptions for exposures affected by the Interest Rate Benchmark Reform

Ind AS 109 provides temporary exceptions to all the hedging relationships directly impacted by the Interest Rate Benchmark Reform. While the benchmarks for the underlying loan are yet to be agreed with the lenders, it has been assumed that there will be no change in the alternative benchmark rates of the underlying loan and the derivative contracts and hedge effectiveness is not altered as a result of such reform.

48.5 Hedge accounting

The Company designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in cash flow hedges. For option contracts, the Company designates only the intrinsic value of option contracts as a hedged item by excluding the time value of the option. The changes in the fair value of the aligned time value of the option are recognised in Other Comprehensive Income and accumulated in the cost of hedging reserve. The time value of the options at the inception of the hedging relationship is reclassified to Profit or Loss on a straight-line basis.

Hedge ineffectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company applies the following effectiveness testing strategies:

(i) For cross currency swaps, principal only swaps and interest rate swaps that exactly match the terms of the terms of the hedged item, the economic relationship and hedge effectiveness are based on the qualitative factors using critical terms match method.

(ii) For other interest rate swaps (in cases of late designation), the Company uses dollar offset method using a hypothetical derivatives, dollar offset method is a quantitative method that consists of comparing the change in fair value or cash flows of the hedging instrument with the change in fair value or cash flows of the hedged item attributable to the hedged risk.

(iii) For option structures, the Company analyses the behaviour of the hedging instrument and hedged item using regression analysis based dollar offset method.

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The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk and notional amount of the hedging instruments are identical to the hedged items.

Impact of Hedge Accounting

(a) Effects of hedge accounting on balance sheet

(₹ in Crores)

As at 31st March 2022 Type of hedge and risks	Notional amount (in Mn)	Carrying amount of hedging instruments: Assets	Carrying amount of hedging instruments: Liabilities	Maturity dates	Hedge ratio	Weighted average strike price/rate	Change in fair value of hedging instruments	Change in value of hedged item used as the basis for recognising hedge effectiveness
Cash flow hedge								
Foreign exchange and interest rate risk								
(i) Foreign currency options structures								
- Seagull Structure	USD 7,045	4,744.05	-	May 2022 - Jan 2027	1:1	74.31	(399.81)	399.81
	USD 20,846.12	102.15	-	Aug 2023 - Sep 2025	1:1	0.66	(96.08)	96.08
	SGD 72.08	22.08	-	Mar 2025	1:1	0.01	(1.77)	1.77
- Call Spread	USD 250	76.73	-	Mar 2024	1:1	57.52	(74.08)	74.08
(ii) Cross Currency Interest Rate swaps	USD 1,300	22.69	43.78	May 2022 - Mar 2025	1:1	2.99% and 72.94	112.67	(112.67)
	JPY 10,327.12	-	1.50	Aug 2023	1:1	0.42% and 0.62	0.82	(0.82)
	SGD 72.08	23.86	-	Mar 2025	1:1	1.44%	21.54	(21.54)
(iii) Principal only swaps	USD 375	-	48.37	Mar 2025 - Jun 2030	1:1	75.41	(49.08)	49.08
(iv) Interest rate swaps	USD 425	92.42	-	Mar 2024 - Oct 2026	1:1	2.23%	130.27	(130.27)

(₹ in Crores)

As at 31st March 2021 Type of hedge and risks	Notional amount (in Mn)	Carrying amount of hedging instruments: Assets	Carrying amount of hedging instruments: Liabilities	Maturity dates	Hedge ratio	Weighted average strike price/rate	Change in fair value of hedging instruments	Change in value of hedged item used as the basis for recognising hedge effectiveness
Cash flow hedge								
Foreign exchange and interest rate risk								
(i) Foreign currency options structures								
- Seagull Structure	USD 2,595	1,458.96	43.25	April 2021 - Oct 2025	1:1	73.32	(611.68)	611.68
	JPY 20,846.12	198.23	-	Aug 2023 - Sep 2025	1:1	0.66	(131.87)	131.87
- Call Spread	USD 250	77.74	-	Mar 2024	1:1	71.94	(93.51)	93.51
(ii) Cross currency swaps	USD 1,350	-	244.37	Dec 2021 - Mar 2025	1:1	2.92% and 72.93	(73.78)	73.78
	JPY 10,327.12	-	4.06	Aug 2023	1:1	0.42% and 0.62	(0.08)	0.08
	SGD 72.08	23.86	-	Mar 2025	1:1	1.44%	21.54	(21.54)
(iii) Principal only swaps	USD 375	-	121.08	Mar 2025 - Jun 2030	1:1	75.41	(174.62)	174.62
(iv) Interest rate swaps	USD 260	-	69.74	Mar 2024 - Jul 2024	1:1	2.32%	(1.12)	1.12

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(b) Effects of Cash Flow hedge accounting on Statement of Profit and Loss

(₹ in Crores)

Type of hedge	Change in value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised	Amount reclassified from cash flow hedge reserve	Line item affected on reclassification
Year ended 31.03.2022				
- Currency risk and interest rate risk	(377.06)	-	(995.95)	Gain/ loss on foreign exchange translation
			126.43	Finance cost
Year ended 31.03.2021				
- Currency risk and interest rate risk	(1,065.12)	-	580.30	Gain/ loss on foreign exchange translation
			179.56	Finance cost

(c) Movement in cash flow hedging reserve and cost of hedging reserve

(₹ in Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Effective portion of Cash Flow Hedges		
Opening Balance	**(165.61)**	**(226.08)**
Add: Changes in intrinsic value of foreign currency option structures	1108.37	(625.61)
Add: Changes in fair value of cross currency swaps	111.72	(52.32)
Add: Changes in fair value of interest rate swaps	130.27	(1.12)
Less: Amounts reclassified to profit or loss	(869.52)	759.86
Less: Deferred tax relating to above (net)	(121.02)	(20.34)
Closing Balance	**194.21**	**(165.61)**
Costs of hedging reserve		
Opening Balance	**41.45**	**(204.75)**
Add: Change in deferred time value of foreign currency option structures	(1727.42)	(386.06)
Less: Amortisation of time value	1142.91	715.06
Less: Deferred tax relating to above (net)	147.11	(82.80)
Closing Balance	**(395.95)**	**41.45**

(d) Fair Value Hedges

At 31st March 2022, Company has outstanding interest rate swap agreements of ₹ 11,850.70 crores (Previous year Nil) wherein the Company receives a fixed rate of interest and pays interest at a variable rate on the notional amount. Such agreements are being used to hedge the exposure to the changes in fair value of fixed rate borrowings.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the interest rate swap match the terms of the fixed rate loan (i.e., notional amount, maturity, payment and reset dates). As such, a hedge ratio of 1:1 for the hedging relationships has been established as the underlying risk of the interest rate swap is identical to the hedged risk component.

The impact of the hedging instrument on the balance sheet as at 31 March 2022 is, as follows:

(₹ in Crores)

Fair value hedge	Notional amount	Carrying amount *	Line item in balance sheet where hedging instrument is disclosed	Changes in fair value for calculating hedge ineffectiveness
- Interest rate swap	11,850.70	(111.92)	Derivative financial instruments	(111.92)

** Carrying amount here is exclusive of the interest receivable under such derivative contract as on reporting date.*

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The impact of the hedged item on the balance sheet as at 31 March 2022 is, as follows:

(₹ in Crores)

Fair value hedge	Carrying amount	Accumulated fair value adjustments	Line item in the balance sheet in which the hedged item is included	Change in value used for calculating hedge ineffectiveness
- Subordinated Liabilities	4,148.36	(128.33)	Subordinated Liabilities	(128.33)
- Institutional bonds	7,881.97	16.41	Debt Securities - Institutional Bonds	16.41

The decrease in fair value of the interest rate swap of ₹ 111.92 Crore (Previous year Nil) has been offset with a similar gain on the respective subordinated liabilities and debt securities.

48.6 Market Risk - Price risk

The Company is exposed to price risks arising from investments in equity shares. The Company's investments are held for strategic rather than trading purposes.

Sensitivity Analysis

The table below represents the impact on OCI Gain / (Loss) for 5% increase or decrease in the respective prices on Company's equity investments, outside the group:

(₹ in Crores)

Particulars	As at 31.03.2022		As at 31.03.2021	
	Increase	(Decrease)	Increase	(Decrease)
Impact on Other Comprehensive Income (OCI)	13.41	(13.41)	21.51	(21.51)
Impact on Profit and Loss account (PL)	2.48	(2.48)	1.18	(1.18)

49 Additional Disclosures in respect of derivatives

49.1 Forward Rate Agreements/ Interest Rate Swaps

(₹ in Crores)

	Particulars	As at 31.03.2022	As at 31.03.2021
(i)	The notional principal of swap agreements	33,239.41	25,035.68
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	563.77	339.60
(iii)	Collateral required by the NBFC upon entering into swaps	Nil	Nil
(iv)	Concentration of credit risk arising from the swaps	Refer Note Below	Refer Note Below
(v)	The fair value of the swap book	390.25	(64.05)

REC, being NBFC has entered into swap agreements with Category-I, Authorized Dealers Banks only, in accordance with the RBI guidelines. All the swap agreements entered into with banks are well with in the credit risk limit defined in the Board approved Risk Management Policy.

49.2 The Company has not entered into any exchange traded Interest Rate (IR) derivatives.

49.3 Quantitative Disclosures

(₹ in Crores)

	Particulars	Currency Derivatives *		Interest Rate Derivatives **		Other Derivatives (Reverse cross currency swaps)***	
		As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
(i)	Derivatives (Notional Principal Amount)						
	For hedging	59,472.85	27,599.89	33,239.41	25,035.68	4,747.00	4,547.00
(ii)	Marked to Market Positions						
a)	Asset (+)	4,946.40	1,971.62	563.77	339.60	-	-
b)	Liability (-)	48.37	164.33	173.52	403.65	331.25	278.33
(iii)	Credit Exposure	5,131.08	4,854.40	490.82	574.96	662.05	632.05
(iv)	Unhedged Exposures	16,339.53	25,215.63	N.A.	N.A.	N.A.	N.A.

** Includes Full Hedge, Pricipal only Swap and Call Spread*
*** Includes Interest Rate Derivatives as a strategy of cost reduction*
**** Includes Reverse Cross Currency swap as a strategy of cost reduction*

50 Impact of Covid-19 Pandemic on the Company

Since outbreak of COVID-19, our Country has experienced two further waves of pandemic following the discovery of mutant coronavirus variants. These waves led to temporary reimposition of localised /regional lockdown, which were subsequently lifted. With improving coverage of vaccination programme and resumption of economic activities, India is witnessing recovery in demand. Company's strong credit profile, liquidity access and availability of contingency buffers provides it no reasons to believe that the current crisis will have any significant impact on its operations, including the going concern assessment. However, the impact will continue to be dependent, among other things, on uncertain future developments about discovery of further coronavirus variants and any action to contain its spread, whether government mandated or otherwise.

51 Exposure Related Disclosures

RBI, vide its letter dated 17th September 2010 had categorized REC as an Infrastructure Finance Company (IFC) in terms of instructions contained in RBI Circular CC No.168 dated 12th February 2010. As an IFC, the total permissible exposure for lending in the private sector is 25% of owned funds in case of single borrower and 40% in case of a single group of borrowers and exposure for lending and investing taken together can be upto 30% and 50% of owned funds, respectively.

In respect of Central/State Government entities, RBI vide its letter No.DNBR.PD.CO.No.2184/03.10.001/2015-16 dated 16th June 2016 has exempted REC from applicability of RBI's concentration of credit/investment norms till 31st March, 2022. The Company has again represented to RBI for further extension of above exemption for a further period of five years. The matter, considering Company's business model and strategic positioning being a Government Company, is under consideration of RBI and the response is awaited. In view of the above, our maximum credit exposure limits to Central and State power Utilities continue to vary maximum upto 150% of owned funds, which is based on the board approved policy and the rating of the borrowers as per entity appraisal.

In respect of Private Sector entities, the Company's credit exposure to single borrowers and group borrowers did not exceed the RBI prudential exposure limits as at 31st March 2022 and 31st March 2021.

51.1 Exposure to Real Estate Sector

The Company has no exposure to real estate sector as at 31st March 2022 (As at 31st March 2021 Nil).

51.2 Exposure to Capital Market

(₹ in Crores)

	Particulars	As at 31.03.2022	As at 31.03.2021
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	317.88	671.93
(ii)	Advances against shares/ bonds/ debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/ convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	Bridge loans to companies against expected equity flows/ issues;	-	-
(viii)	Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
(ix)	Financing to stockbrokers for margin trading	-	-
(x)	All exposures to Alternative Investment Funds	-	-
	Total Exposure to Capital Market	**317.88**	**671.93**

51.3 The company does not have any financing of Parent Company products during the current and previous year.

51.4 Concentration of Advances, Exposures and Credit-impaired Assets

(₹ in Crores)

	Particulars	As at 31.03.2022	As at 31.03.2021
(i)	**Concentration of Advances**		
	Total Advances to twenty largest borrowers	2,39,602.97	2,28,371.07
	Percentage of Advances to twenty largest borrowers to Total Advances of the Company	62.17%	60.51%
(ii)	**Concentration of Exposures**		
	Total Exposure to twenty largest borrowers	3,29,335.41	3,42,453.58
	Percentage of Exposures to twenty largest borrowers to Total Exposure of the Company on borrowers	61.93%	62.28%
(iii)	**Concentration of Credit-impaired Assets**		
	Total Exposure to the top four Credit-impaired Assets	8,645.97	8,489.02

52 Fair value disclosures

The fair values of financial instruments measured at amortised cost and the carrying cost of financial instruments measured at fair value by category are as follows::

(₹ in Crores)

	Particulars	Note No.	As at 31.03.2022	As at 31.03.2021
	Financial assets measured at fair value			
	Derivative financial instruments measured at			
(i)	Fair value through other comprehensive income	8	5,079.87	1,758.79
(ii)	Fair value through profit and loss	8	430.30	552.43
	Investments* measured at			
(i)	Fair value through other comprehensive income	10	268.26	430.13
(ii)	Fair value through profit and loss	10	182.07	209.65
	Financial assets measured at amortised cost			
	Cash and cash equivalents	6	126.40	1,140.49
	Bank balances (other than cash and cash equivalents)	7	2,295.30	1,929.06
	Loan Assets	9	3,71,930.54	3,65,261.49
	Investments *	10	1,707.54	1,051.79
	Other financial assets	11	24,396.94	24,399.21
	Total		**4,06,417.22**	**3,96,733.04**
	Financial liabilities measured at fair value			
	Derivative financial instruments measured at			
(i)	Fair value through other comprehensive income (FVOCI)	8	205.64	482.51
(ii)	Fair value through profit and loss (FVTPL)	8	347.50	363.80
	Financial liabilities measured at amortised cost			
	Debt securities	18	2,19,633.57	2,37,328.06
	Borrowings (other than debt securities)	19	1,06,651.59	85,507.36
	Subordinated liabilities	20	6,816.47	6,946.89
	Other financial liabilities	21	25,575.84	25,934.10
	Total		**3,59,230.61**	**3,56,562.72**

** Investment in subsidiary and joint venture are measured at cost as per Ind AS 27, 'Separate financial statements' and hence, not presented here.*

Notes to Accounts

52.1 Fair values hierarchy

The fair value of financial instruments as referred above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:

Level 1: Quoted prices (unadjusted) for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs).

The Company's policy is to recognize transfers into and transfer out of fair value hierarchy at the date of event or change in circumstances that caused the transfer.

Financial assets and liabilities measured at fair value - recurring fair value measurements

(₹ in Crores)

Particulars	As at 31.03.2022				As at 31.03.2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Investments at FVOCI								
Equity investments	53.52	-	214.74	268.26	430.13	-	-	430.13
Investments at FVTPL								
Equity investments	49.52	-	-	49.52	23.60	-	-	23.60
Debentures	-	-	132.55	132.55	-	-	143.06	143.06
Preference Shares	-	-	-	-	-	-	42.99	42.99
Assets at FVTPL								
Derivative financial instruments	-	5,510.17	-	5,510.17	-	2,311.22	-	2,311.22
Liability at FVTPL								
Derivative financial instruments	-	553.14	-	553.14	-	846.31	-	846.31

Valuation Techniques for fair value disclosures (Level 1 , Level 2 and Level 3)

(A) **Investment in Quoted Equity Investments - Level 1 -** Investment in listed equity instruments are measured at their readily available quoted price in the market.

(B) **Derivative Financial Instruments - Level 2 -** The fair value has been determined on the basis of mark to market value provided by the banks that have contracted to hedge the underlying risk. Such valuation is calculated using market observable inputs including forward exchange rates, interest rates corresponding to the maturity of the contract and implied volatilities.

(C) **Investment in Unquoted Equity of Universal Commodity Exchange Limited (UCX) - Level 3 -** Investment in unquoted equity shares of UCX is classified as Level 3. It has been carried at Nil value by the Company due to the company specific reasons. UCX was shut down in 2014, thereby, ceasing to exist as a going concern.

(D) **Investment in Unquoted Equity of Energy Efficiency Services Limited (EESL)- Level 3 -** Investment in unquoted equity shares of EESL is classified as Level 3. EESL ceases to be a Joint Venture (JV) with effect from September 01, 2021. The fair value has been calculated on the basis of Financial Statement of the investee company.

(E) **Investment in Unquoted Preference Shares - Level 3 -** Investment in unquoted Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) of Rattan India Power Ltd. (RIPL) are classified as Level 3. The company has been alloted OCCRPS of the borrower company pursuant to One Time Settlement arrangement executed on 23rd December 2019. The fair value has been taken as Nil as future cash flows are uncertain in such instruments. Any change in expectation of future cash flow is adjusted to reflect change in fair value of the investment.

(F) **Investment in Optionally Convertible Debentures of Essar Power Transmission Limited - Level 3 -** Investment in unquoted Optionally Convertible Debentures (OCDs) of Essar Power Transmission Limited are classified as Level 3, which have been allotted to the Company upon implementation of restructuring plan with the borrower. The fair value has been derived by present value technique by discounting future cash flows at interest rate applicable to the borrowers. Any change in expectation of future cash flow is adjusted to reflect change in fair value of the investment.

Notes to Accounts

(G) **Investment in Optionally Convertible Debentures of R.K.M PowerGen Private Limited - Level 3 -** Investment in unquoted Optionally Convertible Debentures (OCDs) of R.K.M PowerGen Private Limited are classified as Level 3, which have been alloted to the Company upon implementation of restructuring plan with the borrower. The fair value has been taken as Nil as such debentures are unsustainable in nature and future cash flows are uncertain. Any change in expectation of future cash flow is adjusted to reflect change in fair value of the investment.

52.2 Reconciliation of Financial Instruments measured at Fair Value through Level 3 inputs

The following table shows the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

(₹ in Crores)

Particulars	For the Year ended 31st March 2022					
	FVTPL (ii)			FVOCI (iii)		Total
	Investment in Perpetual Bonds	Investment in Preference Shares	Investment in OCDs	Investment in Venture Capital Fund	Investment in Unquoted Equity Shares	
Opening Balance	-	**42.99**	**143.06**	-	-	**186.05**
Received in Loan Settlement (Refer Note 9.3)	-	-	-	-	-	-
Settlement	-	-	(41.95)		-	(41.95)
Transfer in Level 3	-	-	-	-	218.10	218.10
Transfer from Level 3	-	-	-		-	-
Interest income (i)	-	6.02	21.13		-	27.15
Fair value changes	-	(49.01)	10.31	-	(3.36)	(42.06)
Closing Balance	-	-	**132.55**	-	**214.74**	**347.29**
Unrealised gain (loss) at year-end	-	**(32.42)**	**12.49**	-	**(19.36)**	**(39.29)**

(₹ in Crores)

Particulars	For the Year ended 31st March 2021					
	FVTPL (ii)			FVOCI (iii)		Total
	Investment in Perpetual Bonds	Investment in Preference Shares	Investment in OCDs	Investment in Venture Capital Fund	Investment in Equity Shares	
Opening Balance	**1,500.62**	**45.41**	-	-	-	**1,546.03**
Received in Loan Settlement (Refer Note 9.3	-	-	149.56	-	-	149.56
Settlement	(1667.94)	-	(28.22)	-	-	(1696.16)
Transfer in Level 3	-	-	-	-	-	-
Transfer from Level 3	-	-	-	6.15	-	6.15
Interest income (i)	167.32	6.26	21.72	-	-	195.30
Fair value changes	-	(8.68)	-	(6.15)	-	(14.83)
Closing Balance	-	**42.99**	**143.06**	-	-	**186.05**
Unrealised gain (loss) at year-end	-	**10.57**	**12.42**	**(6.15)**	**(16.00)**	**0.84**

Refer Note No. 10.5 for Investment in equity shares measured at Fair Value through Other Comprehensive Income (FVOCI) derecognised during the year

(i) forms part of line item 'Interest Income' in the Standalone Statement of Profit and Loss.

(ii) Fair value gain/ (loss) on Investments at FVTPL forms part of line item 'Net Loss/(Gain) on Fair Value changes' in the Standalone Statement of Profit and Loss.

(iii) Fair value gain/ (loss) on Investments at FVOCI forms part of line item 'Changes in Fair Value of FVOCI Equity Instruments' in the Standalone Statement of Profit and Loss.

Notes to Accounts

52.3 Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows:

(₹ in Crores)

Particulars	As at 31.03.2022		As at 31.03.2021	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Cash and cash equivalents	126.40	126.40	1,140.49	1,140.49
Bank balances (other than cash and cash equivalents)	2,295.30	2,295.30	1,929.06	1,929.06
Loans	3,71,930.54	3,72,175.00	3,65,261.49	3,66,843.62
Investments	1,707.54	1,726.25	1,051.79	1,057.27
Other financial assets	24,396.94	24,396.79	24,399.21	24,401.09
Total	**4,00,456.72**	**4,00,719.74**	**3,93,782.04**	**3,95,371.53**
Financial liabilities				
Debt securities	2,19,633.57	2,21,226.21	2,37,328.06	2,35,612.09
Borrowings (other than debt securities)	1,06,651.59	1,07,306.18	85,507.36	85,562.85
Subordinated liabilities	6,816.47	7,131.25	6,946.89	7,610.21
Other financial liabilities	25,575.84	25,575.84	25,934.10	25,934.10
Total	**3,58,677.47**	**3,61,239.47**	**3,55,716.41**	**3,54,719.25**

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables:

Financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and balances, Trade receivables, Contract assets, balances other than cash and cash equivalents, trade payables and contract liability without a specific maturity.

Loans and advances to customers

Fair values of loan assets are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics. The Company then calculates and extrapolates the fair value to the entire portfolio, using discounted cash flow models that incorporate interest rate estimates considering all significant characteristics of the loans. Where such information is not available, the Company uses historical experience and other information used in its collective impairment models.

Financial assets at amortised cost

The fair values of debt securities measured at amortised cost are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

Issued debt

The fair values of the Company fixed interest-bearing debt securities, borrowings and subordinated liabilities are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31st March 2022 was assessed to be insignificant.

Investment in Govt. Securities (G-SEC) and State Development Loan (SDL)

The Company has made investments in G-Sec and SDL in order to maintain sufficient High Quality Liquid Assets as per RBI guidelines. The market price of Government of India securities and state development loan is available as at reporting date and accrued interest from last coupon date to the reporting date is added to market price.

Investment in PSU Bonds

The Company has made investments in PSU Bonds in order to maintain sufficient High Quality Liquid Assets as per RBI guidelines. The company has computed fair value using market inputs i.e., Yield of G-Sec bonds for similar remaining maturity or credit rating wise spread for PSUs for remaining maturity as per industry practice.

Notes to Accounts

Investments in securities issued by Borrower entities at the time of Loan Settlement/ Resolution

The fair value has been derived by present value technique by discounting future cash flows at interest rate applicable to the borrowers. Any change in expectation of future cash flow is adjusted to reflect change in fair value of the investment.

All other debt securities, borrowings and subordinated liabilities availed by the Company are variable rate facilities which are subject to changes in underlying Interest rate indices. Further, the credit spread on these facilities are subject to change with changes in Company creditworthiness. The management believes that the current rate of interest on these loans are in close approximation from market rates applicable to the Company. Therefore, the management estimates that the fair value of these borrowings are approximate to their respective carrying values.

53 There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March 2022. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent the status of such parties identified on the basis of information available with the Company.

54 Related Party Disclosures :

54.1 List of Related Parties

(1) Key Managerial Personnel

Sh. S.K.G Rahate	Chairman & Managing Director w.e.f 22nd February, 2022
Sh. Sanjay Malhotra	Chairman & Managing Director upto 10th February, 2022
Sh. Ajoy Choudhury	Director (Finance)
Sh. Sanjeev Kumar Gupta	Director (Technical) upto 31st October, 2021
Sh. Praveen Kumar Singh	PFC Nominee Director (Non-executive Director) upto 31st Janurary, 2022
Smt. Parminder Chopra	PFC Nominee Director (Non-executive Director) w.e.f 4th February, 2022
Sh. Tanmay Kumar	Govt. Nominee Director upto 6th September, 2021
Sh. Vishal Kapoor	Govt. Nominee Director w.e.f 7th September, 2021
Dr. Gambheer Singh	Part Time Non-Official Independent Director w.e.f 15th November, 2021
Dr. Manoj M. Pande	Part Time Non-Official Independent Director w.e.f 15th November, 2021
Dr. Durgesh Nandini	Part Time Non-Official Independent Director w.e.f 30th December, 2021
Sh. J.S. Amitabh	Executive Director & Company Secretary

(2) Ultimate Holding Company

Power Finance Corporation Ltd.

(3) Subsidiary Company

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

(4) Associate Companies of REC Power Development and Consultancy Limited (formerly REC Power Distribution Company Limited)

Chandil Transmission Limited

Dumka Transmission Limited

Mandar Transmission Limited

Koderma Transmission Limited

Rajgarh transmission limited

Bidar transmission limited

MP Power Transmission Package-I Limited

ER NER Transmission Limited (incorporated on 06.10.2021)

Sikar New Transmission Limited (incorporated on 2 June, 2020 and transferred to M/s Power Grid Corporation of India Limited on 4 June, 2021)

Notes to Accounts

MP Power Transmission Package-II Limited (incorporated on 20 August, 2020 and transferred to M/s Adani Transmission Limited on 1 November, 2021)

Kallam Transmission Limited (incorporated on 28 May, 2020 and transferred to M/s Indigrid I Limited (Lead Member) on 28 December, 2021)

Gadag Transmission Limited (incorporated on 2 June, 2020 and transferred to M/s Renew

Fatehgarh Bhadla Transco Limited (incorporated on 2 June, 2020 and transferred to M/s Power Grid Corporation of India Limited on 4 June, 2021)

Dinchang Transmission Limited (struck off from the ROC vide MCA letter dated 17.08.2021)

(5) Joint Ventures

Energy Efficiency Services Limited (EESL) (upto 31st August, 2021)

(6) Post-employment Benefit Plan Trusts

REC Limited Contributory Provident Fund Trust

REC Gratuity Fund

REC Employees' Superannuation Trust

REC Retired Employees' Medical Trust

(7) Society registered for undertaking CSR Initiatives

REC Foundation

(8) Companies in which Key Managerial Personnel are Directors

Samarpan Hospitals Private Limited (Related Party w.e.f 15th November, 2021)

NHPC Limited (Related Party upto 6th September, 2021)

SJVN Limited (Related Party upto 6th September, 2021)

Kholongchhu Hydro Energy Limited (Related Party upto 6th September, 2021)

Punatsangchhu-I, Hydroelectric Project Authority in Bhutan (Related Party upto 6th September, 2021)

Punatsangchhu-II, Hydroelectric Project Authority in Bhutan (Related Party upto 6th September, 2021)

Mangdechhu Hydroelectric Project Authority in Bhutan (Related Party upto 6th September, 2021)

(9) Below mentioned related parties of the Ultimate Holding Company are also considered as related parties of REC:

(a) Key Managerial Personnel of Ultimate Holding Company

Sh. Ravinder Singh Dhillon	Chairman & Managing Director
Smt. Parminder Chopra	Director (Finance)
Sh. Praveen Kumar Singh	Director (Commercial) upto 31st Janurary, 2022
Sh. Rajiv Ranjan Jha	Director (Projects) w.e.f 28th October, 2021
Sh. Tanmay Kumar	Govt. Nominee Director upto 6th September, 2021
Sh. Vishal Kapoor	Govt. Nominee Director w.e.f 7th September, 2021
Sh Ram Chandra Mishra	Part Time Non-Official Independent Director
Adv. Bhaskar Bhattacharya	Part Time Non-Official Independent Director w.e.f 23rd December, 2021
Smt. Usha Sanjeev Nair	Part Time Non-Official Independent Director w.e.f 23rd December, 2021
Shri. Prasanna Tantri	Part Time Non-Official Independent Director w.e.f 23rd December, 2021
Shri Manohar Balwani	Company Secretary

Notes to Accounts

(b) Subsidiary Companies of Ultimate Holding Company

PFC Consulting Limited (PFCCL)

(c) Associate Companies of Ultimate Holding Company

Bihar Mega Power Limited

Orissa Integrated Power Limited

Jharkhand Infrapower Limited

Coastal Tamil Nadu Power Limited

Bihar Infrapower Limited

Deoghar Infra Limited

Sakhigopal Integrated Power Company Limited

Ghogarpalli Integrated Power Company Limited

Odisha Infrapower Limited

Deoghar Mega Power Limited

Cheyyur Infra Limited

Ananthpuram Kurnool Transmission Limited

Khetri-Narela Transmission Limited

Coastal Karnataka Power Limited

Bhadla Sikar Transmission Limited

Mohanlalganj Transmission Limited (incorporated on 08.06.2021)

Kishtwar Transmission Limited (incorporated on 15.04.2021)

Chhatarpur Transmission Limited (incorporated on 25.01.2022)

Nangalbibra-Bongaigaon Transmission Limited (incorporated on 09.04.2021 and transferred on 16.12.2021)

Khavda-Bhuj Transmission Limited (incorporated on 18.05.2021 and transferred on 18.01.2022)

Koppal- Narendra Transmission Limited (transferred on 13.12.2021)

Sikar-II Aligarh Transmission Limited (transferred on 08.06.2021)

Karur Transmission Limited (transferred on 18.01.2022)

Chhattisgarh Surguja Power Limited (under process of Striking off the name of Company from the records of Registrar of Companies)

Shongtong Karcham-Wangtoo Transmission Limited (under process of Striking off the name of Company from the records of Registrar of Companies)

Tatiya Andhra Mega Power Limited (under process of Striking off the name of Company from the records of Registrar of Companies)

Coastal Maharashtra Mega Power Limited (under process of Striking off the name of Company from the records of Registrar of Companies)

Bijawar-Vidarbha Transmission Limited (under approval for striking off the name from the records of Registrar of Companies)

Tanda Transmission Company Limited (under process of Striking off the name of Company from the records of Registrar of Companies)

(d) Post-employment Benefit Plan Trusts of Ultimate Holding Company

PFC Employees Provident Fund Trust

PFC Employees Gratuity Trust

PFC Defined Contribution Pension Scheme 2007

PFC Ltd. Superannuation Medical Fund

(e) Other Companies in which Key Managerial Personnel of Ultimate Holding Company are Directors

PTC India Limited

Notes to Accounts

54.2 Amount due from/ to the related parties :

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Power Finance Corporation Ltd.		
Loan Repayable on Demand	-	3,000.49
RECPDCL		
Debt Securities	57.44	57.44
Other Financial Assets	5.98	4.16
Other Financial Liabilities	6.10	5.57
Post-employment Benefit Plan Trusts		
Debt Securities	8.70	8.70
Debt Securities- Holding Company	19.90	19.90
Other financial liabilities- GOI Serviced Bonds	29.30	29.30
Provisions	1.05	9.00
Other financial assets	-	-
Post-employment Benefit Plan Trusts of Ultimate Holding Company		
Debt Securities	1.90	4.10
Key Managerial Personnel		
Debt Securities	0.16	0.15
Staff Loans & Advances	0.18	0.28
Key Managerial Personnel of Ultimate Holding Company		
Debt Securities	0.17	0.12
REC Foundation		
Other Non Financial Assets	1.20	1.54
Companies in which Key Managerial Personnel are Directors		
Debt Securities	-	10.00

54.3 Maximum amount of loans/ advances/ investments outstanding in respect of subsidiary during the year

(₹ in Crores)

Particulars	Loans & Advances		Investments	
	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021
RECTPCL	-	1.63	-	0.05
RECPDCL	5.66	4.16	0.10	0.10

54.4 Transactions with the related parties :

(₹ in Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Power Finance Corporation Ltd.		
Dividend Paid	1,269.22	1,143.44
Directors' Sitting Fee	0.08	0.10
Loan Repayable on Demand raised	-	3,000.00
Finance Cost	14.47	0.49
RECPDCL		
Govt. funds disbursed	0.11	-
Apportionment of Employee Benefit and Other Expenses	19.97	8.96
Dividend Income	22.43	8.43
Rental Income	4.88	-

Notes to Accounts

(₹ in Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Finance Costs - Interest Paid	4.56	0.85
Other Expenses	12.45	7.98
REC TPCL		
Apportionment of Employee Benefit and Other Expenses	-	4.42
Finance Costs - Interest Paid	-	3.71
Post-employment Benefits Plan Trusts		
Contributions made by the Company	18.28	1.42
Finance Costs - Interest Paid	3.28	3.29
Post-employment Benefits Plan Trusts of Ultimate Holding Company		
Redemption of the bonds of Company	2.20	
Finance Costs - Interest Paid	0.38	0.38
Key Managerial Personnel		
Repayment/ Recovery of Staff Loans & Advances	0.10	0.17
Interest Income on Staff Loans	0.04	0.05
Finance Cost	0.02	0.01
Employee Benefits Expense - Managerial Remuneration	3.05	3.21
Directors' Sitting Fee	0.13	-
Key Managerial Personnel of Ultimate Holding Company		
Finance Cost	0.01	-
REC Foundation		
Payment towards Corporate Social Responsibility (CSR) Expenses	112.00	90.00
Companies in which Key Managerial Personnel are Directors		
Finance Cost	0.35	0.33
Dividend Income	4.13	27.52

During the previous year, related party transactions with RECTPCL have been presented till the effective date i.e., 5th February, 2021 (refer note 10.2)

54.5 Terms and conditions of transactions with related parties

The transactions with the related parties are being made at arm's length basis. The remuneration and the staff loans to Key Managerial Personnel are in line with the service rules of the Company. The finance costs paid to the related parties are on account of their investments in the debt securities of the Company and the Term loan repayable on demand taken from the holding company. The interest rate payable on such debt securities is uniformally applicable to all the bondholders. The Company also makes advances to its subsidiary company on account of apportionment of establishment and administrative expenses, which are recovered on quarterly basis. Even while the outstanding balances of subsidiary company at the year-end are unsecured, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is made on the basis of short-term realisation of the advances so given.

54.6 Managerial Remuneration

The details of remuneration to Key Managerial Personnel (KMP) during the year is as below:

(₹ in Crores)

	Particulars	Year ended 31.03.2022	Year ended 31.03.2021
(i)	Short-term employee benefits	2.91	3.01
(ii)	Post employment benefits	0.14	0.20
	Total	**3.05**	**3.21**

As the liabilities for the gratuity and compensated absence are provided on an actuarial basis for the Company as a whole rather than each individual employee, the amounts pertaining specifically to KMP are not known and hence, not included in the above table. Gratuity and compensated absence, are included based on actual payment in respective year based in the above table.

54.7 Disclosure in respect of entities under the control of the same government (Government related entities)

List of Government related entities

The Company had transactions with the following government related entities during the year:

Bihar Grid Company Ltd

Damodar Valley Corporation

Nabinagar Power Generating Co. Pvt. Ltd.

Neyveli Uttar Pradesh Power Ltd

NTPC Tamil Nadu Energy Company Ltd.

Patratu Vidut Utpadan Nigam Ltd.

THDC India Ltd.

Aggregate transactions with such government related entities are as under:

(₹ in Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Disbursement of Loans	2,059.64	2,837.27
Interest income recognised	1,829.69	2,178.00

Aggregate balance outstanding from such government related entities are as under:

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Loan Assets	17,854.95	22,649.28
Interest Accrued	4.52	7.73

Refer Note No. 11, 19.1(i), 21 and 32 in respect of material transactions with the Central Govt.

55 Disclosures in respect of Ind AS 116 'Leases'

During the year ended 31st March, 2022, the expenses relating to short-term leases are ₹ 6.21 crores (previous year ₹12.92 crores). The total cash outflow towards all leases, including Right-of-Use Assets is ₹ 6.23 crores. (previous year ₹ 12.95 crores).

Set out below are the carrying amounts of lease liabilities (included under borrowings) and the movements during the year:

(₹ in Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Opening Balance	**0.05**	**0.07**
Finance Cost accrued during the year	-	0.01
Payments made during the year	(0.02)	(0.03)
Closing Balance	**0.03**	**0.05**

The table below provides details regarding the contractual maturities of undiscounted lease liabilities:

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Upto 1 year	0.02	0.02
1-5 years	0.02	0.04
More than 5 years	-	-

56 Disclosures for Employee Benefits as required under Ind AS 19 'Employee Benefits':

56.1 Defined Contribution Plans

A. Provident Fund

The Company pays fixed contribution of Provident Fund at pre-determined rates to a separate registered trust which invests the funds in permitted securities. The trust must declare the rate of interest on contribution to the members based upon the returns earned on its investments during the year, subject to minimum interest rate prescribed by Employees' Provident Fund Organisation. Any shortfall for payment of interest to members as per specified rate of return has to be compensated by the Company. The Company estimates that no liability will arise in this regard in the near future and hence, no further provision is considered necessary.

B. Defined Contribution Superannuation Scheme

The Company pays fixed contribution towards superannuation scheme at pre-determined rates to NPS Trust which invests the funds in the permitted securities. The balance with the NPS Trust/ separate trust includes the monthly contributions in the members' account along with the accumulated returns. When the pension becomes payable to the member, the amount standing to the credit of the member is appropriated towards the member's accumulation and annuities, as opted for by the member is allotted.

The Company has recognised an expense of ₹ 11.18 crores (previous year ₹ 13.54 Crores) towards defined contribution plans

56.2 Defined Benefit Plans - Post-Employment Benefits

A. Gratuity

The Company has a defined gratuity scheme which is managed by a separate trust. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary for each completed year of service subject to a maximum of ₹ 0.20 crores on superannuation, resignation, termination, disablement or on death, considering the provisions of the Payment of Gratuity Act, 1972, as amended. The liability of Gratuity is recognized on the basis of actuarial valuation.

Net Defined Benefit (Asset)/ Liability

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Present value of Defined benefit obligation	30.43	32.44
Fair Value of Plan Assets	30.09	30.25
Net Defined Benefit (Asset)/ Liability	0.34	2.19

Movement in net defined benefit (asset)/ liability

(₹ in Crores)

Particulars	Defined Benefit Obligation		Fair Value of Plan Assets		Net Defined Benefit (Asset)/ Liability	
	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021
Opening Balance	**32.44**	**36.82**	**30.25**	**35.47**	**2.19**	**1.35**
Included in profit or loss						
Current service Cost	1.79	1.93	-	-	1.79	1.93
Interest cost / income	2.17	2.28	2.11	2.38	0.06	0.10
Total amount recognised in profit or loss	**3.96**	**4.21**	**2.11**	**2.38**	**1.85**	**1.83**
Included in OCI						
Re-measurement loss (gain)						
- Actuarial loss (gain) arising from changes in financial assumptions	(0.65)	(0.49)	-	-	(0.65)	(0.49)
-Actuarial loss (gain) arising from Experience adjustments	(0.29)	0.58	-	-	(0.29)	0.58
Return on plan assets excluding interest income	-	-	(0.18)	(0.33)	0.18	0.33
Total amount recognised in OCI	**(0.94)**	**0.09**	**(0.18)**	**(0.33)**	**(0.76)**	**0.42**
Contribution by employers	-	-	2.94	1.42	(2.94)	(1.42)
Benefits paid	(5.03)	(8.68)	(5.03)	(8.69)	-	0.01
Closing Balance	**30.43**	**32.44**	**30.09**	**30.25**	**0.34**	**2.19**

B. Post Retirement Medical Facility (PRMF)

The Company has Post Retirement Medical Facility under which the entitled retired employees and their dependent family members are covered as per Company Rules. The scheme is funded by the Company and is managed by separate trust. The liability towards the same is recognized on the basis of actuarial valuation.

Net Defined Benefit (Asset)/ Liability

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Present value of Defined benefit obligation	165.51	151.69
Fair Value of Plan Assets	164.80	144.06
Net Defined Benefit (Asset)/ Liability	0.71	7.63

Movement in net defined benefit (asset)/ liability

(₹ in Crores)

Particulars	Defined Benefit Obligation		Fair Value of Plan Assets		Net Defined Benefit (Asset)/ Liability	
	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021
Opening Balance	**151.69**	**136.42**	**144.06**	**140.64**	**7.63**	**(4.22)**
Included in profit or loss						
Current service Cost	3.29	2.90	-	-	3.29	2.90
Past service cost	2.50	-	-	-	2.50	-
Interest cost / income	10.31	8.94	10.07	9.45	0.24	(0.51)
Total amount recognised in profit or loss	**16.10**	**11.84**	**10.07**	**9.45**	**6.03**	**2.39**
Included in OCI						
Re-measurement loss (gain)						
- Actuarial loss (gain) arising from changes in financial assumptions	(4.08)	(5.20)	-	-	(4.08)	(5.20)
- Actuarial loss (gain) arising from changes in demographic assumptions	3.75	-			3.75	-
-Actuarial loss (gain) arising from Experience adjustments	10.58	19.94	-	-	10.59	19.94
Return on plan assets excluding interest income	-	-	2.90	1.64	(2.90)	(1.64)
Total amount recognised in OCI	**10.25**	**14.74**	**2.90**	**1.64**	**7.36**	**13.10**
Contribution by participants	0.15	-	0.06	0.08	0.09	(0.08)
Contribution by employers	-	-	7.71	-	(7.72)	-
Benefits paid	(12.68)	(11.31)	-	(7.75)	(12.68)	(3.56)
Closing Balance	**165.51**	**151.69**	**164.80**	**144.06**	**0.71**	**7.63**

C. Economic Rehabilitation Scheme (ERS)

The Company has an Economic Rehabilitation Scheme (ERS) to support the family financially in case of permanent disability/ death of an employee during the service tenure. This scheme is unfunded and the liability is determined based on actuarial valuation.

Net Defined Benefit (Asset)/ Liability for ERS

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Present value of Defined benefit obligation		
- ERS	4.15	4.13

Movement in net defined benefit (asset)/ liability for ERS

(₹ in Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Opening Balance	**4.13**	**4.25**
Included in profit or loss		
Current service Cost	0.20	0.20
Interest cost / income	0.26	0.25
Total amount recognised in profit or loss	**0.46**	**0.45**
Included in OCI		
- Actuarial loss (gain) arising from changes in financial assumptions	(0.06)	0.02
-Actuarial loss (gain) arising from Experience adjustments	0.89	0.73
Total amount recognised in OCI	**0.83**	**0.75**
Benefits paid	(1.27)	(1.32)
Closing Balance	**4.15**	**4.13**

56.2.1 Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

(i) Asset volatility

Most of the plan asset investments are in government securities, other fixed income securities with high rating grades and mutual funds. The fair value of these assets is subject to volatility due to change in interest rates and other market and macro-economic factors.

(ii) Changes in discount rate

The present value of defined benefit plan liabilities is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period. A decrease in discount rate will increase present values of defined benefit obligations, although this will be partially offset by an increase in the value of the plans' investments.

(iii) Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

(iv) Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

56.2.2 Plan Assets

The fair value of plan assets at the end of reporting period for each category, are as follows:

(₹ in Crores)

Particulars	Gratuity		PRMF	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Cash & Cash Equivalents	0.38	0.01	0.11	1.90
Unquoted Plan Assets				
State Government Debt Securities			22.58	
Corporate Bonds/ Debentures	-	-	142.11	142.16
Others - Insurer managed funds & T-bills	29.71	30.24	-	-
Sub-total - Unquoted Plan Assets	**29.71**	**30.24**	**164.69**	**142.16**
Total	**30.09**	**30.25**	**164.80**	**144.06**

Actual return on plan assets is ₹ 14.9 crores (previous year ₹ 13.14 crores).

Notes to Accounts

56.2.3 Significant Actuarial Assumptions

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2022 by M/s Transvalue Consultants. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method. The principal assumptions used for actuarial valuations are:-

(₹ in Crores)

Particulars	Gratuity		PRMF		ERS	
	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021
Method Used	**PUCM**	**PUCM**	**PUCM**	**PUCM**	**PUCM**	**PUCM**
Discount Rate & Expected Return on Plan Assets, if funded	7.37%	6.99%	7.37%	6.99%	7.37%	6.99%
Future Salary Increase / medical inflation	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Expected average remaining working lives of employees (years)	17.35	16.03	17.35	16.03	17.35	16.03

The Principal assumptions are the discount rate, salary growth rate and expected average remaining working lives of employees. The discount rate is generally based on the market yields available on govt. bonds at the reporting date with a term that matches the liabilities and the salary growth rate takes account of inflation, seniority, promotions and other relevant factors as long term basis. The above information is certified by the Actuary.

56.2.4 Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

(₹ in Crores)

Particulars	As at 31.03.2022		As at 31.03.2021	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)				
- Gratuity	(0.80)	0.85	(0.90)	0.97
- PRMS	(12.16)	12.66	(11.14)	11.66
- ERS	(0.15)	0.17	(0.15)	0.17
Salary Escalation Rate (0.50% movement)				
- Gratuity	0.19	(0.21)	0.14	(0.13)
- PRMS	-	-	-	-
- ERS	0.15	(0.14)	0.15	(0.14)
Medical inflation Rate (0.50% movement)				
- PRMS	11.68	(10.57)	10.83	(10.44)
Medical Cost (10% movement)				
- PRMS	16.98	(16.28)	15.56	(14.92)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

The Company actively monitors how the duration and expected yield of investments are matching the expected cash outflows arising from employee benefit obligations. Investments are well diversified, such that the failure of any single investment would not have a material impact on overall level of assets. There has been no change in the process used by the Company to manage its risks from prior periods.

56.2.5 Expected maturity analysis of the defined benefit plans in future years

(₹ in Crores)

Particulars	Gratuity		PRMF		ERS	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Less than 1 year	4.71	7.87	14.02	12.20	1.11	1.19
From 1 to 5 years	17.61	20.81	83.46	72.60	3.60	3.00
Beyond 5 years	32.92	31.10	327.63	285.02	4.74	3.19
Total	**55.24**	**59.78**	**425.11**	**369.82**	**9.45**	**7.38**

Notes to Accounts

56.2.6 Expected contribution for the next year

(₹ in Crores)

Particulars	Gratuity		PRMF		ERS	
	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021
Expected contribution	1.76	3.98	4.35	10.91	-	-

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 12.20 years (as at 31.03.2021 - 12.54 years).

56.3 Other Long-term Employee Benefits

56.3.1 Earned Leave and Half Pay Leave

The Company provides for earned leave benefit and half-pay leave benefit to the credit of the employees, which accrues on half-yearly basis at 15 days and 10 days respectively. A maximum of 300 days of earned leave can be accumulated at any point of time during the service, while there is no limit for accumulation of half pay leave. Total expenses amounting to ₹ 8.98 crore (Previous year ₹ ₹ 4.21 crore) have been made towards these employee benefits and debited to the Statement of Profit and Loss on the basis of actuarial valuation.

56.3.2 Other employee benefits

Expenses towards long service award and settlement allowance amounting to Nil (previous year ₹ 0.76 crores) have been debited to the Statement of Profit and Loss on the basis of actuarial valuation.

56.4 Employee benefits (viz. Gratuity, PRMF, Terminal Benefits, leave encashment and other employee benefits) in respect of Company's employees working in its wholly-owned subsidiary on deputation / secondment basis, are being allocated based on a fixed percentage of employee cost.

57 Status of Documentation Subsequent to Unbundling of SEBs

Some of the erstwhile State Electricity Boards (SEBs) against whom loans were outstanding or on whose behalf guarantees were given, were restructured by the respective State Governments and new entities were formed in the past. Consequently, the liabilities of the erstwhile SEBs stand transferred to new entities.

Status of Documentation Subsequent to Reorganisation of the State of Jammu & Kashmir

After the bifurcation of the State of Jammu & Kashmir into two Union Territories (UTs) – Jammu & Kashmir UT and Ladakh UT, the existing entities pertaining to the erstwhile state of J&K have been restructured vide unbundling order dated 23rd October 2019. The addendums to the agreements with new restructured departments are yet to be executed. Pending the execution of such documentation, the existing loans for Generation, T&D and Govt. schemes are being serviced / repaid in line with the existing loan agreements.

Status of Documentation Subsequent to Reorganisation of the State of Andhra Pradesh

Subsequent to the reorganisation of erstwhile State of Andhra Pradesh, the state of Telangana has been formed on 2 June 2014. However, the assets and liabilities are yet to be transferred to the respective power utilities through a formal Gazette Notification.

Status of Documentation is as under:

(i) Where ever the loans have been sanctioned to erstwhile APCPDCL, APNPDCL and APGENCO prior to bifurcation and documentation has not been done, these schemes have been re-sanctioned in the name of newly formed utilities and documentation formalities completed and accordingly the charge has been registered with the Ministry of Corporate Affairs (MCA).

(ii) Where ever the loans sanctioned in the name of erstwhile APCPDCL, APNPDCL prior to bifurcation and documentation formalities completed and drawls have been made, in these schemes an undertaking has been obtained from the name changed / newly formed utility and disbursements have been made to the newly formed utility by changing the name of the borrower in the name of new / name changed utility.

(iii) Where ever the Loan is sanctioned in the name of erstwhile APCPDCL, APNPDCL prior to bifurcation and documentation formalities completed with Government Guarantee and drawls have been made, further documentation for these schemes shall be done on Gazette Notification.

(iv) Once the final transfer scheme is notified through Gazette Notification by Govt, duly indicating the transfer of assets and liabilities among the power utilities, action for execution of documentation formalities will be taken up in respect of all the outstanding loans with the new / name changed utilities. Till that time, the demand for payment of interest / principal is being segregated by the Utilities and the respective portions are being paid by Utilities in Telangana and Andhra Pradesh.

Notes to Accounts

58 Modifications in the Significant Accounting Policies

The policy on Business Combination under Common Control, Expenditure on Issue of Shares and Fair Value Hedges have been added. Further, certain accounting policies have also been reworded to bring in more clarity and align with Company's practice. There is no financial impact of such modifications carried out in the accounting policies.

59 Provisions, Contingencies and Impairment loss allowances debited to Standalone Statement of Profit and Loss

(₹ in Crores)

Particulars		Year ended 31.03.2022	Year ended 31.03.2021
(i)	Impairment Loss Allowance for loans*	3,434.36	2,363.33
(ii)	Impairment Loss Allowance for Investments	28.72	-
(iii)	Impairment Loss Allowance for Other Receivables	10.23	56.29
(iv)	Provision made for Income Tax	2,378.98	2,394.35

** includes ₹ 11.81 crores (Previous year ₹ 0.71 crores) towards impairment allowance on Letter of Comfort.*

60 The Company's operations comprise of only one business segment - lending loans to power sector companies engaged in construction of power plants and in generation, supply, distribution and transmission of electricity: in the context of reporting business/ geographical segment as required by Ind AS 108 - Operating Segments. Based on "management approach" as defined in Ind AS 108 Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance based on analysis of various factors of one business segment.

60.1 Information about Revenue from major products and services

(₹ in Crores)

Particulars		Year ended 31.03.2022	Year ended 31.03.2021
(A)	Income from Loan Assets	38,522.97	34,364.47
(B)	Fee for Implementation of Govt. Schemes	15.23	33.67
(C)	Income from Treasury Operations	227.86	400.73
	Total	**38,766.06**	**34,798.87**

60.2 The Company does not have any reportable geographical segment as the lending operations of the Company are carried out within the country.

60.3 No single borrower has contributed 10% or more to the Company's revenue during the financial year 2021-22 and 2020-21

61 Amounts expected to be recovered/ settled within 12 months and beyond for each line item under asset and liabilities

(₹ in Crores)

Particulars		As at 31.03.2022		As at 31.03.2021	
		Within 12 months	More than 12 months	Within 12 months	More than 12 months
	ASSETS				
(1)	**Financial Assets**				
(a)	Cash and cash equivalents	126.40	-	1,140.49	-
(b)	Bank balances other than (a) above	2,295.30	-	1,928.81	0.25
(c)	Derivative financial instruments	343.37	5,166.80	258.94	2,052.28
(d)	Loans	39,144.60	3,32,785.94	36,576.91	3,28,684.58
(e)	Investments	61.28	2,096.69	37.28	1,872.50
(f)	Other financial assets	255.77	24,141.17	259.59	24,139.62
	Total - Financial Assets (1)	**42,226.71**	**3,64,190.61**	**40,202.01**	**3,56,749.23**
(2)	**Non-Financial Assets**				
(a)	Current tax assets (net)	-	179.64	-	160.07
(b)	Deferred tax assets (net)	-	3,134.74	-	2,437.71
(c)	Investment Property	-	-	-	0.01
(d)	Property, Plant & Equipment	-	623.67	-	260.12
(e)	Capital Work-in-Progress	-	6.07	-	335.67
(f)	Intangible Assets Under Development	-	-	-	0.77
(g)	Other Intangible Assets	-	4.25	-	6.10
(h)	Other non-financial assets	37.87	8.19	72.66	8.84
	Total - Non-Financial Assets (2)	**37.87**	**3,956.56**	**72.66**	**3,209.29**
(3)	**Assets classified as held for sale (3)**	**0.86**	**-**	**-**	**-**
	Total ASSETS (1+2+3)	**42,265.44**	**3,68,147.17**	**40,274.67**	**3,59,958.52**
	LIABILITIES				
(1)	**Financial Liabilities**				
(a)	Derivative financial instruments	18.89	534.25	73.13	773.18
(b)	Debt Securities	29,639.43	1,89,994.14	45,057.34	1,92,270.72
(c)	Borrowings (other than debt securities)	22,529.92	84,121.67	27,509.52	57,997.84
(d)	Subordinated Liabilities	296.95	6,519.52	299.49	6,647.40
(e)	Other financial liabilities	1,466.54	24,109.30	1,824.80	24,109.30
	Total - Financial Liabilities (1)	**53,951.73**	**3,05,278.88**	**74,764.28**	**2,81,798.44**
(2)	**Non-Financial Liabilities**				
(a)	Current tax liabilities (net)	10.25	-	10.62	-
(b)	Provisions	57.00	47.51	71.65	41.32
(c)	Other non-financial liabilities	52.40	29.24	88.41	32.10
	Total - Non-Financial Liabilities (2)	**119.65**	**76.75**	**170.68**	**73.42**
	Total LIABILITIES (1+2)	**54,071.38**	**3,05,355.63**	**74,934.96**	**2,81,871.86**

Previous year figures have been reclassified/ regrouped to conform to the current classification.

62 There are no Off-Balance Sheet SPVs sponsored by the Company, which need to be consolidated as per accounting norms.

63 The Company does not have any Overseas Assets in the form of Joint Ventures/Subsidiaries abroad.

64 The disclosures as required under Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 have been made in Note No. 3, 8, 9, 10, 20.1, 27.1, 44, 47, 48.1.3 (N), 48.1.3 (O), 48.1.3 (R), 48.1.3 (S), 48.1.3 (T), 48.1.3 (U) 48.2.2, 48.2.4, 48.3, 49, 51, 54, 58, 59, 62, 63, 65, 66.

65 No penalties have been levied on the Company by any regulator during the year ended 31st March 2022 (previous year Nil).

However, the Company has received notices from the National Stock Exchange of India Ltd. (NSE) and BSE Ltd. (BSE) imposing a total fine of ₹ 75,59,080 (inclusive of GST) for non-compliance for the quarters ended 30th June 2021, 30th September 2021 and 31st December 2021 on the corporate governance requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 regarding the position/quorum requirements of Board/ Committees.

The Company has requested the Stock Exchanges to waive the fine since the power to appoint Independent Directors is vested with President of India through the administrative Ministry as per Articles of Association of the Company and the Board of Directors or the Company cannot appoint Independent Directors on the Board of the Company. As such, there is no violation on the part of the

Notes to Accounts

Company in the appointment of Independent Directors. While the reply of the Stock Exchanges is still awaited, the Company is hopeful of favorable outcome of its request to the Stock Exchanges in line with the earlier waivers of fine by the Stock Exchanges for similar reasons.

66 No complaints have been received by the company from the borrowers under the Fair Practices Code during the year ended 31st March 2022 (previous year Nil).

67 Figures in Rupees have been rounded off to the nearest crores with two decimals, unless expressly stated.

The Notes to Accounts 1 to 67 are an integral part of the Standalone Financial Statements.

For and on behalf of the Board

J.S. Amitabh
ED & Company Secretary

Ajoy Choudhury
Director (Finance)
DIN - 06629871

R.S. Dhillon
Chairman & Managing Director
DIN - 00278074

In terms of our Audit Report of even date

For S.K. Mittal & Co.
Chartered Accountants
Firm Reg. No.: 001135N

S.K. Mittal
Partner
M.No. : 008506

For O.P. Bagla & Co. LLP.
Chartered Accountants
Firm Reg. No.: 000018N/N500091

Rakesh Kumar
Partner
M.No. : 087537

Place : Gurugram
Date : 13th May 2022

REC Limited

Registered Office - Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi - 110003, CIN: L40101DL1969GOI005095

Annexure to be enclosed with Balance Sheet as at 31st March 2022

(As prescribed by Reserve Bank of India)

(Particulars as required in terms of Paragraph 19 of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, in so far as they are applicable to REC Ltd.)

(₹ in Crores)

Particulars		As at 31.03.2022		As at 31.03.2021	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
	LIABILITIES SIDE:				
(1)	**Loans and advances availed by the NBFC**				
	inclusive of interest accrued thereon but not paid:				
	(a) Debentures/ Bonds :				
	- Secured	40,644.51	-	35,581.38	-
	- Unsecured	1,86,655.90	-	2,09,521.27	-
	(b) Term Loans				
	- Secured Loans from Financial Institutions	-	-	-	-
	- Unsecured Loans from NSSF	10,325.12		10,325.12	
	- Unsecured Loans from Banks	42,919.86		29,953.76	
	- Unsecured Loans from Financial Institutions	6,800.00		5,800.00	
	(c) Commercial Paper	-	-	-	-
	(d) Other Loans				
	- Foreign Currency Borrowings	35,687.77	-	21,060.17	-
	- FCNR (B) Loans	9,861.13	-	5,335.01	-
	- Short Term Loans/ Loans Repayable on Demand	1,415.58		10,201.99	
	- Loan repayable on demand from Holding Company	-		3,000.49	
	- Lease Obligations	0.03		0.05	

(₹ in Crores)

Particulars		As at 31.03.2022	As at 31.03.2021
	ASSETS SIDE :		
(2)	**Break-up of Loans and Advances including bills receivables**		
	(a) Secured	2,13,512.93	2,47,657.93
	(b) Unsecured	1,57,153.67	1,16,554.11
(3)	**INVESTMENTS :**		
	Current Investments:		
	Quoted:		
	(i) Shares : Equity	49.52	23.60
	Unquoted:		
	(i) Shares : Preference	-	69.08
	(ii) Debentures and Bonds	238.76	292.16
	Long Term Investments:		
	Quoted:		
	(i) Shares : Equity	53.52	430.13
	(ii) Debentures and Bonds	226.82	227.52
	(iii) Government Securities	1,374.51	649.08
	Unquoted:		
	(i) Shares : Equity	214.84	218.20

(4) Borrower Group-wise classification of assets financed in (2) above :

(₹ in Crores)

Particulars	AMOUNT NET OF PROVISIONS	
	Secured	Unsecured
As at 31.03.2022		
1. Related Parties		
(a) Subsidiaries	-	-
(b) Companies in the same Group	-	-
(c) Other related Parties	-	-
2. Other than Related Parties	2,13,512.93	1,57,153.67
Total	**2,13,512.93**	**1,57,153.67**
As at 31.03.2021		
1. Related Parties		
(a) Subsidiaries	-	-
(b) Companies in the same Group	-	-
(c) Other related Parties	-	-
2. Other than Related Parties	2,47,657.93	1,16,554.11
Total	**2,47,657.93**	**1,16,554.11**

(5) Investor group-wise classification of investments (current and long term) in shares and securities (both quoted and unquoted) :

(₹ in Crores)

Category	As at 31.03.2022		As at 31.03.2021	
	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties				
(a) Subsidiaries	0.10	0.10	0.10	0.10
(b) Companies in the same Group	-	-	218.10	218.10
(c) Other related Parties	-	-	-	-
2. Other than Related Parties	2,157.87	2,157.87	1,691.57	1,691.57
Total	**2,157.97**	**2,157.97**	**1,909.77**	**1,909.77**

(6) Other Information

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
(i) Gross Credit-impaired Assets		
(a) Related Parties	-	-
(b) Other than related Parties	17,159.89	18,256.93
(ii) Net Credit-impaired Assets		
(a) Related Parties	-	-
(b) Other than related Parties	5,594.16	6,465.62
(iii) Asset acquired in satisfaction of debts	-	349.28

For and on behalf of the Board

J.S. Amitabh
ED & Company Secretary

Ajoy Choudhury
Director (Finance)
DIN - 06629871

R.S. Dhillon
Chairman & Managing Director
DIN - 00278074

In terms of our Audit Report of even date

For S.K. Mittal & Co.
Chartered Accountants
Firm Reg. No.: 001135N

S.K. Mittal
Partner
M.No. : 008506

For O.P. Bagla & Co. LLP.
Chartered Accountants
Firm Reg. No.: 000018N/N500091

Rakesh Kumar
Partner
M.No. : 087537

Place : Gurugram
Date : 13th May 2022

Independent Auditors' Report

To the Members of
REC Limited

Report on the Audit of Standalone Ind AS Financial Statements

Opinion

We have audited the standalone Ind AS financial statements of REC Limited ("the Company") which comprise the Balance Sheet as at 31st March, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income) and the Statement of Change 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 "the 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, 2013, ("the Act")in the manner so required and give a true & fair view in conformity with the accounting principles generally accepted in India, of the state of the affairs of the Company as at 31st March 2022, and Profit (including other comprehensive income) and changes in equity and its cash flow for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS 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 together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

1. We draw attention to Note No. 48.1.3 to the standalone Ind AS Financial Statements regarding, the provision of impairment allowance in respect of its loan assets and Letters of Comfort. In this regard, we have relied upon the basis of determination of impairment allowance, in so far as it relates to technical aspects/parameters considered by independent agency appointed by the company and management judgement for ascertaining impairment allowance as management overlay.

2. We draw attention to Note No. 50 of the standalone Ind AS Financial Statements regarding the impact of COVID-19 pandemic on the Company. Management is of the view that there are no reasons to believe that the pandemic will have any significant impact on the ability of the company to continue as a going concern. Nevertheless, the impact in sight of evolvement of pandemic in future period is uncertain and could impact the impairment allowance in future years.

Our opinion is not modified in respect of these matters.

Key Audit Matters

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

S. No.	Key Audit Matter	Auditor's Response
1.	**Impairment allowance of Loan Assets –** (Refer Note No. 48.1.3 to the Standalone Ind AS Financial Statements read with accounting policy No. 3.11) The Company follows a Board approved methodology wherein assessment for allowance is carried out by an external agency for impairment based on certain criterion/framework classifying the assets into various stages depending upon credit risk and level of evidence of impairment. Impairment allowance is measured as product of the Probability of Default, Exposure at Default and Loss Given Default being the key parameters for assessing the impairment allowance.	**We have applied following audit procedures in this regard** a). According to the provisions of Ind AS 109 "Financial Instruments", we have obtained the report of the external agency and verified the criterion/framework with various regulatory updates alongwith Company's internal guidelines and procedures in respect of the impairment allowance. b) Verification of loan assets on test check basis covering substantial part of total loans with respect to monitoring thereof for recovery/performance aspects and assessment of the loan impairment considering management perception on the same. c) Recoveries are verified applying the standard audit procedures. Loan balances are confirmed and quality of the borrower is evaluated and tested with key control parameters.

S. No.	Key Audit Matter	Auditor's Response
	The key indicators underlying for assessment of impairment allowance are appraised on an ongoing basis by the management. Further the management has adopted a methodology which in addition to the model adopted as above is further analyzed on case to case basis and wherever impairment impact need to be changed the same is considered in the financial statements. Since the company is a Non-Banking Finance Company (NBFC) involved in business of financing and if any of the key parameter/criteria/assumptions mentioned as above is applied improperly, it can result in impacting the carrying value of loan assets materially either individually or collectively. In view of the significance of the amount of loan assets in the standalone Ind AS Financial Statements i.e 90.62% of total assets, the audit procedure for impairment of loan assets has been considered as Key Audit Matter in our audit.	d) Assessment of impairment based upon performance of the loan assets is carried out on the basis of available documents comprising loan papers, financial data, valuation reports, progress report, periodical financial information, information on public domain, procedure applied by the management e.g. inspection of loans, physical verification, assessing borrower past records etc. Recoveries in the loan assets are verified to ascertain level of stress thereon and impact as impairment allowance on financial statement. e) We have discussed with the management wherever underlying weakness is observed and management assessment is carried out in detail in such cases. f) Components and calculations in the study for impairment allowance carried out by external agency are relied upon by us and test checks are carried out for the same. Such components are credit rating of borrowers, calculation of probability of default/loan given defaults etc. Our audit procedure in the same are limited in view of reliance on report of the external agency. g) Further, the Management, pursuing a Board approved methodology reviews the impairment allowance in the report of the external agency and enhanced/reduced the impairment on case to case basis as management overlay. We have obtained a detailed analysis from the management for such changes. Our audit procedure in this regard is constrained by the management appraisal and we have relied upon the same. h) Comparison of ECL with the amount of provisioning as required in terms of Income Recognition, Assets classification and provisioning norms (IRACP) of Reserve Bank of India in pursuance of RBI Notification No. DOR (NBFC).CC.PD. No.109/22.10.106/2019-20 dated 13th March 2020.
2.	**Fair valuation of Derivative Financial Instruments** (Refer Note No. 8 to the standalone Ind AS Financial Statements read with accounting policy No. 3.10) To mitigate the Company's exposure to foreign currency risk and interest rate risk, non-INR cash flows are monitored and derivative contracts are entered into in accordance with the Company's board approved risk management policies and RBI guidelines. The Company has applied hedge accounting requirements as per Ind AS 109 'Financial Instruments' wherein certain derivative contracts have been designated as hedging instruments in 'Cash flow hedge' relationships. These arrangements have been entered into to mitigate foreign currency exchange risk and interest rate risk arising from certain debt instruments denominated in foreign currency. The derivatives are measured at fair value as per Ind AS 109. Mark to market gain/loss on these derivatives are recognised in the other comprehensive income for cash flow hedges. In view of significance and impact on financial statements we have identified it as a key audit matter.	**We have applied following audit procedure in this regard** a) Discussing and understanding management's perception and studying policy of the company for risk management. Motive of derivative transactions are studied and observed underlying exposure is not more than the volume of derivatives. b) Verification of fair value of derivative in terms of Ind AS 109. c) Testing the accuracy and completeness of derivative transactions. d) Evaluation of management's key internal controls over classification, valuation, and valuation models of derivative instruments. e) Obtained details of various financial derivative contracts as outstanding as on 31st March 2022. f) Verification of underlying assumptions in estimating the fair valuation arrived at for those financial derivative contracts. g) We also obtained confirmations from the banks with whom such financial derivative contracts have been entered into and independently compared the valuation so arrived at by the contracting banks. h) Additionally, we have verified the accounting of gain/loss on mark to market basis in the other comprehensive income for cash flow hedges. i) Assessing whether the financial statement disclosures appropriately reflect the Company's exposure to derivatives valuation risks with reference to the requirements of the prevailing accounting standards and Reserve Bank of India Guidelines.

Information Other than the Standalone Ind AS Financial Statements and Auditor's Report thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the Directors' report, Corporate Governance report, Business responsibility report and Management Discussion and Analysis etc. in the Annual report but does not include the standalone Ind AS financial statements and our report thereon. Such other information is expected to be made available to us after the date of this Auditor's Report.

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

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read such other information if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 standalone Ind AS 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 and Board of Directors are 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 is responsible for overseeing the Company's financial reporting process.

Auditor's 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 standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedure that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

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, and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanation given to us, we give in the **Annexure-A**, a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
2. On the basis of information and explanations given to us by the company we are enclosing our report in **Annexure-B** on the directions/ sub-directions issued by Comptroller and Auditor General of India in terms of Section 143(5) of the Act.
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), the 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 Ind AS specified under Section 133 of the Act read with relevant rules.
   e) Vide Notification No. G.S.R. 463(E) dated 5 June, 2015 issued by Ministry of Corporate Affairs, Government Companies have been exempted from applicability of the provisions of Section 164(2) of the Companies Act, 2013.
   f) With respect to the adequacy of the internal financial controls over financial reporting of the company and operative effectiveness of such controls , refer to our separate report in **"Annexure-C"**;
   g) Pursuant to Notification no. GSR463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, provisions of Section 197 of the Act are not applicable to the government companies.
   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
      (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer Note 43 to the standalone Ind AS financial statements;
      (ii) According to the information and explanations given to us the Company did not have any long term contracts including derivative contracts for which there are any material foreseeable losses;
      (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
      (iv) (a) The Management has represented (refer Note 9.5) that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries ;

      (b) The Management has represented (refer Note 9.5), that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

      (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014 as amended and provided under (a) and (b) above, contain any material misstatement.
      (v) The dividends (Interim and Final) declared and paid during the year by the company till the date of this report is in compliance with section 123 of the Companies Act, 2013

M/s S.K. Mittal & Co.
Chartered Accountants,
ICAI Firm Registration: 001135N

Name : S. K. Mittal
Designation : Partner
Membership Number : 008506
UDIN : 22008506AIYJDD9001

M/s O.P. Bagla & Co. LLP.
Chartered Accountants,
ICAI Firm Registration: 000018N/N500091

Name : Rakesh Kumar
Designation : Partner
Membership Number : 087537
UDIN : 22087537AIYGLA6237

Place : Gurugram
Date : 13th May 2022

Annexure-A to the Independent Auditor's Report

Referred to in Paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the accounts of REC Limited for the Year ended on 31st March 2022.

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

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of physical verification of Property, Plant and Equipment so as to cover all the assets in phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) Based on our examination of the records of the company we report that title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company except for the following.

(₹ in Crores)

Description of property	Gross carrying value	Held in the name of	Whether Promoter, Director or their relative or employee	Period held since	Reason for not being held in name of Company
Building	4.59	Land & Development officer under Ministry of Urban Development, New Delhi	No	1990	Pending formalities from Land & Development Officer, office flat allotted to the company at the SCOPE a central government Complex has not been registered in the name of the Company.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

(e) As informed to us, 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 Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.

(b) We have been informed that the company has been sanctioned unsecured working capital limits in excess of five crore rupees during the year, in aggregate, from banks or financial institution. Since, the limits have been sanctioned as unsecured, reporting under clause 3(ii) (b) of the Order is not applicable.

iii. During the year the Company has made investments in, provided guarantees and granted loans/advances in the nature of loans, secured/unsecured to companies, firms, Limited Liability Partnerships or any other parties., In this regard we report hereunder:

(a) The company is a registered NBFC with Reserve Bank of India with principal business of giving loans hence clause 3(iii)(a) of the Order is not applicable, .

(b) In our opinion, the investments made, guarantees provided and the terms and conditions of the grant of all loans and advances in the nature of loansand guarantees provided, during the year are, prima facie, not prejudicial to the Company's interest.

(c) Being a registered Non-Banking Financial Company (NBFC), the company grants its loans on stipulated terms and conditions for repayment of principal and interest. In respect of Loan assets except credit impaired assets, the repayments of principal amounts and receipts of interest are generally regular as per stipulation.

(d) We report that for provisioning on a credit impaired loan asset as Expected Credit Loss (ECL), a Board approved methodology is followed. The delay in repayments for more than 90 days from the stipulated due date results in classification of account as credit impaired. Overdue amounts for more than 90 days as at the end of the year are as under. Further, the company takes steps for recovery of the principal and interest as per its defined procedures which in our opinion are reasonable. Since, the Company is a large infrastructure finance company, the occurrence of incidence of overdue in outstanding due is considered normal.

(₹ in Crores)

No. of cases	Principal Amount Overdue	Interest Overdue*	Total Overdue	Remarks (if any)
25	8,727.87	16,647.21	25,375.08	-

The same has not been recognised as income as a matter of prudence as per accounting policies and practices of the Company.

(e) Reporting under clause 3(iii)(e) of the Order is not applicable, since the principal business of the company is to give loans.

(f) As per the information and explanation provided to us, the company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year under audit. Hence, reporting under clause 3(iii)(f) is not applicable.

iv. In our opinion and according to information & explanations given to us with respect to the provisions of Section 185 of the Act, the Company has not granted any loan or guarantee covered under Section 185.

Further, in our opinion and according to information & explanations given to us, the Company, being a NBFC, is exempt from the provisions of Section 186 of the Act and the relevant rules in respect of loans and guarantees. In respect of the investments, the Company has complied with the provisions of section 186 (1) of the Act.

v. According to the information and explanations given to us, the Company has not accepted any deposits from public to which the directives issued by Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules framed thereunder are applicable.

vi. Being an NBFC company, clause 3(vi) of the Order is not applicable regarding maintenance of cost records under Companies (Cost Records and Audit) Rules, 2014, prescribed by the Central Government under Section 148 of the Companies Act, 2013.

vii. (a) On the basis of our checks and audit procedures we are of the opinion that the Company is generally regular in depositing undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed statutory dues in arrears as at 31st March, 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and as certified by the management on which we have relied upon, the dues of income tax as follows aggregating to ₹ 103.41 crores have not been deposited on account of dispute/deposited under protest and the matters are pending before appropriate authorities as detailed below:

(₹ in Crores)

Name of Statute	Nature of Dues	Amount Disputed	Amount paid / refund adjusted	Net Amount unpaid	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax and interest	0.30	0.30	-	AY 2008-09	Delhi High Court
Income Tax Act, 1961	Income Tax and interest	0.32	0.32	-	AY 2012-13	CIT (Appeals) Delhi
Income Tax Act, 1961	Income Tax and interest	0.83	0.83	-	AY 2012-13	Delhi High Court
Income Tax Act, 1961	Income Tax and interest	87.68	6.44	81.24	AY 2018-19	CIT (Appeals) Delhi
Income Tax Act, 1961	Income Tax and interest	64.74	42.60	22.14	AY 2019-20	CIT (Appeals) Delhi
Income Tax Act, 1961	TDS	0.03	-	0.03	-	CPC, TDS
Goods and Services Tax Act 2017	Goods and Services Tax Paid	17.89	17.89	-	FY 2017-18	Commissioner (Appeals), CGST Delhi Appeals
Total		**171.79**	**68.38**	**103.41**		

viii As per Information and explanation given to us, 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).

ix. (a) As per Information and explanation given to us, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) As per Information and explanation given to us, the Company has not been declared willful defaulter by any bank or financial institution or any other lender.

(c) As per Information and explanation given to us, the term loans were applied for the purpose for which the loans were obtained.

(d) As per Information and explanation given to us and on the overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) As per Information and explanation given to us, 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) As per Information and explanation given to us and on an overall examination of the financial statements of the Company, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x. (a) The Company did not raise any money by way of initial public offer or further public offer during the year. Money raised by the Company by way of debt instruments and term loans during the year were applied for the purposes for which it was raised.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have not come across any instance of any material fraud by the Company or on the Company. However, a false medical claim of ₹. 0.04 Crores by a retired employee of the company was noticed and reported during the year.

(b) As informed to us no re port 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) As informed to us there are no whistle blower complaints received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clauses 3 (xii) (a) to (c) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the necessary disclosures have been made in the standalone Ind AS financial statements etc., as required by the applicable accounting standards.

xiv. (a) In our opinion the Company broadly has an adequate internal audit system incommensurate 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, hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. (a) We have been informed that the Company is registered as a non-banking finance company under section 45-IA of the Reserve Bank of India Act, 1934. The registration number issued to the company is 14.000011.

(b) According to the information and explanations given to us, the company has not conducted any non-banking financial or housing finance activities without a valid certificate of registration from the Reserve Bank of India as per Reserve Bank of India Act, 1934.

(c) According to the information and explanations given to us, the company is not a core investment company (CIC) as defined in the regulations made by the Reserve Bank Of India, hence reporting under clause 3 (xvi) (c) of the order is not applicable.

(d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

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 realisation 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 they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. There are no unspent amounts towards Corporate Social Responsibility (CSR) on ongoing projects or other than ongoing projects. Accordingly, reporting under clause 3(xx)(a) and (b) of the Order is not applicable for the year.

xxi. The clause 3 (xxi) of the order is not applicable to the Standalone Financial Statements, hence no comment is given.

M/s S.K. Mittal & Co.
Chartered Accountants,
ICAI Firm Registration: 001135N

Name : S. K. Mittal
Designation : Partner
Membership Number : 008506
UDIN : 22008506AIYJDD9001

M/s O.P. Bagla & Co. LLP.
Chartered Accountants,
ICAI Firm Registration: 000018N/N500091

Name : Rakesh Kumar
Designation : Partner
Membership Number : 087537
UDIN : 22087537AIYGLA6237

Place : Gurugram
Date : 13th May 2022

Annexure-I

Annexure-B to the Independent Auditor's Report

Referred to in Paragraph 2 under 'Report on Other Legal and Regulatory Requirements' Section of Our Report of Even Date on the Accounts of REC Limited for the Year ended on 31st March 2022.

Sl. No.	Directions	Action Taken	Impact on Standalone Ind As Financial Statements
A.	**Directions**		
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.	The Company has oracle ERP R12 version to process all the accounting transactions through IT system. All the accounting, including at Regional and State offices is done through the centralized ERP system.	No impact on the standalone Ind AS Financial Statements
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 has been no such case and the company has been regularly servicing its debt and borrowings obligations. Moreover, the company has properly accounted for the cases where any loans given by the company have been restructured.	No impact on the standalone Ind AS Financial Statements
3.	Whether funds (grant/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	The Company has not received any funds for specific schemes from central/ state agencies for utilization. However, the company receives funds from government for its disbursements to various agencies as per specified schemes.	No impact on the standalone Ind AS Financial Statements

M/s S.K. Mittal & Co.
Chartered Accountants,
ICAI Firm Registration: 001135N

Name : S. K. Mittal
Designation : Partner
Membership Number : 008506
UDIN : 22008506AIYJDD9001

M/s O.P. Bagla & Co. LLP.
Chartered Accountants,
ICAI Firm Registration: 000018N/N500091

Name : Rakesh Kumar
Designation : Partner
Membership Number : 087537
UDIN : 22087537AIYGLA6237

Place : Gurugram
Date : 13th May 2022

Annexure-II

Compliance Certificate

We have conducted the audit of annual accounts of **REC Limited** for the year ended 31st March 2022 in accordance with direction/sub directions issued by the C&AG of India under section 143(5) of the Companies Act, 2013 and certify that we have complied with all the Direction/sub-directions issued to us.

M/s S.K. Mittal & Co.
Chartered Accountants,
ICAI Firm Registration: 001135N

Name : S. K. Mittal
Designation : Partner
Membership Number : 008506
UDIN : 22008506AIYJDD9001

M/s O.P. Bagla & Co. LLP.
Chartered Accountants,
ICAI Firm Registration: 000018N/N500091

Name : Rakesh Kumar
Designation : Partner
Membership Number : 087537
UDIN : 22087537AIYGLA6237

Place : Gurugram
Date : 13th May 2022

Annexure-C to the Independent Auditor's Report

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 **REC Limited** the Company as of 31st March 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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 Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Control and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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 standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

a. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

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

c. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

We have considered the areas of improvement identified which needs further strengthening as reported above in determining the nature, timing, and extent of audit tests applied in our audit of the 31st March 2022 standalone Ind AS financial statements of the Company. However, these areas of improvement do not affect our opinion on the standalone Ind AS financial statements of the Company.

M/s S.K. Mittal & Co.
Chartered Accountants,
ICAI Firm Registration: 001135N

Name : S. K. Mittal
Designation : Partner
Membership Number : 008506
UDIN : 22008506AIYJDD9001

M/s O.P. Bagla & Co. LLP.
Chartered Accountants,
ICAI Firm Registration: 000018N/N500091

Name : Rakesh Kumar
Designation : Partner
Membership Number : 087537
UDIN : 22087537AIYGLA6237

Place : Gurugram
Date : 13th May 2022

Non-Banking Financial Companies Auditors' Report for the year ended 31st March 2022

The Board of Directors,
REC Limited
Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi – 110003

We have audited the accompanying standalone financial statements of REC Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2022, the Statement of Profit and Loss and the Statement of Cash Flows and the Statement of changes in equity for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

As required by the "Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016" issued by Reserve Bank of India (RBI) vide notification no. DNBS.PPD.03/66.15.001/2016-17 dated 29th September, 2016 on the matters specified in para 3(A) and 3(C) of Chapter-II of the said Directions to the extent applicable to the company and according to the information and explanations given to us for the purpose of audit, we report that:

1. The Company had been granted registration under section 45-IA of the Reserve Bank of India Act, 1934 on 10th February 1998 vide Certificate of Registration No. 14.000011. RBI issued further Certificate dated 17th September 2010 in lieu of earlier certificate having categorized REC Ltd as an Infrastructure Finance Company in terms of instructions contained in RBI Circular CC No. 168 dated 12th February, 2010. Consequent upon change of name of the Company from Rural Electrification Corporation Limited to REC Limited, RBI has issued fresh certificate of registration bearing no. 14.000011 dated 28th November 2018 with the name of REC Limited.
2. The company is entitled to continue to hold such registration in terms of its asset/ income pattern as on 31st March 2022.
3. The Company is meeting the requirement of net owned funds applicable to an Infrastructure Finance Company as laid down in Master Direction-Non Banking Financial Company-Systemically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Direction 2016 dated 1st September 2016.
4. The Board of Directors of the Company, in its meeting held on 10th March 2021, has passed resolution for non-acceptance of any public deposits for the Financial Year 2021-22.
5. The Company has not accepted any public deposits during the financial year 2021-22.
6. The financial statements of the Company for the year 2021-22 have been prepared in accordance with recognition and measurement principles of Ind AS prescribed under section 133 of the Companies Act 2013 read with relevant rules issued thereunder.

   Accordingly, the company is following Board Approved methodology for computation of Impairment allowance towards provisioning for its loan assets and classification thereof. In view of regulatory compliance of Companies Act 2013 for adoption of a mechanism for preparation of financial statements the Company could not follow the Prudential norms relating to income recognition, accounting standards, asset classification and provisioning (IRACP norms) for Bad and Doubtful debts in terms of the directions 2016. Nevertheless the company is complying with the directions of the RBI vide Notification No. DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13th March 2020 with respect to adherence to difference in provisioning between IRACP norms and ECL methodology of the company.
7. a) In our opinion, the Capital Adequacy ratio as disclosed in the Return submitted to RBI in Form NBS-7 has been correctly arrived on the basis of provisional financial statements and such ratio is in compliance with minimum CRAR prescribed by RBI.

   b) As per information and explanation given to us, the annual statement of capital funds, risk assets/ exposure and risk asset ratio (NBS-7 return) as on 31st March 2022 has been filed by company on 13th April 2022 on the basis of the provisional financial results.

M/s S.K. Mittal & Co.
Chartered Accountants,
ICAI Firm Registration: 001135N

Name : S. Murthy
Designation : Partner
Membership Number : 072290
UDIN : 22072290AIYKXY2602

M/s O.P. Bagla & Co. LLP.
Chartered Accountants,
ICAI Firm Registration: 000018N/N500091

Name : Rakesh Kumar
Designation : Partner
Membership Number : 087537
UDIN : 22087537AIYJMG7914

Place : Gurugram
Date : 13th May 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 REC LIMITED FOR THE YEAR ENDED 31 MARCH 2022.

The preparation of financial statements of REC Limited for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory 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 13 May 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of REC Limited for the year ended 31 March 2022 under Section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

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

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

(Deepak Kapoor)
Director General of Audit (Energy)
Delhi

Place : New Delhi
Dated : 22 July 2022

Consolidated Balance Sheet as at 31st March, 2022

(₹ in Crores)

Sl. No.	Particulars	Note No.	As at 31.03.2022	As at 31.03.2021
	ASSETS			
(1)	**Financial Assets**			
(a)	Cash and cash equivalents	6	140.99	1,179.24
(b)	Bank balances other than (a) above	7	2,518.96	2,223.58
(c)	Trade receivables	8	94.55	140.07
(d)	Derivative financial instruments	9	5,510.17	2,311.22
(e)	Loans	10	3,71,930.54	3,65,261.49
(f)	Investments	11	2,190.44	1,723.68
(g)	Other financial assets	12	24,415.31	24,419.88
	Total - Financial Assets (1)		**4,06,800.96**	**3,97,259.16**
(2)	**Non-Financial Assets**			
(a)	Current tax assets (net)	13	191.56	168.92
(b)	Deferred tax assets (net)	14	3,160.12	2,461.03
(c)	Investment Property	15	-	0.01
(d)	Property, Plant & Equipment	16	624.04	260.70
(e)	Capital Work-in-Progress	16	6.07	335.67
(f)	Intangible Assets Under Development	16	-	0.77
(g)	Other Intangible Assets	16	4.28	6.15
(h)	Other non-financial assets	17	68.68	102.67
(i)	Investments accounted for using equity method	11	-	257.74
	Total - Non-Financial Assets (2)		**4,054.75**	**3,593.66**
(3)	**Assets classified as held for sale**	18	4.38	14.05
	Total ASSETS (1+2+3)		***4,10,860.09***	***4,00,866.87***
	LIABILITIES AND EQUITY			
	LIABILITIES			
(1)	**Financial Liabilities**			
(a)	Derivative financial instruments	9	553.14	846.31
(b)	Trade Payables			
	(i) total outstanding dues of MSMEs	19	-	0.01
	(ii) total outstanding dues of creditors other than MSMEs	19	36.48	61.84
(c)	Debt Securities	20	2,19,574.61	2,37,269.11
(d)	Borrowings (other than debt securities)	21	1,06,651.59	85,507.36
(e)	Subordinated Liabilities	22	6,816.47	6,946.89
(f)	Other financial liabilities	23	25,708.64	26,213.00
	Total - Financial Liabilities (1)		***3,59,340.93***	***3,56,844.52***
(2)	**Non-Financial Liabilities**			
(a)	Current tax liabilities (net)	24	10.25	14.40
(b)	Provisions	25	105.67	113.69
(c)	Other non-financial liabilities	26	89.13	130.25
	Total - Non-Financial Liabilities (2)		**205.05**	**258.34**
(3)	**Liabilities directly associated with assets classified as held for sale**	18	**0.01**	**0.08**
(4)	**EQUITY**			
(a)	Equity Share Capital	27	1,974.92	1,974.92
(b)	Instruments Entirely Equity In Nature	28	558.40	558.40
(c)	Other equity	29	48,780.78	41,230.61
	Total - Equity (4)		**51,314.10**	**43,763.93**
	Total - LIABILITIES AND EQUITY (1+2+3+4)		**4,10,860.09**	**4,00,866.87**
	Company Overview and Significant Accounting Policies	1 to 5		

Accompanying Notes to Financial Statements **1 to 73**

For and on behalf of the Board

J.S. Amitabh
ED & Company Secretary

Ajoy Choudhury
Director (Finance)
DIN - 06629871

R.S. Dhillon
Chairman & Managing Director
DIN - 00278074

In terms of our Audit Report of even date

For S.K. Mittal & Co.
Chartered Accountants
Firm Reg. No.: 001135N

S. Murthy
Partner
M.No. : 072290

For O.P. Bagla & Co. LLP.
Chartered Accountants
Firm Reg. No.: 000018N/N500091

Atul Aggarwal
Partner
M.No. : 092656

Place : Gurugram
Date : 13th May 2022

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

(₹ in Crores)

S. No.	Particulars	Note No.	Year ended 31.03.2022	Year ended 31.03.2021
	Revenue from Operations			
(i)	Interest Income	30	38,194.49	34,693.51
(ii)	Dividend Income	31	4.21	27.97
(iii)	Fees and Commission Income	32	572.82	95.38
(iv)	Net gain/ (loss) on fair value changes	38	346.57	572.33
(v)	Sale of services	33	150.96	163.65
I.	**Total Revenue from Operations (i to v)**		**39,269.05**	**35,552.84**
II.	**Other Income**	34	70.15	22.72
III.	**Total Income (I+II)**		**39,339.20**	**35,575.56**
	Expenses			
(i)	Finance Costs	35	22,050.96	21,489.05
(ii)	Net translation/ transaction exchange loss	36	799.05	330.26
(iii)	Fees and commission Expense	37	16.73	9.95
(iv)	Impairment on financial instruments	39	3470.02	2445.94
(v)	Cost of services rendered	40	65.11	88.67
(vi)	Employee Benefits Expenses	41	180.09	163.62
(vii)	Depreciation and amortization	42	18.24	10.86
(viii)	Corporate Social Responsibility Expenses	43	172.35	146.27
(ix)	Other Expenses	44	124.31	109.38
IV.	**Total Expenses (i to ix)**		**26,896.86**	**24,794.00**
V.	**Profit before Tax (III-IV)**		**12,442.34**	**10,781.56**
VI.	**Share of Profit/Loss of Joint Venture accounted for using equity method**		(11.81)	(1.97)
VII.	**Profit before Tax (III-IV+V)**		**12,430.53**	**10,779.59**
VIII.	**Tax Expense**	45		
(i)	Current tax		3,065.27	2,920.97
(ii)	Deferred Tax		(670.44)	(519.62)
	Total Tax Expense (i+ii)		**2,394.83**	**2,401.35**
IX.	**Profit for the period**		**10,035.70**	**8,378.24**
X.	**Other comprehensive Income/(Loss)**			
(i)	**Items that will not be reclassified to profit or loss**			
(a)	Re-measurement gains/(losses) on defined benefit plans		(8.33)	(14.26)
(b)	Changes in Fair Value of FVOCI Equity Instruments		22.19	166.53
(c)	Share of Other Comprehensive Income/ (loss) of Joint Venture accounted for using equity method		(0.02)	(0.05)
(d)	Income tax relating to these items			
	- Re-measurement gains/(losses) on defined benefit plans		2.10	3.59
	- Changes in Fair Value of FVOCI Equity Instruments		2.55	(6.01)
	Sub-Total (i)		***18.49***	***149.80***
(ii)	**Items that will be reclassified to profit or loss**			
(a)	Effective Portion of Cash Flow Hedges		480.84	80.81
(b)	Cost of hedging reserve		(584.51)	329.00
(c)	Share of Other Comprehensive Income/ (loss) of Joint Venture accounted for using equity method		1.19	1.29
(d)	Income tax relating to these items			
	-Effective Portion of Cash Flow Hedges		(121.02)	(20.34)
	- Cost of hedging reserve		147.11	(82.80)
	Sub-Total (ii)		***(76.39)***	***307.96***
	Other comprehensive Income/(Loss) for the period (i+ii)		**(57.90)**	**457.76**
XI.	**Total comprehensive Income for the period (IX+X)**		**9,977.80**	**8,836.00**
XII.	**Basic & Diluted Earnings per Equity Share of ₹ 10 each (in ₹)**	46		
(1)	For continuing operations		50.82	42.42
(2)	For continuing and discontinued operations		50.82	42.42
	Company Overview and Significant Accounting Policies	1 to 5		

Accompanying Notes to Financial Statements **1 to 73**

For and on behalf of the Board

J.S. Amitabh
ED & Company Secretary

Ajoy Choudhury
Director (Finance)
DIN - 06629871

R.S. Dhillon
Chairman & Managing Director
DIN - 00278074

In terms of our Audit Report of even date

For S.K. Mittal & Co.
Chartered Accountants
Firm Reg. No.: 001135N

S. Murthy
Partner
M.No. : 072290

For O.P. Bagla & Co. LLP.
Chartered Accountants
Firm Reg. No.: 000018N/N500091

Atul Aggarwal
Partner
M.No. : 092656

Place : Gurugram
Date : 13th May 2022

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

(₹ in Crores)

PARTICULARS	Year ended 31.03.2022		Year ended 31.03.2021	
A. Cash Flow from Operating Activities :				
Net Profit before Tax	12,430.53		10,779.59	
Adjustments for:				
1. Loss/ (Gain) on derecognition of Property, Plant and Equipment (net)	0.97		4.69	
2. Loss/ (Gain) on derecognition of Assets held for sale (net)	(30.19)		-	
3. Depreciation & Amortization	18.24		10.86	
4. Impairment allowance on Assets Classified as Held for Sale	9.71		-	
5. Impairment losses on Financial Instruments	3,470.02		2,445.94	
6. Adjustments towards Effective Interest Rate in respect of Loans	(11.95)		32.61	
7. Adjustments towards Effective Interest Rate in respect of Borrowings	(111.31)		152.19	
8. Fair Value Changes in Derivatives	(351.36)		(545.92)	
9. Fair Value Changes in Investments	12.78		(2.43)	
10. Interest on Commercial Paper	14.76		35.32	
11. Interest Accrued on Zero Coupon Bonds	-		81.78	
12. Loss/ (Gain) on Exchange Rate fluctuation	(2,164.42)		526.71	
13. Provision made for Interest on Advance Income Tax	-		22.71	
14. Share of Profit/Loss of Joint Venture accounted for using equity method	11.81		1.97	
Operating profit before Changes in Operating Assets & Liabilities	**13,299.59**		**13,546.02**	
Inflow / (Outflow) on account of :				
1. Loan Assets	(9,877.12)		(56,522.42)	
2. Derivatives	(2,460.52)		711.20	
3. Other Operating Assets	(433.09)		(1,827.24)	
4. Operating Liabilities	(1,360.41)		3,264.58	
Cash flow from Operations	**(831.55)**		**(40,827.86)**	
1. Income Tax Paid (including TDS)	(3,101.39)		(2,696.20)	
2. Income Tax refund	23.26		11.73	
Net Cash Flow from Operating Activities		**(3,909.68)**		**(43,512.33)**
B. Cash Flow from Investing Activities				
1. Sale of Property, Plant & Equipment	0.10		0.35	
2. Sale of assets held for sale	31.24		-	
3. Investment in Property, Plant & Equipment (incl. CWIP & Capital Advances)	(47.90)		(73.30)	
4. Investment in Intangible Assets (including intangible assets under development & Capital Advances)	(0.25)		(0.95)	
5. Finance Costs Capitalised	(5.10)		(22.04)	
6. Sale/ (Investment) in Equity Shares and Venture Capital Fund	431.17		249.92	
7. Redemption/ (Investment) in High Quality Liquid Assets (HQLAs) (net)	(716.17)		(872.28)	
8. Redemption/ (Investment) in Debt Securities other than HQLAs (net)	96.07		1,582.15	
9. Sale/(Investment) of/in shares of associate companies (Net)	0.82		(0.40)	
10. Maturity/(Investment) of/in Corporate and Term deposits	(77.44)		(2.93)	
Net Cash Flow from Investing Activities		**(287.46)**		**860.52**
C. Cash Flow from Financing Activities				
1. Issue/ (Redemption) of Rupee Debt Securities (Net)	(20,844.10)		15,499.66	
2. Issue/ (Redemption) of Commercial Paper (net)	(14.76)		(2,925.00)	
3. Raising/ (Repayments) of Rupee Term Loans/ WCDL from Govt./Banks/ FIs (net)	2,164.16		26,270.47	
4. Raising/ (Repayments) of Foreign Currency Debt Securities and Borrowings (net)	24,310.58		2,884.39	
5. Raising/ (Redemption) of Subordinated Liabilities (net)	-		1,999.50	
6. Issue of Perpetual Debt Instruments entirely equity in nature	-		558.40	
7. Issue Expenses on Perpetual Debt Instruments entirely equity in nature	-		(0.94)	
8. Coupon Expenses on Perpetual Debt Instruments entirely equity in nature	(45.60)		-	

Consolidated Statement of Cash Flows for the year ended 31st March 2022 (Contd.)

(₹ in Crores)

PARTICULARS	Year ended 31.03.2022		Year ended 31.03.2021	
9. Payment of Dividend on Equity Shares	(2,411.37)		(2,172.41)	
10. Payment of Corporate Dividend Tax	-		-	
11. Repayment towards Lease Liability	(0.02)		(0.73)	
Net Cash flow from Financing Activities		**3,158.89**		**42,113.34**
Net Increase/Decrease in Cash & Cash Equivalents		**(1,038.25)**		**(538.47)**
Cash & Cash Equivalents as at the beginning of the year		1,179.24		1,717.71
Cash & Cash Equivalents as at the end of the year		140.99		1,179.24

During the year, the Group has received Dividend of ₹ 4.21 crores (previous year ₹ 27.97 crores). Further, during the year, the Group has paid an amount of ₹ 168.80 crores (previous year ₹ 150.30 crores) towards Corporate Social Responsibility.

Components of Cash & Cash Equivalents as at end of the year are:

(₹ in Crores)

PARTICULARS	Year ended 31.03.2022	Year ended 31.03.2021
- Cash in Hand (including postage & imprest)	0.02	0.12
- Balances with Banks	130.61	247.82
- Short-term Deposits with Scheduled Banks	10.36	931.30
Total Cash & Cash Equivalents	**140.99**	**1,179.24**

Reconciliation of liabilities arising from financing activities

(₹ in Crores)

Particulars	Opening Balance	Cash Flows during the period (net)	Movements in Interest Accrued *	Other Adjustments		Closing Balance
				Exchange Differences	IndAS Adjustments	
Year ended 31.03.2022						
Rupee Debt Securities	**2,11,208.71**	(20,844.11)	(859.83)	-	42.69	**1,89,547.46**
Commercial Paper	**-**	(14.76)	-	-	14.76	**-**
Rupee Term Loans/ WCDL	**59,281.36**	2,164.16	15.04	-	-	**61,460.56**
Foreign Currency Debt Securities & other Borrowings	**52,286.35**	24,310.60	44.66	(1,336.85)	(86.61)	**75,218.15**
Subordinated Liabilities	**6,946.89**	-	(2.54)	-	(127.88)	**6,816.47**
Total	**3,29,723.31**	**5,615.89**	**(802.67)**	**(1,336.85)**	**(157.04)**	**3,33,042.64**
Year ended 31.03.2021						
Rupee Debt Securities	**1,94,964.01**	15,499.66	657.70	-	87.34	**2,11,208.71**
Commercial Paper	**2,889.68**	(2,925.00)	-	-	35.32	**-**
Rupee Term Loans/ WCDL	**32,983.45**	26,270.47	27.44	-	-	**59,281.36**
Foreign Currency Debt Securities & Bonds	**50,629.65**	2,884.39	16.81	(1,392.24)	147.74	**52,286.35**
Subordinated Liabilities	**4,819.65**	1,999.50	128.90	-	(1.16)	**6,946.89**
Total	**2,86,286.44**	**43,729.02**	**830.85**	**(1,392.24)**	**269.24**	**3,29,723.31**

** Movement in Interest Accrued has been considered in 'Operating Liabilities' as Cash Flow from Operating Activities.*

Note : Previous year figures have been rearranged and regrouped wherever necessary.

For and on behalf of the Board

J.S. Amitabh
ED & Company Secretary

Ajoy Choudhury
Director (Finance)
DIN - 06629871

R.S. Dhillon
Chairman & Managing Director
DIN - 00278074

In terms of our Audit Report of even date

For S.K. Mittal & Co.
Chartered Accountants
Firm Reg. No.: 001135N

S. Murthy
Partner
M.No. : 072290

For O.P. Bagla & Co. LLP.
Chartered Accountants
Firm Reg. No.: 000018N/N500091

Atul Aggarwal
Partner
M.No. : 092656

Place : Gurugram
Date : 13th May 2022

Consolidated Statement of Changes in Equity for the year ended 31st March 2022

A Equity share capital

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Balance at the beginning of the year	**1,974.92**	**1,974.92**
Changes in equity share capital during the year	-	-
Balance at the end of the year	**1,974.92**	**1,974.92**

Refer note 27 for detail

B Instruments entirely equity in nature

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Balance at the beginning of the year	**558.40**	**558.40**
Changes in instruments entirely equity in nature during the year	-	-
Balance at the end of the year	**558.40**	**558.40**

Refer note 28 for detail

C. Other Equity

(₹ in Crores)

Particulars	Reserves & Surplus									Share of Other Comprehensive Income/ (loss) of Joint Venture accounted for using equity method	FVOCI- Equity Instruments	Effective Portion of Cash Flow Hedges	Costs of Hedging reserve	Total
	Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961	Reserve for Bad and doubtful debts u/s 36(1)(viia) of the Income Tax Act, 1961	Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	Securities Premium Account	Capital Reserve	Foreign Currency Monetary Item Translation Difference Account	General Reserve	Impairment Reserve	Retained Earnings					
Balance as at 31st March 2020	**16,659.10**	**2,992.83**	**2,131.00**	**2,236.54**	**4.70**	**(1,719.38)**	**6,976.22**	**793.29**	**3,674.25**	**(2.48)**	**106.26**	**(226.08)**	**(204.75)**	**33,421.50**
Profit for the period	-	-	-	-	-	-	-	-	8,378.24	-	-	-	-	8,378.24
Remeasurement of Defined Benefit Plans	-	-	-	-	-	-	-	-	(10.67)	-	-	-	-	(10.67)
Recognition through Other Comprehensive Income (net of taxes)	-	-	-	-	-	-	-	-	(0.05)	1.29	160.52	60.47	246.20	468.43
Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**8,367.52**	**1.29**	**160.52**	**60.47**	**246.20**	**8,836.00**
Other adjustments														
Transferred to/ (from) Retained Earnings	2,563.13	288.13	1,673.00	-	-	-	981.10	-	(5,505.36)	-	-	-	-	-
Transferred to General Reserve	-	(1,152.55)	-	-	-	-	1,945.84	(793.29)	-	-	-	-	-	-
Reclassification of gain/ (loss) on sale/ extinguishment of FVOCI equity instrument (net of taxes)	-	-	-	-	-	-	-	-	242.71		(242.71)	-	-	-
Foreign Currency Translation Loss on long term monetary items during the period	-	-	-	-	-	437.65	-	-	-	-	-	-	-	437.65
Gain on increase in share in EESL	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amortisation during the period	-	-	-	-	-	708.57	-	-	-	-	-	-	-	708.57
Issue expenses on Instrument Entirely Equity in Nature (Perpetual Debt Instruments) (Net of Taxes)	-	-	-	-	-	-	-	-	(0.70)	-	-	-	-	(0.70)
Total- Other adjustments	**2,563.13**	**(864.42)**	**1,673.00**	**-**	**-**	**1,146.22**	**2,926.94**	**(793.29)**	**(5,263.35)**	**-**	**(242.71)**	**-**	**-**	**1,145.52**
Dividends	-	-	-	-	-	-	-	-	(2,172.41)	-	-	-	-	(2,172.41)
Total- Transaction with owners	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(2,172.41)**	**-**	**-**	**-**	**-**	**(2,172.41)**
Balance as at 31st March 2021	**19,222.23**	**2,128.41**	**3,804.00**	**2,236.54**	**4.70**	**(573.16)**	**9,903.16**	**-**	**4,606.01**	**(1.19)**	**24.07**	**(165.61)**	**41.45**	**41,230.61**

C. Other Equity (Contd.)

(₹ in Crores)

Particulars	Reserves & Surplus													
	Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961	Reserve for Bad and doubtful debts u/s 36(1)(viia) of the Income Tax Act, 1961	Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	Securities Premium Account	Capital Reserve	Foreign Currency Monetary Item Translation Difference Account	General Reserve	Impairment Reserve	Retained Earnings	Share of Other Comprehensive Income/ (loss) of Joint Venture accounted for using equity method	FVOCI- Equity Instruments	Effective Portion of Cash Flow Hedges	Costs of Hedging reserve	Total
Balance as at 31st March 2021	**19,222.23**	**2,128.41**	**3,804.00**	**2,236.54**	**4.70**	**(573.16)**	**9,903.16**	**-**	**4,606.01**	**(1.19)**	**24.07**	**(165.61)**	**41.45**	**41,230.61**
Profit for the period	-	-	-	-	-	-	-	-	10,035.69	-	-	-	-	10,035.69
Remeasurement of Defined Benefit Plans	-	-	-	-	-	-	-	-	(6.23)	-	-	-	-	(6.23)
Recognition through Other Comprehensive Income (net of taxes)	-	-	-	-	-	-	-	-	(0.02)	-	24.74	359.82	(437.40)	(52.86)
Reclassification of (gain)/ loss on ceasation of significant influence	-	-	-	-	-	-	-	-	-	1.19	-	-	-	1.19
Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**10,029.44**	**1.19**	**24.74**	**359.82**	**(437.40)**	**9,977.79**
Transferred to/ (from) Retained Earnings	3,080.70	-	2,010.00	-	-	-	-	-	(5,090.70)	-	-	-	-	-
Transferred to/ (from) General Reserve	-	(1,931.59)	-	-	(4.70)	-	1,936.29	-	-	-	-	-	-	-
Reclassification of gain/ (loss) on sale/ extinguishment of FVOCI equity instrument (net of taxes)	-	-	-	-	-	-	-	-	86.79	-	(86.79)	-	-	-
Foreign Currency Translation Loss on long term monetary items during the period	-	-	-	-	-	(216.94)	-	-	-	-	-	-	-	(216.94)
Amortisation during the period	-	-	-	-	-	234.81	-	-	-	-	-	-	-	234.81
Coupon payment on Instrument Entirely Equity in Nature (Perpetual Debt Instruments) (Net of Taxes)	-	-	-	-	-	-	-	-	(34.12)	-	-	-	-	(34.12)
Total- Other adjustments	**3,080.70**	**(1,931.59)**	**2,010.00**	**-**	**(4.70)**	**17.87**	**1,936.29**	**-**	**(5,038.03)**	**-**	**(86.79)**	**-**	**-**	**(16.25)**
Dividends	**-**	**-**	**-**	**-**	**-**	-	-	-	(2,411.37)	-	-	-	-	(2,411.37)
Total- Transaction with owners	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(2,411.37)**	**-**	**-**	**-**	**-**	**(2,411.37)**
Balance as at 31st March 2022	**22,302.93**	**196.82**	**5,814.00**	**2,236.54**	**-**	**(555.29)**	**11,839.45**	**-**	**7,186.05**	**-**	**(37.98)**	**194.21**	**(395.95)**	**48,780.78**

Refer Note No. 29.1 for details regarding drawdown/ transfers from Reserves

Accompanying Notes to Financial Statements **1 to 73**

In terms of our Report of even date

For S.K. Mittal & Co.
Chartered Accountants
Firm Reg. No.: 001135N

S. Murthy
Partner
M.No. : 072290

For O.P. Bagla & Co. LLP.
Chartered Accountants
Firm Reg. No.: 000018N/N500091

Atul Aggarwal
Partner
M.No. : 092656

Place: Gurugram
Date: 13th May 2022

For and on behalf of the Board

J.S. Amitabh
ED & Company Secretary

Ajoy Choudhury
Director (Finance)
DIN - 06629871

R.S. Dhillon
Chairman & Managing Director
DIN - 00278074

1. Company Overview

REC Limited ("REC" or the "Company" or the "holding company") was incorporated in the year 1969. The Company is domiciled in India and is limited by shares, having its registered office and principal place of business at Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003, India. The books of accounts and financial statements are maintained at the Corporate Office situated at Plot no. I-4, Sector-29, Gurugram, Haryana, in addition to the registered office of the Company. The Company has offices spread across the country, mainly in the State Capitals and one training centre at Hyderabad.

The Company is a Government Company engaged in extending financial assistance across the power sector value chain and is a Systemically Important (Non-Deposit Accepting or Holding) Non-Banking Finance Company (NBFC) registered with Reserve Bank of India (RBI).

REC is a leading Infrastructure Finance Company in India and the principal products of REC are interest-bearing loans to State Electricity Boards, State Power utilities/State Power Departments and Private sector for all segments of Power infrastructure.

The shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited. Further, various debt securities of the Company are also listed on the Stock Exchanges.

The Company together with its subsidiaries is hereinafter referred to as 'the Group'.

2. Statement of Compliance and Basis of Preparation

These Consolidated Financial Statements comply with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), applicable provisions of the Companies Act, 2013 and other applicable regulatory norms / guidelines.

The consolidated financial statements for the period ended 31st March, 2022 were authorized and approved for issue by the Board of Directors on 13th May, 2022.

3. Significant Accounting Policies

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

3.1 Basis of Preparation and Measurement

Subsidiary

Subsidiary is the entity controlled by the Group. The Group controls an entity when it has power over the investee, is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiary are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. The Group combines the financial statements of the holding company and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses.

Equity accounted investees

The Group's interests in equity accounted investees comprise of the interests in associates and joint venture.

An associate is an entity, including an unincorporated entity, over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Interests in associates are accounted for using the equity method. These interests are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of Profit and Loss and Other Comprehensive Income (OCI) of equity-accounted investees until the date on which significant influence ceases. However, in case where it is assessed that the investment/ interest in associates is held for sale, the interest in associates is accounted for under Ind AS 105.

A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in joint venture are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of Profit and Loss and Other Comprehensive Income (OCI) of equity-accounted investees until the date on which significant influence or joint control ceases.

3.2 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that here is no evidence of impairment.

3.3 Basis of Preparation and Measurement

The consolidated financial statements have been prepared on going concern basis following accrual system of accounting on historical cost basis except for certain financial assets and financial liabilities which are measured at fair values as explained in relevant accounting policies. These policies have been applied consistently for all the periods presented in the consolidated financial statements.

Functional and presentation currency

The consolidated financial statements are presented in Indian Rupee ('INR') which is also the functional currency of the Group.

3.4 Income recognition

Interest income

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

Unless otherwise specified, the recoveries from the borrowers are appropriated in the order of (i) costs and expenses of REC

Consolidated Notes to Accounts

(ii) delayed and penal interest including interest tax, if any (iii) overdue interest including interest tax, if any and (iv) repayment of principal; the oldest being adjusted first, except for credit impaired loans and recalled loans, where principal amount is appropriated only after the complete recovery of other costs, expenses, delayed and penal interest and overdue interest including interest tax, if any. The recoveries under One Time Settlement (OTS)/ Insolvency and Bankruptcy Code (IBC) proceedings are appropriated first towards the principal outstanding and remaining recovery thereafter, towards interest and other charges, if any.

For financial assets measured at amortized cost, interest income is recorded using the effective interest rate (EIR), i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets.

Interest on financial assets subsequently measured at fair value through profit and loss is recognized on an accrual basis in accordance with the terms of the respective contract and is disclosed separately under the head interest income.

Interest income on credit-impaired loan assets is not being recognised as a matter of prudence, pending the outcome of resolutions of stressed assets.

Rebate on account of timely payment of interest by borrowers is recognized on receipt of entire interest amount due in time, in accordance with the terms of the respective contract and is netted against the corresponding interest income.

Income from Government schemes

Income of agency fee on Government schemes is recognized on accrual basis based on the services rendered.

Dividend income

Income from dividend on shares of corporate bodies and units of mutual funds is taken into account on accrual basis when right to receive payment is established.

Provided that in case of final dividend, the right to receive payment shall be considered as established only upon approval of the dividend by the shareholders in the Annual General Meeting.

Dividend on financial assets subsequently measured at fair value through profit and loss is recognised separately under the head 'Dividend Income'.

Other services

Fees/ charges on loan assets, other than those considered an adjustment to EIR, are accounted for on accrual basis. Pre-payment premium is accounted for by the Group in the year of receipt.

Revenue from sale of services

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

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

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

(ii) Identify separate performance obligations in the contract;

(iii) Determine the transaction price;

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

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

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

In Cost Plus Contracts - Revenue is recognised by including eligible contractual items of expenditures plus proportionate margin as per contract;

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

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

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

Sale proceeds of Request for Proposal (RFP) documents is credited to the respective SPV and sale proceeds of Request for Qualification (RFQ) documents is retained by the Group and accounted as income of the Group.

3.5 Borrowing costs

Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition and/ or construction of a qualifying asset, till the time such qualifying asset becomes ready for its intended use, are capitalized. A qualifying asset is one that necessarily takes a substantial period to get ready for its intended use.

All other borrowing costs are charged to the Statement of Profit and Loss on an accrual basis as per the effective interest rate method.

3.6 Earnings per share

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

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

3.7 Foreign Currency Translation

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Group using the exchange rates prevailing on the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of such transactions and the re-measurement of monetary items denominated in foreign currency at period-end exchange rates are recognized in the Statement of Profit or Loss. However, for the long-term monetary items recognized in the consolidated financial statements before 01st April 2018, such gains and losses are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortized over the balance period of such long term monetary item, by recognition as income or expense in each of such periods.

Non-monetary items are not retranslated at period-end and are measured at historical cost (translated using the exchange rates at the transaction date).

3.8 Property, Plant and Equipment (PPE)

Recognition and initial measurement

Land

Land held for use is initially recognized at cost. For land, as no finite useful life can be determined, related carrying amounts are not depreciated.

Land also includes land treated as a Right of Use asset under lease agreement earlier classified as finance lease and is amortised over the lease term.

Other Tangible assets

PPE other than land is initially recognized at acquisition cost or construction cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Group's management.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group beyond one year. Maintenance or servicing costs of PPE are recognized in the Statement of Profit and Loss as incurred.

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

PPE are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on PPE is provided on the straight-line method over the useful life of the assets as prescribed under Part 'C' of Schedule II of the Companies Act, 2013.

Depreciation on assets purchased/sold during the year is charged for the full month if the asset is in use for more than 15 days. Depreciation on assets purchased during the year up to ₹5,000/- is provided @ 100%.

The residual values, useful lives, and method of depreciation are reviewed at the end of each financial year. PPE other than land is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

De-recognition

An item of PPE and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of an item of PPE is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

Capital Work-in-Progress

The cost of PPE under construction at the reporting date is disclosed as 'Capital work-in-progress.' The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Advances paid for the acquisition/ construction of PPE which are outstanding at the balance sheet date are classified under 'Capital Advances.'

3.9 Intangible assets

Recognition and initial measurement

Intangible assets mainly comprise of computer software which is initially measured at cost. Such assets are recognized where it is probable that the future economic benefits attributable to the assets will flow to the Group.

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

All intangible assets with finite useful life are amortized on a straight line basis over the estimated useful lives, and a possible impairment is assessed if there is an indication that the intangible asset may be impaired. Residual values and useful lives for all intangible assets are reviewed at each reporting date. Changes, if any, are accounted for as changes in accounting estimates. Management estimates the useful life of intangible assets to be five years.

Intangible Assets under Development

Expenditure incurred which are eligible for capitalization under intangible assets is carried as 'Intangible assets under development' till they are ready for their intended use. Advances paid for the acquisition/ development of intangible assets which are outstanding at the balance sheet date are classified under 'Capital Advances'.

Derecognition of Intangible Assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognized in the Statement of Profit and Loss when the asset is derecognized.

3.10 Lease accounting:

The Group recognises a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as short-term or low-value lease.

The Group assesses at contract inception whether a contract is, or contains, a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

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

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

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

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

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

3.11 Assets/ Disposal Groups held for sale

Assets are classified as Held for Sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and the sale is highly probable. A sale is considered as highly probable when such assets have been decided to be sold by the Group; are available for immediate sale in their present condition; are being actively marketed for sale at a price and the sale has been agreed or is expected to be concluded within one year of the date of classification. Such assets are measured at lower of carrying amount or fair value less selling costs.

Assets held for sale are presented separately from other assets in the Balance Sheet and are not depreciated or amortised while they are classified as held for sale.

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

3.12 Investment property

Investment properties are the assets which have undetermined future use. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, the investment properties are stated at cost less accumulated depreciation. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group beyond one year. All other repair and maintenance costs are recognized in the Statement of Profit and Loss as incurred.

Subsequent measurement (depreciation and useful lives)

The Group only has land as an investment property, which is not depreciated.

De-recognition

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

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3.13 Financial Instruments

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

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- Amortized cost
- Financial assets at fair value through profit or loss (FVTPL)
- Financial assets at fair value through other comprehensive income (FVOCI)

All financial assets except for those at FVTPL or equity instruments at FVOCI are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied to each category of financial assets, which are described below.

Amortized cost

A financial asset is measured at amortized cost using Effective Interest Rate (EIR) if both of the following conditions are met:

a) the financial asset is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A loss allowance for expected credit losses is recognized on financial assets carried at amortized cost.

Modification of cash flows

When the contractual cash flows of a financial asset are renegotiated or otherwise modified, and the renegotiation or modification does not result in derecognition of that financial asset, the Group recalculates the gross carrying amount of the financial asset and recognizes a modification gain or loss in profit or loss. The gross carrying amount of the financial asset shall be recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortized over the remaining term of the modified financial asset.

Financial assets at FVTPL

Financial assets at FVTPL include financial assets that are either do not meet the criteria for amortized cost classification or are equity instruments held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. All derivative financial instruments also fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements may apply. Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Embedded derivatives

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, foreign exchange rate, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract.

Derivatives embedded in all host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts or if the embedded derivative feature leverages the exposure and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

Financial assets at FVOCI

FVOCI financial assets comprise of equity instruments measured at fair value. An equity investment classified as FVOCI is initially measured at fair value plus transaction costs. Gains and losses are recognized in other comprehensive income and reported within the FVOCI reserve within equity, except for dividend income, which is recognized in profit or loss. There is no recycling of such gains and losses from OCI to Statement of Profit & Loss, even on the derecognition of the investment. However, the Group may transfer the same within equity.

De-recognition of financial assets

De-recognition of financial assets due to a substantial modification of terms and conditions

The Group derecognizes a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognized as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded.

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De-recognition of financial assets other than due to substantial modification

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are derecognized (i.e. removed from the Group's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. The Group also derecognizes the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

Classification and subsequent measurement of financial liabilities

Financial liabilities are measured subsequently at amortized cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognized in profit or loss.

Derecognition of financial liabilities

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

Hedge accounting

To qualify for hedge accounting, the hedging relationship must meet all of the following requirements:

- there is an economic relationship between the hedged item and the hedging instrument
- the effect of credit risk does not dominate the value changes that result from that economic relationship
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

All derivative financial instruments designated under hedge accounting are recognised initially at fair value and reported subsequently at fair value at each reporting date. To the extent that the hedge is effective, changes in the fair value of derivatives designated as hedging instruments in cash flow hedges are recognised in other comprehensive income and included within the cash flow hedge reserve in equity. Any ineffectiveness in the hedge relationship is recognised immediately in profit or loss.

At the time the hedged item affects profit or loss, any gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and presented as a reclassification adjustment within other comprehensive income.

At the inception of each hedging relationship, the Group formally designates and documents the hedge relationship, in accordance with the Group's risk management objective and strategies. The documentation includes identification of the hedged item, hedging instrument, the nature of risk(s) being hedged, the hedge ratio and how the hedging relationship meets the hedging effectiveness requirements.

Fair Value Hedges

In line with the recognition of change in the fair value of the hedging instruments in the Statement of Profit & Loss, the change in the fair value of the hedged item attributable to the risk hedged is recognised in the Statement of Profit and Loss. Such changes are made to the carrying amount of the hedged item and are adjusted in Effective Interest Rate in the period when the hedging instrument ceases to exit. If the hedged item is derecognised, the unamortised fair value is recognised immediately in Statement of Profit and Loss.

3.14 Impairment of financial assets

Loan assets

The Group follows a 'three-stage' model for impairment in the form of Expected Credit Loss (ECL) based on changes in credit quality since initial recognition as summarised below:

- Stage 1 includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.
- Stage 2 includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.
- Stage 3 includes loan assets that have objective evidence of impairment at the reporting date.

The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default, defined as follows:

Probability of Default (PD) - The PD represents the likelihood of the borrower defaulting on its obligation either over next 12 months or over the remaining lifetime of the instrument.

Loss Given Default (LGD) – LGD represents the Company's expectation of loss given that a default occurs. LGD is expressed in percentage and it shows the proportion of the amount that will actually be lost post recoveries in case of a default.

Exposure at Default (EAD) – EAD represents the amounts, including the principal outstanding, interest accrued and outstanding Letters of Comfort that the Company expects to be owed at the time of default.

Forward-looking economic information is included in determining the 12-month and lifetime PD, EAD and LGD. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis.

Financial assets other than Loans

In respect of its other financial assets, the Group assesses if the

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credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Group 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.

To make that assessment, the Group compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition. The Group also considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

Write-offs

Financial assets are written off either partially or in their entirety only when the Group has stopped pursuing the recovery or as directed by the order of the Judicial Authority.

3.15 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments (original maturity less than three months) that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3.16 Dividend and Other Payments to holders of Instruments classified as Equity

Proposed dividends and interim dividends payable to the shareholders are recognized as changes in equity in the period in which they are approved by the shareholders' meeting and the Board of Directors respectively. Liability for the payments to the holders of instruments classified as equity are recognized in the period when such payments are authorized for payment by the Group.

3.17 Material prior period errors

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

3.18 Prepaid Expenses

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

3.19 Taxation

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

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

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable income.

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

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

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

3.20 Employee benefits

Short-term employee benefits

Short-term employee benefits including salaries, short term compensated absences (such as a paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related service, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non-monetary benefits for current employees are estimated and measured on an undiscounted basis.

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

Defined contribution plan

A defined contribution plan is a plan under which the Group pays fixed contributions in respect of the employees into a separate fund. The Group has no legal or constructive obligations to pay further contributions after its payment of the fixed contribution. The contributions made by the Group towards defined contribution plans are charged to the profit or loss in the period to which the contributions relate.

Defined benefit plan

The Group has an obligation towards gratuity, Post-Retirement Medical Facility (PRMF) and Other Defined Retirement Benefit

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(ODRB) which are being considered as defined benefit plans covering eligible employees. Under the defined benefit plans, the amount that an employee will receive on retirement is defined by reference to the employee's length of service, final salary, and other defined parameters. The legal obligation for any benefits remains with the Group, even if plan assets for funding the defined benefit plan have been set aside.

The Group's obligation towards defined benefit plans is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The liability recognized in the statement of financial position for defined benefit plans is the present value of the Defined Benefit Obligation (DBO) at the reporting date less the fair value of plan assets. Management estimates the DBO annually with the assistance of independent actuaries.

Actuarial gains/losses resulting from re-measurements of the liability/asset are included in Other Comprehensive Income.

Other long-term employee benefits:

Liability in respect of compensated absences becoming due or expected to be availed more than one-year after the balance sheet date is estimated on the basis of actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to statement of profit and loss in the period in which such gains or losses are determined.

Loan to employees at concessional rate

Loans given to employees at concessional rate are initially recognized at fair value and subsequently measured at amortised cost. The difference between the initial fair value of such loans and transaction value is recognised as deferred employee benefits, which is amortised on a straight-line basis over the expected remaining period of the Loan. In case of change in expected remaining period of the Loan, the unamortised deferred employee benefits on the date of change is amortised over the updated expected remaining period of the loan on a prospective basis.

3.21 Provisions, Contingent Liabilities, and Contingent Assets

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

A contingent liability is disclosed for:

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

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

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

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

3.22 Fair value measurement

The Group measures financial instruments, such as derivatives at fair value at each reporting date.

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

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

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

- **Level 1 -** Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- **Level 2 -** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- **Level 3 -** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements regularly, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

3.23 Offsetting of financial instruments

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

3.24 Business Combination under Common Control

A business combination, if any, involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and that control is not transitory.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values, or recognize new assets or liabilities. Adjustments are made only to harmonise significant accounting policies.
- The financial information in the financial statements in respect of prior periods is restated as if the business combination has occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination

The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee. The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee

The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

3.25 Expenditure on issue of shares

Expenditure on issue of shares, if any, is charged to the securities premium account

4. Implementation of New/ Modified Standards

During the year, the Ministry of Corporate Affairs (MCA) has issued amendments to certain Ind AS. The Group has analysed the impact of these amendments, which is not material to the Group.

5. Significant management judgment in applying accounting policies and estimation of uncertainty

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

Significant management judgments

Recognition of deferred tax assets/ liability – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized. Further, the Management has no intention to make withdrawal from the Special Reserve created and maintained under section 36(1)(viii) of the Income tax Act, 1961 and thus, the special reserve created and maintained is not capable of being reversed. Hence, the Group does not create any deferred tax liability on the said reserve.

Recognition of Deferred Tax Liability on Undistributed Reserves of Group Companies – The applicable tax laws provide for tax deduction in respect of dividend income from equity investments, to the extent of dividend declared by the Company to its shareholders during the year. Considering the historical information and dividend distribution policy of the Company, the Company does not expect any tax liability on the undistributed reserves of the Group Companies, as and when such reserves are distributed. Hence, the Company does not create any deferred tax liability on undistributed reserves of Group Companies.

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

Investment in SPVs – Transmission projects are managed as per the mandate from Government of India and the Group does not have the practical ability to direct the relevant activities of these projects unilaterally. The Group therefore considers its investment in respective SPVs as associates having significant influence despite the Company holding 100% of their paid-up equity share capital.

Non recognition of Interest Income on Credit Impaired Loans - Interest income on credit-impaired loan assets is not being recognised as a matter of prudence, pending the outcome of resolutions of stressed assets.

Significant estimates

Impact of Covid-19 Outbreak - The Group has considered the possible impacts of COVID-19 in preparation of these financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition and impact on effectiveness of its hedges. The Group has carried out this assessment based on available internal and external sources of information upto the date of approval of these consolidated financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the consolidated financial statements may differ from that estimated as at the date of approval of these consolidated financial statements owing to the nature and duration of COVID-19. The extent to which the Covid-19 pandemic will impact the Group will depend on future developments, which are uncertain, including, among other things, any new information concerning the severity of the Covid-19 pandemic and any further action by the Government or the Group to contain its spread or mitigate its impact.

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

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

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

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

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

- Determining criteria for a significant increase in credit risk;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/ market and the associated ECL; and
- Establishing groups of similar financial assets to measure ECL.
- Estimating the probability of default and loss given default (estimates of recoverable amounts in case of default)

Consolidated Notes to Accounts

6 Cash and Cash Equivalents

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Cash in Hand (including postage & imprest)	0.02	0.12
Balances with Banks		
in current accounts	130.61	247.82
Deposits with original maturity less than 3 months	10.36	931.30
Short term Investment in Debt Mutual Funds	-	-
Total (Cash & Cash Equivalents)	**140.99**	**1,179.24**

7 Bank Balances (other than Cash and Cash Equivalents)

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Earmarked Balances with Banks		
For unpaid dividends	6.39	5.79
For govt. funds for onward disbursement as grant	880.59	1,323.55
Earmarked Term Deposits		
Deposits in Compliance of Court Order	0.59	0.56
Term Deposit held as Margin Money against Bank Guarantee	0.27	0.25
Term Deposit- Debenture Redemption Reserves	225.33	-
Balances with banks not available for use pending allotment of 54EC Capital Gain Tax Exemption Bonds	1,291.54	856.62
Other Term deposits	114.25	36.81
Total (Other Bank Balances)	**2,518.96**	**2,223.58**
Term Deposits with remaining maturity more than 3 months but less than 12 months	97.25	70.02
Term Deposits with original maturity more than 12 months	65.28	1.22

7.1 There are no repatriation restrictions with respect to Cash & Cash Equivalents and Bank balances (other than Cash & Cash Equivalents) as at 31st March 2022 (Previous year Nil).

8 Trade Receivables

(₹ in Crores)

Particulars		As at 31.03.2022	As at 31.03.2021
(A)	Unsecured, Considered good	91.94	124.45
	Less: Allowance for Expected Credit Loss	(12.48)	(19.12)
		79.46	**105.33**
(B)	Trade receivables which have significant increse in credit risk	30.97	55.32
	Less: Allowance for Expected Credit Loss	(15.88)	(20.58)
		15.09	**34.74**
(C)	Credit impaired receivables	54.36	46.80
	Less: Allowance for Expected Credit Loss	(54.36)	(46.80)
	Total Trade Receivables (A+B+C)	**94.55**	**140.07**

Consolidated Notes to Accounts

8.1 Trade Receivables ageing schedule

(₹ in Crores)

Particulars		Outstanding as at 31st March 2022					
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	**- Undisputed Trade receivables**						
	- considered good	65.44	23.49	-	-	-	88.93
	- which have significant increase in credit risk	-	-	19.35	14.56	-	33.91
	- credit impaired	-	-	-	-	54.43	54.43
	Sub- total (i)	**65.44**	**23.49**	**19.35**	**14.56**	**54.43**	**177.27**
(ii)	**- Disputed Trade receivables**						
	- considered good	-	-	-	-	-	-
	- which have significant increase in credit risk	-	-	-	-	-	-
	- credit impaired	-	-	-	-	-	-
	Sub- total (ii)	**-**	**-**	**-**	**-**	**-**	**-**
	Total (i+ii)	**65.44**	**23.49**	**19.35**	**14.56**	**54.43**	**177.27**

(₹ in Crores)

Particulars		Outstanding as at 31st March 2021					
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	**- Undisputed Trade receivables**						
	- considered good	98.84	25.61	-	-	-	124.45
	- which have significant increase in credit risk	-	-	22.85	32.47	-	55.32
	- credit impaired	-	-	-	-	46.80	46.80
	Sub- total (i)	**98.84**	**25.61**	**22.85**	**32.47**	**46.80**	**226.57**
(ii)	**- Disputed Trade receivables**						
	- considered good	-	-	-	-	-	-
	- which have significant increase in credit risk	-	-	-	-	-	-
	- credit impaired	-	-	-	-	-	-
	Sub- total (ii)	**-**	**-**	**-**	**-**	**-**	**-**
	Total (i+ii)	**98.84**	**25.61**	**22.85**	**32.47**	**46.80**	**226.57**

9 Derivative Financial Instruments

The Company enters into derivatives for hedging foreign exchange risks and interest rate risks. Derivatives held for risk management purposes include hedges that are either designated as effective hedges under the hedge accounting requirements or hedges that are economic hedges. The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

Refer Note 52 for Risk Management Disclosures in respect of the derivatives.

Consolidated Notes to Accounts

Part I

(₹ in Crores)

Particulars		As at 31.03.2022			As at 31.03.2021		
		Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
(i)	**Currency Derivatives**						
	- Currency swaps	2,850.13	1.39	48.37	2,854.54	43.07	121.08
	- Others						
	- Call Spread	1,895.18	76.73	-	4,263.27	271.36	-
	- Seagull Options	54,727.54	4,868.28	-	20,482.08	1,657.19	43.25
	Sub-total (i)	**59,472.85**	**4,946.40**	**48.37**	**27,599.89**	**1,971.62**	**164.33**
(ii)	**Interest Rate Derivatives**						
	- Forward Rate Agreements and Interest Rate Swaps	33,239.41	563.77	173.52	25,035.68	339.60	403.65
	Sub-total (ii)	**33,239.41**	**563.77**	**173.52**	**25,035.68**	**339.60**	**403.65**
(iii)	**Other derivatives**						
	- Reverse cross currency swaps	4,747.00	-	331.25	4,547.00	-	278.33
	Total - Derivative Financial Instruments (i + ii+iii)	**97,459.26**	**5,510.17**	**553.14**	**57,182.57**	**2,311.22**	**846.31**

Part II

Included in Part I are derivatives held for hedging and risk management purposes as below:

(₹ in Crores)

Particulars		As at 31.03.2022			As at 31.03.2021		
		Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
(i)	**Fair Value Hedging**						
	- Interest Rate Derivatives						
	- Forward Rate Agreements and Interest Rate Swaps	11,850.70	19.76	112.00	-	-	-
(ii)	**Cash Flow Hedging**						
	- Currency Derivatives						
	- Currency Swaps	2,842.77	-	48.37	2,756.43	23.86	121.08
	- Others						
	- Call Spread	1,895.18	76.73	-	1,837.62	77.74	-
	- Seagull Options	54,727.54	4,868.28	-	20,482.08	1,657.19	43.25
	- Interest Rate Derivatives						
	- Forward Rate Agreements and Interest Rate Swaps	13,313.21	115.10	45.27	13,055.84	-	318.18
	Sub-total (i)	**72,778.70**	**5,060.11**	**93.64**	**38,131.97**	**1,758.79**	**482.51**
(iii)	Undesignated Derivatives	12,829.86	430.30	347.50	19,050.60	552.43	363.80
	Total - Derivative Financial Instruments (i+ii+iii)	**97,459.26**	**5,510.17**	**553.14**	**57,182.57**	**2,311.22**	**846.31**

Derivative financial instruments are measured at fair value at each reporting date. The changes in the fair value of derivatives designated as hedging instruments in effective cash flow hedges are recognised in Other Comprehensive Income. In case of fair value hedges, the changes in fair value of the derivatives designated as hedging instruments along with the fair value changes in the carrying amount of the hedged items are recognised in the Statment of Profit & Loss. For undesignated derivatives, the changes in the fair value are recognised in the Statement of Profit & Loss.

Consolidated Notes to Accounts

10 Loans

The Company has categorised all loans at Amortised Cost in accordance with the requirements of Ind AS 109.

(₹ in Crores)

Particulars		As at 31.03.2022		As at 31.03.2021	
		Principal O/s	Amortised Cost	Principal O/s	Amortised Cost
(A)	**Loans**				
(i)	Term Loans	3,83,310.40	3,84,566.08	3,77,041.98	3,78,090.36
(ii)	Working Capital Term Loans	2,060.86	2,069.12	376.17	377.24
	Total (A) - Gross Loans	**3,85,371.26**	**3,86,635.20**	**3,77,418.15**	**3,78,467.60**
	Less: Impairment loss allowance	(14,704.66)	(14,704.66)	(13,206.11)	(13,206.11)
	Total (A) - Net Loans	**3,70,666.60**	**3,71,930.54**	**3,64,212.04**	**3,65,261.49**
(B)	**Security Details**				
(i)	Secured by tangible assets	2,23,793.64	2,24,420.98	2,56,744.52	2,57,329.46
(ii)	Covered by Bank/ Govt. Guarantees	1,30,973.50	1,31,510.35	1,01,071.53	1,01,456.48
(iii)	Unsecured	30,604.12	30,703.87	19,602.10	19,681.67
	Total (B) - Gross Loans	**3,85,371.26**	**3,86,635.20**	**3,77,418.15**	**3,78,467.60**
	Less: Impairment loss allowance	(14,704.66)	(14,704.66)	(13,206.11)	(13,206.11)
	Total (B) - Net Loans	**3,70,666.60**	**3,71,930.54**	**3,64,212.04**	**3,65,261.49**
(C)(I)	**Loans in India**				
(i)	Public Sector	3,50,455.72	3,51,732.04	3,38,810.31	3,39,877.44
(ii)	Private Sector	34,915.54	34,903.16	38,607.84	38,590.16
	Total (C)(I) - Gross Loans	**3,85,371.26**	**3,86,635.20**	**3,77,418.15**	**3,78,467.60**
	Less: Impairment loss allowance	(14,704.66)	(14,704.66)	(13,206.11)	(13,206.11)
	Total (C)(I) - Net Loans	**3,70,666.60**	**3,71,930.54**	**3,64,212.04**	**3,65,261.49**
(C)(II)	**Loans outside India**	-	-	-	-
	Less: Impairment loss allowance	-	-	-	-
	Total (C)(II) - Net Loans	-	-	-	-
	Total (C)(I) and (C)(II)	**3,70,666.60**	**3,71,930.54**	**3,64,212.04**	**3,65,261.49**

10.1 Reconciliation between the figures reported under Ind-AS and contractual amounts outstanding in respect of Loans:

₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Net Loans	**3,71,930.54**	**3,65,261.49**
Less: Interest accrued and due on Loans classified under the same head as per Ind-AS	(423.59)	(504.10)
Less: Interest accrued and not due on Loans classified under the same head as per Ind-AS	(957.96)	(635.00)
Add: Allowance for Expected Credit Loss netted off as per Ind-AS	14,704.66	13,206.11
Add: Ind-AS Adjustments in respect of fees based income at Effective Interest Rate (EIR)	117.61	89.65
Gross Loans	**3,85,371.26**	**3,77,418.15**

10.2 Movement of Impairment Loss Allowance in respect of Loans:

(₹ in Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Opening Balance	**13,206.11**	**11,996.04**
Add: Impairment loss allowance provided during the year (Refer Note 39)*	3,422.56	2,362.62
Less: Allowance utilised towards write-off of loans	(1,924.01)	(1,152.55)
Closing Balance	**14,704.66**	**13,206.11**

** Includes impairment loss allowance created on Stage 1 & 2 loan assets which has been enhanced to a minimum level of 0.40% from FY 2021-22*

10.3 In terms of the settlement under Insolvency and Bankruptcy Code (IBC) proceedings/ One Time Settlement (OTS)/ Restructuring, the Company has written off loans amounting to ₹ 1,924.01 crores (Previous year ₹ 1,152.55 crores). The details of write-offs for the current year are as below:

(i) During the current year

(a) Pursuant to the Resolution Plan approved under IBC proceedings executed on 13th May 2021 in respect of VS Lignite Power Private Limited, the Company has written off an amount of ₹ 39.45 crores after appropriating the recoveries of ₹ 14.79 crores (Cash ₹ 1.30 crores and Term Loan of ₹ 13.49 crores).

(b) Pursuant to the liquidation order under IBC proceedings executed on 30th December 2021 in respect of Lanco Babandh Power Limited, the Company has written off an amount of ₹ 1160.16 crores after appropriating cash recoveries of ₹ 40.39 crores.

(c) Pursuant to the Resolution Plan approved under IBC proceedings executed on 16th March 2022 in respect of Essar Power (MP) Limited (EPMPL), the Company has written off an amount of ₹ 724.40 crores after appropriating the recoveries of ₹ 620.60 crores (Cash ₹ 148.94 crores and Term Loan of ₹ 471.66 crores).

(d) Pursuant to the Resolution Plan approved under IBC proceedings executed on 23rd March 2022 in respect of Amrit Jal Ventures Private Limited, the company has recovered the entire outstanding loan of ₹ 4.35 crores and ₹ 0.28 crores overdue interest after appropriating cash recoveries of ₹ 4.63 crores.

(ii) During the previous year

(a) Pursuant to the restructuring executed on 4th June, 2020, in respect of Essar Power Transmission Corporation Ltd, the Company has written off an amount of ₹ 65.25 crores after appropriating the recoveries of ₹ 979.56 crores (Term Loan of ₹ 830.00 crores and Optionally convertible debentures of ₹ 149.56 crores).

(b) Pursuant to the Resolution Plan approved under IBC proceedings executed on 21st September, 2020 in respect of Facor Power Ltd, the Company has wriiten-off an amount of ₹181.86 crores after appropriating the recoveries of ₹ 329.12 crores (Cash ₹ 102.27 crores, Non-convertible debentures of ₹ 199.72 crores and amount recoverable of ₹ 27.13 crores).

(c) Pursuant to the restructuring executed on 4th December, 2020 in respect of R.K.M PowerGen Private Ltd, the Company has wriiten-off an amount of ₹905.44 crores after appropriating the recoveries of ₹ 1,396.55 crores (Term Loan of ₹ 1,396.55 crores and Optionally convertible debentures Nil).

10.4 The Company obtains balance confirmation from the borrowers for the balances standing as on the Balance Sheet date. The summary of the balance confirmations received from the borrowers is as under:

(₹ in Crores)

Particulars	As at 31.03.2022		As at 31.03.2021	
	%	Amount	%	Amount
Gross Loan Book of the Company		3,85,371.26		3,77,418.15
Loan Assets for which balance confirmations have been received from borrowers	93%	3,56,923.45	92%	3,48,293.80
Loan Assets for which balance confirmations is yet to be received from borrowers *of which,*	7%	28,447.81	8%	29,124.35
Loans secured by tangible assets	45%	12,813.68	71%	20,597.00
Loans covered by Government Guarantee/ Loans to Government	33%	9,295.96	10%	2,848.13
Unsecured loans	22%	6,338.17	19%	5,679.22

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

11 Investments

(A) Investments

(₹ in Crores)

Particulars	Amor-tised Cost	At fair value			Sub-total	Others (At Cost)	Total
		Through Other Com-prehensive Income	Through profit or loss	Designated at fair value through profit or loss			
	(1)	(2)	(3)	(4)	(5= 1+2+3+4)	(6)	(7)
As at 31st March, 2022							
Govt. Securities	1,374.51	-	-	-	**1,374.51**	-	**1,374.51**
Debt Securities	365.60	-	132.55	-	**498.15**	-	**498.15**
Equity Instruments	-	268.26	49.52	-	**317.78**	-	**317.78**
Preference Shares	28.72	-	-	-	**28.72**	-	**28.72**
Others	-	-		-	-	-	-
Total - Gross (A)	**1,768.83**	**268.26**	**182.07**	**-**	**2,219.16**	**-**	**2,219.16**
Investments outside India	-	-	-	-	-	-	-
Investments in India	1,768.83	268.26	182.07	-	**2,219.16**	-	**2,219.16**
Total - Gross (B)	**1,768.83**	**268.26**	**182.07**	**-**	**2,219.16**	**-**	**2,219.16**
Total Investments	1,768.83	268.26	182.07	-	**2,219.16**	-	**2,219.16**
Less: impairment loss allowance (C)	(28.72)	-	-	-	**(28.72)**	-	**(28.72)**
Total - Net (D=A-C)	**1,740.11**	**268.26**	**182.07**	**-**	**2,190.44**	**-**	**2,190.44**
As at 31st March, 2021							
Govt. Securities	649.08	-	-	-	**649.08**	-	**649.08**
Debt Securities	408.73	-	143.06	-	**551.79**	-	**551.79**
Equity Instruments	-	430.13	23.60	-	**453.73**	-	**453.73**
Preference Shares	26.09	-	42.99	-	**69.08**	-	**69.08**
Others	-	-		-	-	-	-
Total - Gross (A)	**1,083.90**	**430.13**	**209.65**	**-**	**1,723.68**	**-**	**1,723.68**
Investments outside India	-	-	-	-	-	-	-
Investments in India	1,083.90	430.13	209.65	-	**1,723.68**	-	**1,723.68**
Total - Gross (B)	**1,083.90**	**430.13**	**209.65**	**-**	**1,723.68**	**-**	**1,723.68**
Total Investments	1,083.90	430.13	209.65	-	**1,723.68**	-	**1,723.68**
Less: impairment loss allowance (C)	-	-	-	-	-	-	-
Total - Net (D=A-C)	**1,083.90**	**430.13**	**209.65**	**-**	**1,723.68**	**-**	**1,723.68**

(B) Investments accounted for using equity method

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Investment in Joint Ventures		
- Energy Efficiency Services Ltd.	-	257.74
(21,81,00,000 Equity shares of ₹ 10 each)		
Total	**-**	**257.74**

11.1 Details of investments

(₹ in Crores)

Particulars		Investment measured at	As at 31.03.2022		As at 31.03.2021	
			Number	Amount	Number	Amount
(A)	**Government Securities (HQLAs)***	Amortised Cost	13,39,32,800	1,374.51	6,25,00,000	649.08
	Debt Securities					
(i)	**Debt Securities (HQLAs)***	Amortised Cost	3,14,940	259.39	3,14,940	259.63
(ii)	**Debt Securities (other than HQLAs)**					
	- 3% Optionally convertible debentures- Series A of Essar Power Transmission Co. Ltd.	Fair value through profit or loss	17,85,43,530	92.03	22,85,25,079	99.33
	- 3% Optionally convertible debentures- Series B of Essar Power Transmission Co. Ltd.	Fair value through profit or loss	7,86,06,161	40.52	10,06,12,911	43.73
	- Optionally convertible debentures- Series C of Essar Power Transmission Co. Ltd. **	Fair value through profit or loss	1,86,35,162	-	1,86,35,162	-

Consolidated Notes to Accounts

(₹ in Crores)

	Particulars	Investment measured at	As at 31.03.2022		As at 31.03.2021	
			Number	Amount	Number	Amount
	- 0% Non- Convertible Debentures (NCDs) of Ferro Alloys Corporation Limited	Amortised Cost	2,54,95,144	106.21	2,52,91,783	149.10
	- 0.01% Optionally convertible Debentures (OCD) Series A of R.K.M PowerGen Private Ltd. **	Fair value through profit or loss	21,38,03,170	-	21,38,03,170	-
	- 0.01% Optionally convertible Debentures (OCD) Series B of R.K.M PowerGen Private Ltd. **	Fair value through profit or loss	63,03,032	-	63,03,032	-
	- 0.01% Optionally convertible Debentures (OCD) Series Ai of R.K.M PowerGen Private Ltd. **	Fair value through profit or loss	1,04,74,150	-	1,04,74,150	-
(B)	**Sub-total - Debt Securities (i+ii)**			**498.15**		**551.79**
	Equity Instruments					
	- NHPC Ltd.	Fair value through other comprehensive income	1,88,43,184	52.38	17,53,02,206	428.61
	- HUDCO Ltd.	Fair value through other comprehensive income	3,47,429	1.14	3,47,429	1.52
	- Energy Efficiency Services Ltd.	Fair value through other comprehensive income	21,81,00,000	214.74	-	-
	- Universal Commodity Exchange Ltd.	Fair value through other comprehensive income	1,60,00,000	-	1,60,00,000	-
	- Rattan India Power Ltd.	Fair value through profit or loss	9,25,68,105	49.52	9,25,68,105	23.60
	- R.K.M Power Gen Private Ltd.	Fair value through profit or loss	18,17,90,667	-	18,17,90,667	-
(C)	**Sub-total - Equity Instruments**			**317.78**		**453.73**
(D)	**Sub-total - Subsidiary**			**-**		**-**
	Preference Shares (PS)					
	- Redeemable PS of Rattan India Power Ltd.	Amortised cost	2,87,20,978	28.72	2,87,20,978	26.09
	- Optionally Convertible PS of Rattan India Power Ltd.	Fair value through profit or loss	4,33,03,616	-	4,33,03,616	42.99
(D)	**Sub-total - Preference Shares**			**28.72**		**69.08**
	Others					
	- Units of 'Small is Beautiful' Venture Capital Fund	Fair value through other comprehensive income	-	-	61,52,200	-
(E)	**Sub-total - Others**			**-**		**-**
	Total Investments (F= A to E)			**2,219.16**		**1,723.68**
	Less: impairment loss allowance (G)			(28.72)		-
	Total - Net (H=F-G)			**2,190.44**		**1,723.68**

Refer note 56.1 for valuation technique of the investments shown at fair value

** High Quality Liquid Assets (HQLAs) maintained as per RBI Circular dated Novemeber 4, 2019*

*** Received against unsustainable portion of debt in terms of the settlement under Insolvency and Bankruptcy Code (IBC) proceedings/ One Time Settlement (OTS)/ Restructuring*

11.2 Details of Investment in Joint Venture:

(₹ in Crores)

Name of the company	Principal place of business / Country of Incorporation	Proportion of ownership interest as at	
		31.03.2022	31.03.2021
Joint Venture* :			
Energy Efficiency Services Limited (EESL)	India	-	22.18%

The investments in joint venture is measured at cost in accordance with the provisions of Ind AS 27 'Separate Financial Statements'.

** During the year, pursuant to agreement executed amongst the Joint Venture partners i.e. NTPC Limited, Power Finance Corporation Limited, REC Limited and Power Grid Corporation of India Limited, EESL ceased to be a jointly controlled entity of the Company with effect from September 01, 2021, under Ind-AS framework.*

Consolidated Notes to Accounts

11.3 Movement of Impairment Loss Allowance in respect of Investments:

(₹ in Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Opening Balance	**-**	**-**
Add: Impairment loss allowance provided in respect to Redeemable PS of Rattan India Power Limited due for redemption during the year (Refer Note 39)	28.72	-
Less: Allowance utilised towards write-off of loans	-	-
Closing Balance	**28.72**	**-**

11.4 In terms of the settlement under Insolvency and Bankruptcy Code (IBC) proceedings/ One Time Settlement (OTS)/ Restructuring, the Company has received the following Investments:

(i) During the current year:

Company has not received any instruments in terms of the settlement under Insolvency and Bankruptcy Code (IBC) proceedings/ One Time Settlement (OTS)/ Restructuring.

(ii) During the previous year:

(a) Pursuant to the restructuring in respect of Essar Power Transmission Corporation Ltd, the company has been allotted 22,85,25,079 no. of optionally convertible debentures (3%) Series- A, 10,06,12,911 no. of optionally convertible debentures (3%) Series- B and 1,86,35,162 no. of optionally convertible debentures (0%) Series- C.

(b) Pursuant to the One Time Settlement arrangement executed on 21st September 2020 in respect of Facor Power Ltd, the Company has been allotted 2,52,91,783 no. of zero coupon non-convertible debentures of Ferro Alloys Corporation Limited.

(c) Pursuant to the restructuring in respect of R.K.M PowerGen Private Ltd, the company has been allotted 21,38,03,170 no. of optionally convertible debentures (0.01%) Series- A, 63,03,032 no. of optionally convertible debentures (0.01%) Series- B and 1,04,74,150 no. of optionally convertible debentures (0.01%) Series- Ai.

Refer note 10.3 for further details.

11.5 The Company has elected an irrevocable option to designate some of the equity instruments at FVOCI (Fair Value through Other Comprehensive Income). The Company's main operation is to provide financial assistance to power sector. Thus, in order to isolate Standalone Statement of Profit & Loss from price fluctuations of these instruments, management believes that this provides a more meaningful presentation, rather than classifying them at FVTPL (Fair Value through Profit & Loss).

Details of FVOCI investments derecognised during the year

(₹ in Crores)

Name of the company	FY 2021-22			FY 2020-21		
	No. of shares derecognised	Fair Value as on de-recognition	Cumulative Gain/ (loss) on de-recognition	No. of shares derecognised	Fair Value as on de-recognition	Cumulative Gain/ (loss) on de-recognition
NHPC Limited*	15,64,59,022	430.62	89.86			
Small is Beautiful**	61,52,200	0.55	(5.60)	-	-	-
India Energy Exchange Limited	-	-	-	1,22,71,211	249.92	248.69

* During the year, the Company has sold 15,64,59,022 equity shares of NHPC Limited considering the market scenerio for a consideration of ₹ 430.62 crores through stock exchange. The shares have thus been derecognised and the cumulative gain (net of tax) on such sale has been transferred from other comprehensive income to retained earnings.

** During the year, the Company has derecogniesd 61,52,200 units of 'Small is Beautiful' Venure Capital Fund, consequent to full and final settlement upon liquidation of the fund. As a result, the Company has written off an amount of ₹ 5.60 crores after appropriating cash recoveries of ₹ 0.55 crores

12 Other financial assets

The Company has categorised all the components under 'Other Financial Assets' at Amortised Cost in accordance with the requirements of Ind AS 109.

(₹ in Crores)

	Particulars	As at 31.03.2022	As at 31.03.2021
(A)	Loans to Employees (Refer Note No. 12.1)	41.95	39.94
(B)	Advances to Employees	0.27	0.41
(C)	Loans & Advances to Subsidiaries	(0.72)	-
(D)	Security Deposits	1.67	1.45
(E)	Recoverable from Govt. of India	-	
	Towards GoI Fully Serviced Bonds (Refer Note No. 23.5)	24,318.29	24,314.48

Consolidated Notes to Accounts

(₹ in Crores)

Particulars		As at 31.03.2022	As at 31.03.2021
(F)	**Other amounts recoverable**	145.02	152.13
	Less: Impairment Loss allowance (Refer Note No. 12.2)	(91.17)	(88.53)
	Other Amounts Recoverable (Net)	**53.85**	**63.60**
	Total (A to F)	**24,415.31**	**24,419.88**

12.1 Details of Loans to Employees

The Company has extended loans to employees with specified terms and repayment schedule, categorised at Amortised Cost in accordance with the requirements of Ind AS 109.

(₹ in Crores)

Particulars		As at 31.03.2022	As at 31.03.2021
(A)	**Secured Loans**		
	- To employees Other than Key Managerial Personnel	12.64	7.39
	Sub-total (A)	**12.64**	**7.39**
(B)	**Unsecured Loans**		
	- To Key Managerial Personnel	0.18	0.28
	- To Others	29.13	32.27
	Sub-total (B)	**29.31**	**32.55**
	Total (A+B)	**41.95**	**39.94**

The figures above include interest accrued on such loans amounting to ₹ 8.45 crores (Previous year ₹ 8.16 crores).

12.2 Movement of impairment loss allowance on other financial assets

(₹ in Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Opening balance	**88.53**	**30.85**
Add: Created during the year	10.23	64.35
Less: Reversed/ Adjusted during the year	(7.59)	(6.67)
Closing balance	**91.17**	**88.53**

13 Current tax assets (net)

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Advance Income-tax & TDS	3,296.66	236.26
Less: Provision for Income Tax	(3,110.11)	(72.35)
Sub-Total (1)	**186.55**	**163.91**
Tax Deposited on income tax demands under contest	5.26	5.26
Provision for income tax for demand under contest	(0.25)	(0.25)
Sub-Total (2)	**5.01**	**5.01**
Current tax assets (Net)	**191.56**	**168.92**

14 Deferred tax assets (net)

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Deferred Tax Assets (Net)	3,160.12	2,461.03

14.1 Significant components of net deferred tax assets and liabilities for the year ended 31st March 2022 are as follows

(₹ in Crores)

Particulars	Opening balance	Recognised in Profit or Loss	Recognised in OCI	Others	Closing balance
Deferred Tax Assets					
Expected Credit Loss	2,765.16	716.14	-	-	3,481.30
Provision for Earned Leave	4.71	1.92	-	-	6.63
Provision for Medical Leave	5.26	0.15	-	-	5.41
Provision for Other Expenses	0.72	0.50	-	-	1.22
Fair Valuation of Investments	3.57	2.29	2.55	-	8.41
Fair Valuation of Derivatives	27.81	11.16	26.09	-	65.07
Right of Use asset (Net of lease liability)	-	-	-	-	-
Total Deferred Tax Assets	**2,807.23**	**732.16**	**28.64**	**-**	**3,568.04**
Deferred Tax Liabilities					
Due to different tax base of Property, Plant & Equipment	1.61	10.85	-	-	12.46
Unamortised Foreign Currency Exchange Fluctuations	153.26	(2.21)	-	-	151.05
Financial assets and liabilities measured at amortised cost	191.33	24.90	-	-	216.24
Fair valuation of Debt Securities	-	28.17	-	-	28.17
Total Deferred Tax Liabilities	**346.20**	**61.71**	**-**	**-**	**407.92**
Total Deferred Tax Assets (Net)	**2,461.03**	**670.45**	**28.64**	**-**	**3,160.12**

Consolidated Notes to Accounts

Significant components of net deferred tax assets and liabilities for the year ended 31st March 2021 are as follows

(₹ in Crores)

Particulars	Opening balance	Recognised in Profit or Loss	Recognised in OCI	Others	Closing balance
Deferred Tax Assets					
Expected Credit Loss	2,291.73	473.43	-	-	2,765.16
Provision for Earned Leave	4.13	0.58	-	-	4.71
Provision for Medical Leave	5.51	(0.25)	-	-	5.26
Fair Valuation of Investments	10.00	(0.42)	(6.01)	-	3.57
Provision for Other Expenses	-	0.72	-	-	0.72
Fair Valuation of Derivatives	439.65	(308.70)	(103.14)	-	27.81
Right of Use asset (Net of lease liability)	0.04	(0.04)	-	-	-
Total Deferred Tax Assets	**2,751.06**	**165.32**	**(109.15)**	**-**	**2,807.23**
Deferred Tax Liabilities					
Due to different tax base of Property, Plant & Equipment	1.52	0.09	-	-	1.61
Unamortised Foreign Currency Exchange Fluctuations	448.95	(295.69)	-	-	153.26
Financial assets and liabilities measured at amortised cost	237.45	(46.13)	-	-	191.33
Others	12.57	(12.57)	-	-	-
Total Deferred Tax Liabilities	**700.49**	**(354.30)**	**-**	**-**	**346.20**
Total Deferred Tax Assets (Net)	**2,050.57**	**519.61**	**(109.15)**	**-**	**2,461.03**

15 Investment Property

Particulars	Opening Balance	Additions during the year	Sales/ adjustment during the year	Closing Balance
As at 31.03.2022	0.01	-	0.01	-
As at 31.03.2021	0.01	-	-	0.01

15.1 The company had classified the land held for undeterminable future use as investment property and didn't earn any rental income on it. The same has been sold during the year.

15.2 Fair value of investment property:

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Carrying Value	-	0.01
Fair Value	-	0.90

The Company obtains independent valuations for its investment properties at least annually. The fair values of investment property is determined by an independent registered valuer and the main inputs used are circle rates and current prices of similar properties. All resulting fair value estimates for investment property are included in Level 3.

Consolidated Notes to Accounts

Consolidated Notes to Accounts

16 Property, Plant & Equipment and Intangible Assets

(₹ in Crores)

Particulars	Property, Plant & Equipment									Capital Work-in-Progress	Intangible Assets under Development	Other Intangible Assets
	Freehold Land	Right-of-Use Land	Buildings	Plant & equipment	Furniture & Fixtures	EDP Equipments	Office Equipments	Vehicles	Total	Immovable Property	Computer Software	Computer Software
Gross carrying value												
As at 31.03.2020	**110.39**	**1.59**	**31.74**	**-**	**11.99**	**22.94**	**20.98**	**0.40**	**200.03**	**287.62**	**0.77**	**13.74**
Additions	-	-	98.66	-	9.65	4.80	5.12	-	118.23	131.70	-	0.07
Borrowings Cost Capitalised	-	-	-	-	-	-	-	-	-	22.04	-	-
Disposals	-	-	-	-	0.75	3.41	8.24	-	12.40	105.69	-	0.01
As at 31.03.2021	**110.39**	**1.59**	**130.40**	**-**	**20.89**	**24.33**	**17.86**	**0.40**	**305.86**	**335.67**	**0.77**	**13.80**
Additions	-	-	303.73	19.90	47.55	3.34	7.16	-	381.68	32.35	-	1.02
Borrowings Cost Capitalised	-	-	-	-	-	-	-	-	-	5.10	-	-
Disposals/ Adjustments	-	-	3.30	-	0.69	0.96	0.87	-	5.82	367.05	0.77	0.01
As at 31.03.2022	**110.39**	**1.59**	**430.83**	**19.90**	**67.75**	**26.71**	**24.15**	**0.40**	**681.72**	**6.07**	**-**	**14.81**
Accumulated depreciation/ amortisation												
As at 31.03.2020	**-**	**0.32**	**9.06**	**-**	**6.91**	**16.56**	**12.91**	**0.32**	**46.08**	**-**	**-**	**4.92**
Charge for the year	-	0.03	0.75	-	0.99	2.93	2.50	0.02	7.22	-	-	2.74
Adjustment for disposals	-	-	-	-	0.22	2.72	5.20	-	8.14	-	-	0.01
As at 31.03.2021	**-**	**0.35**	**9.81**	**-**	**7.68**	**16.77**	**10.21**	**0.34**	**45.16**	**-**	**-**	**7.65**
Charge for the year	-	0.02	4.96	0.95	3.67	3.20	2.52	0.03	15.35	-	-	2.89
Adjustment for disposals	-	-	1.26	-	0.41	0.75	0.41	-	2.83	-	-	0.01
As at 31.03.2022	**-**	**0.37**	**13.51**	**0.95**	**10.94**	**19.22**	**12.32**	**0.37**	**57.68**	**-**	**-**	**10.53**
Net block as at 31.03.2021	**110.39**	**1.24**	**120.59**	**-**	**13.21**	**7.56**	**7.65**	**0.06**	**260.70**	**335.67**	**0.77**	**6.15**
Net block as at 31.03.2022	**110.39**	**1.22**	**417.32**	**18.95**	**56.81**	**7.49**	**11.83**	**0.03**	**624.04**	**6.07**	**-**	**4.28**

16.1 The formalities regarding registration of title deed in respect of an immovable property acquired by the Company is yet to be executed. The details are as below:

(a) As at 31st March 2022

(₹ in Crores)

Description of Property, Plant & Equipment	Gross Carrying Value	Net Carrying Value	Title deed held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since	Reason for not being held in the name of the company
Building - Office at Core 4, SCOPE Complex, New Delhi - 110003	4.59	2.01	Land & Development officer under Ministry of Urban Development, New Delhi	No	1990	Pending formalities from Land & Development Officer, office flat allotted to the company at the SCOPE a central government Complex has not been registered in the name of the Company.

(b) As at 31st March 2021

(₹ in Crores)

Description of Property, Plant & Equipment	Gross Carrying Value	Net Carrying Value	Title deed held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since	Reason for not being held in the name of the company
Building - Office at Core 4, SCOPE Complex, New Delhi - 110003	4.59	2.07	Land & Development officer under Ministry of Urban Development, New Delhi	No	1990	Pending formalities from Land & Development Officer, office flat allotted to the company at the SCOPE a central government Complex has not been registered in the name of the Company.

Consolidated Notes to Accounts

16.2 As on 31st March 2022, certain Property, Plant & Equipment has been pledged as security against secured borrowings of the Company as per the details below:

(₹ in Crores)

Particulars	As at 31st March 2022	As at 31st March 2021
Gross Carrying Value	3.30	3.30
Net Carrying Value	2.27	2.31

16.3 Capital Work in Progress (CWIP)

(a) CWIP ageing schedule

(₹ in Crores)

Particulars	As at 31st March 2022					As at 31st March 2021				
	Amount in CWIP for a period of				Total	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	6.07	-	-	-	6.07	153.75	90.67	69.71	21.54	335.67

There are no capital work in progress as on the reporting year where activity has been suspended.

(b) CWIP completion schedule

(₹ in Crores)

Particulars	As at 31st March 2022					As at 31st March 2021				
	Amount in CWIP for a period of				Total	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	-	-	-	-	**-**	-	-	-	-	**-**
- Project-1	6.07	-	-	-	**6.07**	329.60	6.07	-	-	**335.67**

16.4 Intangible assets under development

(a) Intangible assets under development ageing schedule

(₹ in Crores)

Particulars	As at 31st March 2022					As at 31st March 2021				
	Amount in CWIP for a period of				Total	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	-	-	-	-	**-**	-	0.12	-	0.65	**0.77**

There are no intangible assets under development as on the reporting year where activity has been suspended or which have exceeded cost as compared to its original plan or where completion is overdue.

16.5 In the opinion of management, there are no events or changes in circumstances that indicate the impairment of PPE and Intangible Assets in terms of Ind AS 36 'Impairment of Assets'. Accordingly, no provision for impairment has been made.

16.6 While the Company has not made any specific borrowings for construction of a qualifying asset, the Company has capitalised certain borrowing costs on account of general borrowings at an average rate of borrowings of 7.94% (previous year 8%) for the Company in terms of Ind AS 23 'Borrowing Costs'.

16.7 Disclosure in respect of Intangible Assets as required under Ind-AS 38 "Intangible Assets"

Amortisation Rate 20% (100% in case the total cost of the asset is ₹ 5,000 or less)

Consolidated Notes to Accounts

17 Other non-financial assets

(₹ in Crores)

	Particulars	As at 31.03.2022	As at 31.03.2021
	Unsecured, considered good		
(A)	Capital Advances	8.19	8.84
(B)	Other Advances	3.56	3.34
(C)	Balances with Govt. Authorities	42.20	68.06
(D)	Pre-Spent Corporate Social Responsibility (CSR) Expenses	0.48	4.03
(E)	Prepaid Expenses	3.12	4.29
(F)	Deferred Employee Cost	11.11	14.09
(G)	Other Assets	0.02	0.02
	Total (A to G)	**68.68**	**102.67**

18 Assets classified as held for sale

(₹ in Crores)

	Particulars	As at 31.03.2022	As at 31.03.2021
(A)	**Disposal Group**		
	(i) Investment in associates	0.40	0.60
	(ii) Loans to associates	12.83	13.45
	(iii) Provision for impairment on assets classified as held for sale	(9.71)	-
	Sub-Total (i+ii+iii)	**3.52**	**14.05**
(B)	**Assets Classified as Held for Sale-Building**	0.86	0.00
	Total (B)	**0.86**	**0.00**
	Grand Total (A+B)	**4.38**	**14.05**
	Liabilities directly associated with assets classified as held for sale		
(C)	**Payable to associates**	0.01	0.08
	Total (C)	**0.01**	**0.08**
	Net Assets held for sale (A+B-C)	**4.37**	**13.97**

18.1 Investments in associates

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Investments in Equity Instruments of associates (fully paid up)		
equity shares of ₹ 10/- each		
Chandil Transmission Limited	0.05	0.05
Dumka Transmission Limited	0.05	0.05
Koderma Transmission Limited	0.05	0.05
Mandar Transmission Limited	0.05	0.05
Bidar Transmission Limited	0.05	0.05
Fatehgarh Badla Transco Limited	-	0.05
Gadag Transmission Limited	-	0.05
Kallam Transmission Limited	-	0.05
MP Power Transmission Package I Limited	0.05	0.05
MP Power Transmission Package II Limited	-	0.05
Rajgarh Transmission Limited	0.05	0.05
Ramgarh New Transmission Ltd	-	-
Sikar Transmission Limited	-	0.05
ER NER Transmission Limited	0.05	
Total	**0.40**	**0.60**

18.2 **Loans to Associates**

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Chandil Transmission Limited	2.54	2.53
Dumka Transmission Limited	2.48	2.47
Mandar Transmission Limited	2.22	2.21
Koderma Transmission Limited	2.28	2.27
MP Power Transmission Package I Limited	1.99	1.07
Rajgarh Transmission Limited	0.28	-
ER NER Transmission Limited	0.28	-
Receivable from SPV-Yet to Incorporate	0.76	-
Fatehgarh Bhadla Transco Limited	-	0.91
Kallam Transmission Limited	-	0.11
MP Power Transmission Package II Limited	-	1.09
Sikar New Transmission Limited	-	0.77
Gadag Transmission Limited	-	0.02
Total	**12.83**	**13.45**

18.3 **Liabilities directly associated with assests classified as held for sale**

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Bidar Transmission Limited	0.01	0.03
Rajgarh Transmission Limited	-	0.05
Total	**0.01**	**0.08**

18.4 **Provision for impairment on assets classified as held for sale**

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Chandil Transmission Limited	2.59	-
Dumka Transmission Limited	2.53	-
Mandar Transmission Limited	2.27	-
Koderma Transmission Limited	2.33	-
Total	**9.71**	-

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

18.6 Management had incorporated these entities with a view to sell them off as per the guidelines of Ministry of Power, through the bid process prescribed by Ministry of Power. There is no possibility that management will have benefits from these entities other than selling them off, hence all these investments (along with the related assets and liabilities) has been classified as 'held for sale'.

With a view to monetise its idle assets, during the year the Company has disposed certain residential building units through e-auction process, with carrying value ₹1.18 crores (previous year Nil), classified under "Assets classified as held for sale" as required under Ind-AS 105. Such sale has resulted in gain of ₹30.19 crores during the current year (previous year Nil) (refer note 35).

18.7 Further, residential building units with carrying value ₹0.86 crores (previous year Nil) classified under "Assets classified as held for sale" are pending for disposal as at 31st March 2022. The process for their disposal is expected to be completed during the year 2022-23 through e-auction process.

19 **Trade Payables**

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Trade Payables		
Total outstanding dues of MSMEs	-	0.01
Total outstanding dues of creditors other than MSMEs	36.48	61.84
Total	**36.48**	**61.85**

19.1 **Trade Payables ageing schedule**

(₹ in Crores)

Particulars	Outstanding as at 31st March 2022				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME					
- Disputed	-	-	-	-	-
- Others	-	-	-	-	-
Sub-total (i)	-	-	-	-	-
(i) Other than MSME					
- Disputed	-	-	-	-	-
- Others	15.02	8.38	11.30	1.78	36.48
Sub-total (ii)	**15.02**	**8.38**	**11.30**	**1.78**	**36.48**
Total (i+ii)	**15.02**	**8.38**	**11.30**	**1.78**	**36.48**

(₹ in Crores)

Particulars	Outstanding as at 31st March 2021				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME					
- Disputed	-	-	-	-	-
- Others	0.01	-	-	-	0.01
Sub-total (i)	**0.01**	-	-	-	**0.01**
(i) Other than MSME					
- Disputed	-	-	-	-	-
- Others	35.39	14.34	10.33	1.77	61.84
Sub-total (ii)	**35.39**	**14.34**	**10.33**	**1.77**	**61.84**
Total (i+ii)	**35.40**	**14.34**	**10.33**	**1.77**	**61.85**

20 **Debt Securities**

The Company has categorised all debt securities at amortised cost in accordance with the requirements of Ind AS 109.

(₹ in Crores)

Particulars	As at 31.03.2022		As at 31.03.2021	
	Face Value	Amortised Cost	Face Value	Amortised Cost
(A) Secured Long-Term Debt Securities				
(i) Institutional Bonds	1,955.00	2,065.31	3,470.00	3,679.52
(ii) 54EC Capital Gain Tax Exemption Bonds	24,146.13	25,025.49	17,264.97	17,901.65
(iii) Tax Free Bonds	11,763.30	12,158.86	12,602.97	13,044.23
(iv) Bond Application Money	1,291.54	1,291.13	856.62	854.71
Sub-total (A)	**39,155.97**	**40,540.79**	**34,194.56**	**35,480.11**

(₹ in Crores)

Particulars		As at 31.03.2022		As at 31.03.2021	
		Face Value	Amortised Cost	Face Value	Amortised Cost
(B)	**Unsecured Long-Term Debt Securities**				
(i)	Institutional Bonds	1,44,074.60	1,48,998.67	1,69,856.60	1,75,707.24
(ii)	Infrastructure Bonds	3.96	8.00	11.07	21.36
(iii)	Foreign Currency Bonds	30,322.85	30,027.15	26,461.71	26,060.40
	Sub-total (B)	**1,74,401.41**	**1,79,033.82**	**1,96,329.38**	**2,01,789.00**
	Total - Debt Securities (A+B)	**2,13,557.38**	**2,19,574.61**	**2,30,523.94**	**2,37,269.11**
	Debt Securities issued in/ outside India				
(i)	Debt Securities in India	1,83,234.53	1,89,547.46	2,02,547.23	2,11,208.71
(ii)	Debt Securities outside India	30,322.85	30,027.15	26,461.71	26,060.40
	Total - Debt Securities	**2,13,557.38**	**2,19,574.61**	**2,30,523.94**	**2,37,269.11**

Refer Note No. 22.2 for reconciliation between the figure represented in Face Value and Amortised Cost

20.1 Details of Secured Long-Term Debt Securities - Refer Note 21.5 for details of the security

(i) Institutional Bonds

(₹ in Crores)

Particulars	As at 31.03.2022		As at 31.03.2021	
	Face Value	Amortised Cost	Face Value	Amortised Cost
123-I Series - 9.40% Redeemable at par on 17.07.2021	-	-	1,515.00	1,615.61
123-IIIB Series - 9.34% Redeemable at par on 23.08.2024	1,955.00	2,065.31	1,955.00	2,063.91
Total - Institutional Bonds	**1,955.00**	**2,065.31**	**3,470.00**	**3,679.52**

(ii) 54EC Capital Gain Tax Exemption Bonds

(₹ in Crores)

Particulars	As at 31.03.2022		As at 31.03.2021	
	Face Value	Amortised Cost	Face Value	Amortised Cost
Series XII (2018-19) - 5.75% Redeemable at par during financial year 2023-24	6,651.77	6,937.05	6,651.77	6,935.40
Series XIII (2019-20) - 5.75% Redeemable at par during financial year 2024-25	6,157.72	6,417.26	6,157.72	6,415.55
Series XIV (2020-21) - 5.75% and 5% Redeemable at par during financial year 2025-26	5,312.07	5,510.93	4,455.48	4,550.70
Series XV (2021-22) - 5% Redeemable at par during financial year 2026-27	6,024.57	6,160.25	-	-
Total - 54EC Capital Gain Tax Exemption Bonds	**24,146.13**	**25,025.49**	**17,264.97**	**17,901.65**

(iii) Tax Free Bonds

(₹ in Crores)

Particulars	As at 31.03.2022		As at 31.03.2021	
	Face Value	Amortised Cost	Face Value	Amortised Cost
Series 2011-12	2,160.33	2,287.99	3,000.00	3,176.71
Redeemable at par. Bonds amounting to ₹ 839.67 crores are redeemable on 28.03.2022 and bonds amounting to ₹ 2,160.33 crores are redeemable on 29.03.2027 with interest rates varying from 7.93% to 8.32% payable annually				
Series 2012-13 Series 2A & 2B	500.00	512.60	500.00	531.26
Redeemable at par. Bonds amounting to ₹ 255.00 crores are redeemable on 21.11.2022 and bonds amounting to ₹ 245.00 crores are redeemable on 22.11.2027 with interest rates of 7.21% and 7.38% respectively payable annually				
Series 2012-13 Tranche 1	2,007.35	2,055.08	2,007.35	2,030.86
Redeemable at par. Bonds amounting to ₹ 1,165.31 crores are redeemable on 19.12.2022 and bonds amounting to ₹ 852.04 crores are redeemable on 20.12.2027 with interest rates varying from 7.22% to 7.88% payable annually				
Series 2012-13 Tranche 2	131.06	134.06	131.06	138.66
Redeemable at par. Bonds amounting to ₹ 81.35 crores are redeemable on 27.03.2023 and bonds amounting to ₹ 49.71 crores are redeemable on 27.03.2028 with interest rates varying from 6.88% to 7.54% payable annually				
Series 2013-14 Series 3A & 3B	1,350.00	1,413.35	1,350.00	1,358.55
Redeemable at par. Bonds amounting to ₹ 209.00 crores are redeemable on 29.08.2023 and ₹ 1,141.00 crores are redeemable on 29.08.2028 with interest rates varying from 8.01% to 8.46% payable annually				
Series 2013-14 Tranche 1	3,410.60	3,497.89	3,410.60	3,499.86
Redeemable at par. Bonds amounting to ₹ 575.06 crores are redeemable on 25.09.2023, ₹ 2,810.26 crores are redeemable on 25.09.2028 and ₹ 55.28 crores are redeemable on 26.09.2033 with interest rates varying from 8.01% to 8.71% payable annually				
Series 2013-14 Series 4A & 4B	150.00	155.48	150.00	161.92
Redeemable at par. Bonds amounting to ₹ 105.00 crores are redeemable on 11.10.2023 and ₹ 45.00 crores are redeemable on 11.10.2028 with interest rates varying from 8.18% to 8.54% payable annually				
Series 2013-14 Tranche 2	1,057.40	1,084.77	1,057.40	1,128.99
Redeemable at par. Bonds amounting to ₹ 419.32 crores are redeemable on 22.03.2024, ₹ 530.42 crores are redeemable on 23.03.2029 and ₹ 109.66 crores are redeemable on 24.03.2034 with interest rates varying from 8.19% to 8.88% payable annually				
Series 2015-16 Series 5A	300.00	306.33	300.00	317.75
7.17% Redeemable at par on 23.07.2025				
Series 2015-16 Tranche 1	696.56	711.30	696.56	699.67
Redeemable at par. Bonds amounting to ₹ 105.93 crores are redeemable on 05.11.2025, ₹ 172.90 crores are redeemable on 05.11.2030 and ₹ 421.17 crores are redeemable on 05.11.2035 with interest rates varying from 6.89% to 7.43% payable annually				
Total - Tax Free Bonds	**11,763.30**	**12,158.86**	**12,602.97**	**13,044.23**

Consolidated Notes to Accounts

(iv) Bond Application Money

(₹ in Crores)

Particulars	As at 31.03.2022		As at 31.03.2021	
	Face Value	Amortised Cost	Face Value	Amortised Cost
54EC Capital Gain Tax Exemption Bonds	1,291.54	1,291.13	856.62	854.71
5% Redeemable at par after 5 years from the deemed date of allotment				
Total - Bond Application Money	**1,291.54**	**1,291.13**	**856.62**	**854.71**

20.2 Details of Unsecured Long-Term Debt Securities

(i) Institutional Bonds

(₹ in Crores)

Particulars	As at 31.03.2022		As at 31.03.2021	
	Face Value	Amortised Cost	Face Value	Amortised Cost
157th Series - 7.60% Redeemable at par on 17.04.2021	-	-	1,055.00	1,131.66
154th Series - 7.18% Redeemable at par on 21.05.2021	-	-	600.00	637.16
161B Series - 7.73% Redeemable at par on 15.06.2021	-	-	800.00	849.11
174th Series - 8.15% Redeemable at par on 18.06.2021	-	-	2,720.00	2,894.23
100th Series - 9.63% Redeemable at par on 15.07.2021	-	-	1,500.00	1,602.90
101-III Series - 9.48% Redeemable at par on 10.08.2021	-	-	3,171.80	3,364.42
184-B Series STRPP-B - 7.55% Redeemable at par on 26.09.2021**	-	-	300.00	311.58
139th Series - 7.24% Redeemable at par on 21.10.2021	-	-	2,500.00	2,575.17
105th Series - 9.75% Redeemable at par on 11.11.2021	-	-	3,922.20	4,069.73
127th Series - 8.44% Redeemable at par on 04.12.2021	-	-	1,550.00	1,664.92
141st Series - 7.14% Redeemable at par on 09.12.2021	-	-	1,020.00	1,038.03
177th Series - 8.50% Redeemable at par on 20.12.2021	-	-	1,245.00	1,274.16
190B Series - 6.32% Redeemable at par on 31.12.2021	-	-	2,489.40	2,502.64
193th Series - 6.99% Redeemable at par on 31.12.2021	-	-	1,115.00	1,121.46
165th Series - 8.83% Redeemable at par on 21.01.2022	-	-	2,171.00	2,207.16
145th Series - 7.46% Redeemable at par on 28.02.2022	-	-	625.00	628.85
132nd Series - 8.27% Redeemable at par on 09.03.2022	-	-	700.00	750.81
173th Series - 8.35% Redeemable at par on 11.03.2022	-	-	2,500.00	2,509.41
198A Series - 6.60% Redeemable at par on 21.03.2022	-	-	2,596.00	2,600.39
167th Series - 8.45% Redeemable at par on 22.03.2022	-	-	2,571.80	2,577.65
179th Series - 8.15% Redeemable at par on 10.06.2022	1,000.00	1,065.84	1,000.00	1,065.70
107th Series - 9.35% Redeemable at par on 15.06.2022	2,378.20	2,554.82	2,378.20	2,554.56
186A Series - 6.90% Redeemable at par on 30.06.2022	2,500.00	2,629.90	2,500.00	2,629.63
150th Series - 7.03% Redeemable at par on 07.09.2022	2,670.00	2,775.76	2,670.00	2,775.38
184-B Series STRPP-C - 7.55% Redeemable at par on 26.09.2022**	300.00	311.59	300.00	311.56
152nd Series - 7.09% Redeemable at par on 17.10.2022	1,225.00	1,264.38	1,225.00	1,264.18
111-II Series - 9.02% Redeemable at par on 19.11.2022	2,211.20	2,283.72	2,211.20	2,283.50
155th Series - 7.45% Redeemable at par on 30.11.2022	1,912.00	1,959.41	1,912.00	1,958.74
185th Series - 7.09% Redeemable at par on 13.12.2022	2,759.00	2,817.14	2,759.00	2,816.25
187th Series - 7.24% Redeemable at par on 31.12.2022	2,090.00	2,127.51	2,090.00	2,127.24
159th Series - 7.99% Redeemable at par on 23.02.2023	950.00	957.53	950.00	957.57
188A Series - 7.12% Redeemable at par on 31.03.2023	1,400.00	1,400.22	1,400.00	1,400.17
114th Series - 8.82% Redeemable at par on 12.04.2023	4,300.00	4,667.36	4,300.00	4,666.94

Consolidated Notes to Accounts

(₹ in Crores)

Particulars	As at 31.03.2022		As at 31.03.2021	
	Face Value	Amortised Cost	Face Value	Amortised Cost
195th Series - 6.92% Redeemable at par on 22.04.2023	2,985.00	3,179.43	2,985.00	3,179.21
191A Series - 6.80% Redeemable at par on 30.06.2023	1,100.00	1,106.39	1,100.00	1,106.06
200th Series PP-MLD - 5.36% Redeemable at par on 30.06.2023*	500.00	546.01	500.00	518.94
184-B Series STRPP-D - 7.55% Redeemable at par on 26.09.2023**	298.00	309.49	298.00	309.46
202B Series - 5.69% Redeemable at par on 30.09.2023	2,474.00	2,544.12	2,474.00	2,556.56
205-A Series - 4.99 % Redeemable at par on 31.01.2024	2,135.00	2,151.79	2,135.00	2,157.04
209th Series - 5.79 % Redeemable at par on 20.03.2024	1,550.00	1,552.38	1,550.00	1,552.62
210th Series - 5.74 % Redeemable at par on 20.06.2024	4,000.00	4,215.56	-	-
180-A Series - 8.10% Redeemable at par on 25.06.2024	1,018.00	1,075.09	1,018.00	1,072.68
191B Series - 6.99% Redeemable at par on 30.09.2024	1,100.00	1,106.48	1,100.00	1,106.18
212th Series - Floating (linked to T-Bill) Redeemable at par on 31.10.2024	2,500.00	2,538.84	-	-
186B Series - 7.40% Redeemable at par on 26.11.2024	1,500.00	1,537.91	1,500.00	1,537.78
128th Series - 8.57% Redeemable at par on 21.12.2024	2,250.00	2,418.88	2,250.00	2,418.67
129th Series - 8.23% Redeemable at par on 23.01.2025	1,925.00	2,063.71	1,925.00	2,063.52
130th Series - 8.27% Redeemable at par on 06.02.2025	2,325.00	2,493.36	2,325.00	2,493.14
131st Series - 8.35% Redeemable at par on 21.02.2025	2,285.00	2,304.25	2,285.00	2,304.22
190A Series - 6.88% Redeemable at par on 20.03.2025	2,500.00	2,514.48	2,500.00	2,513.83
201A Series - 5.90% Redeemable at par on 31.03.2025	900.00	935.39	900.00	935.50
133rd Series - 8.30% Redeemable at par on 10.04.2025	2,396.00	2,453.50	2,396.00	2,453.28
94th Series - 8.75% Redeemable at par on 09.06.2025	1,250.00	1,339.00	1,250.00	1,339.00
95-II Series - 8.75% Redeemable at par on 14.07.2025	1,800.00	1,913.49	1,800.00	1,913.49
136th Series - 8.11% Redeemable at par on 07.10.2025	2,585.00	2,670.75	2,585.00	2,671.10
203B Series - 5.85% Redeemable at par on 20.12.2025	2,777.00	2,821.01	2,777.00	2,844.16
204B Series - 5.81% Redeemable at par on 31.12.2025	2,082.00	2,111.47	2,082.00	2,116.78
205-B Series - 5.94 % Redeemable at par on 31.01.2026	2,000.00	2,018.82	2,000.00	2,024.68
211th Series - 6.23% Redeemable at par on 31.10.2031 with Put/ Call option exercisable on 31.10.2026	1,200.00	1,232.57	-	-
140th Series - 7.52% Redeemable at par on 07.11.2026	2,100.00	2,152.19	2,100.00	2,151.65
142nd Series - 7.54% Redeemable at par on 30.12.2026	3,000.00	3,066.06	3,000.00	3,055.87
147th Series - 7.95% Redeemable at par on 12.03.2027	2,745.00	2,750.60	2,745.00	2,745.44
156th Series - 7.70% Redeemable at par on 10.12.2027	3,533.00	3,614.30	3,533.00	3,612.72
162nd Series - 8.55% Redeemable at par on 09.08.2028	2,500.00	2,637.39	2,500.00	2,637.36
163rd Series - 8.63% Redeemable at par on 25.08.2028	2,500.00	2,628.01	2,500.00	2,627.99
168th Series - 8.56% Redeemable at par on 29.11.2028	2,552.40	2,625.69	2,552.40	2,624.45
169th Series - 8.37% Redeemable at par on 07.12.2028	2,554.00	2,620.97	2,554.00	2,621.52
176th Series - 8.85% Redeemable at par on 16.04.2029	1,600.70	1,735.73	1,600.70	1,735.65
178th Series - 8.80% Redeemable at par on 14.05.2029	1,097.00	1,169.96	1,097.00	1,168.79
180-B Series - 8.30% Redeemable at par on 25.06.2029	2,070.90	2,169.56	2,070.90	2,166.39
184-A Series - 8.25% Partly Paid Debentures Redeemable at par on 26.09.2029	870.60	907.18	580.40	604.76
192nd Series - 7.50% Redeemable at par on 28.02.2030	2,382.00	2,396.36	2,382.00	2,395.75
188B Series - 7.89% Redeemable at par on 31.03.2030	1,100.00	1,100.09	1,100.00	1,100.08
189th Series - 7.92% Redeemable at par on 31.03.2030	3,054.90	3,054.91	3,054.90	3,054.85
197th Series - 7.55% Redeemable at par on 11.05.2030	3,740.00	3,989.89	3,740.00	3,989.76
198B Series - 7.79% Redeemable at par on 21.05.2030	1,569.00	1,673.76	1,569.00	1,673.70

Consolidated Notes to Accounts

(₹ in Crores)

Particulars	As at 31.03.2022		As at 31.03.2021	
	Face Value	Amortised Cost	Face Value	Amortised Cost
202A Series - 7.25% Redeemable at par on 30.09.2030	3,500.00	3,627.03	3,500.00	3,649.96
203A Series - 6.80% Redeemable at par on 20.12.2030	5,000.00	5,094.06	5,000.00	5,142.50
204A Series - 6.90% Redeemable at par on 31.01.2031	2,500.00	2,527.79	2,500.00	2,527.31
201B Series - 6.90% Redeemable at par on 31.03.2031	1,300.00	1,359.79	1,300.00	1,360.02
213th Series - 6.92% Redeemable at par on 20.03.2032	1,380.00	1,382.86	-	-
182nd Series - 8.18% Redeemable at par on 22.08.2034	5,063.00	5,314.67	5,063.00	5,314.66
183rd Series - 8.29% Redeemable at par on 16.09.2034	3,028.00	3,163.24	3,028.00	3,163.23
207th Series - 7.02 % Redeemable at par on 31.01.2036	4,589.90	4,641.75	4,589.90	4,644.40
208th Series - 7.40 % Redeemable at par on 15.03.2036	3,613.80	3,625.48	3,613.80	3,627.67
Total - Institutional Bonds	**1,44,074.60**	**1,48,998.67**	**1,69,856.60**	**1,75,707.24**

** PP-MLD- Principal Protected Market Linked Debentures*

*** STRPP- Separately Transferable Redeemable Principal Parts*

(ii) Infrastructure Bonds

(₹ in Crores)

Particulars	As at 31.03.2022		As at 31.03.2021	
	Face Value	Amortised Cost	Face Value	Amortised Cost
Series-II (2011-12) - Redeemable at par	3.96	8.00	11.07	21.36
Total - Infrastructure Bonds	**3.96**	**8.00**	**11.07**	**21.36**

Details of Infrastructure Bonds issued are as under :

Series II (2011-12) allotted on 15.02.2012

(₹ in Crores)

Rate of Interest	As at 31.03.2022	As at 31.03.2021	Redemption Details
8.95% Cumulative	-	5.73	Redeemable on the date falling 10 years from the date of allotment
8.95% Annual	-	1.38	
9.15% Cumulative	2.83	2.83	Redeemable on the date falling 15 years from the date of allotment
9.15% Annual	1.13	1.13	
Total	**3.96**	**11.07**	

Amounts have been shown at face value

(iii) Foreign Currency Bonds

(₹ in Crores)

Particulars	As at 31.03.2022		As at 31.03.2021	
	Face Value	Amortised Cost	Face Value	Amortised Cost
4.75% US $500 Mn Bonds - Redeemable at par on 19.05.2023	3,790.36	3,848.85	3,675.24	3,726.60
5.250% US $700 Mn Bonds - Redeemable at par on 13.11.2023	5,306.50	5,387.23	5,145.33	5,209.90
3.375% US $650 Mn Bonds - Redeemable at par on 25.07.2024	4,927.46	4,941.02	4,777.81	4,784.36
3.50% US $500 Mn Bonds - Redeemable at par on 12.12.2024	3,790.36	3,822.14	3,675.24	3,703.43
2.25% US $500 Mn Bonds - Redeemable at par on 01.09.2026	3,790.36	3,785.82	3,675.24	3,672.19
2.75% US $400 Mn Bonds - Redeemable at par on 13.01.2027	3,032.28	3,045.13	-	-
3.875% US $450 Mn Green Bonds - Redeemable at par on 07.07.2027	3,411.32	3,102.47	3,307.71	2,956.72
4.625% US $300 Mn Bonds - Redeemable at par on 22.03.2028	2,274.21	2,094.49	2,205.14	2,007.20
Total - Foreign Currency Bonds	**30,322.85**	**30,027.15**	**26,461.71**	**26,060.40**

Consolidated Notes to Accounts

Global Medium Term Note (GMTN) Programme

The Company has a Global Medium Term Note (GMTN) Programme of USD 7 Billion which is listed on SGX-ST (Singapore Stock Exchange - Securities Trading), LSE-ISM (London Stock Exchange – International Securities Market), Global Securities Market (GSM) of the India INX (India International Exchange) and NSE IFSC (NSE International Exchange). The summay of funds raised under the GMTN Programme is as below:

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Funds raised during the year under GMTN Programme	USD 0.4 Billion	USD 1 Billion
Cumulative amount raised under GMTN Programme	USD 4.4 Billion	USD 4 Billion
Outstanding amount out of funds raised under GMTN Programme	USD 4.0 Billion	USD 3.6 Billion

The amounts raised during the year have been utilized for the stated objects in the Offering Circular. Further, there has been no default as on the Balance Sheet date in the repayment of debt securities and borrowings and the Company has met all its debt servicing obligations, whether principal or interest, during the year.

21 Borrowings (Other than Debt Securities)

The Company has categorised all borrowings (other than debt securities) at Amortised Cost in accordance with the requirements of Ind AS 109.

(₹ in Crores)

Particulars		As at 31.03.2022		As at 31.03.2021	
		Principal O/s	Amortised Cost	Principal O/s	Amortised Cost
(A)	**Unsecured Long-Term Borrowings**				
(i)	Term Loans from Banks	42,878.32	42,919.86	29,938.58	29,953.76
(ii)	Term Loans from Financial Institutions	6,800.00	6,800.00	5,800.00	5,800.00
(iii)	Foreign Currency Borrowings	35,634.60	35,329.87	21,024.72	20,890.94
(iv)	Term Loans from Govt. of India	10,000.00	10,325.12	10,000.00	10,325.12
(v)	Lease Liability	0.03	0.03	0.05	0.05
	Sub-total (A)	**95,312.95**	**95,374.88**	**66,763.35**	**66,969.87**
(B)	**Unsecured Short-Term Borrowings**				
(i)	FCNR (B) Loans	9,854.92	9,861.13	5,329.10	5,335.01
(ii)	Short Term Loans/ Loans repayable on demand from Banks	1,410.93	1,415.58	10,186.52	10,201.99
(iii)	Loans repayable on demand from Holding Company	-	-	3,000.00	3,000.49
	Sub-total (B)	**11,265.85**	**11,276.71**	**18,515.62**	**18,537.49**
	Total - Borrowings (other than Debt Securities) (A to B)	**1,06,578.80**	**1,06,651.59**	**85,278.97**	**85,507.36**
	Borrowings (other than Debt Securities) in/ outside India				
(i)	Borrowings in India	70,944.20	71,321.72	64,254.25	64,616.42
(ii)	Borrowings outside India	35,634.60	35,329.87	21,024.72	20,890.94
	Total - Borrowings (other than Debt Securities)	**1,06,578.80**	**1,06,651.59**	**85,278.97**	**85,507.36**

Please refer Note No. 22.2 for reconciliation between the figure represented in Face Value and Amortised Cost

21.1 Details of Unsecured Long-term Borrowings

(i) Term Loans from Banks

(₹ in Crores)

Particulars	As at 31.03.2022		As at 31.03.2021	
	Principal O/s	Amortised Cost	Principal O/s	Amortised Cost
- Canara Bank	-	-	1,000.00	1,000.00
₹ 500 crores repaid on 05.07.2021, ₹ 500 crores repaid on 03.01.2022.				
- Bank of Baroda	-	-	2,000.00	2,000.36
₹ 2,000 crores repaid on 29.10.2021.				
- State Bank of India	12,729.30	12,729.30	10,839.90	10,839.90
₹ 4,999.98 crores repayable in 7 semi-annual instalments, first instalment due on 14.07.2022; ₹ 1,379.46 crores repayable in 3 annual instalments, next instalment due on 05.09.2022; ₹ 2,349.86 crores with ₹ 1650 crore repayable on 15.10.2022 and ₹ 699.86 crores on 05.03.2023; and ₹ 4,000 crores repayable in structured instalments, first instalment due on 29.10.2023.				

Consolidated Notes to Accounts

(₹ in Crores)

Particulars	As at 31.03.2022		As at 31.03.2021	
	Principal O/s	Amortised Cost	Principal O/s	Amortised Cost
- HDFC Bank	12,000.00	12,040.15	4,650.00	4,664.47
₹ 650 crores repayable on 30.09.2022, ₹ 2000 crores repayable on 04.12.2022, ₹ 2000 crores repayable on 15.06.2023, ₹ 1500 crores repayable on 19.06.2023, ₹ 300 crores repayable on 29.09.2023, ₹ 1500 crores repayable on 30.09.2023, ₹ 350 crores repayable on 11.10.2023, ₹ 350 crores repayable on 05.11.2023, ₹ 500 crores repayable on 15.01.2024, ₹ 850 crores repayable on 17.11.2026 and ₹ 2000 crores repayable on 31.03.2027.				
- Punjab National Bank	4,996.98	4,996.98	4,396.84	4,396.84
₹ 1,996.98 crores repayable in 3 annual instalments, first instalment due on 27.08.2023, ₹ 2,000 crores repayable on 11.11.2026 and ₹ 1,000 crores repayable in 5 annual instalments, first instalment due on 29.03.2028.				
- ICICI Bank	2,850.00	2,850.48	-	-
₹ 2,000 crores repayable in 9 annual instalments, first instalment due on 28.09.2023 and ₹ 850 crores repayable in 17 semi-annual instalments, first instalment due on 09.12.2023.				
- Deutsche Bank	1,000.00	1,000.15	500.00	500.08
₹ 500 crores repayable on 18.12.2023 and ₹ 500 crores repayable on 21.05.2024				
- JP Morgan Chase Bank	1,500.00	1,500.00	1,500.00	1,500.00
₹ 1,500 crores repayable on 26.03.2024				
- Bank of India	749.87	750.00	-	-
₹ 749.87 crores repayable in 5 annual instalments, first instalment due on 27.09.2024.				
- HSBC Bank	3,402.49	3,403.03	1,652.50	1,652.77
₹ 565 crores repayable on 19.05.2025, ₹ 187.49 crores repayable on 18.12.2025, ₹ 900 crores repayable on 25.03.2026, ₹ 500 crores repayable on 06.07.2026, ₹ 500 crores repayable on 09.07.2026, ₹ 85 crores repayable on 25.03.2030 and ₹ 665 crores repayable on 28.03.2030				
- Central Bank	500.00	500.00	-	-
₹ 500 crores repayable in 7 annual instalments, first instalment due on 28.02.2026.				
- Jammu & Kashmir Bank	300.00	300.05	-	-
₹ 300 crores repayable on 28.10.2026				
- Karur Vysya Bank	250.00	250.04	-	-
₹ 250 crores repayable on 29.10.2026				
- South Indian Bank	300.00	300.00	-	-
₹ 300 crores repayable on 08.11.2026			-	-
- Mizuho Bank	300.00	300.00	-	-
₹ 300 crores repayable on 21.01.2027				
- Union Bank of India	1,999.68	1,999.68	3,399.34	3,399.34
₹ 1,999.68 crores repayable in 5 annual instalments, first instalment due on 31.03.2027.				
Total - Unsecured Term Loans from Banks	**42,878.32**	**42,919.86**	**29,938.58**	**29,953.76**

Consolidated Notes to Accounts

(ii) Term Loans from Others - Financial Institutions

(₹ in Crores)

Particulars	As at 31.03.2022		As at 31.03.2021	
	Principal O/s	Amortised Cost	Principal O/s	Amortised Cost
- Indian Infrastructure Finance Company Ltd. (IIFCL)	**6,800.00**	**6,800.00**	**5,800.00**	**5,800.00**
₹ 1,000 crores repayable on 03.06.2022 and ₹ 800 crores repayable on 23.06.2023, ₹ 1,500 crores repayable on 23.02.2024, ₹ 500 crores repayable on 14.03.2024, ₹ 1,000 crores repayable on 25.03.2026, ₹ 1,000 crores repayable on 27.03.2026 and ₹ 1,000 crores repayable on 09.08.2026				
Total - Term Loans from Others - Financial Institutions	**6,800.00**	**6,800.00**	**5,800.00**	**5,800.00**

(iii) Foreign Currency Borrowings

(₹ in Crores)

Particulars	As at 31.03.2022		As at 31.03.2021	
	Principal O/s	Amortised Cost	Principal O/s	Amortised Cost
(1) ODA Loans - Guaranteed by Govt. of India				
JICA Loan - JICA-II loan repayable in half-yearly instalments till 20.03.2023, next instalment falling due on 20.09.2022	23.47	23.48	50.06	50.07
KfW-III Loan - Repayable in equal half-yearly instalments of €5.26 Mn till 30.03.2024, next instalment falling due on 30.06.2022	222.81	223.55	317.22	317.87
Sub-Total (1)	**246.28**	**247.03**	**367.28**	**367.94**
(2) ODA Loans - Without Govt. Guarantee				
KfW-IV Loan - Repayable in equal half-yearly instalments of €12.00 Mn till 15.11.2030 , next instalment falling due on 15.05.2022	1,637.43	1,639.80	1,241.16	1,243.23
Sub-Total (2)	**1,637.43**	**1,639.80**	**1,241.16**	**1,243.23**
(3) Bilateral/ Syndicated Loans				
US $100 Mn - Repayable on 05.10.2021	-	-	735.05	733.36
US $230 Mn - Repayable on 19.01.2022	-	-	1,690.61	1,676.86
US $200 Mn - Repayable on 28.07.2022	1,516.14	1,516.11	1,470.09	1,461.67
US $150 Mn - Repayable on 11.09.2022	1,137.11	1,136.75	1,102.57	1,097.49
US $250 Mn - Repayable on 29.08.2023	1,895.18	1,895.18	1,837.62	1,831.68
¥ 10,327.12 Mn - Repayable on 08.08.2023	642.66	636.04	685.31	673.06
US $250 Mn - Repayable on 27.03.2024	1,895.18	1,880.88	1,837.62	1,815.96
US $150 Mn - Repayable on 29.03.2024	1,137.11	1,125.35	1,102.57	1,085.82
US $100 Mn - Repayable on 01.07.2024	758.07	755.34	735.05	729.68
SG $72.08 Mn - Repayable on on 30.03.2025	403.21	396.92	391.79	383.78
US $75 Mn - Repayable on 30.03.2025	568.55	561.90	551.29	542.57
US $170 Mn - $100 Mn repayable on 26.03.2025 and $ 70 Mn repayable on 06.10.2025	1,288.72	1,288.65	1,249.58	1,249.55
¥ 10,519 Mn - Repayable on 25.09.2025	654.60	645.86	698.04	686.00
US $425 Mn - Repayable on 16.03.2026	3,221.80	3,207.65	3,123.95	3,095.46
US $600 Mn - Repayable on 25.08.2026	4,548.43	4,499.53	-	-
US $75 Mn - Repayable on 07.10.2026	568.55	565.00	-	-
US $1175 Mn - Repayable on 29.12.2026	8,907.33	8,751.96	-	-
¥ 37506 Mn - Repayable on 03.03.2027	2,334.04	2,293.52	-	-
US $300 Mn - Repayable on 02.06.2030	2,274.21	2,286.40	2,205.14	2,216.83
Sub-Total (3)	**33,750.89**	**33,443.04**	**19,416.28**	**19,279.77**
Total - Foreign Currency Borrowings (1+2+3)	**35,634.60**	**35,329.87**	**21,024.72**	**20,890.94**

(iv) Term Loans from Govt. of India

(₹ in Crores)

Particulars	As at 31.03.2022		As at 31.03.2021	
	Principal O/s	Amortised Cost	Principal O/s	Amortised Cost
- Loan from National Small Savings Fund (NSSF)	10,000.00	10,325.12	10,000.00	10,325.12
₹ 5,000 crores repayable on 13.12.2028 and ₹ 5,000 crores repayable on 04.10.2029				
Total - Term Loans from Govt.	**10,000.00**	**10,325.12**	**10,000.00**	**10,325.12**

21.2 Unsecured Short-Term Borrowings

(i) FCNR (B) Loans

(₹ in Crores)

Particulars	As at 31.03.2022		As at 31.03.2021	
	Principal O/s	Amortised Cost	Principal O/s	Amortised Cost
US$75 Mn - Repaid on 22.04.2021	-	-	551.29	553.09
US$75 Mn - Repaid on 20.05.2021	-	-	551.29	553.11
US$75 Mn - Repaid on 15.11.2021	-	-	551.29	551.29
US$200 Mn - Repaid on 20.12.2021	-	-	1,470.09	1,470.15
US$200 Mn - Repaid on 30.12.2021	-	-	1,470.09	1,472.31
US$100 Mn - Repaid on 30.12.2021	-	-	735.05	735.06
US$200 Mn - Repayable on 24.05.2022	1,516.14	1,517.78	-	-
US$150 Mn - Repayable on 27.05.2022	1,137.11	1,137.16	-	-
US$200 Mn - Repayable on 03.06.2022	1,516.14	1,516.21	-	-
US$25 Mn - Repayable on 07.06.2022	189.52	189.72	-	-
US$150 Mn - Repayable on 18.06.2022	1,137.11	1,137.17	-	-
US$200 Mn - Repayable on 10.12.2022	1,516.14	1,517.90	-	-
US$75 Mn - Repayable on 14.12.2022	568.55	569.21	-	-
US$200 Mn - Repayable on 30.12.2022	1,516.14	1,517.91	-	-
US$100 Mn - Repayable on 23.02.2023	758.07	758.07	-	-
Total - FCNR (B) Loans	**9,854.92**	**9,861.13**	**5,329.10**	**5,335.01**

21.3 Term Loans from banks/ financial institutions/ Govt. as mentioned in Note No. 21.1 (i), (ii) and (iv) have been raised at interest rates ranging from 5.00% to 8.29% payable on monthly/quarterly/semi annual rests.

21.4 Foreign Currency Borrowings in Note No. 21.1(iii) have been raised at fixed interest rates ranging from 0.65% to 1.86% per annum and variable interest rates ranging from a spread of 13 bps to 210 bps over external benchmarks including 1/3/6 Months' USD LIBOR (London Inter Bank Offered Rate), SORA (Singapore Overnight Rate Average), TONAR (Tokyo Overnight Average Rate), SOFR (Secured Overnight Financing Rate) and Credit Adjustment Spread as applicable on transition of loans to new benchmark rates.

21.5 Security Details of Secured Debt Securities and Borrowings

For all the secured bonds issued by the Company and outstanding as at balance sheet date, 100% security cover has been maintained by way of mortgage on certain immovable properties and/or charge on the receivables of the Company.

The Bond Series 123-IIIB of Institutional Bonds are secured by way of first pari passu charge on the specified immovable property and the book debts of the Issuer which are charged to other lender / trustee and as may be agreed between the Issuer and the Trustee, pursuant to the terms of the Bond Trust Deed with a minimum security cover of one time of the aggregate face value of amount of bonds outstanding at all times and amount of interest due thereon in favor of IDBI Trusteeship Services Ltd.

Tax Free Bonds issued during FY 2011-12 are secured by first pari passu charge on premises at Shop No. 12, Ground Floor, Block No. 35, Church Road, Mylapore, Chennai and hypothecation of receivables of ₹ 4,998.66 Crores of MSEDCL in favour of Vistra ITCL (India) Ltd. (formerly known as IL&FS Trust Company Ltd.).

Tax Free Bonds issued during FY 2013-14 are secured by first pari passu charge on the book debts (other than those that are exclusively charged/earmarked to lenders / other Trustees) of the Company in favour of SBICap Trustee Company Ltd.

The Bond Series XII and XIII of 54EC Capital Gain Tax Exemption Bonds and Tax Free Bonds issued during FY 2012-13 & 2015-16 are secured by first pari passu charge on (a) mortgage of premises at Sub Plot No. 8, TPS No 2, FP No. 584P, situated at Village Subhanpura, Distt Vadodara and (b) hypothecation of receivables (other than those that are exclusively charged/ earmarked to lenders / other Trustees) in favour of SBICap Trustee Company Ltd.

The Bond Series XIV and XV of 54EC Capital Gain Tax Exemption Bonds are secured by first pari passu charge on hypothecation of receivables (other than those that are exclusively charged/ earmarked to lenders / other Trustees) in favour of SBICap Trustee Company Ltd.

Refer Note No. 10 and 16.2 for the carrying value of receivables and Property, Plant and Equipment (PPE) pledged as security.

21.6 No charges or satisfaction are yet to be registered with Registrar of Companies ROC beyond the respective statutory date.

22 Subordinated Liabilities

The Company has categorised all debt securities at amortised cost in accordance with the requirements of Ind AS 109.

(₹ in Crores)

	Particulars	As at 31.03.2022		As at 31.03.2021	
		Face Value	Amortised Cost	Face Value	Amortised Cost
(i)	**115th Series - Subordinate Tier-II Bonds -** 8.06% Redeemable at par on 31.05.2023	2,500.00	2,668.11	2,500.00	2,667.90
		-	-	-	-
(ii)	**175th Series - Subordinate Tier-II Bonds -** 8.97% Redeemable at par on 28.03.2029	2,151.20	2,100.70	2,151.20	2,151.45
(iii)	**199th Series - Subordinate Tier-II Bonds -** 7.96% Redeemable at par on 15.06.2030	1,999.50	2,047.66	1,999.50	2,127.54
	Total - Subordinated Liabilities	**6,650.70**	**6,816.47**	**6,650.70**	**6,946.89**
	Subordinated Liabilities in/ outside India				
(i)	Borrowings in India	6,650.70	6,816.47	6,650.70	6,946.89
(ii)	Borrowings outside India	-	-	-	-
	Total - Subordinated Liabilities	**6,650.70**	**6,816.47**	**6,650.70**	**6,946.89**

Refer Note No. 22.2 for reconciliation between the figure represented in Face Value and Amortised Cost

22.1 Ratings assigned by credit rating agencies and migration of ratings during the year

Particulars	Rating
Domestic Long-term Borrowings	CRISIL AAA, ICRA AAA, CARE AAA, IND AAA
Domestic Long Term Principal Protected Market Linked Debentures	CRISIL PP-MLD AAAr, ICRA PP-MLD AAA
Domestic Perpetual Bonds	CRISIL AAA, CARE AA+
Domestic Short term Borowings	CRISIL A1+, ICRA A1+, CARE A1+, IND A1+
International Long-term Issuer Rating	BBB- (Fitch), Baa3 (Moody's)

There has been no migration of ratings during the year.

22.2 Reconciliation between carrying values and the contractual amounts outstanding in respect of Borrowings:

(₹ in Crores)

Particulars	Debt Securities	Other Borrowings	Subordinated Liabilities	Total
As at 31st March 2022				
Total Amount as per Ind-AS	**2,19,574.61**	**1,06,651.59**	**6,816.47**	**3,33,042.67**
Less: Interest accrued on Borrowings classified under the same head as per Ind-AS	(6,736.43)	(430.69)	(296.94)	(7,464.06)
Add: Ind-AS Adjustments	719.20	357.90	131.17	1,208.27
Total Borrowings Outstanding	**2,13,557.38**	**1,06,578.80**	**6,650.70**	**3,26,786.88**
As at 31st March 2021				
Total Amount as per Ind-AS	**2,37,269.11**	**85,507.36**	**6,946.89**	**3,29,723.36**
Less: Interest accrued on Borrowings classified under the same head as per Ind-AS	(7,569.58)	(397.62)	(299.48)	(8,266.68)
Add: Ind-AS Adjustments	824.41	169.23	3.29	996.93
Total Borrowings Outstanding	**2,30,523.94**	**85,278.97**	**6,650.70**	**3,22,453.61**

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22.3 The Company raises funds in different currencies through a mix of term loans from banks/ financial institutions/ Govt. agencies and bonds of different tenors through private placement of debt securities. The amounts raised during the year have been utilized for the stated objects in the offer document/ information memorandum. Further, there has been no default as on the Balance Sheet date in the repayment of debt securities, borrowings and subordinated liabilities and the Company has met all its debt servicing obligations, whether principal or interest, during the year.

23 Other Financial Liabilities

(₹ in Crores)

	Particulars	As at 31.03.2022	As at 31.03.2021
(A)	**Unpaid Dividends (Refer Note 23.1)**	6.39	5.79
(B)	**Bond Application Money refundable and interest accrued thereon**	-	0.01
(C)	**Unpaid Principal & Interest on Bonds (Refer Note 23.1)**		
	- Matured Bonds & Interest Accrued thereon	22.01	49.77
	- Interest on Bonds	6.72	18.95
	Sub-total (C)	**28.73**	**68.72**
(D)	**Funds Received from Govt. of India for Disbursement as Subsidy/ Grant (cumulative)**	97,373.51	91,398.16
	Add: Interest on such funds (net of refund)	33.24	28.96
	Less: Disbursed to Beneficiaries (cumulative)	(96,514.35)	(90,098.32)
	Undisbursed Funds to be disbursed as Subsidy/ Grant	**892.40**	**1,328.80**
(E)	**Payables towards Bonds Fully serviced by Govt. of India**	24,318.29	24,314.43
(F)	**Other Liabilities**	462.83	495.25
	Total (A to F)	**25,708.64**	**26,213.00**

23.1 Unpaid dividends, unpaid principal and interest on bonds include the amounts which have either not been claimed by the investors or are on hold pending formalities pursuant to investors' claims etc. The amount due to be transferred to Investor Education and Protection Fund (IEPF) as at 31st March 2022 is ₹ 1.22 crores (₹ 0.62 crores as at 31st March 2021) which has been transferred within the prescribed time limit.

23.2 Subsidy Under Accelerated Generation & Supply Programme (AG&SP):

The Company is maintaining an Interest Subsidy Fund Account and was given AG&SP subsidy (for disbursement to the eligible borrowers) by Govt. of India at net present value calculated at indicative rates and year in accordance with GOI's letter vide D.O.No. 32024/17/97-PFC dated 23.09.1997 and O.M.No.32024/23/2001-PFC dated 07.03.2003 irrespective of the actual repayment schedule, moratorium year and duration of repayment of the eligible schemes. The impact of difference between the indicative rate and year considered at the time of drawl and the actual can be ascertained only after the end of the respective schemes.

Net amount of ₹ 0.73 Crores as at 31st March 2022 (₹ 0.71 Crores as at 31st March 2021) represents the balance amount of interest subsidy fund, which is to be passed on to the borrowers against their interest liability arising in future, under Accelerated Generation & Supply Programme (AG&SP), which comprises of the following :-

(₹ in Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Opening Balance of Interest Subsidy Fund	**0.71**	**0.69**
Add: Interest earned during the year	0.02	0.02
Less: Interest subsidy passed on to the borrower	-	-
Closing Balance of Interest Subsidy Fund	**0.73**	**0.71**

23.3 Government of India has appointed REC Ltd. as a nodal agency for implementation of Deen Dayal Upadhyaya Gram Jyoti Yojna (DDUGJY), Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya) and Revamped Distribution Sector Scheme (RDSS). The funds received for disbursement to various agencies under the schemes are kept in a respective separate bank accounts. The undisbursed funds for the schemes (including the funds received under erstwhile RGGVY Scheme) including interest earned thereto are classified under "Undisbursed Funds to be disbursed as Subsidy/ Grant" under the head "Other Financial Liabilities".

Consolidated Notes to Accounts

23.4 The movement in Interest on Subsidy/ Grant is explained as under:

(₹ in Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Opening Balance	**28.96**	**31.96**
Add: Interest earned/Adjustment during the year	25.25	30.48
Less: Amount refunded to Govt./Adjusted during the year	(20.98)	(33.48)
Closing Balance	**33.24**	**28.96**

23.5 For meeting GOI's funding requirement of DDUGJY Scheme, during the year, the Company has raised funds an aggregate amount of ₹ Nil (Previous year ₹ 2,500 crores) through unsecured, redeemable, non-convertible, taxable bonds in the nature of debentures of face value of ₹ 10 lacs at par on private placement basis. As per Ministry of Finance (MoF) letter dated 2nd December, 2020 and 3rd March, 2021, the repayment of principal and interest of the above bonds shall be made by GoI by making suitable budget provisions in the demand of Ministry of Power. Accordingly, the amount of such bonds along-with interest is also appearing as recoverable by the Company from Govt. of India (Note 12).

Details of the GoI Fully Serviced Bonds raised are as follows:

(₹ in Crores)

Particulars	Coupon Rate	Interest Frequency	Redemption Date	As at 31.03.2022	As at 31.03.2021
GoI-I Series	8.09%	Semi-annual	21.03.2028	1,837.00	1,837.00
GoI-II Series	8.01%	Semi-annual	24.03.2028	1,410.00	1,410.00
GoI-III Series	8.06%	Semi-annual	27.03.2028	753.00	753.00
GoI-IV Series	8.70%	Semi-annual	28.09.2028	3,000.00	3,000.00
GoI-V Series	8.54%	Semi-annual	15.11.2028	3,600.00	3,600.00
GoI-VI Series	8.80%	Semi-annual	22.01.2029	2,027.00	2,027.00
GoI-VII Series	8.60%	Semi-annual	08.03.2029	1,200.00	1,200.00
GoI-VIII Series	8.30%	Semi-annual	25.03.2029	4,000.00	4,000.00
GoI- IX Series	7.14%	Semi-annual	02.03.2030	1,500.00	1,500.00
GoI- X Series	8.25%	Semi-annual	26.03.2030	532.30	532.30
GoI- XI Series	7.20%	Semi-annual	31.03.2030	1,750.00	1,750.00
GoI- XII Series	6.45%	Semi-annual	07.01.2031	1,000.00	1,000.00
GoI- XIII Series	6.63%	Semi-annual	28.01.2031	1,000.00	1,000.00
GoI- XIV Series	6.50%	Semi-annual	26.03.2031	500.00	500.00
Total				**24,109.30**	**24,109.30**

24 Current tax liabilities (net)

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Provision for Income Tax	18.01	2,691.90
Less: Advance Income-tax & TDS	(7.76)	(2,677.50)
Current tax liabilities (Net)	**10.25**	**14.40**

25 Provisions

(₹ in Crores)

	Particulars	As at 31.03.2022	As at 31.03.2021
	Provisions for		
(A)	**Employee Benefits (Refer Note 60)**		
	Gratuity	0.34	1.30
	Earned Leave Liability	25.57	18.57
	Post Retirement Medical Benefits	0.71	7.71

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(₹ in Crores)

Particulars		As at 31.03.2022	As at 31.03.2021
	Medical Leave Liability	21.49	20.91
	Settlement Allowance	1.79	1.89
	Economic Rehabilitation Scheme	4.15	4.13
	Long Service Award	2.25	2.02
	Incentive	28.47	47.92
	Loyalty Bonus	-	0.15
	Sub-total (A)	**84.77**	**104.60**
(B)	**Others**		
	Expected Credit Loss on Letters of Comfort Refer 25.1 & 25.2)	20.90	9.09
	Sub-total (B)	**20.90**	**9.09**
	Total (A+B)	**105.67**	**113.69**

25.1 Movement of Expected Credit Loss provision on Letters of comfort

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Opening balance	**9.09**	**8.38**
Add: Created during the year	17.18	0.75
Less: Reversed/ Adjusted during the year	(5.37)	(0.04)
Closing balance	**20.90**	**9.09**

25.2 The Company has maximum credit risk exposure of ₹ 4,068.95 crores (previous year ₹ 2,608.85 crores) related to Letters of Comfort issued to the banks, as a financial guarantee on behalf of the borrowers.

26 Other Non-Financial Liabilities

(₹ in Crores)

Particulars		As at 31.03.2022	As at 31.03.2021
(A)	Income Received in Advance	-	0.01
(B)	Sundry Liabilities Account (Interest Capitalisation)	4.10	5.07
(C)	Unbilled Liability towards Capital Account	26.96	28.53
(D)	Unamortised Fee on Undisbursed Loans	28.72	68.64
(E)	Advance received from Govt. towards Govt. Schemes	1.00	1.17
(F)	Statutory Dues	28.25	26.82
(G)	Other Liabilities	0.10	0.01
	Total (A to G)	**89.13**	**130.25**

27 Equity Share Capital

(₹ in Crores)

Particulars	As at 31.03.2022		As at 31.03.2021	
	No. of Shares	Amount	No. of Shares	Amount
Authorised :				
Equity shares of ₹ 10 each	5,00,00,00,000	5,000.00	5,00,00,00,000	5,000.00
Issued, Subscribed and Paid up :				
Fully paid up Equity shares of ₹ 10 each	1,97,49,18,000	1,974.92	1,97,49,18,000	1,974.92
Total	**1,97,49,18,000**	**1,974.92**	**1,97,49,18,000**	**1,974.92**

27.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the period

(₹ in Crores)

Particulars	For the year ended 31.03.2022		For the year ended 31.03.2021	
	No. of Shares	Amount	No. of Shares	Amount
Share Capital at the beginning of the period	1,97,49,18,000	1,974.92	1,97,49,18,000	1,974.92
Add: Shares issued & allotted during the period	-	-	-	-
Share Capital at the end of the period	**1,97,49,18,000**	**1,974.92**	**1,97,49,18,000**	**1,974.92**

Consolidated Notes to Accounts

27.2 Allotment of Bonus Shares during the year and during preceding five years

During the current year and preceding five years, no bonus shares were issued by the Company except in the FY 2016-17, when the Company had allotted 98,74,59,000 Equity Shares as fully paid up by way of bonus shares.

27.3 The Company has neither issued any equity shares pursuant to contract without payment being received in cash nor has there been any buy-back of shares in the current year and five years immediately preceding the balance sheet date.

27.4 Rights, Preferences and Restrictions attached to Equity shares

The holders of the equity shares of the Company are entitled to receive dividends as and when declared by the Company and enjoy proportionate voting rights in case any resolution is put to vote. Further, the shareholders have all such rights, as may be available to a shareholder of a listed public company, under the Companies Act, 2013 and rules made thereunder, Companies Act, 1956 (to the extent applicable), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Memorandum of Association and Articles of Association of the Company.

27.5 Shareholders holding more than 5% of fully paid-up equity shares as at Balance Sheet date:

(₹ in Crores)

Name of the Shareholder	As at 31.03.2022		As at 31.03.2021	
	No. of Shares	Percentage	No. of Shares	Percentage
Power Finance Corporation Limited	1,03,94,95,247	52.63%	1,03,94,95,247	52.63%
HDFC Trustee Company Ltd. A/c HDFC Hybrid Debt Fund	15,89,92,122	8.05%	16,72,55,577	8.47%

27.6 Details of equity shares held by the Holding Company, including the subsidiaries and associates

Reserve for Bad and doubtful debts u/s 36(1)(viia) of the Income Tax Act, 1961 is maintained by the Company in order to enable the Company to avail tax benefits. As per Section 36(1)(viia) of the Income Tax Act, 1961, the Company is eligible to avail deduction in respect of any provision/ reserve made for bad and doubtful debts, not exceeding five per cent of the total income as per Income Tax Act. The reserve so maintained shall be primarily utilised for adjustment of actual bad debts or part thereof.

(₹ in Crores)

Name of the Company	As at 31.03.2022		As at 31.03.2021	
	No. of Shares	Percentage	No. of Shares	Percentage
Power Finance Corporation Ltd.	1,03,94,95,247	52.63%	1,03,94,95,247	52.63%

27.7 Details of equity shares held by the promoters

Name of the Promoter	As at 31.03.2022			As at 31.03.2021		
	No. of Shares	Percentage	% change during the year	No. of Shares	Percentage	% change during the year
The President of India	-	-	-	-	-	-
Power Finance Corporation Ltd.	1,03,94,95,247	52.63%	-	1,03,94,95,247	52.63%	-

28 Instruments entirely equity in nature

(₹ in Crores)

Particulars	As at 31.03.2022		As at 31.03.2021	
	Number	Amount	Number	Amount
Fully paid up Perpetual Debts Instrument entirely equity in nature of ₹ 10 lakhs each	5,584	558.40	5,584	558.40
Total	**5,584**	**558.40**	**5,584**	**558.40**

28.1 Reconciliation of the number of perpetual securities outstanding at the beginning and at the end of the year

(₹ in Crores)

Particulars	For the year ended 31.03.2022		For the year ended 31.03.2021	
	Number	Amount	Number	Amount
Balance at the beginning of the year	**5,584**	**558.40**	**-**	**-**
Increase/ (Decrease) during the year	-	-	5,584	558.40
Balance at the end of the year	**5,584**	**558.40**	**5,584**	**558.40**

Consolidated Notes to Accounts

28.2 Instrument holders holding more than 5% of Perpetual Debt Instruments entirely equity in nature as at Balance Sheet date:

Name of the Shareholder	As at 31.03.2022		As at 31.03.2021	
	Number	Percentage	Number	Percentage
HVPNL Employees Pension Fund Trust	665	11.91%	665	11.91%
HPGCL Employees Pension Fund Trust	500	8.95%	500	8.95%

28.3 Company had issued Perpetual Debt Instruments of face value of ₹ 10 lakhs each, with no maturity and callable only at the option of the Company after 10 years. The claims of the holders of the securities shall be (a) Superior to the claims of the holders of the equity shares issued by the Issuer; and (b) Subordinated to the claims of all other creditors of the Issuer. The instruments carry a step up provision if not called after 10 years. The payment of Coupons may be cancelled or suspended at the discretion of the Company. The coupon of the securities is not cumulative except where the Issuer shall not be liable to pay coupon and may defer the payment of coupon, if (i) The capital to risk assets ratio ("CRAR") of the Issuer is below the minimum regulatory requirement prescribed by RBI; or (ii) the impact of such payment results in CRAR of the Issuer falling below or remaining below the minimum regulatory requirement prescribed by RBI.

As these securities are perpetual in nature and the Company does not have any redemption obligation and discretion on payment of coupon, these have been classified as equity. Further, the periodic coupon payments are accordingly adjusted with retained earnings."

29 Other Equity

(₹ in Crores)

	Particulars	As at 31.03.2022	As at 31.03.2021
(A)	**Other Reserves**		
(i)	Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961	22,302.93	19,222.23
(ii)	Reserve for Bad and doubtful debts u/s 36(1)(viia) of the Income Tax Act, 1961	196.82	2,128.41
(iii)	Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	5,814.00	3,804.00
(iv)	Securities Premium	2,236.54	2,236.54
(v)	Foreign Currency Monetary Item Translation Difference Account	(555.29)	(573.16)
(vi)	Capital Reserve	0.00	4.70
(vii)	General Reserve	11,839.45	9,903.16
(B)	**Retained Earnings**	7,186.05	4,606.01
(C)	**Other Comprehensive Income (OCI)**		
	- Share of Other Comprehensive Income/ (loss) of Joint Venture accounted for using equity method	-	(1.19)
	- Equity Instruments through Other Comprehensive Income	(37.98)	24.07
	- Effective Portion of Cash Flow Hedges	194.21	(165.61)
	- Cost of Hedging reserve	(395.95)	41.45
	Total - Other Equity (A+B+C)	**48,780.78**	**41,230.61**

Additions and deductions to the components of 'Other Equity' has been disclosed in 'Statement of Changes in Equity'.

29.1 Pursuant to regulatory guidelines and utilisation of reserves created for specific purposes, the Company has transferred the following amounts from different reserves to General Reserve:

(i) During the financial year 2021-22

(a) ₹ 1,931.59 crores from Reserve for Bad & Doubtful Debts under Section 36(1)(viia)(c) of the Income Tax Act, 1961 on account of actual write-offs on loan assets and other recoverables.

(ii) During the financial year 2020-21

(a) ₹ 1,152.55 crores from Reserve for Bad & Doubtful Debts under Section 36(1)(viia)(c) of the Income Tax Act, 1961 on account of actual write-offs on loan assets

(b) ₹ 793.29 crores from Impairment Reserves has been transferred to the General Reserves in pursuance of RBI Guidelines

29.2 Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961

Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961 is maintained by the Company in order to enable the Company to avail tax benefits. As per section 36(1)(viii) of the Income Tax Act, 1961, the company is eligible for deduction not exceeding 20% of profit derived from long term finance activity, provided such amount is transferred and maintained in special reserve account.

Consolidated Notes to Accounts

Detail of Movement during the year:

(₹ in Crores)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Balance as at the begining of the year	**19,222.23**	**16,659.10**
Add: Transferred from Retained Earnings	3,080.70	2,563.13
Less: Transferred to General Reserve	-	-
Balance as at the end of the year	**22,302.93**	**19,222.23**

29.3 Reserve for Bad and doubtful debts u/s 36(1)(viia) of the Income Tax Act, 1961

Reserve for Bad and doubtful debts u/s 36(1)(viia) of the Income Tax Act, 1961 is maintained by the Company in order to enable the Company to avail tax benefits. As per Section 36(1)(viia) of the Income Tax Act, 1961, the Company is eligible to avail deduction in respect of any provision/ reserve made for bad and doubtful debts, not exceeding five per cent of the total income as per Income Tax Act. The reserve so maintained shall be primarily utilised for adjustment of actual bad debts or part thereof.

Detail of Movement during the year:

(₹ in Crores)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Balance as at the begining of the year	**2,128.41**	**2,992.83**
Add: Transferred from Retained Earnings	-	288.13
Less: Transferred to General Reserve	(1,931.59)	(1,152.55)
Balance as at the end of the year	**196.82**	**2,128.41**

29.4 Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934

The Company is creating the Reserve Fund as required u/s 45IC of Reserve Bank of India Act, 1934, wherein at least 20% of net profit is required to be transferred before the declaration of dividend. No appropriation is allowed to be made from the reserve fund except for the purpose as may be specified by the Reserve Bank of India from time to time and further, any such appropriation is also required to be reported to the Reserve Bank of India within 21 days from the date of such withdrawal.

Detail of Movement during the year:

(₹ in Crores)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Balance as at the begining of the year	**3,804.00**	**2,131.00**
Add: Transferred from Retained Earnings	2,010.00	1,673.00
Less: Transferred to General Reserve	-	-
Balance as at the end of the year	**5,814.00**	**3,804.00**

29.5 Securities Premium

Securities Premium represents the premium received by the Company on issue of shares and debt securities. It is utilised in accordance with the provisions of the Companies Act, 2013.

Detail of Movement during the year:

(₹ in Crores)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Balance as at the begining of the year	**2,236.54**	**2,236.54**
Add: Transferred from Retained Earnings	-	-
Less: Transferred to General Reserve	-	-
Balance as at the end of the year	**2,236.54**	**2,236.54**

Consolidated Notes to Accounts

29.6 Foreign Currency Monetary Item Translation Difference Account

The company had opted towards an irrevocable option for amortising the foreign exchange fluctuation loss/gain on the long term foreign currency monetary items over the balance period of such items in accordance with Para 46A of the erstwhile applicable Accounting Standard 11 'The Effects of Changes in Foreign Exchange Rates'. The Company opted to continue the policy of such amortisation as per the previous GAAP in respect of the exchange differences arising from translation of long-term foreign currency monetary items as on 31st March 2018 in line with the provisions of Ind-AS. The balance in this account represents the unamortised gain/ (loss) which will be amortised over the balance period of the eligible long term foreign currency monetary liabilities.

Detail of Movement during the year:

(₹ in Crores)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Balance as at the begining of the year	**(573.16)**	**(1,719.38)**
Add: Foreign Currency Translation Gain/ Loss (-) on long term monetary items during the year	(216.94)	437.65
Less: Amortisation during the year	234.81	708.57
Balance as at the end of the year	**(555.29)**	**(573.16)**

29.7 General Reserve

General Reserve includes the amounts appropriated from the profits of the Company and also amounts transferred from Statutory Reserves.

Detail of Movement during the year:

(₹ in Crores)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Balance as at the begining of the year	**9,903.16**	**6,976.22**
Add: Transferred from Retained Earnings	-	981.10
Add: Transferred from Reserve for Bad & Doubtful Debts u/s 36(1) (viia) of the Income Tax Act, 1961	1,931.59	1,152.55
Add: Transferred from Debenture Redemption Reserve	-	-
Add: Transferred from Impairment Reserve	-	793.29
Add: Transferred from Capital Reserve	4.70	
Balance as at the end of the year	**11,839.45**	**9,903.16**

29.8 Impairment Reserve

As per the Reserve Bank of India (RBI) Guidelines, the Company is required to appropriate the difference from their net profit after tax to "Impairment Reserve" where the impairment allowance under Ind AS 109 is lower than the provisioning required under Income Recognition, Asset Classification and Provisioning (IRACP) Norms (including standard asset provisioning) issued by RBI. The Company reviews the requirement at each reporting date. In pursuance of the guidelines, an amount of ₹ 793.29 crores lying under Impairment reserve has been transferred to General Reserve during the FY 20-21.

Detail of Movement during the year:

(₹ in Crores)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Balance as at the begining of the year	**-**	**793.29**
Add: Transferred from Retained Earnings	-	-
Less: Transferred to General Reserve	-	(793.29)
Balance as at the end of the year	**-**	**-**

Consolidated Notes to Accounts

29.9 Equity Instruments through Other Comprehensive Income (OCI)

The Group has elected to recognise changes in the fair value of certain investments in equity securities through other comprehensive income. These changes are accumulated within the OCI reserve within equity. The Group transfers amounts from this reserve to retained earnings when the related equity securities are derecognised.

Detail of Movement during the year:

(₹ in Crores)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Balance as at the begining of the year	**24.07**	**106.26**
Add: Recognition through Other Comprehensive Income (net of taxes)	24.74	160.52
Add: Reclassification of gain/ (loss) on sale/ extinguishment of FVOCI equity instrument (net of taxes)	(86.79)	(242.71)
Balance as at the end of the year	**(37.98)**	**24.07**

29.10 Effective Portion of Cash Flow Hedges

The Company uses derivative instruments in pursuance of managing its foreign currency risk and interest rate risk associated on borrowings. For hedging foreign currency and interest rate risk, the Company uses foreign currency forward contracts, cross currency swaps, foreign currency option contracts and interest rate swaps. To the extent the derivative contracts designated under the hedge accounting are effective hedges, the change in fair value of the hedging instrument is recognised in 'Effective Portion of Cash Flow Hedges'. Amounts recognised in such reserve are reclassified to the Statement of Profit or Loss when the hedged item affects profit or loss.

Detail of Movement during the year:

(₹ in Crores)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Balance as at the begining of the year	**(165.61)**	**(226.08)**
Add: Recognition through Other Comprehensive Income (net of taxes)	359.82	60.47
Balance as at the end of the year	**194.21**	**(165.61)**

29.11 Cost of Hedging Reserve

The Company designates the intrinsic value of foreign currency option contracts as hedging instruments in 'Cash Flow Hedge' relationships. The changes in fair value of the time value of an option are recognised in OCI and amortised to the Statement of Profit and Loss on a rational basis.

(₹ in Crores)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Balance as at the begining of the year	**41.45**	**(204.75)**
Add: Recognition through Other Comprehensive Income (net of taxes)	(437.40)	246.20
Balance as at the end of the year	**(395.95)**	**41.45**

29.12 Detail of Movement in Capital Reserve during the year:

(₹ in Crores)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Balance as at the begining of the year	**4.70**	**4.70**
Less: Transferred to General Reserve	(4.70)	-
Balance as at the end of the year	**-**	**4.70**

Consolidated Notes to Accounts

29.13 Detail of Movement in Share of Other Comprehensive Income/ (loss) of Joint Venture accounted for using equity method during the year:

(₹ in Crores)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Balance as at the begining of the year	**(1.19)**	**(2.48)**
Add: Recognition through Other Comprehensive Income (net of taxes)	1.19	1.29
Balance as at the end of the year	**-**	**(1.19)**

29.14 Detail of Movement in Retained Earnings during the year:

(₹ in Crores)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Balance as at the begining of the year	**4,606.01**	**3,674.25**
Add: Profit for the year	10,035.69	8,378.24
Add: Remeasurement of Defined Benefit Plans (net of taxes)	(6.23)	(10.67)
Add: Recognition through Other Comprehensive Income (net of taxes)	(0.02)	(0.05)
Less: Transferred to General Reserve	-	(981.10)
Less: Transferred to Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961	(3,080.70)	(2,563.13)
Less: Transferred to Reserve for Bad and doubtful debts u/s 36(1)(viia) of the Income Tax Act, 1961	-	(288.13)
Less: Transferred to Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	(2,010.00)	(1,673.00)
Less: Transferred to Debenture Redemption Reserve	-	-
Less: Transferred to Impairment Reserve	-	-
Add: Reclassification of gain/ (loss) on sale/ extinguishment of FVOCI equity instrument	86.79	242.71
Less: Coupon Payment on Instrument Entirely Equity in Nature (Perpetual Debt Instruments) (Net of Taxes)	(34.12)	-
Less: Issue expenses on Perpetual Debt Instruments (net of taxes)	-	(0.70)
Less: Dividend paid during the year	(2,411.37)	(2,172.41)
Less: Dividend Distribution Tax	-	-
Balance as at the end of the year	**7,186.05**	**4,606.01**

29.15 Dividend declared/ proposed by the Company for Equity Shares of ₹ 10/- each

(₹ in Crores)

Particulars	For the year ended 31st March, 2022		For the year ended 31st March, 2021	
	Dividend per Equity Share	Dividend Amount	Dividend per Equity Share	Dividend Amount
	(₹)	(₹ in Crores)	(₹)	(₹ in Crores)
Interim Dividend	10.50	2,073.66	11.00	2,172.41
Final/ Proposed Dividend	4.80	947.96	1.71	337.71
Total Dividend	**15.30**	**3021.62**	**12.71**	**2,510.12**

The Board of Directors at its meeting held on 13th May, 2022 recommended final dividend of ₹ 4.80/- per equity share (on face value of ₹ 10/- each) for the financial year 2021-22, subject to approval of Shareholders in the ensuing Annual General Meeting.

As per the requirements of Ind-AS 10 'Events after the Reporting Period', the Company is not required to provide for the dividend proposed by the Board of Directors after the end of the financial year. Such appropriation is made after the approval in the Annual General Meeting (AGM) in case of final dividend.

Consolidated Notes to Accounts

30 Interest Income

(₹ in Crores)

	Particulars	Year ended 31.03.2022			Year ended 31.03.2021		
		On Financial Assets measured at Fair Value through OCI	On Financial Assets measured at Amortised Cost	On Financial Assets measured at Fair Value through Profit or Loss	On Financial Assets measured at Fair Value through OCI	On Financial Assets measured at Amortised Cost	On Financial Assets measured at Fair Value through Profit or Loss
(A)	**Interest on Loan Assets**						
(i)	Long term financing	-	37,613.72	-	-	34,160.00	-
	Less: Rebate for timely payments/ completion etc	-	(0.04)	-	-	(0.06)	-
	Long term financing (net)	-	37,613.68	-	-	34,159.94	-
(ii)	Short term financing	-	197.16	-	-	69.98	-
	Sub-total (A)	**-**	**37,810.84**	**-**	**-**	**34,229.92**	**-**
(B)	**Interest Income from Investments**						
(i)	Interest from Long Term Investments	-	110.44	27.15	-	29.40	195.30
	Sub-total (B)	**-**	**110.44**	**27.15**	**-**	**29.40**	**195.30**
(C)	**Interest on Deposits with Banks**						
(i)	Interest from Deposits	-	89.78	-	-	161.44	-
	Sub-total (C)	**-**	**89.78**	**-**	**-**	**161.44**	**-**
(D)	**Other Interest Income**						
(i)	Interest on Delayed Payments by Borrowers	-	154.54	-	-	72.84	-
(ii)	Interest from Staff Advances	-	0.97	-	-	3.70	-
(iii)	Interest on Mobilisation Advance	-	0.24	-	-	0.56	-
(iv)	Unwinding of Discount of Security Deposits	-	0.16	-	-	0.19	-
(v)	Interest from SPVs	-	0.37	-	-	0.16	-
	Sub-total (D)	**-**	**156.28**	**-**	**-**	**4.61**	**-**
	Total - Interest Income (A to D)	**-**	**38,167.34**	**27.15**	**-**	**34,498.21**	**195.30**

31 Dividend Income

(₹ in Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
- Dividend from Long-Term Investments	4.21	27.97
Total - Dividend Income	**4.21**	**27.97**

31.1 Details of dividend recognised on Other Investments :

(₹ in Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Dividend on FVOCI Equity Investments		
- Investments held at the end of the year	3.20	27.63
- Investments derecognized during the year	1.01	0.34
Total	**4.21**	**27.97**

32 Fees and Commission Income

(₹ in Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Fees based Income	92.22	26.57
Prepayment Premium	465.37	35.14
Fee for Implementation of Govt. Schemes	15.23	33.67
Total - Fees and Commission Income	**572.82**	**95.38**

33 Sale of services

(₹ in Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Consultancy Engineering Services	150.96	163.65
Total	**150.96**	**163.65**

34 Other Income

(₹ in Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Net gain/ (loss) on disposal of assets classified as held for sale	30.19	
Rental Income	16.32	2.17
Liabilities/Provision Written Back	10.09	-
Fees from Training Courses	6.57	2.77
Interest from Income Tax Refund	0.84	1.00
Miscellaneous Income	6.14	16.78
Total - Other Income	**70.15**	**22.72**

35 Finance Costs

Finance Costs have been incurred on financial liabilities measured at amortised cost.

(₹ in Crores)

Particulars		Year ended 31.03.2022	Year ended 31.03.2021
(i)	**Interest on Borrowings**		
	- Loans from Govt. of India	822.50	820.81
	- Loans from Banks/ Financial Institutions	2,788.79	2,091.00
	- External Commercial Borrowings	577.12	630.50
	- Lease Liability	-	0.11
	Sub-Total (i)	**4,188.41**	**3,542.42**
(ii)	**Interest on Debt Securities**		
	- Domestic Debt Securities	14,759.43	15,289.04
	- Foreign Currency Debt Securities	1,294.73	1,196.54
	- Commercial Paper	14.76	35.32
	Sub-Total (ii)	**16,068.92**	**16,520.90**
(iii)	**Interest on Subordinated Liabilities**		
	- Subordinate Bonds	523.30	523.75
	Sub-Total (iii)	**523.30**	**523.75**
(iv)	**Other Interest Expense**		
	- Swap Premium	1,269.34	894.62
	- Interest on Advance Income Tax	0.75	22.71
	- Interest on liability towards employee benefits	3.48	2.32
	- Miscellaneous interest expense	1.86	4.37
	Sub-Total (iv)	**1,275.43**	**924.02**
	Total - Finance Costs	**22,056.06**	**21,511.09**
	Less: Finance Costs Capitalised	(5.10)	(22.04)
	Total - Finance Costs (Net)	**22,050.96**	**21,489.05**

36 Net translation/ transaction exchange loss/ (gain)

(₹ in Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Net translation/ transaction exchange loss/ (gain)	799.05	330.26
Total	**799.05**	**330.26**

The figures above include amortisation of net translation/ transaction exchange loss/ (gain) on Long Term Foreign Currency Monetary Items recognised in the financial statements before 1st April 2018 amounting to ₹ 234.81 crores (Previous year ₹ 708.57 crores).

36.1 The foreign currency monetary items are translated at FBIL (Financial Benchmark India Private Ltd) reference rates prevailing at the end of each reporting period or where the FBIL reference rate is not available for any currency, the closing rate for the same date quoted on Bloomberg. The respective rates as on the reporting date are as below:

Exchange Rates	USD/INR	JPY/INR	Euro/INR	SGD/INR
As at 31st March 2022	75.8071	0.6223	84.6599	55.9438
As at 31st March 2021	73.5047	0.6636	86.0990	54.3581

37 Fees and commission expense

(₹ in Crores)

Particulars		Year ended 31.03.2022	Year ended 31.03.2021
(i)	Guarantee Fee	4.29	-
(ii)	Listing and Trusteeship Fee	0.84	0.78
(iii)	Agency Fees	2.01	3.01
(iv)	Credit Rating Expenses	6.69	3.33
(v)	Other Finance Charges	2.90	2.83
	Total (i to v)	**16.73**	**9.95**

38 Net Gain/ (loss) on Fair Value Changes

(₹ in Crores)

Particulars		Year ended 31.03.2022	Year ended 31.03.2021
(A)	**Net gain/ (loss) on financial instruments at Fair Value through profit or loss**		
(i)	**On trading Portfolio**	-	-
(ii)	**Others**		
	- Changes in fair value of Derivatives	351.36	545.92
	- Changes in fair value of Long Term Investments	(12.78)	2.43
	- Changes in fair value of Short-term MF investments	7.99	23.98
	Sub-total (ii)	**346.57**	**572.33**
	Total (A)	**346.57**	**572.33**
	Breakup of Fair Value Changes		
	- Realised	365.03	590.79
	- Unrealised	(18.46)	(18.46)
	Total Net Gain/ (loss) on Fair Value Changes	**346.57**	**572.33**

Fair value changes in this schedule are other than those arising on account of accrued interest income/ expense and represents changes in fair value of derivatives designated as economic hedges not designated under hedge accounting and ineffective hedge

39 Impairment on financial instruments

(₹ in Crores)

Particulars		Year ended 31.03.2022		Year ended 31.03.2021	
		On financial instruments measured at FVOCI	On financial instruments measured at Amortised Cost	On financial instruments measured at FVOCI	On financial instruments measured at Amortised Cost
(i)	- Loans *	-	3,434.36	-	2,363.33
(ii)	- Investments	-	28.72		-
(iii)	- Others	-	6.94	-	82.61
	Total (i+ii+iii)	**-**	**3,470.02**	**-**	**2,445.94**

** includes ₹ 11.81 crores (Previous year ₹ 0.71 crores) towards impairment allowance on Letter of Comfort.*

40 Cost of services rendered

(₹ in Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Project Expenses	65.11	88.67
Total	**65.11**	**88.67**

41 Employee Benefits Expense

(₹ in Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
- Salaries and Allowances	134.23	119.67
- Contribution to Provident Fund and Other Funds	11.60	13.96
- Expenses towards Post Employment Benefits	7.46	4.87
- Rent towards Residential Accomodation for Employees	3.77	2.19
- Staff Welfare Expenses	23.03	22.93
Total	**180.09**	**163.62**

42 Depreciation and amortization

(₹ in Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
- Depreciation on Property, Plant & Equipment	15.35	8.12
- Amortization on Intangible Assets	2.89	2.74
Total	**18.24**	**10.86**

43 Corporate Social Responsibility Expenses

(₹ in Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
- Direct Expenditure	166.88	141.73
- Overheads	5.47	4.54
Total	**172.35**	**146.27**

43.1 Ministry of Corporate Affairs (MCA) vide its notification dated Janurary 22, 2021 has prescribed Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, effective prospectively from the date of notification, as clarified by MCA. These rules require that any unspent CSR amount, other than for any ongoing project, must be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year. In case such unspent amount pertains to any ongoing project, it must be transferred to unspent CSR Account by 30th April of the next year. However, if such amount is not utilised within three financial years, it is required to be transferred to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year. The Company also carries the right to set-off any amount spent in excess of the requirement under the Act within three succeeding financial years against the amount to be spent.

43.2 Details of Gross Amount required to be spent by the Group:

(a) Gross amount required to be spent by the company during the year is ₹ 172.35 crores (previous year ₹ 146.27 crores)

(b) Amount approved by the Board to be spent during the year is ₹ 172.35 crores (previous year ₹ 146.27 crores)

(c) Refer Note no. 58 for related party transactions related to CSR.

(d) Amount required to be spent on CSR activities as per Section 135 (5) of the Companies Act, 2013:

(₹ in Crores)

Particulars		Year ended 31.03.2022	Year ended 31.03.2021
(A)	**Opening Balance - Excess amount spent**	**(4.03)**	-
(B)	Amount required to be spent during the year	172.35	146.27
(C)	Amount spent during the year	168.80	150.30
(D)	**Closing Balance - Excess amount spent* (A+B-C)**	**(0.48)**	**(4.03)**

** eligible to be set-off in the next three succeeding financial years*

Consolidated Notes to Accounts

43.3 Amount spent during the year

(₹ in Crores)

	Particulars	Year ended 31.03.2022			Year ended 31.03.2021		
		In Cash	Yet to be paid	Total	In Cash	Yet to be paid	Total
(i)	**Construction/ acquisition of any asset**	-	-	-	-	-	-
(ii)	**On purpose other than (i) above**						
	Health/Sanitation / Waste Management / Drinking water	54.75	-	54.75	28.48	-	28.48
	Education/ Vocational/ Skill Development	16.83	-	16.83	18.20	-	18.20
	Environmental Sustainability (Solar Applications/ Afforestation/ Energy efficient LED lighting)	8.25	-	8.25	18.01	-	18.01
	Sports	15.00	-	15.00	-	-	-
	Contribution to PM CARES Fund	50.00	-	50.00	50.03	-	50.03
	Provision of food/ration to migrant workers due to COVID- 19 and Providing Cold Chain equipment for COVID-19 vaccination	0.60	-	0.60	7.75	-	7.75
	Others	17.90	-	17.90	23.29	-	23.29
	Administrative overheads including training, impact assessment etc.	5.47	-	5.47	4.54	-	4.54
	Total (ii)	**168.80**	**-**	**168.80**	**150.30**	**-**	**150.30**

In support of the fight against the Covid-19 pandemic, the Company committed a total contribution of ₹ 200 crores to the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund), of which ₹ 50 crores was contributed during the year 2021-22, ₹ 50 crores contributed during the year 2020-21 and ₹ 100 crores contributed during the year 2019-20.

44 Other Expenses

(₹ in Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
- Travelling and Conveyance	11.72	9.56
- Publicity & Promotion Expenses	2.32	8.36
- Repairs and Maintenance	27.45	18.37
- Rent, taxes and energy costs	7.32	16.95
- Insurance Charges	0.09	0.10
- Communication costs	2.91	3.43
- Printing & stationery	0.94	0.99
- Director's sitting fees	0.21	0.10
- Auditors' fees and expenses	1.59	1.52
- Legal & Professional Charges	11.59	11.28
- Net Loss on Disposal of Property, Plant & Equipment	0.97	4.03
- Training And Conference Expense	7.65	2.97
- Govt. Scheme Monitoring Expenses	18.49	18.28
- Impairment allowance on assets classified as held for sale	9.71	-
- Other Expenditure	21.35	13.44
Total	**124.31**	**109.38**

44.1 Disclosure in respect of Auditors' fees and expenses

(₹ in Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Fees paid to statutory auditors :		
- as auditor	0.62	0.74
- for taxation matters *	0.17	0.33
- for company law matters (includes limited review fees)	0.33	0.26
- for other services	-	-
(i) Certification of MTN Offer Document/ Comfort Letter	0.10	0.10
(ii) For Certifications	0.22	0.04

(₹ in Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Fees paid to statutory auditors :		
- for reimbursement of expenses	0.03	-
Sub-total	**1.47**	**1.47**
Non-recoverable tax credit in respect of fees paid to auditors	0.12	0.05
Total - Auditor's fees and expenses	**1.59**	**1.52**

** includes ₹ Nil (Previous year ₹ 0.12 crore) of fees for taxation matters pertaining to earlier years.*

45 Tax Expense

(₹ in Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
- Current tax expense	3,069.23	2,698.02
- Current tax expense/ (benefit) pertaining to earlier years	(3.96)	222.95
Sub-total - Current Tax	**3,065.27**	**2,920.97**
- Deferred tax expense/ (credit)	(670.44)	(519.62)
Total	**2,394.83**	**2,401.35**

45.2 Reconciliation of Effective Tax Rate

The reconciliation of estimated income tax expense at statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:

(₹ in Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Profit before Tax	**12,430.53**	**10,779.59**
Statutory income tax rate	**25.168%**	**25.168%**
Expected income tax expense	**3,128.52**	**2,713.01**
Tax effect of income tax adjustments:		
Benefit of deduction u/s 36(1)(viii) of Income Tax Act 1961	(775.36)	(645.09)
Non-allowability of CSR expenses & other adjustments	42.95	112.70
Other non-deductible tax expenses	(1.03)	6.16
Non Taxable Income	(2.59)	(8.57)
Tax Expense Earlier Years	(3.96)	222.95
Impact of change in tax rates	(3.98)	-
Tax effect on JV profit accounted for using equity method	2.97	0.50
Tax effect of intra group revenue reversals	7.30	(0.31)
Tax expense	**2,394.83**	**2,401.35**

46 Earnings per Share

(₹ in Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Numerator		
Profit for the year from continuing operations as per Statement of Profit and Loss (₹ in Crores)	10,035.70	8,378.24
Profit for the year from continuing and discontinued operations as per Statement of Profit and Loss (₹ in Crores)	10,035.70	8,378.24
Denominator		
Weighted average Number of equity shares	1,97,49,18,000	1,97,49,18,000
Basic & Diluted Earnings per Share (in ₹ for an equity share of ₹ 10 each) (for continuing operations)	50.82	42.42
Basic & Diluted Earnings per Share (in ₹ for an equity share of ₹ 10 each) (for continuing and discontinued operations)		
	50.82	**42.42**

Consolidated Notes to Accounts

47 Contingent Liabilities and Commitments :

47.1 Contingent Liabilities not provided for in respect of:

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
(A) Claims against the Company not acknowledged as debts	30.21	29.67
(B) Taxation Demands		
(i) - Demands raised by the Income Tax Department	167.69	25.41
(ii) - Demands against appeals filed by the Income Tax Department against the relief allowed to the Company	0.90	0.30
(iii) - Demands raised in respect of GST	17.89	-
(C) Others		
- Letters of Comfort	4,068.95	2,608.85
- Bank Guarantees	31.06	38.49

The amount referred to in 'A' above are in respect of cases pending in various courts and is dependent upon the verdict of the court.

The amount referred to in B(i) above are against the various demands raised by Income Tax Department. The company is contesting these demands and the management believes that its position will likely be upheld in the appellate process.

The amount referred to in B(ii) above are against the appeal filed by Income Tax Department in High Court against the relief allowed to the Company at ITAT level.

The amount referred to in B(iii) above is against the GST refund appeal filed by REC.

47.2 Commitments not provided for in respect of:

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
- Contracts remaining to be executed on capital account		
- Towards Property, Plant & Equipment	129.13	225.95
- Towards Intangible Assets	-	0.16
- Other Commitments		
- CSR Commitments	400.30	260.85

48. Details of Registration/ License/ authorisation obtained from financial sector regulators:

Particulars	Regulator Name	Registration Details
(i) Corporate Identification Number	Ministry of Corporate Affairs	L40101DL1969GOI005095
(ii) Registration Number	Reserve Bank of India	14.000011
(iii) Legal Entity Identifier (LEI) Code	Global Legal Entity Identifier Foundation (GLEIF)	335800B4YRYWAMIJZ374
(iv) Registration Number	Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI)	L0012

49 Implementation of Govt. Schemes

49.1 Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA)

Government of India launched a scheme "Pradhan Mantri Sahaj Bijli Har Ghar Yojana" - Saubhagya to achieve universal household electrification in the country during Oct 2017. The scheme envisaged to provide last mile connectivity and electricity connections to all remaining un-electrified households in rural areas and poor households in urban areas. The capital outlay of Saubhagya Scheme was ₹ 16,320 Crore including Gross Budgetary Support of ₹ 12,320 Crore during the entire implementation period. Ministry of Power designated REC as the Nodal agency for operationalization of Saubhagya Scheme. The scheme has been successfully completed and closed in its sunset year FY 2021-22 i.e. 31.03.2022.

49.2 Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY)

Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY), the flagship scheme of Government of India covering all aspects of rural power distribution was launched in Nov 2014. Under the scheme 60% of the project cost (85% for special States) is provided as grant by Government of India and additional grant up to 15% (5% for special States) on achievement of prescribed milestones. DDUGJY facilitates towards achievement of '24x7 Power for All' in the country through the following project components:

(i) Separation of agriculture and non-agriculture feeders facilitating adequate power supply to agriculture & continuous power supply to non-agricultural consumers in the rural areas;

(ii) Strengthening and augmentation of sub-transmission & distribution infrastructure in rural areas, including metering of distribution transformers/ feeders/ consumers;

(iii) Micro-grid and Off-grid distribution network;

(iv) Rural Electrification component under the RGGVY 12th and 13th plans, subsumed to DDUGJY.

The scheme had estimated outlay of ₹ 75,893 Crore including budgetary support of ₹ 63,027 Crore from Government of India during the entire implementation period. Additional Infra under DDUGJY was sanctioned with a total outlay of ₹ 7,069 Cr including budgetary support of ₹ 5,302 Cr. The scheme has been successfully completed and closed in its sunset year FY 2021-22 i.e. 31.03.2022.

49.3 National Electricity Fund (NEF)

The National Electricity Fund (NEF), an interest subsidy scheme, has become operational since FY 2012-13. The scheme has been introduced by the Government of India to promote capital investment in the distribution sector. The scheme provides interest subsidy linked with reform measures, on the loans taken by public and private distribution power utilities for various capital works in the Distribution sector. NEF would provide interest subsidy aggregating up to ₹ 8,466 Crore (including interest subsidy to the borrowers, Service Charges to the Nodal Agency, payments to Independent Evaluators and other incidental expenses) spread over 14 years for loan disbursement against projects approved during 2012-13 and 2013-14. REC has been nominated as the Nodal Agency for operationalization of NEF scheme across the country.

49.4 Revamped Distribution Sector Scheme (RDSS)

Government of India has approved the Revamped Distribution Sector Scheme (RDSS) to help DISCOMs improve their operational efficiencies and financial sustainability by providing result-linked financial assistance to them so as to strengthen supply infrastructure based on meeting pre-qualifying criteria and achieving basic minimum benchmarks. The scheme has an outlay of ₹ 3,03,758 Crore over 5 years i.e. FY 2021-22 to FY 2025-26 including an estimated Government Budgetary Support (GBS) of ₹ 97,631 Crore.

(i) Reduction of AT&C losses to pan-India levels of 12-15% by 2024-25.

(ii) Reduction of ACS-ARR gap to zero by 2024-25.

(iii) Improvement in the quality, reliability and affordability of power supply to consumers through a financially sustainable and operationally efficient distribution sector.

Components of the scheme are :

Part A – Financial support for Prepaid Smart Metering & System Metering and up-gradation of the Distribution Infrastructure.

Part B – Training & Capacity Building and other Enabling & Supporting Activities.

49.5 J&K Prime Minister's Development Plan (PMDP)

Government of Jammu & Kashmir, Power Development Department has appointed RECPDCL as a Project Implementing Agency (PIA) for design, engineering, procurement, supply, erection, testing and commsioning of all the material and services works to be taken-up for execution of transmission projects under PMDP in J&K state and Ladakh on nomination basis, as per actual cost to be discovered through competitive biddings.

49.6 11 kV Feeder Monitoring Scheme

Ministry of Power has appointed RECPDCL to implement 11 kV Feeder Monitoring Scheme. The scheme is to develop a Self-sustained independent web based system for automated 11 kV Rural Feeder Monitoring System through Data Logging of various essential parameters of all the Outgoing 11kV rural feeders from 66, 33/11 kV sub stations and make the information available online for various stake holders including public portal, on real time basis for power supply monitoring, alerts, meter data analysis, information dissemination and energy audit.

50 Capital management

The Company manages its capital to ensure that it will continue as going concern while maximizing the return to stakeholders. The capital structure of the Company consists of the equity and the long-term borrowings made by the Company.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. The Company manages the capital structure and raises funds through the suitable instruments, in light of the dynamic business environment and liquidity position within the sector. Further, with regard to capital restructuring, the Company is also guided, inter alia, by guidelines on "Capital Restructuring of Central Public Sector Enterprises" issued by Department of Investment and Public Asset Management (DIPAM), Ministry of Finance, Department of Public Enterprises in respect of issue of bonus shares, dividend distribution, buy back of equity shares etc. The Company has complied with all externally imposed capital requirements.

The debt-equity ratio of the Group is as below:

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Net debt	3,26,645.89	3,21,274.39
Net Worth	51,314.10	43,763.93
Debt-equity ratio	**6.37**	**7.34**

Net debt represents principal outstanding less cash and cash equivalents available.

Dividend Distribution Policy

BoD monitors the dividend pay-out to the shareholders of the Company. Dividend distribution policy of the Company focuses on various factors including but not limited to the present & future capital requirements, profits earned during the financial year, Capital to Risk-weighted Assets Ratio (CRAR), cost of raising funds from alternate sources, cash flow position and applicable taxes including tax on dividend, subject to the guidelines as applicable from time to time, cash flow position and net worth of the Company, subject to the guidelines as applicable from time to time.

As per the extant guidelines issued by DIPAM, Govt. of India, Company is required to pay a minimum annual dividend of 30% of PAT or 5% of the net-worth, whichever is higher. Though the Company endeavors to declare the dividend as per these guidelines, the Company may propose lower dividend after analysis of various financial parameters, cash flow position and funds required for future growth.

The Company has also adopted various policies for the management of the Company which inter-alia include Comprehensive Risk Management Policy, Whistle Blower Policy, Code for Prevention of Insider Trading in REC Equity Shares/Securities, Policy for prevention of Fraud, The Code of Business Conduct and Ethics for Board Members and Senior Management, Fair Practices Code, etc.

51 Capital to Risk-weighted Assets Ratio

The Company is complying with the Capital Adequacy requirements as prescribed by the Reserve Bank of India. Being an NBFC and Infrastructure Finance Company (NBFC-IFC), REC is required to maintain a Capital Adequacy Ratio or Capital to Risk Weighted Assets Ratio (CRAR) of 15% (with a minimum Tier I Capital of 10%), computed by dividing company's Tier-I and Tier-II capital by Risk Weighted Assets.

	Particulars	Numerator* (₹ in Crores)	Denominator* (₹ in Crores)	As at 31.03.2022	As at 31.03.2021	% Variance
(i)	CRAR	57,937.08	2,45,436.54	23.61%	19.72%	19.70%
(ii)	CRAR - Tier I Capital	48,052.65	2,45,436.54	19.58%	16.31%	20.04%
(iii)	CRAR - Tier II Capital	9,884.43	2,45,436.54	4.03%	3.41%	18.10%

The amount of Perpetual Debt Instrument of the Tier-I capital is 1.16% (previous year 1.44%)

** Numerator being Tier-I & Tier-II capital majorily consists of Equity (Refer Note no. 25, 26 and 27) and Denominator being Risk Weighted Assets majorily represents the weighted sum of company's credit exposure(s) such as Loans (Refer Note no. 10) and Investments (Refer Note no. 11), calculated in line with circular(s) issued by RBI in this regard, from time to time.*

Details of Tier II capital and perpetual debt instruments raised during the year are as under:

(₹ in Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Amount of Subordinated Debt raised as Tier-II capital	-	1,999.50
Amount raised by issue of Perpetual Debt Instruments	-	558.40

52 Financial Risk Management

The Company's board of directors has overall responsibility for the establishment and oversight of the Company risk management framework. The Company has formulated a comprehensive Risk Management Policy, which covers, inter-alia, Credit Risk, Operational Risk and Market Risk of the organization. The Company's risk management policies are guided by well-defined policies appropriate for various risk categories, independent risk oversight and periodic monitoring. A Risk Management Committee (RMC) has also been constituted under the chairmanship of an Independent Director, whose main function is to identify and monitor various risks of the organization and to suggest actions for mitigation of the same.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and Cash Equivalents, Loans, Financial Assets measured at amortised cost, Investment in G-Sec, State Development Loans, Debt Securities and Preference Shares	Ageing analysis	Bank deposits, liquid funds, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings, Debt Securities, Subordinated Liabilities, and Other Financial Liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - Currency risk	Recognised Financial Assets and Liabilities not denominated in Indian Rupee (INR)	Cash flow forecasting	Derivative contracts
Market risk - interest rate risk	Borrowings, Debt Securities and Subordinated Liabilities at variable interest rates	Sensitivity analysis	Derivative contracts
Market risk - equity price risk	Investments in Quoted Equity Securities	Sensitivity analysis	Diversification of portfolio, with focus on strategic investments

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly

For managing these risks, the Company has put in place an integrated enterprise-wide risk management mechanism to ensure that these risks are monitored carefully and managed efficiently. Pursuant to RBI notification DNBR (PD) CC.NO/.099/03.10.001/2018-19, to augment risk management practices in the Company, the Board has also appointed a Chief Risk Officer (CRO) who is involved in the process of identification, measurement and mitigation of risks. The risk management approach i.e. Company's objectives, policies and processes for measuring and managing each of above risk is set out in the subsequent paragraphs.

52.1 Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, other bank balances, investments, loan assets, trade receivables and other financial assets. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

52.1.1 Financial assets that expose the entity to credit risk

(₹ in Crores)

	Particulars	As at 31.03.2022	As at 31.03.2021
(i)	**Low credit risk on financial reporting date**		
	Cash and cash equivalents	140.99	1,179.24
	Bank balances other than cash and cash equivalents	2,518.96	2,223.58
	Loans *	3,35,876.99	3,58,891.11
	Trade Receivables	79.46	105.33
	Investments **	1,872.66	1,269.95
	Other financial assets	24,415.31	24,419.88
(ii)	**Moderate credit risk**		
	Loans *	36,424.23	2,888.05
	Trade Receivables	15.09	34.74
(iii)	**High credit risk**		
	Loans *	17,159.89	18,256.93
	Investments in Preference Share ***	28.72	-
	Other financial assets	91.17	88.53

** Represents the principal outstanding (along with undisbursed amount towards Letters of Comfort) without deduction for expected credit losses*

*** This does not include investments in equity instruments and venture capital funds carried at FVOCI/ FVTPL and investments in subsidiary and joint venture as they are carried at cost in line with the exemption given under Ind AS 27.*

**** Represents principal outstanding without deduction for expected credit losses in respect to the investment in Redeemable Preference Shares of Rattan India Power Limited.*

Cash and Cash Equivalents and Bank Deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by parking funds in investment grade rated instruments and highly rated banks and also diversifying the deposit base by investing in different instruments/ banks across the country.

Loans

Credit risk related to borrowers are mitigated through adequate security arrangements for the loans by way of hypothecation of future project loan assets, receivables, inventories or any other assets, Govt. Guarantees, Corporate guarantees etc. and additionally Collaterals wherever required. The Company closely monitors the credit-worthiness of the promoters through well-defined entity appraisal guidelines that are configured from systematic institutional and project appraisal process analysis to assess the credit risk and define credit limits of borrower, thereby, limiting the credit risk to pre-calculated amounts. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures in form of pre-disbursement conditions.

Trade Receivables

Credit risk related to Trade Receivables is mitigated by assessing the credit worthiness of debtors and is managed by monitoring the recoverability of such amounts continuously.

Other Financial Assets measured at Amortized Cost

Other financial assets measured at amortized cost includes loans and advances to employees and subsidiary, security deposits and other amounts recoverable, including from Govt. of India. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

Investment in G-Sec, State Development loans and Debt Securities

Credit risk related to investment in High Quality Liquid Assets (HQLAs) is managed by investment in Govt. Securities, State Development Loans and investment in PSU Bonds with sound financial health and also diversifying the investment portfolio in different maturity/ sector and monitoring the financial health on regular basis.

Investment in Securities issued by Borrower entities at the time of Loan Settlement/ Resolution

REC also invests in securities issued by borrower entities as a part of the settlement/ resolution plan duly approved by the Company or the Consortium of Lenders, as applicable and in case of resolutions under Insolvency & Bankruptcy Code 2016, approved by Committee of Creditors and National Company Law Tribunal (NCLT) of the competent jurisdiction. Credit risk related to these securities is managed by monitoring the recoverability of such amounts continuously.

52.1.2 Expected Credit Losses (ECL) for financial assets other than loans and trade receivables

Company provides for expected credit losses on financial assets other than loans by assessing individual financial instruments for expectation of any credit losses:

- **For cash and cash equivalents and bank balances (other than cash and cash equivalents) -** Since the Company deals with only high-rated banks and financial institutions for banking operations and the liquid funds category in the debt funds with consistent track record for short term investment of surplus funds, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low.
- **For Investment in G-Sec, State Development loans and Debt Securities -** Considering that the investments are in debt securities including Governemnet Securities/ minimum investment grade rated Government Companies in High Quality Liquid Assets (HQLAs), credit risk is considered low.
- **For Investment in Securities issued by Borrower entities at the time of Loan Settlement/ Resolution -** Credit risk is evaluated on the basis of recoverability of such securities. Wherever medium or high risk evaluated on such investments, suitable loss allowance is provided.
- **For other financial assets -** Credit risk is evaluated based on Company's knowledge of the credit worthiness of those parties and loss allowance is measured for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk.

Details of expected credit loss for financial assets other than loans and trade receivables is disclosed as follows:

(₹ in Crores)

Particulars	As at 31.03.2022			As at 31.03.2021		
	Gross Carrying Amount	ECL	Net Carrying amount	Gross Carrying Amount	ECL	Net Carrying amount
Cash and cash equivalents	140.99	-	140.99	1,179.24	-	1,179.24
Bank balances (other than cash and cash equivalents)	2,518.96	-	2,518.96	2,223.58	-	2,223.58
Investments*	1,930.10	28.72	1,901.38	1,269.95	-	1,269.95
Other financial assets **	24,506.48	91.17	24,415.31	24,508.41	88.53	24,419.88

** The impairment allowance has been provided in full on 'Investments in Reedemable Prefernce Shares' of Rattan India Power Limited considered as credit-impaired.*

*** The impairment allowance has been provided in full on 'Other financial assets' considered as credit-impaired.*

52.1.3 Expected Credit Loss for loans

For risk management reporting purposes, the Company considers and consolidates following elements of credit risk:

Credit default risk: The risk of loss arising from a debtor being unlikely to pay its loan obligations in full or the debtor is more than 90 days past due on any material credit obligation; default risk may impact all credit-sensitive transactions, including loans and securities.

Concentration risk: The risk associated with any single exposure or group of exposures with the potential to produce large enough losses to threaten Company's core operations.

(A) Credit Risk Management

The credit risk is managed at different levels including at appraisal, disbursements and post disbursement monitoring. The Company has "Integrated Rating Guidelines" and "Comprehensive Risk Management Policy". To mitigate credit risk, the company follows systematic institutional and project appraisal process to assess the credit risk. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. Further, on periodic basis, the loan assets are reviewed and categorized as High/Moderate/Low based on ECL methodology. The process for Credit Risk Management are as under:

(i) The Company has "Integrated Rating Guidelines" covering credit assessment, risk grading, collateral requirements, reporting, monitoring of end utilisation of funds etc. Further, independent Lender legal counsels are appointed to ensure effective documentation and mitigation of legal risk

(ii) For all existing private sector projects, where the Company is Lead Financial Institution, the Company engages Lender's Independent Engineers (LIE), Lender's Financial Advisors (LFA) and Lender's Insurance Advisors (LIA), which are independent agencies who act on behalf of various lenders and consortium members. LIE conducts periodic site visits and submits reports on progress status of the project, after discussion with borrower and inspection/ review of relevant documents. LFA submit the statements of fund flow and utilization of funds in the project periodically. In cases where the Company is not the lead Financial Institution, the tasks related to LIE and LFA services are being coordinated with the lead lender.

The Company also endeavors to appoint a separate Project Management Agency (PMA) for new projects being financed, which subsumes the entire works of LIE /Project Management Consultant (PMC), LFA and LIA for better coordination among the agencies. PMA is stationed at project site to closely monitor various day to day project execution activities including monitoring of project progress, review of EPC/non-EPC contracts & invoices, fund utilization and insurance for the project. PMA also verifies the bills of original equipment manufacturer/ supplier, composite works contractor and give its recommendation for disbursement. Initial due diligence is also be performed by PMA taking the sanctity of technical and financial parameters including original project cost & COD.

Concurrent Auditors/Agencies for Specialized monitoring/Cash Flow monitoring agencies are being appointed by REC/Lenders on case to case basis for effective monitoring of Trust & Retention Account (TRA) for stressed projects.

(iii) The Company has an authorisation structure for the approval and renewal of credit facilities. Authorisation limits have been established commensurating with the size of business proposal at CMD/Executive Committee/Loan Committee/ Board of Directors based on the recommendation of Screening Committee, as appropriate.

(iv) The Company has developed risk grading structure to categorise its exposures according to the degree of risk of default by charging appropriate interest rates and security package.

(v) Regular reports on the credit quality of loan portfolios are provided to Risk Management Committee and Board, which may require appropriate corrective action to be taken.

(vi) External agencies are appointed from time to time to review the guidelines, policy and existing practices being followed by business units along with providing the specialist skills to promote best practice throughout the Company for management of credit risk.

(vii) Individual and Group Credit Exposures are assessed against designated limits, before facilities are committed to borrowers by the business unit concerned. Sanction of additional facilities are also subject to the same review process.

(viii) The Company continuously monitors delays and/ or default of borrowers & other counterparties and their recoverability. On occurrence of default in the borrower's account, the Company initiates necessary steps to cure the default which may involve action(s) including, but not limited to, Special Mention Account (SMA) reporting to RBI, credit information reporting to Central Repository of Information on Large Credits (CRILC), etc., monitoring of the TRA account, conversion of loan into equity as per loan agreement, restructuring of loan account, formulating resolution plan with the borrower, change in ownership, Corporate Insolvency Resolution Process (CIRP), sale of the exposures to other entities/ investors and other recovery mechanisms including invocation of guarantees/ securities to recover the dues.

(B) Credit risk Measurement

The impairment loss allowance on loan assets is provided as per Ind AS 109 in accordance with a board-approved policy, which measures the credit risk on the basis of key financial and operational parameters to assess improvement/ deterioration in credit quality. Management overlays to the model output, if any, are duly documented and approved by the Audit Committee. The evaluation of Expected Credit Loss (ECL) is undertaken by an independent agency, ICRA Analytics Limited (formerly ICRA Online Limited).

The Company has an internal system of grading for State Governments, Public Sector Undertakings and State Power Utilities. However, for Distribution Companies (DISCOMs), the Company adopts the ratings by the Ministry of Power as and when they are updated. These ratings are mapped with external rating grades published by various credit rating agencies as part of rating transition matrix. For private borrowers, the Company uses the external rating as published by various credit rating agencies, or proxy risk score in case such rating is not available. The proxy risk score model considers following parameters :

Quantitative factors

Debt/ EBITDA (30% weightage)

Return on Capital Employed (15% weightage)

Interest Coverage (25% weightage)

Gearing (Debt/Equity) (30% weightage)

Qualitative Factors

Quarter wise Operational Parameters like PPA, PLF, ACS – ARR Gap, and LAF

Actual Default dates

Status of the Project

(C) Measurement of Expected Credit Loss (ECL)

Ind AS 109 outlines a "three stage" model for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial instrument that is not credit impaired on initial recognition and whose credit risk has not increased significantly since initial recognition is classified as "Stage 1".
- If a significant increase in credit risk since initial recognition is identified, the financial instrument is moved to "Stage 2" but is not yet deemed to be credit impaired.
- If a financial instrument is credit impaired, it is moved to "Stage 3".
- Financial instrument in Stage 1 have their ECL measured at an amount equal to expected credit loss that results from default events possible within the next 12 months. Instruments in Stage 2 or Stage 3 criteria have their ECL measured on lifetime basis.

Consolidated Notes to Accounts

(D) Significant Increase in Credit Risk (SICR)

The Company considers a financial instrument to have experienced a significant increase in credit risk when on any financial instrument if the payment is more than 30 days past due on its contractual payments.

(E) Definition of default and credit-impaired assets

The Company defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when the loan account is more than 90 days past due on its contractual payments or or any such period allowed by the company in line with circular issued by the Reserve Bank of India.

(F) Measuring ECL - explanation of inputs, assumptions and estimation techniques

Expected credit losses are the product of the probability of default (PD), exposure at default (EAD) and loss given default (LGD), defined as follows:

- PD represents the likelihood of the borrower defaulting on its obligation either over next 12 months or over the remaining lifetime of the instrument.
- EAD represents the amounts, including the principal outstanding, interest accrued and outstanding Letters of Comfort that the Company expects to be owed at the time of default.
- LGD represents the Company's expectation of loss given that a default occurs. LGD is expressed in percentage and it shows the proportion of the amount that will actually be lost post recoveries in case of a default.

Determination of Probability of Default (PD)

The Company has analysed the available average annual rating transition matrices published by Credit Rating Agencies to arrive at annual transition matrix based PD. This annual transition matrix PD was extrapolated to arrive at the lifetime probability of default of various rating grades by loan tenure / maturity profile i.e. lifetime PD.

Loss Given Default (LGD) computation model

Based on the historical trend, research and industry benchmarking the Company has constructed a LGD model. Factors reviewed in the LGD model include Project cost per unit, PPA status, FSA status etc. Based on internal research the company has benchmarked these factors for Thermal, Renewable in Private Sector. In case of Private sector borrowers, the realizable value of the assets were arrived at using suitable assumptions, including valuation on outcome of the resolution process etc., to arrive at LGD. For State Government and Public sector projects, the Company has factored in the state support and assumed that the State/Central governments would step in to repay debt obligations of the state utilities as witnessed in the past.

(G) Alignment of LGD in case of Stage 3 Assets

Stage-3 assets where REC and PFC (Group Companies) are in Consortium for Stage-III Loan accounts, LGD is taken on the following basis:

(a) In cases where either REC or PFC is lead lender, LGD % calculated by the lead lender is adopted.

(b) In cases where neither REC nor PFC is lead lender, higher of the LGD% worked out by REC and PFC is adopted.

(H) Key assumptions used in measurement of ECL

(i) The Company considers the date of initial recognition as the base date from which significant increase in credit risk is determined.

(ii) EAD represents the amounts, including the principal outstanding, interest accrued and outstanding Letters of Comfort that the Company expects to be owed at the time of default.

Consolidated Notes to Accounts

(I) Credit Risk Exposure

Credit Risk Exposure in respect of the borrowers with different credit ratings is as under

(₹ in Crores)

Credit Risk Category (Internal/ Mapped Ratings)	As at 31.03.2022				As at 31.03.2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing								
Very Good (AAA | AA | A | Government Loan)	1,81,968.90	11,661.35	-	1,93,630.25	2,20,485.16	1,421.82	-	2,21,906.98
Good (BBB | BB | B)	96,631.68	24,762.88	-	1,21,394.57	1,07,998.93	69.68	-	1,08,068.61
Average (C)	54,755.07	-	-	54,755.07	28,532.47	-	-	28,532.47
Fair (D)	2,521.34	-	-	2,521.34	1,874.55	1,396.55	-	3,271.10
Non- Performing (D)	-	-	17,159.89	17,159.89	-	-	18,256.93	18,256.93
Gross Exposure	**3,35,876.99**	**36,424.23**	**17,159.89**	**3,89,461.12**	**3,58,891.11**	**2,888.05**	**18,256.93**	**3,80,036.09**
Loss allowance	2,790.22	369.61	11,565.73	14,725.57	1,282.46	141.43	11,791.31	13,215.20
Net Exposure	**3,33,086.77**	**36,054.62**	**5,594.16**	**3,74,735.55**	**3,57,608.65**	**2,746.62**	**6,465.62**	**3,66,820.89**

(J) Collateral and other credit enhancements

The Company employs a range of policies and practices to mitigate credit risk. The most common of these is accepting collateral for funds disbursed. The Company has internal policies on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances are:

- Mortgage of Immovable properties
- Hypothecation of Moveable property
- Assignment of project contract documents
- Pledge of instruments through which promoters' contribution is infused in the project
- Pledge of Promoter Shareholding
- Corporate and personal Guarantee of Promoters

(K) Loss allowance

The loss allowance recognized in the period is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent "step up" (or "step down") between 12-month and Lifetime ECL
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models
- Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period

Consolidated Notes to Accounts

The following tables explain the changes in the loan assets (including undisbursed Letters of Comfort) and the corresponding ECL allowance between the beginning and the end of the reporting period:

(₹ in Crores)

For the Year ended 31st March 2022	Stage 1		Stage 2		Stage 3		Total	
	Gross Amount	12 months ECL	Gross Amount	Lifetime ECL	Gross Amount	Lifetime ECL	Gross Amount	ECL
Opening Balance	**3,58,891.11**	**1,282.46**	**2,888.05**	**141.43**	**18,256.93**	**11,791.31**	**3,80,036.09**	**13,215.20**
Transfer to 12 months ECL	2,031.94	134.62	(1,396.55)	(139.66)	(635.39)	5.03	-	(0.01)
Transfer to life time ECL not credit impaired	(35,361.06)	(40.15)	35,361.06	40.15	-	-	-	-
Transfer to Lifetime ECL credit impaired	(1,516.73)	(214.87)	-	-	1,516.73	214.87	-	-
Additional provision due to changes in PD/ LGD	-	1,235.51	-	293.79	-	1,517.77	-	3,047.07
New Financial assets originated or purchased (including further disbursements in existing assets)	62,483.86	569.85	3,877.11	40.22	-	-	66,360.97	610.07
Financial Assets that have been derecognised (including recoveries in existing assets)	(50,652.13)	(177.20)	(4,305.44)	(6.32)	(54.37)	(39.24)	(55,011.94)	(222.76)
Write offs	-	-	-	-	(1,924.01)	(1,924.01)	(1,924.01)	(1,924.01)
Closing Balance	**3,35,876.99**	**2,790.22**	**36,424.23**	**369.61**	**17,159.89**	**11,565.73**	**3,89,461.11**	**14,725.56**

(₹ in Crores)

For the Year ended 31st March 2021	Stage 1		Stage 2		Stage 3		Total	
	Gross Amount	12 months ECL	Gross Amount	Lifetime ECL	Gross Amount	Lifetime ECL	Gross Amount	ECL
Opening Balance	**2,99,697.53**	**488.46**	**2,431.27**	**963.83**	**21,255.55**	**10,552.13**	**3,23,384.35**	**12,004.42**
Transfer to 12 months ECL	2,509.24	353.78	(53.05)	(1.82)	(2,456.18)	(351.96)	0.01	-
Transfer to life time ECL not credit impaired	(1,609.07)	(1.90)	1,609.07	1.90	-	-	-	-
Transfer to Lifetime ECL credit impaired	-	-	(36.22)	(0.38)	36.22	0.38	-	-
Additional provision due to changes in PD/ LGD	-	123.92	-	178.15	-	2,037.68	-	2,339.75
New Financial assets originated or purchased (including further disbursements in existing assets)	94,564.60	414.89	264.00	0.47	2.00	0.20	94,830.60	415.56
Financial Assets that have been derecognised (including recoveries in existing assets)	(36,271.19)	(96.69)	(421.58)	(95.28)	(333.56)	(200.02)	(37,026.33)	(391.99)
Write offs	-	-	(905.44)	(905.44)	(247.10)	(247.10)	(1,152.54)	(1,152.54)
Closing Balance	**3,58,891.11**	**1,282.46**	**2,888.05**	**141.43**	**18,256.93**	**11,791.31**	**3,80,036.09**	**13,215.20**

(L) Details of Stage wise Exposure and Impairment Loss Allowance:

(₹ in Crores)

Particulars	As at 31.03.2022				As at 31.03.2021			
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
Total Exposure	**3,35,876.99**	**36,424.23**	**17,159.89**	**3,89,461.12**	**3,58,891.11**	**2,888.05**	**18,256.93**	**3,80,036.09**
Impairment Allowance	2,790.22	369.61	11,565.73	14,725.57	1,282.46	141.43	11,791.31	13,215.20
ECL %	0.83%	1.01%	67.40%	3.78%	0.36%	4.90%	64.59%	3.48%

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(M) Concentration of credit risk

The Company monitors concentration of credit risk (loan assets including undisbursed Letters of Comfort) by type of industry in which the borrower operates, further bifurcated into type of borrower, whether state or private.

(₹ in Crores)

Particulars	As at 31.03.2022		As at 31.03.2021	
	Gross Amount	ECL	Gross Amount	ECL
Concentration by industry				
Generation	1,55,202.14	12,298.95	1,56,901.95	12,035.54
Renewables	13,449.27	225.20	17,388.24	117.88
Transcos	64,879.92	774.38	61,309.37	502.51
Discoms	1,52,115.74	1,411.67	1,39,833.76	557.90
Government Loans	3,814.04	15.36	4,602.77	1.37
Total	**3,89,461.11**	**14,725.56**	**3,80,036.09**	**13,215.20**
Concentration by ownership				
State	3,50,584.17	2,684.59	3,38,973.84	938.40
Private	38,876.94	12,040.97	41,062.25	12,276.80
Total	**3,89,461.11**	**14,725.56**	**3,80,036.09**	**13,215.20**

(N) Sector-wise Credit-impaired Assets - Percentage of Stage-III Assets to Total Advances in that sector

Particulars	As at 31.03.2022	As at 31.03.2021
Power Sector	4.45%	4.84%

(O) Movement of Credit-impaired Assets

(₹ in Crores)

Particulars		Year ended 31.03.2022	Year ended 31.03.2021
(i)	**Gross Credit-impaired Assets to Gross Advances (%)**	4.45%	4.84%
(ii)	**Net Credit-impaired Assets to Gross Advances (%)**	1.45%	1.71%
(iii)	**Net Credit-impaired Assets to Net Advances (%)**	1.51%	1.78%
(iv)	**Movement of Credit-impaired Assets (Gross)**		
(a)	Opening balance	18,256.93	21,255.55
(b)	Additions during the year	1,516.73	38.22
(c)	Reductions during the year	(689.76)	(2789.74)
(d)	Write-off during the year	(1924.01)	(247.10)
(e)	**Closing balance**	**17,159.89**	**18,256.93**
(v)	**Movement of Credit-impaired Assets (Net)**		
(a)	Opening balance	6,465.62	10,703.42
(b)	Additions during the year	(215.91)	34.59
(c)	Reductions during the year	(655.55)	(4272.39)
(d)	Write-off during the year	-	-
(e)	**Closing balance**	**5,594.16**	**6,465.62**
(vi)	**Movement of provisions for Credit-impaired Assets**		
(a)	Opening balance	11,791.31	10,552.13
(b)	Provisions made during the year	1,732.64	2,038.26
(c)	Write-back of excess provisions	(34.21)	(551.98)
(d)	Provision on assets written off during the year	(1924.01)	(247.10)
(e)	**Closing balance**	**11,565.73**	**11,791.31**

Consolidated Notes to Accounts

(P) In accordance with RBI Circular on Implementation of Ind AS by NBFCs dated 13.03.2020, had the loans otherwise required to be classified as NPA as per IRACP norms been considered, Gross NPA to Gross Loans ratio would have been 4.45% (previous year 5.04%) and Net NPA to Net Loans would have been 1.51% (previous year 1.99%) as at 31st March 2022.

(Q) Write off policy

The Company writes off financial assets, in whole or in part, as directed by the order of the Judicial Authority or when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include ceasure of enforcement activity or where the Company's recovery method is foreclosing on collateral and the value of collateral is such that there is no reasonable expectation of recovery in full.

(R) Business Model Policy

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios.

The Company is in the business of lending loans across power sector value chain and such loans are managed to realize the cash flows by collecting contractual payments (including principal and interest) over the tenure of the loan. Further, investments in the nature of debt investments and other financial assets may also be held by the Company to collect the contractual payments as per the agreed terms.

The Company's business model therefore is "hold to collect" for Loans, certain Financial Investments and Other Financial Assets. Such financial assets are measured at amortised cost if the contractual terms gives rise to cash flows that are solely payments of principal and interest on the amount outstanding.

(S) There are no Accounts with overdues beyond 90 days but not treated as credit impaired (excluding accounts to whom relief under RBI Covid-19 Relief package has been allowed) (previous year Nil)

(T) There are no reportable cases of loans transferred/ acquired during the FY 2021-22 (previous year Nil) under Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated 24th September 2021.

Consolidated Notes to Accounts

Consolidated Notes to Accounts

(U) Comparison between provision required as per RBI Income Recognition, Asset Classificaion and Provisioning norms (IRACP) and Impairment Allowance as per Ind-AS

(₹ in Crores)

For the Year ended 31st March 2022 Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Outstanding amount	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)	(6)=(4)-(5)	(7)	(8)=(5)-(7)
Performing Assets							
Standard	Stage 1	3,31,787.14	3,32,586.36	2,769.32	3,29,817.04	1,771.72	997.60
	Stage 2	36,424.23	36,888.95	369.61	36,519.34	391.52	(21.91)
Sub Total (1)		**3,68,211.37**	**3,69,475.31**	**3,138.93**	**3,66,336.38**	**2,163.24**	**975.69**
Non-Performing Assets							
Substandard Assets	Stage 3	1,512.49	1,512.49	437.16	1,075.33	190.83	246.33
Doubtful Assets							
Up to 1 year	Stage 3	33.28	33.28	3.33	29.95	7.25	(3.92)
1 to 3 years	Stage 3	4,534.01	4,534.01	2,981.99	1,552.01	1,952.89	1029.10
More than 3 years	Stage 3	11,062.89	11,062.89	8,126.03	2,936.86	8,108.58	17.45
Subtotal for doubtful assets		**15,630.18**	**15,630.18**	**11,111.35**	**4,518.82**	**10,068.72**	**1042.63**
Loss Assets	Stage 3	17.22	17.22	17.22	-	17.22	-
Sub-total for NPA (2)		**17,159.89**	**17,159.89**	**11,565.73**	**5,594.15**	**10,276.77**	**1,288.96**
Total Loan Assets		**3,85,371.26**	**3,86,635.20**	**14,704.66**	**3,71,930.53**	**12,440.01**	**2264.65**
Other items which are in scope of Ind-AS 109 but not covered under IRACP norms							
- Letter of Comfort*	Stage 1	4,089.85	4,089.85	20.90	4,068.95	-	20.90
Sub-Total (3)		**4,089.85**	**4,089.85**	**20.90**	**4,068.95**	**-**	**20.90**
Total	**Stage 1**	**3,35,876.99**	**3,36,676.21**	**2,790.22**	**3,33,885.99**	**1,771.72**	**1018.50**
	Stage 2	**36,424.23**	**36,888.95**	**369.61**	**36,519.34**	**391.52**	**(21.91)**
	Stage 3	**17,159.89**	**17,159.89**	**11,565.73**	**5,594.15**	**10,276.77**	**1,288.96**
	Total	**3,89,461.11**	**3,90,725.05**	**14,725.56**	**3,75,999.48**	**12,440.01**	**2285.55**

** Gross carrying amount towards Letter of Comfort (LoC) represents non fund based exposures considered as financial guarantee as per IndAS 109*

(₹ in Crores)

For the Year ended 31st March 2021 Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Outstanding amount	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)	(6)=(4)-(5)	(7)	(8)=(5)-(7)
Performing Assets							
Standard	Stage 1	3,56,273.17	3,57,285.43	1,273.37	3,56,012.06	2,304.84	(1031.47)
	Stage 2	2,888.05	2,925.24	141.43	2,783.81	145.62	(4.19)
Sub Total (1)		**3,59,161.22**	**3,60,210.67**	**1,414.80**	**3,58,795.87**	**2,450.46**	**(1035.66)**
Non-Performing Assets							
Substandard Assets	Stage 3	36.31	36.31	3.63	32.68	3.63	-
Doubtful Assets							
Up to 1 year	Stage 3	560.99	560.99	303.81	257.18	301.24	2.57
1 to 3 years	Stage 3	13,786.04	13,786.04	8,514.57	5,271.46	6,913.49	1601.08
More than 3 years	Stage 3	3,856.37	3,856.37	2,952.08	904.29	2,665.23	286.85
Subtotal for doubtful assets		**18,203.40**	**18,203.40**	**11,770.46**	**6,432.93**	**9,879.96**	**1890.50**
Loss Assets	Stage 3	17.22	17.22	17.22	-	17.22	-
Sub-total for NPA (2)		**18,256.93**	**18,256.93**	**11,791.31**	**6,465.61**	**9,900.81**	**1,890.50**
Total Loan Assets		**3,77,418.15**	**3,78,467.60**	**13,206.11**	**3,65,261.48**	**12,351.27**	**854.84**
Other items which are in scope of Ind-AS 109 but not covered under IRACP norms							
- Letter of Comfort*	Stage 1	2,617.94	2,617.94	9.09	2,608.85	-	9.09
Sub-Total (3)		**2,617.94**	**2,617.94**	**9.09**	**2,608.85**	**-**	**9.09**
Total	**Stage 1**	**3,58,891.11**	**3,59,903.37**	**1,282.46**	**3,58,620.91**	**2,304.84**	**(1022.38)**
	Stage 2	**2,888.05**	**2,925.24**	**141.43**	**2,783.81**	**145.62**	**(4.19)**
	Stage 3	**18,256.93**	**18,256.93**	**11,791.31**	**6,465.61**	**9,900.81**	**1,890.50**
	Total	**3,80,036.09**	**3,81,085.54**	**13,215.20**	**3,67,870.33**	**12,351.27**	**863.93**

** Gross carrying amount towards Letter of Comfort (LoC) represents non fund based exposures considered as financial guarantee as per IndAS 109*

Consolidated Notes to Accounts

52.1.4 Expected Credit Loss for Trade Receivables

The entity provides for lifetime credit losses in respect of trade receivables of RECPDCL, one of the subsidiary of REC using simplified approach under ECL method

(Amount ₹ in Crores)

Particulars	Less than 1 year	1 year- 2 year	2 year- 3 year	More than 3 year	Total
As at 31st March 2022					
Gross carrying value	88.93	19.35	14.56	54.43	177.27
Expected loss rate	14.03%	6.82%	99.52%	100.00%	46.66%
Expected credit loss (provision)	12.48	1.32	14.49	54.43	82.72
Carying amount (net of impairment)	76.45	18.03	0.07	-	94.55
As at 31st March 2021					
Gross carrying value	124.45	22.85	32.47	46.80	226.57
Expected loss rate	15.36%	19.04%	49.98%	100.00%	38.18%
Expected credit loss (provision)	19.12	4.35	16.23	46.80	86.50
Carying amount (net of impairment)	105.33	18.50	16.24	-	140.07

52.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

The Company manages its liquidity risk through a mix of strategies, including forward-looking resource mobilization based on projected disbursements and maturing obligations. The Company has put in place an effective Asset Liability Management System and has also constituted an Asset Liability Management Committee ("ALCO") which monitors the liquidity risk with the help of liquidity gap analysis.

The Company maintains adequate bank balances, short term investments that are readily convertible into cash and adequate borrowing and overdraft facilities by continuously monitoring the forecast and actual cash flows.

52.2.1 Maturity Pattern of Future Undiscounted Cash Flows

The cash flows towards items of financial liabilities (representing future undiscounted cash flows towards principal and interest) is as under:

(₹ in Crores)

As at 31st March 2022	1-7 Days	8-14 Days	Over 15 Days & up to 1 Months	Over 1 month & up to 2 Months	Over 2 months & up to 3 Months	Over 3 months & up to 6 Months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Non-Derivative Financial Liabilities :											
Rupee Borrowings											
Debt Securities											
- Principal	-	-	-	-	5,878.20	2,970.00	14,058.86	53,719.87	39,133.38	67,474.22	**1,83,234.53**
- Interest	-	379.26	348.22	1,085.23	2,345.40	2,433.79	6,289.22	21,667.98	14,748.20	22,279.94	**71,577.24**
Other Borrowings											
- Principal	-	-	160.93	1,150.00	1,000.00	1,824.29	5,163.63	17,836.77	15,155.51	18,798.15	**61,089.28**
- Interest	272.39	-	63.24	202.90	496.89	671.39	1,604.83	4,949.21	3,439.46	3,027.89	**14,728.20**
Subordinated Liabilities											
- Principal	-	-	-	-	-	-	-	2,500.00	-	4,150.70	**6,650.70**
- Interest	-	-	-	201.50	114.94	-	163.60	759.35	557.08	787.73	**2,584.20**
Foreign Currency Borrowings											
Debt Securities											
- Principal	-	-	-	-	-	-	-	17,814.67	6,822.64	5,685.54	**30,322.85**

Consolidated Notes to Accounts

(₹ in Crores)

As at 31st March 2022	1-7 Days	8-14 Days	Over 15 Days & up to 1 Months	Over 1 month & up to 2 Months	Over 2 months & up to 3 Months	Over 3 months & up to 6 Months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
- Interest	-	-	-	227.28	66.15	285.65	584.79	1,691.31	769.79	171.02	**3,795.99**
Other Borrowings											
- Principal	-	-	-	2,744.22	2,887.33	2,664.98	4,506.16	8,555.57	21,129.28	3,001.98	**45,489.52**
- Interest	8.00	7.18	22.42	67.65	124.53	263.85	447.00	1,388.28	812.26	516.82	**3,657.99**
Derivative Liabilities :											
Interest rate swaps	-	-	-	0.07	-	18.82	0.00	42.62	-	112.01	**173.52**
Currency swaps	-	-	-	-	-	-	-	13.87	-	34.50	**48.37**
Reverse cross currency swap	-	-	-	-	-	-	-	22.50	-	308.74	**331.24**
Seagull Option	-	-	-	-	-	-	-	-	-	-	**-**

(₹ in Crores)

As at 31st March 2021	1-7 Days	8-14 Days	Over 15 Days & up to 1 Months	Over 1 month & up to 2 Months	Over 2 months & up to 3 Months	Over 3 months & up to 6 Months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Non-Derivative Financial Liabilities :											
Rupee Borrowings											
Debt Securities											
- Principal	-	-	1,055.00	600.00	3,520.00	6,486.80	25,852.18	46,211.21	44,523.75	75,813.29	**2,04,062.23**
- Interest	-	379.26	429.06	1,313.74	1,981.43	3,293.77	7,839.85	22,724.28	16,731.83	27,588.05	**82,281.27**
Other Borrowings											
- Principal	-	350.00	2,400.00	7,099.52	4,137.00	1,526.67	3,658.51	20,600.55	9,152.90	10,000.00	**58,925.15**
- Interest	208.60	4.26	85.39	199.76	458.88	565.70	1,388.04	4,370.69	2,293.36	2,653.21	**12,227.90**
Subordinated Liabilities											
- Principal	-	-	-	-	-	-	-	2,500.00	-	4,150.70	**6,650.70**
- Interest	-	-	-	201.50	162.21	-	192.96	1,107.77	704.25	1,375.22	**3,743.91**
Foreign Currency Borrowings											
Debt Securities											
- Principal	-	-	-	-	-	-	-	8,820.56	12,128.28	5,512.87	**26,461.71**
- Interest	-	-	-	220.52	64.14	194.94	485.15	1,841.77	670.06	395.99	**3,872.57**
Other Borrowings											
- Principal	-	-	551.29	551.29	45.31	12.51	6,797.99	8,043.62	4,575.17	5,776.64	**26,353.82**
- Interest	8.81	1.21	7.27	68.26	60.15	130.44	246.98	841.03	615.06	800.45	**2,779.66**
Derivative Liabilities :											
Interest rate swaps	-	-	-	-	-	-	29.88	343.06	30.71	-	**403.65**
Currency swaps	-	-	-	-	-	-	-	-	16.48	104.60	**121.08**
Reverse cross currency swap	-	-	-	-	-	-	-	-	19.67	258.66	**278.33**
Seagull Option	-	-	24.92	18.33	-	-	-	-	-	-	**43.25**

Bonds with put & call option have been shown considering the earliest exercise date. The liquidity analysis for derivative financial liabilities is based on fair values of the derivative contracts and the maturity buckets have been derived on the basis of the remaining tenor of the respective derivative instrument.

Consolidated Notes to Accounts

Significant cashflows required for financial liabilities shall be funded through the undiscounted cash flows (principal and interest) from loans as below:

(₹ in Crores)

Particulars	1-7 Days	8-14 Days	Over 15 Days & up to 1 Months	Over 1 month & up to 2 Months	Over 2 months & up to 3 Months	Over 3 months & up to 6 Months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
As at 31st March 2022											
Principal	158.66	-	2,077.03	2,142.80	4,800.08	8,892.93	19,691.55	74,970.39	74,346.88	1,83,586.28	**3,70,666.60**
Interest	611.62	-	892.06	1,559.14	6,094.78	9,076.43	17,252.35	59,983.17	44,663.39	71,842.69	**2,11,975.63**
As at 31st March 2021											
Principal	878.97	-	1,866.73	1,747.68	4,838.22	8,947.33	17,793.88	72,044.11	67,832.43	1,88,262.69	**3,64,212.04**
Interest	117.12	4.00	880.36	1,331.57	5,715.61	9,108.12	17,306.39	60,195.92	45,576.96	77,702.45	**2,17,938.50**

The principal cash flows relating to Stage III assets, net of Expected Credit Loss have been considered in over 5 years bucket irrespective of the maturity date.

52.2.2 Maturity Pattern of Significant Financial Assets & Liabilities, as prescribed by RBI

(₹ in Crores)

As at 31st March 2022	1-7 Days	8-14 Days	Over 15 Days & up to 1 Months	Over 1 month & up to 2 Months	Over 2 months & up to 3 Months	Over 3 months & up to 6 Months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Loan Assets	158.66	-	2,077.03	2,142.80	6,181.63	8,892.93	19,691.55	74,970.39	74,346.88	1,83,468.67	**3,71,930.54**
Investments			0.31	-	2.81	2.82	56.17	80.05	180.59	1,867.69	**2,190.44**
Rupee Borrowings											
Debt Securities	19.34	367.83	330.52	993.71	7,777.02	4,636.58	15,210.81	53,696.32	39,118.89	67,396.43	**1,89,547.46**
Other Borrowings	6.56	-	200.55	1,150.00	1,000.00	2,149.40	5,165.59	17,836.77	15,155.52	18,796.19	**61,460.59**
Subordinated Liabilities		-	-	168.38	126.46	-	2.11	2,499.73	-	4,019.79	**6,816.47**
Foreign Currency Borrowings											
Debt Securities	-	-	-	172.81	40.17	89.14	-	17,755.78	6,805.78	5,163.48	**30,027.15**
Other Borrowings	5.62	2.42	4.43	2,747.65	2,910.57	2,680.96	4,506.16	8,499.93	20,837.27	2,995.98	**45,191.00**

(₹ in Crores)

As at 31st March 2021	1-7 Days	8-14 Days	Over 15 Days & up to 1 Months	Over 1 month & up to 2 Months	Over 2 months & up to 3 Months	Over 3 months & up to 6 Months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Loan Assets	878.97	-	1,866.73	1,747.68	4,838.22	9,451.43	17,793.88	72,044.11	67,832.43	1,88,808.04	**3,65,261.49**
Investments		-	0.31	-	-	-	37.80	100.64	136.13	1,448.81	**1,723.68**
Rupee Borrowings											
Debt Securities	-	367.83	1,462.17	1,143.76	5,127.49	8,436.25	28,242.92	46,217.54	44,490.29	75,720.46	**2,11,208.71**
Other Borrowings	-	350.00	2,431.14	7,099.52	4,462.12	1,526.67	3,658.51	20,600.55	9,152.91	9,999.99	**59,281.41**
Subordinated Liabilities	-	-	-	168.38	129.51	-	1.60	2,499.52	-	4,147.88	**6,946.89**
Foreign Currency Borrowings	-										
Debt Securities	-	-	-	-	-	62.02	213.39	8,768.94	12,094.51	4,921.54	**26,060.40**
Other Borrowings	6.59	-	551.29	557.44	68.01	12.51	6,785.72	7,968.17	4,505.29	5,770.93	**26,225.95**

Consolidated Notes to Accounts

52.2.3 Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Expiring within one year (cash credit and other facilities)		
- Fixed rate		
- Floating rate	8,803.05	5,547.28
Expiring beyond one year (loans/ borrowings)		
- Fixed rate	-	-
- Floating rate	1,245.90	-

52.2.4 Additional Disclosures in accordance with RBI Circular on liquidity risk management

The Company has put in place an effective Asset Liability Management System and has also constituted an Asset Liability Management Committee ("ALCO") which monitors the liquidity risk with the help of liquidity gap analysis. The Company continuously monitors the projected and actual cash flows and accordingly maintains adequate bank balances, overdraft facilities, short term investments that are readily convertible into cash and adequate borrowing plans.

(i) Funding Concentration based on significant counterparty (borrowings)

Particulars	As at 31.03.2022	As at 31.03.2021
Number of significant counterparties*	15	20
Amount (₹ in Crores)	1,55,352.32	1,82,250.87
% of Total Liabilities	**43.21%**	**51.04%**

(ii) Top 10 borrowings

	Particulars	As at 31.03.2022		As at 31.03.2021	
		Amount (₹ in Crores)	% of Total borrowings	Amount (₹ in Crores)	% of Total borrowings
1	Term Loan from State Bank of India	12,729.30	3.89%	10,839.90	3.36%
2	Term Loan from Govt. of India- National Small Savings Fund (NSSF)	12,000.00	3.67%	4,650.00	1.44%
3	54EC- Series XII (2018-19)	10,000.00	3.06%	10,000.00	3.10%
4	54EC- Series XIII (2019-20)	8,907.33	2.73%	-	-
5	Term Loan from India Infrastructure Finance Company Ltd. (IIFCL)	6,800.00	2.08%	5,800.00	1.80%
6	54EC- Series XII (2018-19)	6,651.77	2.04%	6,651.77	2.06%
7	54EC- Series XIII (2019-20)	6,157.72	1.88%	6,157.72	1.91%
8	54EC- Series XV (2021-22)	6,024.57	1.84%	-	-
9	Tax Free Bonds (2013-14 Series)	6,000.00	1.84%	-	-
10	54EC- Series XIV (2020-21)	5,312.07	1.63%	-	-
11	Foreign Currency Bonds- US $700 Mn Bonds	-	-	5,145.33	1.60%
12	Institutional Bonds- 182nd Series	-	-	5,063.00	1.57%
13	Institutional Bonds- 203rd A Series	-	-	5,000.00	1.55%
14	Foreign Currency Bonds- US $650 Mn Bonds	-	-	4,777.81	1.48%
	Total	**80,582.76**	**24.65%**	**64,085.53**	**19.87%**

Consolidated Notes to Accounts

(iii) Funding Concentration based on significant instrument/ product

Name of significant instrument/ product*	As at 31.03.2022		As at 31.03.2021	
	Amount (₹ in Crores)	% of Total Liabilities	Amount (₹ in Crores)	% of Total Liabilities
1 Debt Securities				
Institutional Bonds	1,46,029.60	40.61%	1,73,326.60	48.54%
Foreign Currency Bonds	30,322.85	8.43%	26,461.71	7.41%
54EC Capital Gain Tax Exemption Bonds	25,437.67	7.07%	18,121.59	5.07%
Tax Free Bonds	11,763.30	3.27%	12,602.97	3.53%
Sub-Total (1)	**2,13,553.42**	**59.40%**	**2,30,512.87**	**64.55%**
2 Borrowings (Other than Debt Securities)				
Term Loans from Banks	42,878.32	11.93%	29,938.58	8.38%
Foreign Currency Borrowings	35,634.60	9.91%	21,024.72	5.89%
Loans repayable on demand from Banks	1,410.93	0.39%	10,186.52	0.03
Term Loans from Govt. of India	10,000.00	2.78%	10,000.00	2.80%
Term Loans from Financial Institutions	6,800.00	1.89%	5,800.00	1.62%
FCNR (B) Loans	9,854.92	2.74%	5,329.10	1.49%
Sub-Total (2)	**1,06,578.77**	**29.64%**	**82,278.92**	**23.04%**
3 Subordinated Liabilities	6,650.70	1.85%	6,650.70	1.86%
Total (1+2+3)	**3,26,782.89**	**90.89%**	**3,19,442.49**	**89.45%**

** Significant counterparty/ significant instrument/ product is defined as a single counterparty/ single instrument/ product or group of connected or affiliated counterparties accounting in aggregate to more than 1% of the company's total liabilities.*

(iv) Stock Ratios:

Particulars	As at 31.03.2022				As at 31.03.2021			
	Amount (₹ in Crores)	% of Public Funds	% of Total Liabilities	% of Total Assets	Amount (₹ in Crores)	% of Public Funds	% of Total Liabilities	% of Total Assets
Commercial Papers	-	-	-	-	-	-	-	-
Non-Convertible debentures having maturity of less than one year	-	-	-	-	-	-	-	-
Other Short-Term liabilities	13,027.82	3.99%	3.62%	3.17%	20,849.55	6.47%	5.84%	5.20%

** Significant counterparty/ significant instrument/ product is defined as a single counterparty/ single instrument/ product or group of connected or affiliated counterparties accounting in aggregate to more than 1% of the company's total liabilities.*

(v) Liquidity Coverage Ratio (LCR)

RBI, vide its Liquidity Framework dated 04 Nov, 2019 has stipulated maintaining of Liquidity Coverage Ratio (LCR) by Non-Deposit taking NBFCs with asset size of more than ₹ 10,000 Crores w.e.f. 01 Dec, 2020. These guidelines of RBI aims to ensure that Company has an adequate stock of unencumbered High-Quality Liquid Assets (HQLA) that can be converted into cash easily and immediately to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario.

The LCR is represented by:

The Stock of High-Quality Liquid Assets

Total Net Cash Outflows over the next 30 calendar days

where,

(i) Total net cash outflows is defined as the total expected cash outflows minus total expected cash inflows for the next 30 calendar days, where the cash flows are assigned a predefined stress percentage, as prescribed by RBI.

(ii) High Quality Liquid Assets (HQLA) means liquid assets that can be readily sold or immediately converted into cash at little or no loss of value or used as collateral to obtain funds in a range of stress scenarios.

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The LCR requirement is binding on NBFCs from December 1, 2020 with the minimum HQLAs to be held being 50% of the LCR, progressively reaching up to the required level of 100% by December 1, 2024.

At Present, HQLA investments are held in INR in the form of Government Securities(G-Sec)/ State Development Loans (SDLs) Securities and AAA/AA Corporate Bonds and auto swap balance with banks.

<u>Composition of HQLA:</u>

Out of the Stock of HQLA, the Government Securities is the highest proportion of HQLA followed by AAA/AA Corporate bonds and auto swap balances. The position of HQLA holding as on 31 March 2022 is as follows:

HQLA Items	% of Overall
Assets without Haircut	**89%**
- Cash and Cash Equivalents	12%
- G-Sec and SDLs	77%
Assets with 15% Haircut	**11%**
- Corporate Bonds	11%
Assets with 50% Haircut	-
Total	**100%**

Liquidity Coverage Ratio Disclosure

(₹ in Crores)

Particulars	Quarter ended 31.03.2022		Quarter ended 31-12-2021	
	Total Unweighted Value (average)*	Total Weighted Value (average)*	Total Unweighted Value (average)*	Total Weighted Value (average)*
High Quality Liquid Assets				
Total High Quality Liquid Assets (HQLA)	**1,719.78**	**1,686.09**	**2,151.50**	**2,120.54**
- AA/AAA Corporate Bonds	224.56	190.87	206.39	175.43
- G-SEC Bonds/ State Development Loans (SDLs)	1,296.73	1,296.73	483.29	483.29
- Banks Autoswap	198.49	198.49	1,461.82	1,461.82
<u>Cash Outflows</u>				
Other contractual funding obligations	8,279.00	9,520.85	11,720.66	13,478.76
Other contingent funding obligations	848.00	975.20	2,193.98	2,523.08
Total Cash Outflows	**9,127.00**	**10,496.05**	**13,914.64**	**16,001.84**
<u>Cash Inflows</u>				
Inflows from fully performing exposures	6,414.00	4,810.50	7,480.10	5,610.08
Other cash inflows	10,223.00	7,667.25	11,807.52	8,855.64
Total Cash Inflows (restricted to 75% of Outflows on every observation day)	**16,637.00**	**7,872.04**	**19,287.63**	**11,760.86**
Total Adjusted Value				
Total HQLA (A)		1,686.09		2,120.54
Total Net Cash Outflows (B)		2,624.01		4,240.98
Liquidity Coverage Ratio (LCR)		**64.26%**		**50.00%**
% Variance	**28.51%**			

** For average, daily observation during Quarter-4 of FY 2021-22, has been considered.*

Consolidated Notes to Accounts

52.3 Market Risk - Currency Risk

The Company is exposed to foreign currency risk from various foreign currency borrowings primarily denominated in USD, EURO, JPY and SGD. The Company has a risk management policy which aims to manage the foreign currency risk arising from its borrowings denominated in a currency other than the functional currency of the Company. The Company uses combination of foreign currency options structures, forward contracts and cross currency swap to hedge its exposure to foreign currency risk.

An Asset Liability Management Committee (ALCO) is currently functioning under the chairmanship of CMD with Functional Directors, executive directors and Chief General Managers from Finance and Operating Divisions as its members. ALCO monitors Foreign currency risk with exchange rate and interest rate managed through various derivative instruments.'The Company enters into various derivative transactions to cover exchange rate through various instruments like foreign currency forwards contracts, currency options, principal only swaps and forward rate agreements. These derivative transactions are done for hedging purpose and not for trading or speculative purpose.

In respect of foreign currency debt securities and borrowings, the company has also executed cross currency swaps (principal and/ or interest) to hedge the Foreign Currency Exposure. The outstanding position of Foreign Currency Exposure as at 31st March 2022 is as under:

(Foreign Currency amounts in Millions, INR equivalent in ₹ Crores)

Currency	As at 31.03.2022			As at 31.03.2021		
	Total Exposure	Hedged through Derivatives	Unhedged Exposure	Total Exposure	Hedged through Derivatives	Unhedged Exposure
USD $	9,436.00	7,620.00	1,816.00	6,893.85	3,500.00	3,393.85
INR Equivalent	*71,531.58*	*57,765.01*	*13,766.57*	*50,673.04*	*25,726.65*	*24,946.39*
JPY ¥	58,729.87	20,846.05	37,883.82	21,600.36	20,845.99	754.37
INR Equivalent	*3,654.76*	*1,297.25*	*2,357.51*	*1,433.40*	*1,383.34*	*50.06*
EURO €	26.32	0.87	25.45	36.85	11.40	25.45
INR Equivalent	*222.82*	*7.37*	*215.45*	*317.30*	*98.12*	*219.18*
SGD $	72.08	72.08	-	72.08	72.08	-
INR Equivalent	*403.21*	*403.21*	-	*391.79*	*391.79*	-
Total	**75,812.37**	**59,472.84**	**16,339.53**	**52,815.53**	**27,599.90**	**25,215.63**

Sensitivity Analysis

The table below represents the impact on P&L including FCMITDA (+ Gain / (Loss) for 5% change in foreign currency exchange rate against INR on the unhedged exposures:

(₹ in Crores)

Particulars	As at 31.03.2022		As at 31.03.2021	
	Favorable	Adverse	Favorable	Adverse
USD/INR	515.09	(515.09)	933.39	(933.39)
JPY/INR	88.21	(88.21)	1.87	(1.87)
EUR/INR	8.06	(8.06)	8.20	(8.20)

** Holding all other variables constant*

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52.4 Market Risk - Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in interest rates. Interest rates are dynamic and dependent on various internal and external factors including but not limited to RBI policy changes, liquidity in the market, movement of external benchmarks such as AAA bond/ G-Sec yields/ LIBOR etc. Some of the borrowings of the Company are exposed to interest rate risk with floating interest rates linked to USD LIBOR (London Inter Bank Offered Rate), SORA (Singapore Overnight Rate Average), TONAR (Tokyo Overnight Average Rate), SOFR (Secured Overnight Financing Rate), T-Bills, Repo Rate etc. The Company manages its interest rate risk through various derivative contracts like interest rate swap contracts, forward interest rate contracts to minimize the risk of fluctuation in interest rates. The Company also uses cross-currency interest rate swaps as a cost-reduction strategy to benefit from the interest differentials in different currencies.

The table below shows the overall exposure of the Company to the liabilities linked with floating interest rates as at 31st March 2022 is as under:

(Foreign Currency amounts in Millions, INR equivalent in ₹ Crores)

Currency	As at 31.03.2022			As at 31.03.2021		
	Floating Interest Rate Exposure	Hedged through Derivatives	Unhedged Exposure	Floating Interest Rate Exposure	Hedged through Derivatives	Unhedged Exposure
INR Borrowings	50,178.32	-	50,178.32	35,738.58	-	35,738.58
USD $	4,636.00	1,325.00	3,311.00	2,768.85	1,630.00	1,138.85
INR Equivalent	35,144.17	10,044.44	25,099.73	20,352.38	11,981.27	8,371.11
JPY ¥	58,352.72	10,327.16	48,025.56	20,846.14	10,327.14	10,519.00
INR Equivalent	*3,631.29*	*642.66*	*2,988.63*	*1,383.35*	*685.31*	*698.04*
SGD $	72.08	72.08	-	72.08	72.08	-
INR Equivalent	*403.21*	*403.21*	-	*391.79*	*391.79*	-
Total INR Equivalent	**89,356.99**	**11,090.31**	**78,266.68**	**57,866.10**	**13,058.37**	**44,807.73**

The Company also uses Interest Rate Swaps to manage fair value risk on interest rate borrowings to mitigate the interest rate sensitivity mismatch. Through such swaps, the fixed rate borrowings amounting to ₹ 11,850.70 crores as on 31st March 2022 (Previous year Nil) have been converted into floating rate borrowings through the use of MIBOR-linked Overnight Indexed Swaps.

The Company's lending portfolio carries interest at semi-fixed rate i.e. fixed rate of interest with 1/3/10 year reset option with the borrower. The Company reviews its lending rates periodically based on prevailing market conditions, borrowing cost, yield, spread, competitors' rates, sanctions and disbursements etc. In order to manage pre-payment risks, the Company charges pre-payment premium from borrowers in case of pre- payment of loan. The interest rate risk is managed by the analysis of interest rate sensitivity gap statements and by evaluating the creation of assets and liabilities with a mix of fixed and floating interest rates.

The Company is exposed to interest rate risk on following Loan Assets which are at semi-fixed rates:

(₹ in Crores)

Description	As at 31.03.2022	As at 31.03.2021
Rupee Loans	3,75,805.76	3,63,580.03

Sensitivity Analysis

The table below represents the impact on P&L Gain / (Loss) for 50 basis points increase or decrease in interest rate on Company's floating rate assets and liabilities on the unhedged exposures:

(₹ in Crores)

Particulars	As at 31.03.2022		As at 31.03.2021	
	Increase	(Decrease)	Increase	(Decrease)
Floating Rate Loan Liabilities	(292.84)	292.84	(167.65)	167.65
Interest Rate Swaps	(44.34)	44.34	-	-
Floating/ semi-fixed Rate Loan Assets	1,406.11	(1406.11)	1,360.37	(1360.37)

** Holding all other variables constant*

The above sensitivity analysis has been prepared assuming that the amount outstanding at the end of the reporting period remains outstanding for the whole year. A 50 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

52.5 Disclosures in respect of Interest Rate Benchmark Reform (IBOR)

The Company has variable interest rate borrowings with interest rates linked with different benchmarks. Such interest rate benchmarks for foreign currency borrowings include 1/3/6 Month USD LIBOR (London Inter-Bank Offered Rate), Overnight SOFR (Secured Overnight Financing Rate), TONA (Tokyo Overnight Average Rate), SORA (Singapore Overnight Rate Averages), etc. The summary of such borrowings as on 31st March, 2022 are as below:

Benchmark	Amount (₹ in Crores)	Amount (USD Mn Equivalent)
3M USD LIBOR	7,201.67	950.00
6M USD LIBOR	27,373.94	3,611.00
O/N SOFR	568.55	75.00
TONA	3,631.29	479.02
SORA	403.21	53.19
Total	**39,178.67**	**5,168.21**

As announced by the UK Financial Conduct Authority (FCA) on 5 March 2021, JPY LIBOR has ceased to be published after 31st December 2021 and 1 Month, 3 Month and 6 Month USD LIBOR will cease to be published after 30th June 2023.

(i) Exposure directly affected by the Interest Rate Benchmark Reform (IBOR)

While some of the floating rate borrowings of the Company are already under the new benchmarks, some of the borrowings will also get repaid before the cessation date of the respective interest rates, i.e. 3M USD LIBOR and 6M USD LIBOR. Accordingly, the total amount of exposure that is directly affected by the Interest Rate Benchmark Reform (IBOR) is ₹ 25,963.93 crores (USD 3.425 Billion) as on 31st March, 2022. Out of this, the nominal amount of the derivative exposure linked with such liabilities and accounted for under hedge accounting is ₹ 3,790.36 crores (USD 0.500 Billion).

(ii) Managing the process to transition to alternative benchmark rates

Pursuant to the Interest Rate Benchmark Reform, LIBOR will be replaced with alternative Risk-Free Rates (RFRs). SOFR (Secured Overnight Financing Rate) will be the replacement for USD LIBOR, while TONA (Tokyo Overnight Average Rate) will replace JPY LIBOR. ISDA (International Swaps and Derivatives Association), the globally recognized statutory body governing the global derivative deals, has come up with the ISDA 2020 IBOR Fallbacks Protocol (commonly referred to as Fallback Protocol) to move all the legacy contracts to new benchmarks. The Company has adhered to the Fallbacks Protocol under which the fallbacks for the various LIBOR benchmarks will automatically become applicable to the existing derivative trades with all counterparties.

With respect to the term loans, REC has been actively engaging with the lenders to initiate the transition exercise at an early stage. During the year 2021-22, REC has completed the transition documentation for two JPY loans amounting to JPY 20,846.12 Billion (INR equivalent as on 31st March, 2022 ₹ 1,297.25 crores) with the benchmark changed from JPY LIBOR to TONA . Additionally, an active transition for one SGD loan amounting to SGD 72.08 Million (INR equivalent as on 31st March, 2022 ₹ 403.21 crores has also been concluded during the year with the benchmark changed from 6M SOR (Singapore Swap Offer Rate) to SORA (Singapore Overnight Rate Average). Where the interest rate risk for these loans was hedged, the interest rate benchmarks in such derivatives have been suitably changed to the new benchmarks.

(iii) Significant Assumptions for exposures affected by the Interest Rate Benchmark Reform

Ind AS 109 provides temporary exceptions to all the hedging relationships directly impacted by the Interest Rate Benchmark Reform. While the benchmarks for the underlying loan are yet to be agreed with the lenders, it has been assumed that there will be no change in the alternative benchmark rates of the underlying loan and the derivative contracts and hedge effectiveness is not altered as a result of such reform.

52.6 Hedge accounting

The Company designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in cash flow hedges. For option contracts, the Company designates only the intrinsic value of option contracts as a hedged item by excluding the time value of the option. The changes in the fair value of the aligned time value of the option are recognised in Other Comprehensive Income and accumulated in the cost of hedging reserve. The time value of the options at the inception of the hedging relationship is reclassified to Profit or Loss on a straight-line basis.

Hedge ineffectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company applies the following effectiveness testing strategies:

(i) For cross currency swaps, principal only swaps and interest rate swaps that exactly match the terms of the terms of the hedged item, the economic relationship and hedge effectiveness are based on the qualitative factors using critical terms match method.

(ii) For other interest rate swaps (in cases of late designation), the Company uses dollar offset method using a hypothetical derivatives, dollar offset method is a quantitative method that consists of comparing the change in fair value or cash flows of the hedging instrument with the change in fair value or cash flows of the hedged item attributable to the hedged risk.

(iii) For option structures, the Company analyses the behaviour of the hedging instrument and hedged item using regression analysis based dollar offset method.

The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk and notional amount of the hedging instruments are identical to the hedged items.

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Impact of Hedge Accounting

(a) Effects of hedge accounting on balance sheet

(₹ in Crores)

	As at 31st March 2022	**Notional amount (in Mn)**	**Carrying amount of hedging instruments**		**Maturity dates**	**Hedge ratio**	**Weighted average strike price/rate**	**Change in fair value of hedging instruments**	**Change in value of hedged item used as the basis for recognising hedge effectiveness**
	Type of hedge and risks		**Assets**	**Liabilities**					
	Cash flow hedge								
	Foreign exchange and interest rate risk								
(i)	Foreign currency options structures								
	- Seagull Structure	USD 7,045	4,744.05	-	May 2022 - Jan 2027	1:1	74.30665848	(399.81)	399.81
		USD 20,846.12	102.15	-	Aug 2023 - Sep 2025	1:1	0.659080153	(96.08)	96.08
	- Call Spread	USD 250	76.73	-	Mar 2024	1:1	57.523	(74.08)	74.08
(ii)	Cross Currency Interest Rate swaps	USD 1,300	22.69	43.78	May 2022 - Mar 2025	1:1	2.99% and 72.94	112.67	(112.67)
		JPY 10,327.12	-	1.50	Aug 2023	1:1	0.42% and 0.62	0.82	(0.82)
		SGD 72.08	23.86	-	Mar 2025	1:1	1.44%	21.54	(21.54)
(iii)	Principal only swaps	USD 375	-	48.37	Mar 2025 - Jun 2030	1:1	75.41	(49.08)	49.08
(iv)	Interest rate swaps	USD 425	92.42	-	Mar 2024 - Oct 2026	1:1	2.23%	130.27	(130.27)

(₹ in Crores)

	As at 31st March 2021	**Notional amount (in Millions)**	**Carrying amount of hedging instruments**		**Maturity dates**	**Hedge ratio**	**Weighted average strike price/rate**	**Change in fair value of hedging instruments**	**Change in value of hedged item used as the basis for recognising hedge effectiveness**
	Type of hedge and risks		**Assets**	**Liabilities**					
	Cash flow hedge								
	Foreign exchange and interest rate risk								
(i)	Foreign currency options structures								
	- Seagull Structure	USD 2,595	1458.96	43.25	April 2021 - Oct 2025	1:1	73.32	(611.68)	611.68
		JPY 20,846.12	198.23	-	Aug 2023 - Sep 2025	1:1	0.66	(131.87)	131.87
	- Call Spread	USD 250	77.74	-	Mar 2024	1:1	71.94	(93.51)	93.51
(ii)	Cross currency swaps	USD 1,350	-	244.37	Dec 2021 - Mar 2025	1:1	2.92% and 72.93	(73.78)	73.78
		JPY 10,327.12	-	4.06	Aug 2023	1:1	0.42% and 0.62	(0.08)	0.08
		SGD 72.08	23.86	-	Mar 2025	1:1	1.44%	21.54	(21.54)
(iii)	Principal only swaps	USD 375	-	121.08	Mar 2025 - Jun 2030	1:1	75.41	(174.62)	174.62
(iv)	Interest rate swaps	USD 260	-	69.74	Mar 2024 - Jul 2024	1:1	2.32%	(1.12)	1.12

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(b) Effects of Cash Flow hedge accounting on Statement of Profit and Loss

(₹ in Crores)

Type of hedge	Change in value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised	Amount reclassified from cash flow hedge reserve	Line item affected on reclassification
Year ended 31.03.2022				
- Currency risk and interest rate risk	(377.06)	-	(995.95)	Gain/ loss on foreign exchange translation
			126.43	Finance cost
Year ended 31.03.2021				
- Currency risk and interest rate risk	(1,065.12)	-	580.30	Gain/ loss on foreign exchange translation
			179.56	Finance cost

(c) Movement in cash flow hedging reserve and cost of hedging reserve

(₹ in Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Effective portion of Cash Flow Hedges		
Opening Balance	(165.61)	(226.08)
Add: Changes in intrinsic value of foreign currency option structures	1108.37	(625.61)
Add: Changes in fair value of cross currency swaps	111.72	(52.32)
Add: Changes in fair value of interest rate swaps	130.27	(1.12)
Less: Amounts reclassified to profit or loss	(869.52)	759.86
Less: Deferred tax relating to above (net)	(121.02)	(20.34)
Closing Balance	**194.21**	**(165.61)**
Costs of hedging reserve		
Opening Balance	**41.45**	**(204.75)**
Add: Change in deferred time value of foreign currency option structures	(1727.42)	(386.06)
Less: Amortisation of time value	1142.91	715.06
Less: Deferred tax relating to above (net)	147.11	(82.80)
Closing Balance	**(395.95)**	**41.45**

(d) Fair Value Hedges

At 31st March 2022, Company has outstanding interest rate swap agreements of ₹ 11,850.70 crores (Previous year Nil) wherein the Company receives a fixed rate of interest and pays interest at a variable rate on the notional amount. Such agreements are being used to hedge the exposure to the changes in fair value of fixed rate borrowings.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the interest rate swap match the terms of the fixed rate loan (i.e., notional amount, maturity, payment and reset dates). As such, a hedge ratio of 1:1 for the hedging relationships has been established as the underlying risk of the interest rate swap is identical to the hedged risk component.

The impact of the hedging instrument on the balance sheet as at 31st March 2022 is, as follows:

(₹ in Crores)

Fair value hedge	Notional amount	Carrying amount *	Line item in balance sheet where hedging instrument is disclosed	Changes in fair value for calculating hedge ineffectiveness
- Interest rate swap	11,850.70	(111.92)	Derivative financial instruments	(111.92)

** Carrying amount here is exclusive of the interest receivable under such derivative contract as on reporting date.*

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The impact of the hedged item on the balance sheet as at 31st March 2022 is, as follows:

(₹ in Crores)

Fair value hedge	Carrying amount	Accumulated fair value adjustments	Line item in the balance sheet in which the hedged item is included	Change in value used for calculating hedge ineffectiveness
- Subordinated Liabilities	4,148.36	(128.33)	Subordinated Liabilities	(128.33)
- Institutional bonds	7,881.97	16.41	Debt Securities-Institutional Bonds	16.41

The decrease in fair value of the interest rate swap of ₹ 111.92 Crore (Previous year Nil) has been offset with a similar gain on the respective subordinated liabilities and debt securities.

52.7 Market Risk - Price risk

The Company is exposed to price risks arising from investments in equity shares. The Company's investments are held for strategic rather than trading purposes.

Sensitivity Analysis

The table below represents the impact on OCI Gain / (Loss) for 5% increase or decrease in the respective prices on Company's equity investments, outside the group:

(₹ in Crores)

Particulars	As at 31.03.2022		As at 31.03.2021	
	Increase	(Decrease)	Increase	(Decrease)
Impact on Other Comprehensive Income (OCI)	13.41	(13.41)	21.51	(21.51)
Impact on Profit and Loss account (PL)	2.48	(2.48)	1.18	(1.18)

53 Additional Disclosures in respect of derivatives

53.1 Forward Rate Agreements/ Interest Rate Swaps

(₹ in Crores)

	Particulars	As at 31.03.2022	As at 31.03.2021
(i)	The notional principal of swap agreements	33,239.41	25,035.68
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	563.77	339.60
(iii)	Collateral required by the NBFC upon entering into swaps	NIL	Nil
(iv)	Concentration of credit risk arising from the swaps	Refer Note Below	Refer Note Below
(v)	The fair value of the swap book	390.25	(64.05)

REC, being NBFC has entered into swap agreements with Category-I, Authorized Dealers Banks only, in accordance with the RBI guidelines. All the swap agreements entered into with banks are well with in the credit risk limit defined in the Board approved Risk Management Policy.

53.2 The Company has not entered into any exchange traded Interest Rate (IR) derivatives.

53.3 Quantitative Disclosures

(₹ in Crores)

	Particulars	Currency Derivatives *		Interest Rate Derivatives **		Other Derivatives (Reverse cross currency swaps)***	
		As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
(i)	Derivatives (Notional Principal Amount)						
	For hedging	59,472.85	27,599.89	33,239.41	25,035.68	4,747.00	4,547.00
(ii)	Marked to Market Positions						
a)	Asset (+)	4,946.40	1,971.62	563.77	339.60	-	-
b)	Liability (-)	48.37	164.33	173.52	403.65	331.25	278.33
(iii)	Credit Exposure	5,131.08	4,854.40	490.82	574.96	662.05	632.05
(iv)	Unhedged Exposures	16,339.53	25,215.63	N.A.	N.A.	N.A.	N.A.

** Includes Full Hedge, Principal only Swap and Call Spread*
*** Includes Interest Rate Derivatives as a strategy of cost reduction*
**** Includes Reverse Cross Currency swap as a strategy of cost reduction*

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54 Impact of Covid-19 Pandemic on the Company

Since outbreak of COVID-19, our Country has experienced two further waves of pandemic following the discovery of mutant coronavirus variants. These waves led to temporary reimposition of localised /regional lockdown, which were subsequently lifted. With improving coverage of vaccination programme and resumption of economic activities, India is witnessing recovery in demand. Company's strong credit profile, liquidity access and availability of contingency buffers provides it no reasons to believe that the current crisis will have any significant impact on its operations, including the going concern assessment. However, the impact will continue to be dependent, among other things, on uncertain future developments about discovery of further coronavirus variants and any action to contain its spread, whether government mandated or otherwise.

55 Exposure Related Disclosures

RBI, vide its letter dated 17th September 2010 had categorized REC as an Infrastructure Finance Company (IFC) in terms of instructions contained in RBI Circular CC No.168 dated 12th February 2010. As an IFC, the total permissible exposure for lending in the private sector is 25% of owned funds in case of single borrower and 40% in case of a single group of borrowers and exposure for lending and investing taken together can be upto 30% and 50% of owned funds, respectively.

In respect of Central/State Government entities, RBI vide its letter No.DNBR.PD.CO.No.2184/03.10.001/2015-16 dated 16th June 2016 has exempted REC from applicability of RBI's concentration of credit/investment norms till 31st March, 2022. The Company has again represented to RBI for further extension of above exemption for a further period of five years. The matter, considering Company's business model and strategic positioning being a Government Company, is under consideration of RBI and the response is awaited. In view of the above, our maximum credit exposure limits to Central and State power Utilities continue to vary maximum upto 150% of owned funds, which is based on the board approved policy and the rating of the borrowers as per entity appraisal.

In respect of Private Sector entities, the Company's credit exposure to single borrowers and group borrowers did not exceed the RBI prudential exposure limits as at 31st March 2022 and 31st March 2021.

55.1 Exposure to Real Estate Sector

The Company has no exposure to real estate sector as at 31st March 2022 (As at 31st March 2021 Nil).

55.2 Exposure to Capital Market

(₹ in Crores)

	Particulars	As at 31.03.2022	As at 31.03.2021
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	317.78	929.57
(ii)	Advances against shares/ bonds/ debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/ convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	Bridge loans to companies against expected equity flows/ issues;	-	-
(viii)	Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
(ix)	Financing to stockbrokers for margin trading	-	-
(x)	All exposures to Alternative Investment Funds	-	-
	Total Exposure to Capital Market	**317.78**	**929.57**

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55.3 The company does not have any financing of Parent Company products during the current and previous year.

55.4 Concentration of Advances, Exposures and Credit-impaired Assets

(₹ in Crores)

	Particulars	As at 31.03.2022	As at 31.03.2021
(i)	**Concentration of Advances**		
	Total Advances to twenty largest borrowers	2,39,602.97	2,28,371.07
	Percentage of Advances to twenty largest borrowers to Total Advances of the Company	62.17%	60.51%
(ii)	**Concentration of Exposures**		
	Total Exposure to twenty largest borrowers	3,29,335.41	3,42,453.58
	Percentage of Exposures to twenty largest borrowers to Total Exposure of the Company on borrowers	61.93%	62.28%
(iii)	**Concentration of Credit-impaired Assets**		
	Total Exposure to the top four Credit-impaired Assets	**8,645.97**	**8,489.02**

56 Fair value disclosures

The fair values of financial instruments measured at amortised cost and the carrying cost of financial instruments measured at fair value by category are as follows:

(₹ in Crores)

Particulars		Note No.	As at 31.03.2022	As at 31.03.2021
	Financial assets measured at fair value			
	Derivative financial instruments measured at			
(i)	Fair value through other comprehensive income	9	5,079.87	1,758.79
(ii)	Fair value through profit and loss	9	430.30	552.43
	Investments measured at			
(i)	Fair value through other comprehensive income	11	268.26	430.13
(ii)	Fair value through profit and loss	11	182.07	209.65
	Financial assets measured at amortised cost			
	Cash and cash equivalents	6	140.99	1,179.24
	Bank balances (other than cash and cash equivalents)	7	2,518.96	2,223.58
	Trade receivables	8	94.55	140.07
	Loan Assets	10	3,71,930.54	3,65,261.49
	Investments	11	1,740.10	1,083.90
	Other financial assets	12	24,415.31	24,419.88
	Total		**4,06,800.95**	**3,97,259.16**
	Financial liabilities measured at fair value			
	Derivative financial instruments measured at			
(i)	Fair value through other comprehensive income	9	205.64	482.51
(ii)	Fair value through profit and loss	9	347.50	363.80
	Financial liabilities measured at amortised cost			
	Trade payables	19	36.48	61.85
	Debt securities	20	2,19,574.61	2,37,269.11
	Borrowings (other than debt securities)	21	1,06,651.59	85,507.36
	Subordinated liabilities	22	6,816.47	6,946.89
	Other financial liabilities	23	25,708.64	26,213.00
	Total		**3,59,340.93**	**3,56,844.52**

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56.1 Fair values hierarchy

The fair value of financial instruments as referred above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:

Level 1: Quoted prices (unadjusted) for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs).

The Company's policy is to recognize transfers into and transfer out of fair value hierarchy at the date of event or change in circumstances that caused the transfer.

Financial assets and liabilities measured at fair value - recurring fair value measurements

(₹ in Crores)

Particulars	As at 31.03.2022				As at 31.03.2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Investments at FVOCI								
Equity investments	53.52	-	214.74	268.26	430.13	-	-	430.13
Investments at FVTPL								
Equity investments	49.52	-	-	49.52	23.60	-	-	23.60
Perpetual Bonds	-	-	-	-	-	-	-	-
Debentures	-	-	132.55	132.55	-	-	143.06	143.06
Preference Shares	-	-	-	-	-	-	42.99	42.99
Assets at FVTPL								
Derivative financial instruments	-	5,510.17	-	5,510.17	-	2,311.22	-	2,311.22
Liability at FVTPL								
Derivative financial instruments	-	553.14	-	553.14	-	846.31	-	846.31

Valuation Techniques for fair value disclosures (Level 1 , Level 2 and Level 3)

(A) **Investment in Quoted Equity Investments - Level 1 -** Investment in listed equity instruments are measured at their readily available quoted price in the market.

(B) **Derivative Financial Instruments - Level 2 -** The fair value has been determined on the basis of mark to market value provided by the banks that have contracted to hedge the underlying risk. Such valuation is calculated using market observable inputs including forward exchange rates, interest rates corresponding to the maturity of the contract and implied volatilities.

(C) **Investment in Unquoted Equity of Universal Commodity Exchange Limited (UCX) - Level 3 -** Investment in unquoted equity shares of UCX is classified as Level 3. It has been carried at Nil value by the Company due to the company specific reasons. UCX was shut down in 2014, thereby, ceasing to exist as a going concern.

(D) **Investment in Unquoted Equity of Energy Efficiency Services Limited (EESL)- Level 3 -** Investment in unquoted equity shares of EESL is classified as Level 3. EESL ceases to be a Joint Venture (JV) with effect from September 01, 2021. The fair value has been calculated on the basis of Financial Statement of the investee company.

(E) **Investment in Unquoted Preference Shares - Level 3 -** Investment in unquoted Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) of Rattan India Power Ltd. (RIPL) are classified as Level 3. The company has been alloted OCCRPS of the borrower company pursuant to One Time Settlement arrangement executed on 23rd December 2019. The fair value has been taken as Nil as future cash flows are uncertain in such instruments. Any change in expectation of future cash flow is adjusted to reflect change in fair value of the investment.

(F) **Investment in Optionally Convertible Debentures of Essar Power Transmission Limited - Level 3 -** Investment in unquoted Optionally Convertible Debentures (OCDs) of Essar Power Transmission Limited are classified as Level 3, which have been alloted to the Company upon implementation of restructuring plan with the borrower. The fair value has been derived by present value technique by discounting future cash flows at interest rate applicable to the borrowers. Any change in expectation of future cash flow is adjusted to reflect change in fair value of the investment.

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(G) **Investment in Optionally Convertible Debentures of R.K.M PowerGen Private Limited - Level 3 -** Investment in unquoted Optionally Convertible Debentures (OCDs) of R.K.M PowerGen Private Limited are classified as Level 3, which have been alloted to the Company upon implementation of restructuring plan with the borrower. The fair value has been taken as Nil as such debentures are unsustainable in nature and future cash flows are uncertain. Any change in expectation of future cash flow is adjusted to reflect change in fair value of the investment.

56.2 Reconciliation of Financial Instruments measured at Fair Value through Level 3 inputs

The following table shows the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

(₹ in Crores)

Particulars	For the Year ended 31st March 2022					
	FVTPL			FVOCI		Total
	Investment in Perpetual Bonds	Investment in Preference Shares	Investment in OCDs	Investment in Venture Capital Fund	Investment in Unquoted Equity Shares	
Opening Balance	**-**	**42.99**	**143.06**	**-**	**-**	**186.05**
Received in Loan Settlement (Refer Note 10.3)	-	-	-	-	-	-
Settlement	-	-	(41.95)	-	-	(41.95)
Transfer in Level 3	-	-	-	-	218.10	218.10
Transfer from Level 3	-	-	-	-	-	-
Interest income (i)	-	6.02	21.13	-	-	27.15
Fair value changes	-	(49.01)	10.31	-	(3.36)	(42.06)
Closing Balance	**-**	**-**	**132.55**	**-**	**214.74**	**347.29**
Unrealised gain (loss) at year-end	**-**	**(32.42)**	**12.49**	**-**	**(19.36)**	**(39.29)**

(₹ in Crores)

Particulars	For the Year ended 31st March 2021					
	FVTPL			FVOCI		Total
	Investment in Perpetual Bonds	Investment in Preference Shares	Investment in OCDs	Investment in Venture Capital Fund	Investment in Equity Shares	
Opening Balance	**1,500.62**	**45.41**	**-**	**-**	**-**	**1,546.03**
Received in Loan Settlement *(Refer Note 10.3)*	-	-	149.56	-	-	149.56
Settlement	(1667.94)	-	(28.22)	-	-	(1696.16)
Transfer from Level 3	-	-	-	6.15	-	6.15
Interest income	167.32	6.26	21.72	-	-	195.30
Fair value changes	-	(8.68)	-	(6.15)	-	(14.83)
Closing Balance	**-**	**42.99**	**143.06**	**-**	**-**	**186.05**
Unrealised gain (loss) at period-end	**-**	**10.57**	**12.42**	**(6.15)**	**(16.00)**	**0.84**

Refer Note No. 11.5 for Investment in equity shares measured at Fair Value through Other Comprehensive Income (FVOCI) derecognised during the year

*(i) * forms part of line item 'Interest Income' in the Standalone Statement of Profit and Loss.*

(ii) Fair value gain/ (loss) on Investments at FVTPL forms part of line item 'Net Loss/(Gain) on Fair Value changes' in the Standalone Statement of Profit and Loss.

(iii) Fair value gain/ (loss) on Investments at FVOCI forms part of line item 'Changes in Fair Value of FVOCI Equity Instruments' in the Standalone Statement of Profit and Loss.

56.3 Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows:

(₹ in Crores)

Particulars	As at 31.03.2022		As at 31.03.2021	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Cash and cash equivalents	140.99	140.99	1,179.24	1,179.24
Bank balances (other than cash and cash equivalents)	2,518.96	2,518.96	2,223.58	2,223.58
Trade receivables	94.55	94.55	140.07	140.07
Loans	3,71,930.54	3,72,175.00	3,65,261.49	3,66,843.62
Investments	1,740.10	1,778.29	1,083.90	1,096.95
Other financial assets	24,415.31	24,415.16	24,419.88	24,421.76
Total	**4,00,840.45**	**4,01,122.96**	**3,94,308.16**	**3,95,905.22**
Financial liabilities				
Trade payables	36.48	36.48	61.85	61.85
Debt securities	2,19,574.61	2,21,167.25	2,37,269.11	2,35,683.50
Borrowings (other than debt securities)	1,06,651.59	1,07,306.18	85,507.36	85,562.85
Subordinated liabilities	6,816.47	7,131.25	6,946.89	7,610.21
Other financial liabilities	25,708.64	25,708.64	26,213.00	26,213.00
Total	**3,58,787.79**	**3,61,349.79**	**3,55,998.21**	**3,55,131.41**

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables:

Financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and balances, Trade receivables, Contract assets, balances other than cash and cash equivalents, trade payables and contract liability without a specific maturity.

Loans and advances to customers

Fair values of loan assets are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics. The Company then calculates and extrapolates the fair value to the entire portfolio, using discounted cash flow models that incorporate interest rate estimates considering all significant characteristics of the loans. Where such information is not available, the Company uses historical experience and other information used in its collective impairment models.

Financial assets at amortised cost

The fair values of debt securities measured at amortised cost are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

Issued debt

The fair values of the Company fixed interest-bearing debt securities, borrowings and subordinated liabilities are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31st March 2022 was assessed to be insignificant.

Investment in Govt. Securities (G-SEC) and State Development Loan (SDL)

The Company has made investments in G-Sec and SDL in order to maintain sufficient High Quality Liquid Assets as per RBI guidelines. The market price of Government of India securities and state development loan is available as at reporting date and accrued interest from last coupon date to the reporting date is added to market price.

Investment in PSU Bonds

The Company has made investments in PSU Bonds in order to maintain sufficient High Quality Liquid Assets as per RBI guidelines. The company has computed fair value using market inputs i.e., Yield of G-Sec bonds for similar remaining maturity or credit rating wise spread for PSUs for remaining maturity as per industry practice.

Investments in securities issued by Borrower entities at the time of Loan Settlement/ Resolution

The fair value has been derived by present value technique by discounting future cash flows at interest rate applicable to the borrowers. Any change in expectation of future cash flow is adjusted to reflect change in fair value of the investment.

All other debt securities, borrowings and subordinated liabilities availed by the Company are variable rate facilities which are subject to changes in underlying Interest rate indices. Further, the credit spread on these facilities are subject to change with changes in Company creditworthiness. The management believes that the current rate of interest on these loans are in close approximation from market rates applicable to the Company. Therefore, the management estimates that the fair value of these borrowings are approximate to their respective carrying values.

57 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006:

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Principal amount remaining unpaid as at the period end	**-**	**0.01**
Interest due thereon remaining unpaid as at the period end	-	-
Interest paid by the company in terms of Section 16 of MSME Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
Interest due and payable for the period of delay in making payment but without adding the interest specified under MSME Development Act, 2006.	-	-
Interest accrued and remaining unpaid as at the period end	-	0.53
Further interest remaining due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises.	-	-

58 Related Party Disclosures :

58.1 List of Related Parties

(1) Key Managerial Personnel

Sh. S.K.G Rahate	Chairman & Managing Director w.e.f 22nd February, 2022
Sh. Sanjay Malhotra	Chairman & Managing Director upto 10th February, 2022
Sh. Ajoy Choudhury	Director (Finance)
Sh. Sanjeev Kumar Gupta	Director (Technical) upto 31st October, 2021
Sh. Praveen Kumar Singh	PFC Nominee Director (Non-executive Director) upto 31st Janurary, 2022
Smt. Parminder Chopra	PFC Nominee Director (Non-executive Director) w.e.f 4th February, 2022
Sh. Tanmay Kumar	Govt. Nominee Director upto 6th September, 2021
Sh. Vishal Kapoor	Govt. Nominee Director w.e.f 7th September, 2021
Dr. Gambheer Singh	Part Time Non-Official Independent Director w.e.f 15th November, 2021
Dr. Manoj M. Pande	Part Time Non-Official Independent Director w.e.f 15th November, 2021
Dr. Durgesh Nandini	Part Time Non-Official Independent Director w.e.f 30th December, 2021
Sh. J.S. Amitabh	Executive Director & Company Secretary

(2) Ultimate Holding Company

Power Finance Corporation Ltd.

(3) Associate Companies of REC Power Development and Consultancy Limited (formerly REC Power Distribution Company Limited)

Chandil Transmission Limited

Dumka Transmission Limited

Mandar Transmission Limited

Koderma Transmission Limited

Rajgarh transmission limited

Bidar transmission limited

MP Power Transmission Package-I Limited

ER NER Transmission Limited (incorporated on 06.10.2021)

Sikar New Transmission Limited (incorporated on 2 June, 2020 and transferred to M/s Power Grid Corporation of India Limited on 4 June, 2021)

MP Power Transmission Package-II Limited (incorporated on 20 August, 2020 and transferred to M/s Adani Transmission Limited on 1 November, 2021)

Kallam Transmission Limited (incorporated on 28 May, 2020 and transferred to M/s Indigrid I Limited (Lead Member) on 28 December, 2021)

Gadag Transmission Limited (incorporated on 2 June, 2020 and transferred to M/s Renew

Fatehgarh Bhadla Transco Limited (incorporated on 2 June, 2020 and transferred to M/s Power Grid Corporation of India Limited on 4 June, 2021)

Dinchang Transmission Limited (struck off from the ROC vide MCA letter dated 17.08.2021)

(4) Joint Ventures

Energy Efficiency Services Limited (EESL) (upto 31st August, 2021)

(5) Post-employment Benefit Plan Trusts

REC Limited Contributory Provident Fund Trust

REC Gratuity Fund

REC Employees' Superannuation Trust

REC Retired Employees' Medical Trust

(6) Society registered for undertaking CSR Initiatives

REC Foundation

(7) Companies in which Key Managerial Personnel are Directors

NHPC Limited (Related Party upto 6th September, 2021)

SJVN Limited (Related Party upto 6th September, 2021)

Kholongchhu Hydro Energy Limited (Related Party upto 6th September, 2021)

Punatsangchhu-I, Hydroelectric Project Authority in Bhutan (Related Party upto 6th September, 2021)

Punatsangchhu-II, Hydroelectric Project Authority in Bhutan (Related Party upto 6th September, 2021)

Mangdechhu Hydroelectric Project Authority in Bhutan (Related Party upto 6th September, 2021)

(8) Below mentioned related parties of the Ultimate Holding Company are also considered as related parties of REC:

(a) Key Managerial Personnel of Ultimate Holding Company

Sh. Ravinder Singh Dhillon	Chairman & Managing Director
Smt. Parminder Chopra	Director (Finance)
Sh. Praveen Kumar Singh	Director (Commercial) upto 31st Janurary, 2022
Sh. Rajiv Ranjan Jha	Director (Projects) w.e.f 28th October, 2021
Sh. Tanmay Kumar	Govt. Nominee Director upto 6th September, 2021
Sh. Vishal Kapoor	Govt. Nominee Director w.e.f 7th September, 2021
Sh Ram Chandra Mishra	Part Time Non-Official Independent Director
Adv. Bhaskar Bhattacharya	Part Time Non-Official Independent Director w.e.f 23rd December, 2021
Smt. Usha Sanjeev Nair	Part Time Non-Official Independent Director w.e.f 23rd December, 2021
Shri. Prasanna Tantri	Part Time Non-Official Independent Director w.e.f 23rd December, 2021
Shri Manohar Balwani	Company Secretary

(b) Subsidiary Companies of Ultimate Holding Company

PFC Consulting Limited (PFCCL)

(c) Associate Companies of Ultimate Holding Company

Bihar Mega Power Limited

Orissa Integrated Power Limited

Jharkhand Infrapower Limited

Coastal Tamil Nadu Power Limited

Bihar Infrapower Limited

Deoghar Infra Limited

Sakhigopal Integrated Power Company Limited

Ghogarpalli Integrated Power Company Limited

Odisha Infrapower Limited

Deoghar Mega Power Limited

Cheyyur Infra Limited

Ananthpuram Kurnool Transmission Limited

Khetri-Narela Transmission Limited

Coastal Karnataka Power Limited

Bhadla Sikar Transmission Limited

Mohanlalganj Transmission Limited (incorporated on 08.06.2021)

Kishtwar Transmission Limited (incorporated on 15.04.2021)

Chhatarpur Transmission Limited (incorporated on 25.01.2022)

Nangalbibra-Bongaigaon Transmission Limited (incorporated on 09.04.2021 and transferred on 16.12.2021)

Khavda-Bhuj Transmission Limited (incorporated on 18.05.2021 and transferred on 18.01.2022)

Koppal- Narendra Transmission Limited (transferred on 13.12.2021)

Sikar-II Aligarh Transmission Limited (transferred on 08.06.2021)

Karur Transmission Limited (transferred on 18.01.2022)

Chhattisgarh Surguja Power Limited (under process of Striking off the name of Company from the records of Registrar of Companies)

Shongtong Karcham-Wangtoo Transmission Limited (under process of Striking off the name of Company from the records of Registrar of Companies)

Tatiya Andhra Mega Power Limited (under process of Striking off the name of Company from the records of Registrar of Companies)

Coastal Maharashtra Mega Power Limited (under process of Striking off the name of Company from the records of Registrar of Companies)

Bijawar-Vidarbha Transmission Limited (under approval for striking off the name from the records of Registrar of Companies)

Tanda Transmission Company Limited (under process of Striking off the name of Company from the records of Registrar of Companies)

(d) Post-employment Benefit Plan Trusts of Ultimate Holding Company

PFC Employees Provident Fund Trust

PFC Employees Gratuity Trust

PFC Defined Contribution Pension Scheme 2007

PFC Ltd. Superannuation Medical Fund

(e) Other Companies in which Key Managerial Personnel of Ultimate Holding Company are Directors

PTC India Limited

58.2 Amount due from/ to the related parties :

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Power Finance Corporation Ltd.		
Loan Repayable on Demand	-	**3,000.49**
Associates		
Loans to associates	12.83	13.45
Payables	0.01	0.08
Post-employment Benefit Plan Trusts		
Debt Securities	8.70	8.70
Debt Securities- Holding Company	19.90	19.90
Other financial liabilities- GOI Serviced Bonds	29.30	29.30
Provisions	1.05	9.00

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Other financial assets	-	-
Post-employment Benefit Plan Trusts of Ultimate Holding Company		
Debt Securities	1.90	4.10
Key Managerial Personnel		
Debt Securities	0.16	0.15
Staff Loans & Advances	0.18	0.28
Key Managerial Personnel of Ultimate Holding Company		
Debt Securities	0.17	0.12
REC Foundation		
Other Non Financial Assets	1.20	1.54
Companies in which Key Managerial Personnel are Directors		
Debt Securities	-	10.00

58.3 Transactions with the related parties :

(₹ in Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Power Finance Corporation Ltd.		
Dividend Paid	1,269.22	1,143.44
Directors' Sitting Fee	0.08	0.10
Loan Repayable on Demand raised	-	3,000.00
Finance Cost	14.47	0.49
Post-employment Benefits Plan Trusts		
Contributions made by the Company	18.28	1.42
Finance Costs - Interest Paid	3.28	3.29
Post-employment Benefits Plan Trusts of Ultimate Holding Company		
Subscription to the bonds of Company	2.20	-
Finance Costs - Interest Paid	0.38	0.38
Key Managerial Personnel		
Repayment/ Recovery of Staff Loans & Advances	0.10	0.17
Interest Income on Staff Loans	0.04	0.05
Finance Cost	0.02	0.01
Employee Benefits Expense - Managerial Remuneration	3.05	3.21
Directors' Sitting Fee	0.13	-
Key Managerial Personnel of Ultimate Holding Company		
Finance Cost	0.01	-
REC Foundation		
Payment towards Corporate Social Responsibility (CSR) Expenses	112.00	90.00
Companies in which Key Managerial Personnel are Directors		
Finance Cost	0.35	0.33
Dividend Income	4.13	27.52

58.4 Terms and conditions of transactions with related parties

The transactions with the related parties are being made at arm's length basis. The remuneration and the staff loans to Key Managerial Personnel are in line with the service rules of the Company. The finance costs paid to the related parties are on account of their investments in the debt securities of the Company and the Term loan repayable on demand taken from the holding company. The interest rate payable on such debt securities is uniformally applicable to all the bondholders. The Company also makes advances to its subsidiary company on account of apportionment of establishment and administrative expenses, which are recovered on quarterly basis. Even while the outstanding balances of subsidiary company at the year-end are unsecured, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is made on the basis of short-term realisation of the advances so given.

58.5 Managerial Remuneration

The details of remuneration to Key Managerial Personnel (KMP) during the year is as below:

(₹ in Crores)

Particulars		Year ended 31.03.2022	Year ended 31.03.2021
(i)	Short-term employee benefits	2.91	3.01
(ii)	Post employment benefits	0.14	0.20
	Total	**3.05**	**3.21**

As the liabilities for the gratuity and compensated absence are provided on an actuarial basis for the Company as a whole rather than each individual employee, the amounts pertaining specifically to KMP are not known and hence, not included in the above table. Gratuity and compensated absence, are included based on actual payment in respective year based in the above table.

58.6 Disclosure in respect of entities under the control of the same government (Government related entities)

List of Government related entities

The Company had transactions with the following government related entities during the year:

Bihar Grid Company Ltd

Damodar Valley Corporation

Nabinagar Power Generating Co. Pvt. Ltd.

Neyveli Uttar Pradesh Power Ltd

NTPC Tamil Nadu Energy Company Ltd.

Patratu Vidut Utpadan Nigam Ltd.

THDC India Ltd.

Aggregate transactions with such government related entities are as under:

(₹ in Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Disbursement of Loans	2,059.64	2,837.27
Interest income recognised	1,829.69	2,178.00

Aggregate balance outstanding from such government related entities are as under:

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Loan Assets	17,854.95	22,649.28
Interest Accrued	4.52	7.73

Refer Note No. 12, 21.1(i)and 35 in respect of material transactions with the Central Govt.

59 Disclosures in respect of Ind AS 116 'Leases'

The Company has leases for office building, warehouses, Office equipment and related facilities. Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublease the asset to another party, the right-of-use asset can only be used by the Company. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublease the asset to another party, the right-of-use asset can only be used by the Company. Some leases contain an option to extend the lease for a further term.

Consolidated Notes to Accounts

The Company is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and other premises the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Company is required to pay maintenance fees in accordance with the lease contracts.

During the year ended 31st March, 2022, the expenses relating to short-term leases are ₹ 6.21 crores (previous year ₹12.92 crores). The total cash outflow towards all leases, including Right-of-Use Assets is ₹ 6.23 crores. (previous year ₹ 12.95 crores).

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Opening Balance	0.05	2.12
Finance Cost accrued during the year	-	0.11
Payments made during the year	(0.02)	(2.18)
Closing Balance	**0.03**	**0.05**

The table below provides details regarding the contractual maturities of undiscounted lease liabilities:

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Upto 1 year	0.02	0.02
1-5 years	0.02	0.04
More than 5 years	-	-

60 Disclosures for Employee Benefits as required under Ind AS 19 'Employee Benefits':

60.1 Defined Contribution Plans

A. Provident Fund

The Company pays fixed contribution of Provident Fund at pre-determined rates to a separate registered trust which invests the funds in permitted securities. The trust must declare the rate of interest on contribution to the members based upon the returns earned on its investments during the year, subject to minimum interest rate prescribed by Employees' Provident Fund Organisation. Any shortfall for payment of interest to members as per specified rate of return has to be compensated by the Company. The Company estimates that no liability will arise in this regard in the near future and hence, no further provision is considered necessary.

In case of RECPDCL, there is no separate trust and the companies makes provident fund contributions to defined contribution plans.

B. Defined Contribution Superannuation Scheme

The Company pays fixed contribution towards superannuation scheme at pre-determined rates to NPS Trust which invests the funds in the permitted securities. The balance with the NPS Trust/ separate trust includes the monthly contributions in the members' account along with the accumulated returns. When the pension becomes payable to the member, the amount standing to the credit of the member is appropriated towards the member's accumulation and annuities, as opted for by the member is allotted.

The Group has recognised an expense of ₹ 11.60 crores (previous year ₹ 13.96 Crores) towards defined contribution plans

60.2 Defined Benefit Plans - Post-Employment Benefits

A. Gratuity

The Company has a defined gratuity scheme which is managed by a separate trust. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary for each completed year of service subject to a maximum of ₹ 0.20 crores on superannuation, resignation, termination, disablement or on death, considering the provisions of the Payment of Gratuity Act, 1972, as amended. The liability of Gratuity is recognized on the basis of actuarial valuation.

Net Defined Benefit (Asset)/ Liability

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Present value of Defined benefit obligation	30.43	32.44
Fair Value of Plan Assets	30.09	30.25
Net Defined Benefit (Asset)/ Liability	0.34	2.19

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Movement in net defined benefit (asset)/ liability

(₹ in Crores)

Particulars	Defined Benefit Obligation		Fair Value of Plan Assets		Net Defined Benefit (Asset)/ Liability	
	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021
Opening Balance	**32.44**	**36.82**	**30.25**	**35.47**	**2.19**	**1.35**
Included in profit or loss						
Current service Cost	1.79	1.93	-	-	1.79	1.93
Interest cost / income	2.17	2.28	2.11	2.38	0.06	-0.10
Total amount recognised in profit or loss	**3.96**	**4.21**	**2.11**	**2.38**	**1.85**	**1.83**
Included in OCI						
Re-measurement loss (gain)						
- Actuarial loss (gain) arising from changes in financial assumptions	(0.65)	(0.49)	-	-	(0.65)	(0.49)
-Actuarial loss (gain) arising from Experience adjustments	(0.29)	0.58	-	-	(0.29)	0.58
Return on plan assets excluding interest income	-	-	(0.18)	(0.33)	0.18	0.33
Total amount recognised in OCI	**(0.94)**	**0.09**	**(0.18)**	**(0.33)**	**(0.76)**	**0.42**
Contribution by employers	-	-	2.94	1.42	(2.94)	(1.42)
Benefits paid	(5.03)	(8.68)	(5.03)	(8.69)	-	0.01
Closing Balance	**30.43**	**32.44**	**30.09**	**30.25**	**0.34**	**2.19**

B. Post Retirement Medical Facility (PRMF)

The Company has Post Retirement Medical Facility under which the entitled retired employees and their dependent family members are covered as per Company Rules. The scheme is funded by the Company and is managed by separate trust. The liability towards the same is recognized on the basis of actuarial valuation.

Net Defined Benefit (Asset)/ Liability

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Present value of Defined benefit obligation	165.51	151.69
Fair Value of Plan Assets	164.80	144.06
Net Defined Benefit (Asset)/ Liability	0.71	7.63

Movement in net defined benefit (asset)/ liability

(₹ in Crores)

Particulars	Defined Benefit Obligation		Fair Value of Plan Assets		Net Defined Benefit (Asset)/ Liability	
	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021
Opening Balance	**151.69**	**136.42**	**144.06**	**140.64**	**7.63**	**(4.22)**
Included in profit or loss						
Current service Cost	3.29	2.90	-	-	3.29	2.90
Past service cost	2.50	-	-	-	2.50	-
Interest cost / income	10.31	8.94	10.07	9.45	0.24	(0.51)
Total amount recognised in profit or loss	**16.10**	**11.84**	**10.07**	**9.45**	**6.03**	**2.39**

Consolidated Notes to Accounts

(₹ in Crores)

Particulars	Defined Benefit Obligation		Fair Value of Plan Assets		Net Defined Benefit (Asset)/ Liability	
	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021
Included in OCI						
Re-measurement loss (gain)						
- Actuarial loss (gain) arising from changes in financial assumptions	(4.08)	(5.20)	-	-	(4.08)	(5.20)
- Actuarial loss (gain) arising from changes in demographic assumptions	3.75	-	-	-	3.75	-
-Actuarial loss (gain) arising from Experience adjustments	10.58	19.94	-	-	10.59	19.94
Return on plan assets excluding interest income	-	-	2.90	1.64	(2.90)	(1.64)
Total amount recognised in OCI	**10.25**	**14.74**	**2.90**	**1.64**	**7.36**	**13.10**
Contribution by participants	0.15	-	0.06	0.08	0.09	(0.08)
Contribution by employers	-	-	7.71	-	(7.72)	-
Benefits paid	(12.68)	(11.31)	-	(7.75)	(12.68)	(3.56)
Closing Balance	**165.51**	**151.69**	**164.80**	**144.06**	**0.71**	**7.63**

C. Economic Rehabilitation Scheme (ERS)

The Company has an Economic Rehabilitation Scheme (ERS) to support the family financially in case of permanent disability/ death of an employee during the service tenure. This scheme is unfunded and the liability is determined based on actuarial valuation.

Net Defined Benefit (Asset)/ Liability for ERS

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Present value of Defined benefit obligation		
- ERS	4.15	4.13

Movement in net defined benefit (asset)/ liability for ERS

(₹ in Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Opening Balance	**4.13**	**4.25**
Included in profit or loss		
Current service Cost	0.20	0.20
Interest cost / income	0.26	0.25
Total amount recognised in profit or loss	**0.46**	**0.45**
Included in OCI		
Re-measurement loss (gain)		
- Actuarial loss (gain) arising from changes in financial assumptions	(0.06)	0.02
-Actuarial loss (gain) arising from Experience adjustments	0.89	0.73
Total amount recognised in OCI	**0.83**	**0.75**
Benefits paid	(1.27)	(1.32)
Closing Balance	**4.15**	**4.13**

Consolidated Notes to Accounts

60.2.1 Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

(i) Asset volatility

Most of the plan asset investments are in government securities, other fixed income securities with high rating grades and mutual funds. The fair value of these assets is subject to volatility due to change in interest rates and other market and macro-economic factors.

(ii) Changes in discount rate

The present value of defined benefit plan liabilities is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period. A decrease in discount rate will increase present values of defined benefit obligations, although this will be partially offset by an increase in the value of the plans' investments.

(iii) Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

(iv) Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

60.2.2 Plan Assets

The fair value of plan assets at the end of reporting period for each category, are as follows:

(₹ in Crores)

Particulars	Gratuity		PRMF	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Cash & Cash Equivalents	**0.38**	**0.01**	**0.11**	**1.90**
Unquoted Plan Assets				
State Government Debt Securities			22.58	
Corporate Bonds/ Debentures	-	-	142.11	142.16
Others - Insurer managed funds & T-bills	29.71	30.24	-	-
Sub-total - Unquoted Plan Assets	**29.71**	**30.24**	**164.69**	**142.16**
Total	**30.09**	**30.25**	**164.80**	**144.06**

Actual return on plan assets is ₹ 14.9 crores (previous year ₹ 13.14 crores).

60.2.3 Significant Actuarial Assumptions

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2022 by M/s Transvalue Consultants. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method. The principal assumptions used for actuarial valuations are:-

(₹ in Crores)

Particulars	Gratuity		PRMF		ERS	
	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021
Method Used	**PUCM**	**PUCM**	**PUCM**	**PUCM**	**PUCM**	**PUCM**
Discount Rate & Expected Return on Plan Assets, if funded	7.37%	6.99%	7.37%	6.99%	7.37%	6.99%
Future Salary Increase / medical inflation	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Expected average remaining working lives of employees (years)	17.35	16.03	17.35	16.03	17.35	16.03

The Principal assumptions are the discount rate, salary growth rate and expected average remaining working lives of employees. The discount rate is generally based on the market yields available on govt. bonds at the reporting date with a term that matches the liabilities and the salary growth rate takes account of inflation, seniority, promotions and other relevant factors as long term basis. The above information is certified by the Actuary.

Consolidated Notes to Accounts

60.2.4 Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

(₹ in Crores)

Particulars	As at 31.03.2022		As at 31.03.2021	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)				
- Gratuity	(0.80)	0.85	(0.90)	0.97
- PRMS	(12.16)	12.66	(11.14)	11.66
- ERS	(0.15)	0.17	(0.15)	0.17
Salary Escalation Rate (0.50% movement)				
- Gratuity	0.19	(0.21)	0.14	(0.13)
- PRMS	-	-	-	-
- ERS	0.15	(0.14)	0.15	(0.14)
Medical inflation Rate (0.50% movement)				
- PRMS	11.68	(10.57)	10.83	(10.44)
Medical Cost (10% movement)	-	-	-	-
- PRMS	16.98	(16.28)	15.56	(14.92)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

The Company actively monitors how the duration and expected yield of investments are matching the expected cash outflows arising from employee benefit obligations. Investments are well diversified, such that the failure of any single investment would not have a material impact on overall level of assets. There has been no change in the process used by the Company to manage its risks from prior periods.

60.2.5 Expected maturity analysis of the defined benefit plans in future years

(₹ in Crores)

Particulars	Gratuity		PRMF		ERS	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Less than 1 year	4.71	7.87	14.02	12.20	1.11	1.19
From 1 to 5 years	17.61	20.81	83.46	72.60	3.60	3.00
Beyond 5 years	32.92	31.10	327.63	285.02	4.74	3.19
Total	**55.24**	**59.78**	**425.11**	**369.82**	**9.45**	**7.38**

60.2.6 Expected contribution for the next year

(₹ in Crores)

Particulars	Gratuity		PRMF		ERS	
	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021
Expected contribution	1.76	3.98	4.35	10.91	-	-

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 12.20 years (as at 31.03.2021 - 12.54 years).

60.3 Other Long-term Employee Benefits

60.3.1 Earned Leave and Half Pay Leave

REC provides for earned leave benefit and half-pay leave benefit to the credit of the employees, which accrues on half-yearly basis at 15 days and 10 days respectively. A maximum of 300 days of earned leave can be accumulated at any point of time during the service, while there is no limit for accumulation of half pay leave. In case of RECPDCL, the Employees are entitled for Leave Encashment after completion of one year of service only and amount is paid in full, at the time of separation. The liability for the same is recognised on the basis of actuarial valuation. Total expenses amounting to ₹ 9.37 crore (Previous period ₹ 4.55 crore) have been made towards these employee benefits and debited to the Statement of Profit and Loss on the basis of actuarial valuation.

Consolidated Notes to Accounts

60.3.2 Other employee benefits

Expenses towards long service award and settlement allowance amounting to Nil (previous year ₹ 0.76 crores) have been debited to the Statement of Profit and Loss on the basis of actuarial valuation.

In case of RECPDCL, the Loyalty incentive to the employees is payable after completion of three years of continuous service only, except in case of separation due to death. The payment of dues to outgoing employee is released at the time of separation. Expenses amounting to Nil (Previous year ₹ 0.20 crore) have been debited to the Statement of Profit and Loss on the basis of actuarial valuation.

61 Status of Documentation Subsequent to Unbundling of SEBs

Some of the erstwhile State Electricity Boards (SEBs) against whom loans were outstanding or on whose behalf guarantees were given, were restructured by the respective State Governments and new entities were formed in the past. Consequently, the liabilities of the erstwhile SEBs stand transferred to new entities.

Status of Documentation Subsequent to Reorganisation of the State of Jammu & Kashmir

After the bifurcation of the State of Jammu & Kashmir into two Union Territories (UTs) – Jammu & Kashmir UT and Ladakh UT, the existing entities pertaining to the erstwhile state of J&K have been restructured vide unbundling order dated 23rd October 2019. The addendums to the agreements with new restructured departments are yet to be executed. Pending the execution of such documentation, the existing loans for Generation, T&D and Govt. schemes are being serviced / repaid in line with the existing loan agreements.

Status of Documentation Subsequent to Reorganisation of the State of Andhra Pradesh

Subsequent to the reorganisation of erstwhile State of Andhra Pradesh, the state of Telangana has been formed on 2 June 2014. However, the assets and liabilities are yet to be transferred to the respective power utilities through a formal Gazette Notification.

Status of Documentation is as under:

(i) Where ever the loans have been sanctioned to erstwhile APCPDCL, APNPDCL and APGENCO prior to bifurcation and documentation has not been done, these schemes have been re-sanctioned in the name of newly formed utilities and documentation formalities completed and accordingly the charge has been registered with the Ministry of Corporate Affairs (MCA).

(ii) Where ever the loans sanctioned in the name of erstwhile APCPDCL, APNPDCL prior to bifurcation and documentation formalities completed and drawls have been made, in these schemes an undertaking has been obtained from the name changed / newly formed utility and disbursements have been made to the newly formed utility by changing the name of the borrower in the name of new / name changed utility.

(iii) Where ever the Loan is sanctioned in the name of erstwhile APCPDCL, APNPDCL prior to bifurcation and documentation formalities completed with Government Guarantee and drawls have been made, further documentation for these schemes shall be done on Gazette Notification.

(iv) Once the final transfer scheme is notified through Gazette Notification by Govt, duly indicating the transfer of assets and liabilities among the power utilities, action for execution of documentation formalities will be taken up in respect of all the outstanding loans with the new / name changed utilities. Till that time, the demand for payment of interest / principal is being segregated by the Utilities and the respective portions are being paid by Utilities in Telangana and Andhra Pradesh.

62 Modifications in the Significant Accounting Policies

The policy on Business Combination under Common Control, Expenditure on Issue of Shares and Fair Value Hedges have been added. Further, certain accounting policies have also been reworded to bring in more clarity and align with Company's practice. There is no financial impact of such modifications carried out in the accounting policies.

63 Provisions, Contingencies and Impairment loss allowances debited to Consolidated Statement of Profit and Loss

(₹ in Crores)

	Particulars	Year ended 31.03.2022	Year ended 31.03.2021
(i)	Impairment Loss Allowance for loans*	3,434.36	2,363.33
(ii)	Impairment Loss Allowance for Investments	28.72	-
(iii)	Impairment Loss Allowance for Other Receivables	6.94	82.61
(iv)	Provision made for Income Tax	2,394.83	2,401.35

** includes ₹ 11.81 crores (Previous year ₹ 0.71 crores) towards impairment allowance on Letter of Comfort.*

Consolidated Notes to Accounts

64 The Company's operations comprise of only one business segment - lending loans to power sector companies engaged in construction of power plants and in generation, supply, distribution and transmission of electricity: in the context of reporting business/ geographical segment as required by Ind AS 108 - Operating Segments. Based on "management approach" as defined in Ind AS 108 Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance based on analysis of various factors of one business segment.

64.1 Information about Revenue from major products and services

(₹ in Crores)

Particulars		Year ended 31.03.2022	Year ended 31.03.2021
(A)	Income from Loan Assets	38,522.97	34,364.47
(B)	Fee for Implementation of Govt. Schemes	15.23	33.67
(C)	Income from Treasury Operations	235.36	410.12
(D)	Revenue from sale of services	150.96	163.65
	Total	**38,924.52**	**34,971.91**

64.2 The Group does not have any reportable geographical segment as the primary operations of the Group are carried out within the country.

64.3 No single borrower has contributed 10% or more to the Company's revenue during the financial year 2021-22 and 2020-21

65 Subsidiaries, joint venture and associates considered for consolidation

A. Wholly owned subsidiaries of the Company:

(₹ in Crores)

Name of entity	Place of business/ country of incorporation	Ownership interest held by the Group	
		As at 31.03.22	As at 31.03.21
REC Power Development and Consultancy Limited (formerly REC Power Distribution Company Limited)	India	100%	100%

B. Joint venture

(₹ in Crores)

Name of entity	Place of business/ country of incorporation	Ownership interest/ Carrying Amount held by the Group**	
		As at 31.03.22	As at 31.03.21
Energy Effiency Services Limited (EESL)*	India		
Ownership interest		15.68%	22.18%
Carrying Amount**		214.74	257.74

** During the year, pursuant to agreement executed amongst the Joint Venture partners i.e. NTPC Limited, Power Finance Corporation Limited, REC Limited and Power Grid Corporation of India Limited, EESL ceased to be a jointly controlled entity of the Company with effect from September 01, 2021, under Ind-AS framework.*

** The financial statements for FY 2021-22 is un-audited and certifed by the management and have been considered for Consolidated Financial Statements of the Group. The figures appearing in the financial statements may change upon completion of the audit.*

*** Quoted price of the investment is not available, as the equity shares of the Company are not listed on stock exchanges.*

C. Associates

Name of entity	Place of business/ country of incorporation	Ownership interest held by the Group	
		As at 31.03.22	As at 31.03.21
Dinchang Transmission Limited	India	100.00%	100.00%
Chandil Transmission Limited	India	100.00%	100.00%
Dumka Transmission Limited	India	100.00%	100.00%
Mandar Transmission Limited	India	100.00%	100.00%
Koderma Transmission Limited	India	100.00%	100.00%
Rajgarh Transmission Limited (Earlier Rajgarh Madhya Pradesh Line)	India	100.00%	100.00%
MP Power Transmission Package-I Limited	India	100.00%	100.00%
Bidar Transmission Limited (Earlier Bidar Karnataka Line)	India	100.00%	100.00%
ER NER Transmission Limited	India	100.00%	-

Consolidated Notes to Accounts

Name of entity	Place of business/ country of incorporation	Ownership interest held by the Group	
		As at 31.03.22	As at 31.03.21
Gadag Transmission Limited (Earlier Gadag Karnataka Part A Line)*	India	-	100.00%
Fatehgarh Bhadla Transco Limited (Earlier Solar Energy Rajasthan Part B Line)*	India	-	100.00%
Sikar New transmission Limited (Earlier Solar Energy Rajasthan Part C Line)*	India	-	100.00%
Kallam transmission Limited (Earlier Osmanabad Maharashtra Line)*	India	-	100.00%
MP Power Transmission Package-II Limited*	India	-	100.00%

* The above SPV has been sold during the year

Note: The above investments are managed as per the mandate from Government of India (GoI) and the Company does not have the practical ability to direct the relevant activities of these Companies unilaterally. The Company therefore, considers its investment in respective Companies as associates having significant influence despite the Company holding 100% of their paid-up equity share capital.

66 Disclosures in respect of Entities Consolidated as required under Schedule III to the Companies Act, 2013

66.1 Share in Net Assets i.e. Total Assets minus Total Liabilities

(₹ in Crores)

Name of the Entity	As at March 31, 2022		As at March 31, 2021	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Net Assets	Amount
Parent				
REC Limited	99.36%	50,985.60	99.23%	43,426.37
Subsidiaries - Indian				
REC Power Development and Consultancy Limited (formerly REC Power Distribution Company Limited)	0.64%	328.59	0.68%	297.99
Joint Venture - Indian				
Energy Efficiency Services Limited	-	-	0.59%	257.74
Associates - Indian				
Chandil Transmission Limited	-	0.05	-	0.05
Dumka Transmission Limited	-	0.05	-	0.05
Mandar Transmission Limited	-	0.05	-	0.05
Koderma Transmission Limited	-	0.05	-	0.05
Kallam transmission Limited (Earlier Osmanabad Maharashtra Line)	-	-	-	0.05
Bidar Transmission Limited (Earlier Bidar Karnataka Line)	-	0.05	-	0.05
Gadag Transmission Limited (Earlier Gadag Karnataka Part A Line)	-	-	-	0.05
Fatehgarh Bhadla Transco Limited (Earlier Solar Energy Rajasthan Part B Line)	-	-	-	0.05
Sikar New transmission Limited (Earlier Solar Energy Rajasthan Part C Line)	-	-	-	0.05
Rajgarh Transmission Limited (Earlier Rajgarh Madhya Pradesh Line)	-	0.05	-	0.05
MP Power Transmission Package-I Limited	-	0.05	-	0.05
MP Power Transmission Package-II Limited	-	-	-	0.05
Adjustments or eliminations effect	**0.00%**	**(0.43)**	**-0.50%**	**(218.77)**
Total	**100.00%**	**51,314.10**	**100.00%**	**43,763.93**

Consolidated Notes to Accounts

Share in profit and loss

(₹ in Crores)

Name of the Entity	Year ended 31.03.2022		Year ended 31.03.2021	
	As % of Consolidated Net Profit	Amount	As % of Consolidated Net Profit	Amount
Parent				
REC Limited	100.10%	10,045.92	99.80%	8,361.78
Subsidiaries - Indian				
REC Power Development and Consultancy Limited (formerly REC Power Distribution Company Limited)	0.53%	53.03	0.31%	25.62
REC Transmission Projects Company Limited	-	-	0.00%	-
Joint Venture - Indian				
Energy Efficiency Services Limited	(0.12%)	(11.81)	(0.02%)	(1.97)
Associates - Indian	-	-	-	-
Adjustments or eliminations effect	**(0.51%)**	**(51.44)**	**(0.09%)**	**(7.19)**
Total	**100.00%**	**10,035.70**	**100.00%**	**8,378.24**

Share in Other Comprehensive Income

(₹ in Crores)

Name of the Entity	Year ended 31.03.2022		Year ended 31.03.2021	
	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Other Comprehensive Income	Amount
Parent				
REC Limited	102.02%	(59.07)	99.73%	456.52
Subsidiaries - Indian				
REC Power Development and Consultancy Limited (formerly REC Power Distribution Company Limited)	-	-	-	-
REC Transmission Projects Company Limited	-	-	-	-
Joint Venture - Indian				
Energy Efficiency Services Limited	(2.02%)	1.17	0.27%	1.24
Associates - Indian	-	-	-	-
Adjustments or eliminations effect	-	-	-	-
Total	**100.00%**	**(57.90)**	**100.00%**	**457.76**

Share in Total Comprehensive Income

(₹ in Crores)

Name of the Entity	Year ended 31.03.2022		Year ended 31.03.2021	
	As % of Consolidated Total Comprehensive Income	Amount	As % of Consolidated Total Comprehensive Income	Amount
Parent				
REC Limited	100.09%	9,986.85	99.80%	8,818.30
Subsidiaries - Indian				
REC Power Development and Consultancy Limited (formerly REC Power Distribution Company Limited)	0.53%	53.03	0.29%	25.62
REC Transmission Projects Company Limited	0.00%	-	-	-
Joint Venture - Indian				
Energy Efficiency Services Limited	(0.11%)	(10.64)	(0.01%)	(0.73)

Consolidated Notes to Accounts

(₹ in Crores)

Name of the Entity	Year ended 31.03.2022		Year ended 31.03.2021	
	As % of Consolidated Total Comprehensive Income	Amount	As % of Consolidated Total Comprehensive Income	Amount
Associates - Indian	-	-	-	-
Adjustments or eliminations effect	(0.52%)	(51.44)	(0.08%)	(7.19)
Total	**100.00%**	**9,977.80**	**100.00%**	**8,836.00**

67 Amounts expected to be recovered/ settled within 12 months and beyond for each line item under asset and liabilities

(₹ in Crores)

	Particulars	As at 31.03.2022		As at 31.03.2021	
		Within 12 months	More than 12 months	Within 12 months	More than 12 months
	ASSETS				
(1)	**Financial Assets**				
(a)	Cash and cash equivalents	140.99	-	1,179.24	-
(b)	Bank balances other than (a) above	2,453.95	65.01	2,222.36	1.22
(c)	Trade receivables	94.55	-	140.07	-
(d)	Derivative financial instruments	343.37	5,166.80	258.94	2,052.28
(e)	Loans	39,144.60	3,32,785.94	36,576.91	3,28,684.58
(f)	Investments	62.11	2,128.33	38.10	1,685.58
(g)	Other financial assets	274.14	24,141.17	280.26	24,139.62
	Total - Financial Assets (1)	**42,513.71**	**3,64,287.26**	**40,695.88**	**3,56,563.28**
(2)	**Non-Financial Assets**				
(a)	Current tax assets (net)	-	191.56	-	168.92
(b)	Deferred tax assets (net)	-	3,160.12	-	2,461.03
(c)	Investment Property	-	-	-	0.01
(d)	Property, Plant & Equipment	-	624.04	-	260.70
(e)	Capital Work-in-Progress	(0.00)	6.07	-	335.67
(f)	Intangible Assets Under Development	-	-	-	0.77
(g)	Other Intangible Assets	-	4.28	-	6.15
(h)	Other non-financial assets	60.49	8.19	93.83	8.84
(i)	Investments accounted for using equity method	-	-	-	257.74
	Total - Non-Financial Assets (2)	**60.49**	**3,994.26**	**93.83**	**3,499.83**
(3)	**Assets classified as held for sale**	**4.38**	**-**	**14.05**	**-**
	Total ASSETS (1+2+3)	**42,578.58**	**3,68,281.52**	**40,803.76**	**3,60,063.11**
	LIABILITIES				
(1)	**Financial Liabilities**				
(a)	Derivative financial instruments	18.89	534.25	73.13	773.18
(b)	Trade Payables				
	(I) Trade payables				
	(i) total outstanding dues of MSMEs	-	-	0.01	-
	(ii) total outstanding dues of creditors other than MSMEs	36.48	-	61.84	-
	(II) Other payables				
	(i) total outstanding dues of MSMEs	-	-	-	-
	(ii) total outstanding dues of creditors other than MSMEs	-	-	-	-

Consolidated Notes to Accounts

(₹ in Crores)

	Particulars	As at 31.03.2022		As at 31.03.2021	
		Within 12 months	More than 12 months	Within 12 months	More than 12 months
(c)	Debt Securities	29,637.91	1,89,936.70	45,055.83	1,92,213.28
(d)	Borrowings (other than debt securities)	22,529.92	84,121.67	27,509.52	57,997.84
(e)	Subordinated Liabilities	296.95	6,519.52	299.49	6,647.40
(f)	Other financial liabilities	1,598.01	24,110.63	2,102.37	24,110.63
	Total - Financial Liabilities (1)	**54,118.16**	**3,05,222.77**	**75,102.19**	**2,81,742.33**
(2)	**Non-Financial Liabilities**				
(a)	Current tax liabilities (net)	10.25	-	14.40	-
(b)	Provisions	57.60	48.07	71.82	41.87
(c)	Other non-financial liabilities	59.63	29.50	97.89	32.36
	Total - Non-Financial Liabilities (2)	**127.48**	**77.57**	**184.11**	**74.23**
(3)	**Liabilities directly associated with assets classified as held for sale**	0.01	-	0.08	-
	Total LIABILITIES (1+2+3)	**54,245.65**	**3,05,300.34**	**75,286.39**	**2,81,816.55**

Previous year figures have been reclassified/ regrouped to conform to the current classification.

68 There are no Off-Balance Sheet SPVs sponsored by the Company, which need to be consolidated as per accounting norms.

69 The Company does not have any Overseas Assets in the form of Joint Ventures/Subsidiaries abroad.

70 The disclosures as required under Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 have been made in Note No. 3, 9, 10, 11, 22.1, 29.1, 48, 51, 52.1.3 (N), 52.1.3 (O), 52.1.3 (R), 52.1.3 (S), 52.1.3 (T), 52.1.3 (U), 52.2.2, 52.2.4, 52.3, 53,55, 58, 62, 63, 68, 69, 71, 72.

71 No penalties have been levied on the Company by any regulator during the year ended 31st March 2022 (previous year Nil).

However, the Company has received notices from the National Stock Exchange of India Ltd. (NSE) and BSE Ltd. (BSE) imposing a total fine of ₹ 75,59,080 (inclusive of GST) for non-compliance for the quarters ended 30th June 2021, 30th September 2021 and 31st December 2021 on the corporate governance requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 regarding the position/quorum requirements of Board/ Committees.

The Company has requested the Stock Exchanges to waive the fine since the power to appoint Independent Directors is vested with President of India through the administrative Ministry as per Articles of Association of the Company and the Board of Directors or the Company cannot appoint Independent Directors on the Board of the Company. As such, there is no violation on the part of the Company in the appointment of Independent Directors. While the reply of the Stock Exchanges is still awaited, the Company is hopeful of favorable outcome of its request to the Stock Exchanges in line with the earlier waivers of fine by the Stock Exchanges for similar reasons.

72 No complaints have been received by the company from the borrowers under the Fair Practices Code during the year ended 31st March 2022 (previous year Nil).

73 Figures in Rupees have been rounded off to the nearest crores with two decimals, unless expressly stated.

The Notes to Accounts 1 to 73 are an integral part of Balance Sheet and Statement of Profit & Loss.

For and on behalf of the Board

J.S. Amitabh
ED & Company Secretary

Ajoy Choudhury
Director (Finance)
DIN - 06629871

R.S. Dhillon
Chairman & Managing Director
DIN - 00278074

In terms of our Audit Report of even date

For S.K. Mittal & Co.
Chartered Accountants
Firm Reg. No.: 001135N

S. Murthy
Partner
M.No. : 072290

For O.P. Bagla & Co. LLP.
Chartered Accountants
Firm Reg. No.: 000018N/N500091

Atul Aggarwal
Partner
M.No. : 092656

Place : Gurugram
Date : 13th May 2022

REC Limited

Registered Office - Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi - 110003, CIN: L40101DL1969GOI005095

Annexure to be enclosed with Consolidated Balance Sheet as at 31st March 2022

(As prescribed by Reserve Bank of India)

(Particulars as required in terms of Paragraph 18 of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, in so far as they are applicable to REC Ltd.)

(₹ in Crores)

	Particulars	As at 31.03.2022		As at 31.03.2021	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
	LIABILITIES SIDE:				
(1)	**Loans and advances availed by the NBFC**				
	inclusive of interest accrued thereon but not paid:				
	(a) Debentures/ Bonds :				
	- Secured	40,597.85	-	35,534.72	-
	- Unsecured	1,86,643.60	-	2,09,508.98	-
	(b) Deferred Credits	-	-	-	-
	(c) Term Loans				
	- Secured Loans from Financial Institutions	-	-	-	-
	- Unsecured Loans from Govt. of India	10,325.12	-	10,325.12	-
	- Unsecured Loans from Banks	42,919.86	-	29,953.76	-
	- Unsecured Loans from Financial Institutions	6,800.00	-	5,800.00	-
	(d) Inter-corporate Loans and Borrowing	-	-	-	-
	(e) Commercial Paper	-	-	-	-
	(f) Other Loans	-	-	-	-
	- Foreign Currency Borrowings	35,687.77	-	21,060.17	-
	- FCNR(B) Loans	9,861.13	-	5,335.01	-
	- Short Term Loans/ Loans Repayable on Demand	1,415.58	-	10,201.99	-
	- Unsecured Loans from Holding Company	-	-	3,000.49	-
	- Finance Lease Obligations	0.03	-	0.05	-
	- Loans Repayable on Demand from Banks & FIs				

(₹ in Crores)

	Particulars	As at 31.03.2022	As at 31.03.2021
	ASSETS SIDE :		
(2)	**Break-up of Loans and Advances including bills receivables**		
	(a) Secured	2,13,512.93	2,47,657.93
	(b) Unsecured	1,57,153.67	1,16,554.11
(3)	**INVESTMENTS :**		
	Current Investments:		
	Quoted:		
	(i) Shares : Equity	49.52	23.60
	Unquoted:		
	(i) Shares : (a) Preference	-	69.08
	(ii) Debentures and Bonds	238.76	292.16
	Long Term Investments:		
	Quoted:		
	(i) Shares : Equity	53.52	430.13
	(ii) Debentures and Bonds	259.39	259.63
	(iii) Government Securities	1,374.51	649.08
	Unquoted:		
	(i) Shares : (a) Equity	214.74	257.74
	(ii) Units of mutual funds	-	-

(4) Borrower Group-wise classification of assets financed in (2) above :

(₹ in Crores)

Particulars	AMOUNT NET OF PROVISIONS	
	Secured	Unsecured
As at 31.03.2022		
1. Related Parties		
(a) Subsidiaries	-	-
(b) Companies in the same Group	-	-
(c) Other related Parties	-	-
2. Other than Related Parties	2,13,512.93	1,57,153.67
Total	**2,13,512.93**	**1,57,153.67**
As at 31.03.2021		
1. Related Parties		
(a) Subsidiaries	-	-
(b) Companies in the same Group	-	-
(c) Other related Parties	-	-
2. Other than Related Parties	2,47,657.93	1,16,554.11
Total	**2,47,657.93**	**1,16,554.11**

(5) Investor group-wise classification of investments (current and long term) in shares and securities (both quoted and unquoted) :

(₹ in Crores)

Category	As at 31.03.2022		As at 31.03.2021	
	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties				
(a) Companies in the same Group	-	-	257.74	257.74
2. Other than Related Parties	2,190.44	2,190.44	1,723.68	1,723.68
Total	**2,190.44**	**2,190.44**	**1,981.42**	**1,981.42**

(6) Other Information

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
(i) Gross Credit-impaired Assets		
(a) Related Parties	-	-
(b) Other than related Parties	17,159.89	18,256.93
(ii) Net Credit-impaired Assets		
(a) Related Parties	-	-
(b) Other than related Parties	5,594.16	6,465.62
(iii) Asset acquired in satisfaction of debts	-	349.28

For and on behalf of the Board

J.S. Amitabh
ED & Company Secretary

Ajoy Choudhury
Director (Finance)
DIN - 06629871

R.S. Dhillon
Chairman & Managing Director
DIN - 00278074

In terms of our Audit Report of even date

For S.K. Mittal & Co.
Chartered Accountants
Firm Reg. No.: 001135N

S. Murthy
Partner
M.No. : 072290

For O.P. Bagla & Co. LLP.
Chartered Accountants
Firm Reg. No.: 000018N/N500091

Atul Aggarwal
Partner
M.No. : 092656

Place : Gurugram
Date : 13th May 2022

Form AOC-1

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

Part A: Subsidiaries

(₹ in Crores)

	Particulars	(I)
1	**Name of the Subsidiary**	**REC Power Development and Consultancy Limited (formerly REC Power Distribution Company Limited)**
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Not Applicable
4	Share capital	0.09
5	Reserves & Surplus	328.50
6	Total assets	518.61
7	Total Liabilities	190.02
8	Investments	91.52
9	Turnover	177.20
10	Profit/ (Loss) Before Taxation	68.88
11	Provision for Taxation	15.85
12	Profit/ (Loss) After Taxation	53.03
13	Proposed Dividend	8.91
14	% Shareholding	100.00%

(1) Name of subsidiaries which are yet to commence operations - Nil

(2) Names of subsidiaries which have been liquidated or sold during the year - Nil

Part B: Associates and Joint Ventures

Details of Associates

(₹ in Crores)

	Name of Associates	Bidar Transmission Limited*	Chandil Transmission Limited #	Dumka Transmission Limited #	ER NER Transmission Limited *	Koderma Transmission Limited *	Mandar Transmission Limited #	MP Power Transmission Package I Limited *	Rajgarh Transmission Limited *
1	Latest audited Balance Sheet Date	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22
2	Shares of Associate/Joint Ventures held by the company on the year end								
	Number	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
	Amount of Investment in Associates/ Joint Venture	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
	Extent of Holding (%)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
3	Description of how there is significant influence	Refer Note 1							
4	Reason why the associate/ joint venture is not consolidated	NA	NA	NA	NA	NA	NA	NA	NA
5	Networth attributable to Shareholding as per latest audited Balance Sheet	0.07	(2.15)	(2.10)	(0.26)	(1.92)	(1.87)	(1.62)	(0.10)
6	Profit / (Loss) for the year	(0.01)	-	-	(0.31)	-	-	(0.80)	(0.20)
i.	Considered in Consolidation **	-	-	-	-	-	-	-	-
ii.	Not Considered in Consolidation	(0.01)	-	-	(0.31)	-	-	(0.80)	(0.20)

** The latest audited Balance Sheet available for associates have been prepared on the basis of IND-AS.*
 # The latest management certified Balance Sheet available for associates have been prepared on the basis of IND-AS.
***Associates classified under held for sale and valued at cost or fair market value (less cost to sales) whichever is less, hence profit not considered.*

Note : 1. The Group is holding 100% of shares but these investments are managed as per the mandate from Government of India and Group does not have the practical ability to direct the relevant activities of these companies unilaterally, hence treated as associate company.
Note : 2. Five associates were transferred during FY 2021-22 whose details are as follows:

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

Detail of joint Venture

During the year, pursuant to agreement executed amongst the Joint venture partners i.e. NTPC Limited, Power Finance Corporation Limited, REC Limited and Power Grid Corporation of India Limited, EESL ceased to be a jointly controlled entity of the company with effect from September 01, 2021.

(1) Names of associates or joint ventures which are yet to commence operations - NIL

(2) Names of associates or joint ventures which have been liquidated or sold during the year.x

The following associates have been sold during the year, as a part of business process:

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

For and on behalf of the Board

J.S. Amitabh
ED & Company Secretary

Ajoy Choudhury
Director (Finance)
DIN - 06629871

R.S. Dhillon
Chairman & Managing Director
DIN - 00278074

In terms of our Audit Report of even date

For S.K. Mittal & Co.
Chartered Accountants
Firm Reg. No.: 001135N

S. Murthy
Partner
M.No. : 072290

For O.P. Bagla & Co. LLP.
Chartered Accountants
Firm Reg. No.: 000018N/N500091

Atul Aggarwal
Partner
M.No. : 092656

Place : Gurugram
Date : 13th May 2022

Independent Auditors' Report

To the Members of
REC Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of REC Limited (hereinafter referred to as "the Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at 31st March, 2022, of consolidated Profit (including other comprehensive Income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

1. We draw attention to Note No. 52.1.3 of the consolidated Ind AS financial statements regarding, the provision of impairment allowance in respect of its loan assets and Letters of Comfort. In this regard, we have relied upon the basis of determination of impairment allowance, in so far as it relates to technical aspects/parameters considered by independent agency and management judgement for ascertaining impairment allowance as management overlay.
2. We draw attention to Note No. 54 of the consolidated Ind AS financial statements regarding the impact of COVID-19 pandemic on the Company. Management is of the view that there are no reasons to believe that the pandemic will have any significant impact on the ability of the company to continue as a going concern. Nevertheless, the impact in sight of evolvement of pandemic in future period is uncertain and could impact the impairment allowance in future years.

Our opinion is not modified in respect of these matters.

Key Audit Matters

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

S. No.	Key Audit Matter	Auditor's Response
1.	**Impairment allowance of Loan Assets –** (Refer Note Note No. 52.1.3 to the Standalone Ind AS Financial Statements read with accounting policy No. 3.14) The Company follows a Board approved methodology wherein assessment for allowance is carried out by an external agency for impairment based on certain criterion/framework classifying the assets into various stages depending upon credit risk and level of evidence of impairment. Impairment allowance is measured as product of the Probability of Default, Exposure at Default and Loss Given Default being the key parameters for assessing the impairment allowance.	**We have applied following audit procedures in this regard** a). According to the provisions of Ind AS 109 "Financial Instruments", we have obtained the report of the external agency and verified the criterion/framework with various regulatory updates alongwith Company's internal guidelines and procedures in respect of the impairment allowance. b) Verification of loan assets on test check basis covering substantial part of total loans with respect to monitoring thereof for recovery/performance aspects and assessment of the loan impairment considering management perception on the same. c) Recoveries are verified applying the standard audit procedures. Loan balances are confirmed and quality of the borrower is evaluated and tested with key control parameters.

S. No.	Key Audit Matter	Auditor's Response
	The key indicators underlying for assessment of impairment allowance are appraised on an ongoing basis by the management. Further the management has adopted a methodology which in addition to the model adopted as above is further analyzed on case to case basis and wherever impairment impact need to be changed the same is considered in the financial statements. Since the company is a Non-Banking Finance Company (NBFC) involved in business of financing and if any of the key parameter/criteria/assumptions mentioned as above is applied improperly, it can result in impacting the carrying value of loan assets materially either individually or collectively. In view of the significance of the amount of loan assets in the standalone Ind AS Financial Statements i.e. 90.52% of total assets, the audit procedure for impairment of loan assets has been considered as Key Audit Matter in our audit.	d) Assessment of impairment based upon performance of the loan assets is carried out on the basis of available documents comprising loan papers, financial data, valuation reports, progress report, periodical financial information, information on public domain, procedure applied by the management e.g. inspection of loans, physical verification, assessing borrower past records etc. Recoveries in the loan assets are verified to ascertain level of stress thereon and impact as impairment allowance on financial statement. e) We have discussed with the management wherever underlying weakness is observed and management assessment is carried out in detail in such cases. f) Components and calculations in the study for impairment allowance carried out by external agency are relied upon by us and test checks are carried out for the same. Such components are credit rating of borrowers, calculation of probability of default/loan given defaults etc. Our audit procedure in the same are limited in view of reliance on report of the external agency. g) Further, the Management, pursuing a Board approved methodology reviews the impairment allowance in the report of the external agency and enhanced/reduced the impairment on case to case basis as management overlay. We have obtained a detailed analysis from the management for such changes. Our audit procedure in this regard is constrained by the management appraisal and we have relied upon the same. h) Comparison of ECL with the amount of provisioning as required in terms of Income Recognition, Assets classification and provisioning norms (IRACP) of Reserve Bank of India in pursuance of RBI Notification No. DOR (NBFC).CC.PD. No.109/22.10.106/2019-20 dated 13th March 2020.
2.	**Fair valuation of Derivative Financial Instruments** (Refer Note No. 9 to the standalone Ind AS Financial Statements read with accounting policy No. 3.13) To mitigate the Company's exposure to foreign currency risk and interest rate risk, non-INR cash flows are monitored and derivative contracts are entered into in accordance with the Company's board approved risk management policies and RBI guidelines. The Company has applied hedge accounting requirements as per Ind AS 109 'Financial Instruments' wherein certain derivative contracts have been designated as hedging instruments in 'Cash flow hedge' relationships. These arrangements have been entered into to mitigate foreign currency exchange risk and interest rate risk arising from certain debt instruments denominated in foreign currency. The derivatives are measured at fair value as per Ind AS 109. Mark to market gain/loss on these derivatives are recognised in the other comprehensive income for cash flow hedges. In view of significance and impact on financial statements we have identified it as a key audit matter.	**We have applied following audit procedure in this regard** a) Discussing and understanding management's perception and studying policy of the company for risk management. Motive of derivative transactions are studied and observed underlying exposure is not more than the volume of derivatives. b) Verification of fair value of derivative in terms of Ind AS 109. c) Testing the accuracy and completeness of derivative transactions. d) Evaluation of management's key internal controls over classification, valuation, and valuation models of derivative instruments. e) Obtained details of various financial derivative contracts as outstanding as on 31st March 2022. f) Verification of underlying assumptions in estimating the fair valuation arrived at for those financial derivative contracts. g) We also obtained confirmations from the banks with whom such financial derivative contracts have been entered into and independently compared the valuation so arrived at by the contracting banks. h) Additionally, we have verified the accounting of gain/loss on mark to market basis in the other comprehensive income for cash flow hedges. i) Assessing whether the financial statement disclosures appropriately reflect the Company's exposure to derivatives valuation risks with reference to the requirements of the prevailing accounting standards and Reserve Bank of India Guidelines.

The following key audit matters with respect audit opinion on the financial statement of REC Power Development and Consultancy Limited (formerly known as REC Power Distribution Company Limited), a wholly owned subsidiary company has been reported by the component auditors vide their report dated 11.05.2022 and has been reproduced by us as under :

S. No.	Key Audit Matter	Auditor's Response
1.	**Valuation of account Receivable in view of risk of credit loss** (Refer to Note no. 52.1.5 "Financial Instrument" and Note no. 8 "Trade Receivable" of) Accounts receivables is a significant item in the Company's financial statements as at March 31, 2022 and assumptions used for estimating the credit loss on receivables is an area which is influenced by management's judgment. The Company makes an assessment of the estimated credit losses basis credit risk, project status, past history, latest discussion/ correspondence with the customer. Given the relative significance of these receivables to the financial statements and the nature and extent of audit procedures involved to assess the recoverability of receivables, we determined this to be a key audit matter.	**Principal Audit Procedures** Our audit incorporated the following procedure with regards to provisioning of receivables: • Understood and evaluated the accounting policy of the company. • We evaluated the design and tested the operating effectiveness of key controls in relation to determination of estimated credit loss. • Inquired with senior management regarding status of collectability of the receivable • For material balances, the basis of provision was discussed with the management. Assessed and challenged the information used by the Management to determine the expected credit losses by considering credit risk of the customer, cash collection, performance against historical trends and the level of credit loss charges over time.
2.	**Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers"** The application of the new revenue accounting standard involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Refer Notes 3.4 and 64.1 to the Financial Statements	**Principal Audit Procedures** We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. We carried out the following procedures: • Understand the design of internal controls relating to implementation of the new revenue accounting standard. • Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these controls. • Regarding the stage of completion and revenue in respect of ongoing projects, we have relied upon the reports of the Technical Experts of the Company as we did not have that technical expertise with us. • Selected a sample of continuing and new contracts and performed the following procedures: • Read, analyzed and identified the distinct performance obligations in these contracts. • Compared these performance obligations with that identified and recorded by the Company. • Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. • Calculations in respect of unearned revenue were test-checked using reports provided by project experts with respect to the percentage of work completed. • In respect of samples relating to fixed price contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with the terms of contracts and status of work provided by the project experts of the company. • Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts. • Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings

Information Other than the Consolidated Ind AS Financial Statements and Auditor's Report thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the Directors' Report, Corporate Governance Report, Business Responsibility Report and Management Discussion and Analysis etc in the Annual report but does not include the consolidated Ind AS financial statements and our report thereon. Such other information is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read such other information if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in term of the requirements of the Companies Act,2013 that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ,("Ind AS"). The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated Ind AS 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors 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 consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of the subsidiary whose financial statements reflect total assets of ₹ 518.61 Crores (₹ 662.79 Crores as at 31st March 2021) as at 31st March 2022, total revenues of ₹ 177.20 Crores (Previous year ₹ 184.86 Crores) and net cash flows amounting to ₹ -24.16 Crores (Previous year ₹ -0.93 Crores) for the year ended on that date, as considered in the Consolidated Ind AS Financial Statements. The Consolidated Ind AS Financial Statements also include the subsidiary's share of net profit after tax of ₹ 53.03 crores (Previous Year ₹ 25.62 crores) and total comprehensive income of ₹ 53.03 crores (Previous Year ₹ 25.62 crores) as considered in the Consolidated Ind AS Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report, to the extent applicable, that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS Financial Statements.

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, Consolidated Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements.

    (d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

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

    (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and operative effectiveness of such controls , refer to our separate report in "Annexure-A"; and

(g) Pursuant to Notification no. GSR463(E) dated dated 5th June 2015 issued by the Ministry of Corporate Affairs, provisions of Section 197 of the Act are not applicable to the holding/subsidiary company being government companies.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of the other auditors on separate Ind AS financial statements as also the other financial information of the subsidiary:

i) The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 47 to the Consolidated Ind AS Financial Statements;

ii) According to the information and explanations given to us, The Group does did not have any long term contracts including derivative contracts for which there are any material foreseeable losses;

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.

iv) (a) The Management of the group has represented (refer Note No. 10.5) that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advancedor loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person or entity, includin 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 Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management of the group has represented (refer Note No. 10.5), that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Group from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group 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) of the Companies (Audit and Auditors) Rules, 2014 as amended and provided under (a) and (b) above, contain any material misstatement.

(v) The dividends (Interim and Final) declared and paid during the year by the Group till the date of this report is in compliance with section 123 of the Companies Act, 2013

2. With respect to the matters specified in clause (xxi) of paragraph 3 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's Report, we report that according to the information and explanations given to us, and based on the CARO report issued by us for the Company and report issued by the auditor of its subsidiary included in the consolidated financial statements, there are no qualifications or adverse remarks in such reports.

M/s S.K. Mittal & Co.	**M/s O.P. Bagla & Co. LLP.**
Chartered Accountants,	Chartered Accountants,
ICAI Firm Registration: 001135N	ICAI Firm Registration: 000018N/N500091
Name : S. Murthy	**Name : Atul Aggarwal**
Designation : Partner	Designation : Partner
Membership Number : 072290	Membership Number : 092656
UDIN : 22072290AIYJSC9493	UDIN : 22092656AIYHFZ4536

Place : Gurugram
Date : 13th May 2022

Annexure-A to the Independent Auditors' Report of even date on the Consolidated Ind AS financial Statements of REC Limited

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31st March 2022, we have audited the internal financial controls over financial reporting of REC Limited (hereinafter referred to as "the Holding Company") and its subsidiary company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group and considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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 Act.

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") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary, incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to consolidated Ind AS financial statements.

Meaning of Internal Financial Controls over Financial Reporting

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

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

b. 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 authorizations of management and directors of the Group; and

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the holding company, its subsidiary, which are companies incorporated in India, have, in all material aspects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31st March 2022, based on the internal control over financial reporting criteria established by the Group 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.

We have considered the areas of improvement identified which needs further strengthening as reported above in determining the nature, timing, and extent of audit tests applied in our audit of the 31st March 2022 Consolidated Ind AS financial statements of the Group. However, these areas of improvement do not affect our opinion on the operating effectiveness of the Internal Financial Control over financial reporting of the Group.

Other Matters

Our aforesaid reports under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the subsidiary company which is incorporated in India, is based on the corresponding reports of the auditors of such company.

Further, we have considered the disclosure reported above in determining the nature, timing and extent of audit tests applied in our report of the financial statements of the Group, and the above disclosure does not affect our opinion on the operating effectiveness of the Internal Financial Control over financial reporting of the Group.

M/s S.K. Mittal & Co.
Chartered Accountants,
ICAI Firm Registration: 001135N

Name : S. Murthy
Designation : Partner
Membership Number : 072290
UDIN : 22072290AIYJSC9493

M/s O.P. Bagla & Co. LLP.
Chartered Accountants,
ICAI Firm Registration: 000018N/N500091

Name : Atul Aggarwal
Designation : Partner
Membership Number : 092656
UDIN : 22092656AIYHFZ4536

Place : Gurugram
Date : 13th May 2022

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF REC LIMITED FOR THE YEAR ENDED 31 MARCH 2022.

The preparation of consolidated financial statements of REC Limited for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129(4) 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 13 May 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of REC Limited for the year ended 31 March 2022, under Section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of REC Limited, REC Power Development and Consultancy Limited and Bidar Transmission Limited but did not conduct supplementary audit of the financial statements of subsidiaries, associate companies and jointly controlled entities listed in Annexure for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

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

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

(Deepak Kapoor)
Director General of Audit (Energy)
Delhi

Place: New Delhi
Dated: 22 July 2022

ANNEXURE

List of Subsidiaries, Associate Companies and Jointly Controlled Entities of REC Limited whose financial statements were not audited by the Comptroller and Auditor General of India

Associate Companies

1. Chandil Transmission Limited
2. Dumka Transmission Limited
3. ER NER Transmission Limited
4. Koderma Transmission Limited
5. Mandar Transmission Limited
6. MP Power Transmission Package-I Limited
7. Rajgarh Transmission Limited

Details of REC Offices

Registered Office	Core-4, SCOPE Complex, 7 Lodhi Road, New Delhi - 110003 +91-11-4309 1500 / 1501 contactus@recl.in		
Corporate Office	Plot no. I-4, Sector 29, Gurugram, Haryana - 122001 +91-124-444 1300 contactus@recl.in		
Training Centre	REC Institute of Power Management & Training RECIPMT Campus, NPA Post, Shivrampally, Near Aramghar Crossroad, Hyderabad - 500052 +91-40-2988 5851 / 5852; +91-40-2955 5901 recipmt@recl.in		
Regional Office (North) **Punjab, Haryana, Himachal Pradesh**	BAY no. 7-8, Sector-2 Panchkula - 134112 +91-172-2563 863 / 864 +91-172-2580 476 popanchkula@recl.in	*Regional Office* **Madhya Pradesh**	Hall no. 3, West Block, 2nd Floor, Metro Walk Bittan Market, Bhopal - 462016 +91-755-2460 006 recbhopal@recl.in
Regional Office (East) **West Bengal, Sikkim, Tripura, Andaman & Nicobar Islands**	I B-186, Sector-III Salt Lake City Kolkata - 700106 +91-33-2335 6989 / 6994 / 6998 zmkolkata@recl.in	*Regional Office (North East)* **Assam, Mizoram, Nagaland, Meghalaya, Manipur, Arunachal Pradesh**	SRADDHA, M.G. Path, G.S. Road Crossing Sohum/SBI Point, Christian Basti Guwahati - 781005 +91-361-2343 713 poguwahati@recl.in
Regional Office (West) ***Maharashtra, Goa, Gujarat, Dadra & Nagar Haveli, Daman & Diu***	51-B, Mittal Tower 5th Floor, Nariman Point Mumbai - 400021 +91-22-2283 0985 / 3068 / 3055 zmmumbai@recl.in	*Regional Office* **Chhattisgarh**	F-6 & F-7, Block B-1, 1st Floor Pujari Chambers, Commercial Complex Panchpedi Naka, Raipur - 492001 +91-771-2241 055 recraipur@recl.in
State Office **Himachal Pradesh**	Pt. Padamdev Commercial Complex, Phase-II, First Floor The Ridge, Shimla - 171001 +91-177-2653 411 poshimla@recl.in	*Regional Office* **Jharkhand**	101 & 102, Om Shree Enclave, Beside Loyola School, Airport Road Hinoo, Ranchi - 834002 +91-651-2253 123 poranchi@recl.in
Regional Office **Jammu & Kashmir, Ladakh**	157-A, Gandhi Nagar Behind Apsara Cinema Jammu - 180004 +91-191-2450 800 pojammu@recl.in	*Regional Office* **Odisha**	Deen Dayal Bhawan, 5th Floor, Ashok Nagar Janpath, Bhubaneswar - 751009 +91-674-2393 206 +91-674-2536 649 pobhubaneswar@recl.in
Regional Office **Uttar Pradesh**	19/8, Indira Nagar Extension Ring Road, Lucknow - 226016 +91-522-271 6324 / 7376 +91-522-407 4944 zmlucknow@recl.in	*Regional Office* **Karnataka**	1/5, Halasuru Road, Bengaluru - 560042 +91-80-2559 8244 +91-80-2555 0240 pobangalore@recl.in
Regional Office **Uttarakhand**	7, New Road, Opposite MKP College, Dehradun - 248001 +91-135-2650 766/799 sodehradun@recl.in	*Regional Office* **Telangana**	RECIPMT Campus, NPA Post, Shivrampally Near Aramghar Crossroad Hyderabad - 500052 +91-40-2980 5034 / 4520 / 6745 +91-40-2988 6745 zmhyderabad@recl.in
Regional Office **Bihar**	Maurya Lok Complex Block - C, 4th Floor New Dak Bangalow Road Patna - 800001 +91-612-222 4596 / 1131 popatna@recl.in	*Regional Office* **Andhra Pradesh**	54-15-13, BSR Hill View, 2nd Floor, Srinivasa Nagar Bank Colony, Vijayawada - 520008 +91-866-2973 405 recro-vijay@recl.in
Regional Office **Rajasthan**	J-4-A, Jhalana Dungari Institutional Area Jaipur - 302004 +91-141-270 7840 / 0161 pojaipur@recl.in	*Regional Office* **Kerala, Lakshadweep**	O-5, 4th Floor, Saphallyam, Commercial Complex, TRIDA Building, Palayam Thiruvananthapuram - 695034 +91-471-2328 662 potrivandrum@recl.in
State Office ***Gujarat, Dadra & Nagar Haveli, Daman & Diu***	Plot no. 585, T.P. Scheme no.2 Behind Pusti Complex Atma Jyoti Ashram Road Subhanpura, Vadodara – 390023 +91-265-2397 487 povadodara@recl.in	*Regional Office* **Tamil Nadu, Puducherry**	12 & 13, T.N.H.B. Complex, 180 Luz Church Road, Mylapore, Chennai - 600004 +91-44-2467 2376 +91-44-2498 7960 pochennai@recl.in

आरईसी
REC
असीमित ऊर्जा, अनन्त संभावनाएं
Endless energy. Infinite possibilities.

REC Limited
(A Government of India Enterprise)
CIN: L40101DL1969GOI005095

Registered Office: Core-4, SCOPE Complex, 7 Lodhi Road, New Delhi-110003
Corporate Office: Plot no. I-4, Sector-29, Gurugram, Haryana-122001

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