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

REC Limited | आर ई सी लिमिटेड
(भारत सरकार का एक महारत्न उद्यम) / (A Government of India Enterprise)
Regd. Office: Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi - 110003
Corporate Office: Plot No. I-4, Near IFFCO Chowk Metro Station, Sector-29, Gurugram - 122001 (Haryana)
Tel: +91 124 444 1300 | Website: www.recindia.nic.in
CIN : L40101DL1969GOI005095 | GST No.: 06AAACR4512R3Z3

SEC-1/187(2)/2024/1788 **Dated: July 29, 2024**

लिस्टिंग विभाग, नेशनल स्टॉक एक्सचेंज ऑफ इंडिया लिमिटेड एक्सचेंज प्लाजा, बांद्रा कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई - ४०० ०५१	कॉर्पोरेट संबंध विभाग बीएसई लिमिटेड पहली मंजिल, फीरोज जीजीभोय टावर्स दलाल स्ट्रीट, फोर्ट, मुंबई - ४०० ००१
स्क्रिप कोड—RECLTD	स्क्रिप कोड—532955
Listing Department, National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East), **Mumbai – 400 051.**	**Corporate Relationship Department** BSE Limited 1st Floor, Phiroze Jeejeebhoy Towers Dalal Street, Fort, **Mumbai – 400 001.**
Scrip Code—RECLTD	**Scrip Code—532955**

Sub: Notice of 55th Annual General Meeting & Annual Report of the Company for the financial year 2023-24.

महोदय / महोदया,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), this is to inform that 55th Annual General Meeting ("AGM)") of REC Limited ("REC"/ "the Company') is scheduled to be held on **Tuesday, August 20, 2024 at 11:00 A.M. (IST)** through Video Conferencing / Other Audio Visual Means.

Further, in pursuance of clause 34 (1) of Listing Regulations, please find enclosed herewith the Annual Report for the financial year 2023-24, *inter-alia* containing the Notice of 55th AGM of the Company.

The said Annual Report is also hosted on the Company's website at the link: https://recindia.nic.in/annual-reports and on the website of the e-voting service provider i.e. National Securities Depository Limited at www.evoting.nsdl.com.

Further, in compliance with the provisions of the Companies Act, 2013 read with applicable circulars issued by Ministry of Corporate Affairs and SEBI, the Notice of AGM and the Annual Report have been sent through e-mails on July 29, 2024, to all the members whose e-mail IDs are registered with the Company/Depository Participants (DPs).

Pursuant to the provisions of the Companies Act, 2013, Rules made thereunder and Listing Regulations, it is informed that the Company has fixed the following dates in connection with the 55th AGM:-

Cut-off date for determining the eligibility of shareholders to vote through remote e-voting before the AGM / e-voting during the AGM.	**Tuesday, August 13, 2024**

Period of remote e-voting to enable shareholders as on the Cut-off date i.e. **August 13, 2024** to cast their votes on proposed resolutions electronically.	**From Saturday, August 17, 2024 (0900 hours) to Monday, August 19, 2024 (1700 hours)**
Pay-out date for final dividend 2023-24, if approved at the ensuing AGM.	Within 30 days from the date of AGM

यह आपकी जानकारी के लिए है। This is for your kind information.

धन्यवाद,

भवदीय,

Jyoti Shubhra Amitabh

Digitally signed by Jyoti Shubhra Amitabh
DN: c=IN, o=Personal, title=0573, pseudonym=133065811914836276Dm3B8269pXyOd3, 2.5.4.20=90de92ff366d85bfab279748dedfb1a88a5af19e87ea57b3f19ab9d20d92f4e8, postalCode=201301, st=Uttar Pradesh, serialNumber=159303584c6c1556d495ded817d8acafb7052d4bc2ffef2356115a0e92ae00ac, cn=Jyoti Shubhra Amitabh
Date: 2024.07.29 23:41:51 +05'30'

ज्योति

(जे. एस. अमिताभ)
कार्यकारी निदेशक और कंपनी सचिव

संलग्न : ऊपरोक्त अनुसार

आर ई सी
REC

असीमित ऊर्जा, अनन्त संभावनाएं
Endless energy. Infinite possibilities.

A MAHARATNA COMPANY

Transforming INDIA'S TOMORROW

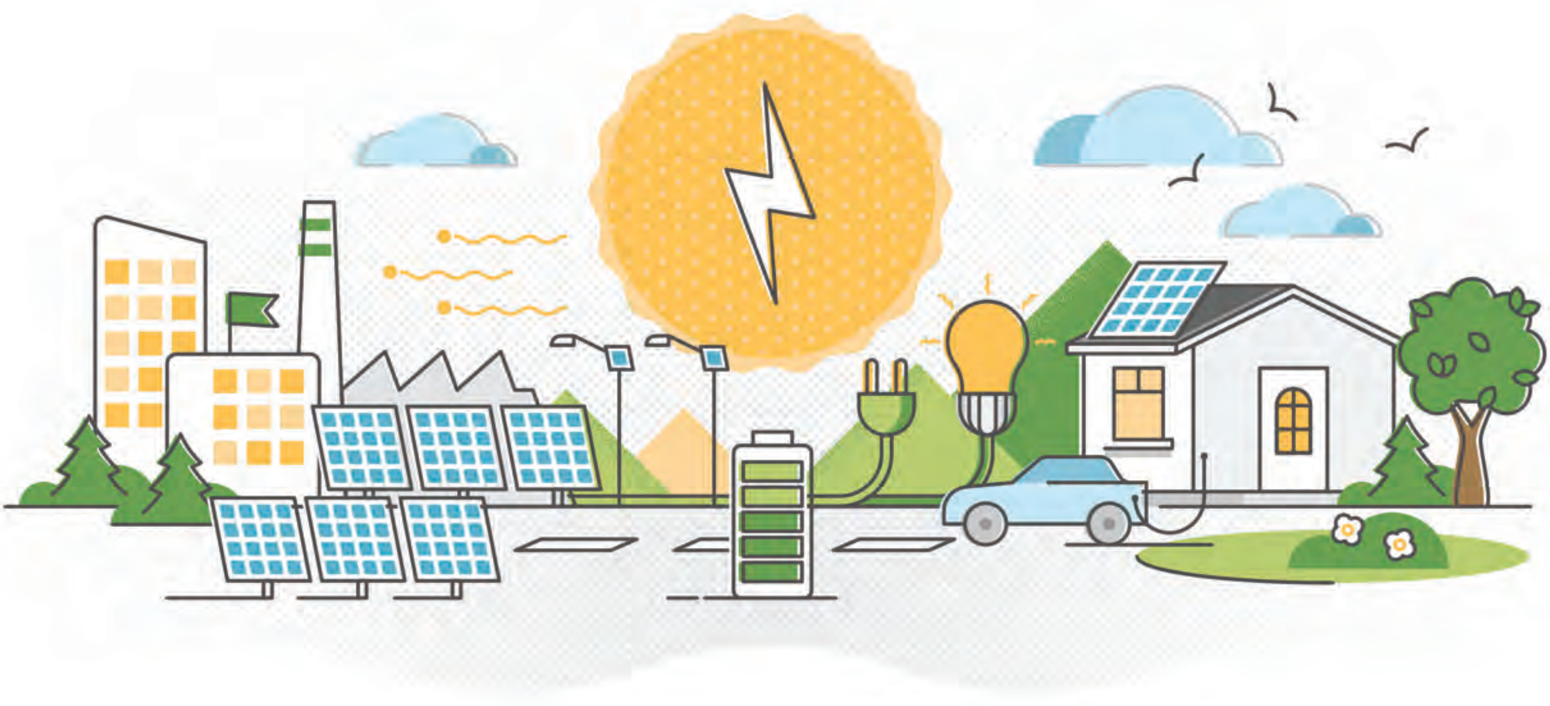
POWER | PROGRESS | PROSPERITY

55TH ANNUAL REPORT 2023-24

Contents

OUR STORY

REC Limited is a leading *Maharatna* Central Public Sector Enterprise and one of India's largest Non-Banking Financial Company. Presently throughout the power sector value chain, REC has been a partner in every stage of India's transformation journey with its innovative financial solutions. Giving further impetus to the country's growth, REC has now forayed into financing Non-Power infrastructure and logistics sector. At REC, we are not just building sound infrastructure, we are enriching the quality of life of every citizen.



₹14,019 crore

Net Profit

₹68,783 crore

Net Worth

₹5.09 lakh crore +

Loan Book

Lighting every 4th bulb in India

Figures as on March 31, 2024

LANDMARK REC MOMENTS

Our journey at glance

Journey began to develop power infrastructure in rural areas

Conferred Miniratna (Category-1) Status

Conferred Navratna status, Floated IPO subscribed 27 times

Registered as NBFC with RBI

Mandate broadened to financing all power segments

Conferred IFC status by RBI

As Nodal Agency, achieved 100% Household Electrification

Conferred *'Maharatna'*, highest status for CPSEs. Forayed into Infrastructure & logistics sector

Appointed as National programme implementing agency for PM Surya Ghar Muft Bijli Yojana, Maiden Yen Bond issuance of JPY 61.1 billion

Appointed as Nodal Agency for RDSS

Issuer of largest Green Bond of USD 750 million in South & South-East Asia, the first post India's G20 Presidency

OUR WORLD OF ENDLESS ENERGY

REC's Futuristic Office

State of Art Corporate Office, GRIHA 5 Star Net Zero Building, Reducing carbon equivalent to 19,617 tree seedlings in 10 years

Ultra-modern workplace reflecting REC's forward looking innovations

Sprawling 1,81,000 sq. ft campus blending tradition & modernity

1 MW solar rooftop pergola - generating ~16 lakh units of electricity yearly

100% wastewater management, millions liters of rainwater collected annually

Minimizing pollution, Maximizing energy savings

KEY STRENGTHS

01 'Maharatna' Company and a strategic player in the Indian Power, Infrastructure and Logistics Sector

02 Diversified Asset Base with robust Access to Diversified Funding Sources

03 Healthy Asset Quality with adequate provisioning coverage ratio

04 Occupies Strategic Position in the Growth and development of the Power Sector and a major player in Renewable Energy segment and creation of India's Green Energy Corridor

05 Strong Fundamentals and Profitable Business with Stable Margins leading to Strong Profitability

06 Highest Domestic Rating of "AAA"; International Ratings of BBB- (Fitch), Baa3 (Moody's), BBB+ (Japan Credit Rating Agency) at par with Sovereign rating

07 Nodal Agency for major Govt. of India's power sector programmes – RDSS, Saubhagya, DDUGJY, Rooftop Solar etc.

08 Experienced Management Team

WHAT WE DO

Power Sector Infrastructure

- India's leading power sector lender with presence across the power sector value chain.

RENEWABLE ENERGY AND NEW TECHNOLOGY

As the catalyzer of India's energy transition, REC's funding plans are closely aligned with India's thrust towards clean energy sources.

In keeping with India's clean energy targets, REC is committed to expand its green lending by 8 times to ₹ 3 lakh crore by 2030 from present level of ₹ 38,971 crore.

DIVERSIFICATION INTO THE INFRASTRUCTURE AND LOGISTICS SECTOR

Bolstering the development of India further, REC has expanded its business offerings to fund infrastructure & logistics sector.

Forayed into Infra Sector:

For Nation's Accelerated Development, REC has diversified its loan portfolio with a mandate of up to 33% loans in the Infrastructure and Logistics sector.

OUR OFFERINGS

In the ever-evolving financial landscape of India, REC's short-term and long-term financial solutions have been designed keeping our customers at the forefront.

Our diverse and innovative financial solutions are uniquely tailored to meet the specific needs of the industries that we cater to, while ensuring that the developmental goals of our country are met in fast and efficient manner.

OUR PRODUCTS

Long Term Loans
We offer long-term loans to State, Center and Private Companies for projects.

Short Term / Medium Term Loans
Loans are offered to borrowers to power utilities to meet their immediate working capital requirements, including purchase of fuel for power plants, systems, and network maintenance, etc. for a tenure of 1 to 3 years.

Debt-Refinancing
We offer debt refinancing scheme for borrowers to reduce their interest costs. This facility is available generally for commissioned projects.

Revolving Bills Payment Facility (RBPF) Available for Discoms for payment of power purchase dues and transmission charge of Gencos & Transcos, Private Transcos, IPPs and RE Generators.

Financing of Equipment manufacturing
We offer term loans to manufacturers of equipment or materials in the power sector.

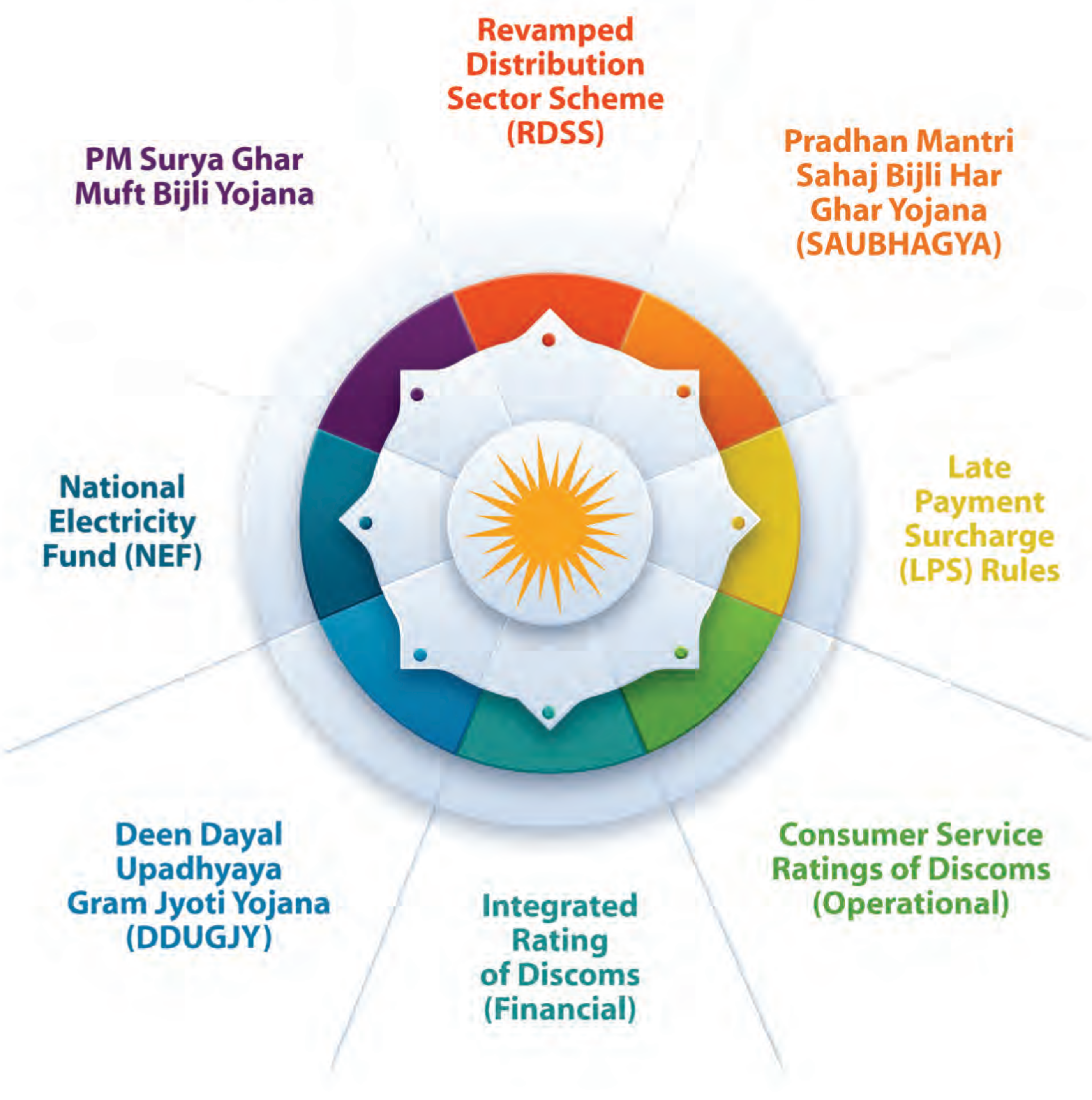
Others
REC also offers non-fund based products like Letter of Undertaking (LOU), in lieu of Bank Guarantee, etc.

PARTNER TO GOVERNMENT OF INDIA

REC has been instrumental in fulfilling Government of India's targets in strengthening the power sector and taking the light of development and prosperity to every corner of the nation.

From electrifying every village and every household to revamping the power distribution sector and implementing the roof-top solarization scheme, REC is the government's trusted arm in implementation of wide range of schemes and policies.

GOVERNMENT'S TRUSTED ARM



ASCENT TO MAHARATNA STATUS

2022
Accorded
Maharatna Status

2002
Conferred Miniratna (Category-1) Status

2008
Conferred Navratna Status

REC is amongst the Coveted Few Indian CPSEs*

Maharatna	* Highest rank for top-performing CPSEs in India * Total of 13 CPSEs accorded this status
Navratna	* 2nd highest rank of top-performing CPSEs in India * Total of 20 CPSEs accorded this status
Miniratna I	* 3rd highest rank of CPSEs in India * Total of 54 CPSEs accorded this status
Miniratna II	* 4th rank of CPSEs in India * Total of 11 CPSEs accorded this status

Maharatna - Business advantages

Gives greater operational & financial autonomy.	Allows strategic investments by incorporating JVs, Subsidiaries and M&A activities in India and abroad.	Accelerating growth and supporting Govt's vision for power sector.

*as per data available on the website of Department of Public Enterprises as on July 27, 2024

HIGHLIGHTS

513 Dedicated Employees

largest NBFC on standalone basis with a loan book of ₹ **5.09 lakh crore** as on March 31, 2024

55 Years of operational excellence

Fortune **500 Company** in India

Figures as on March 31, 2024

LOAN ASSETS

PAN India presence Loan Assets

State/Joint Sector Borrowers

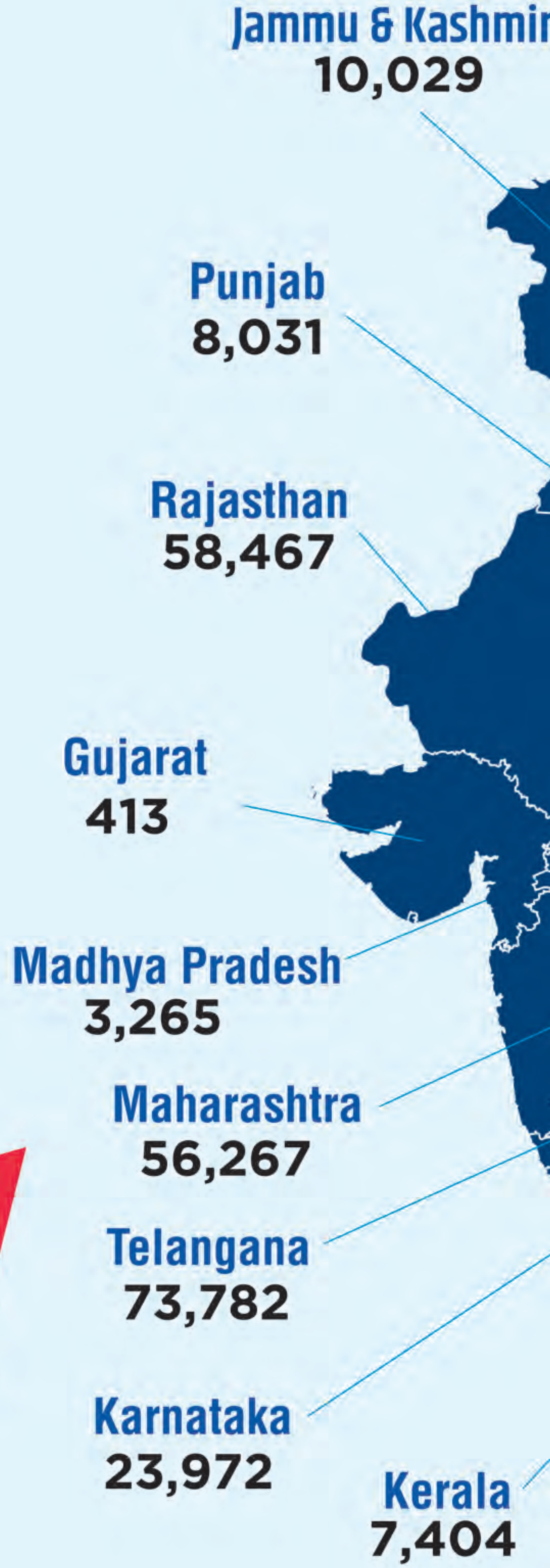
₹4,54,647 Crore

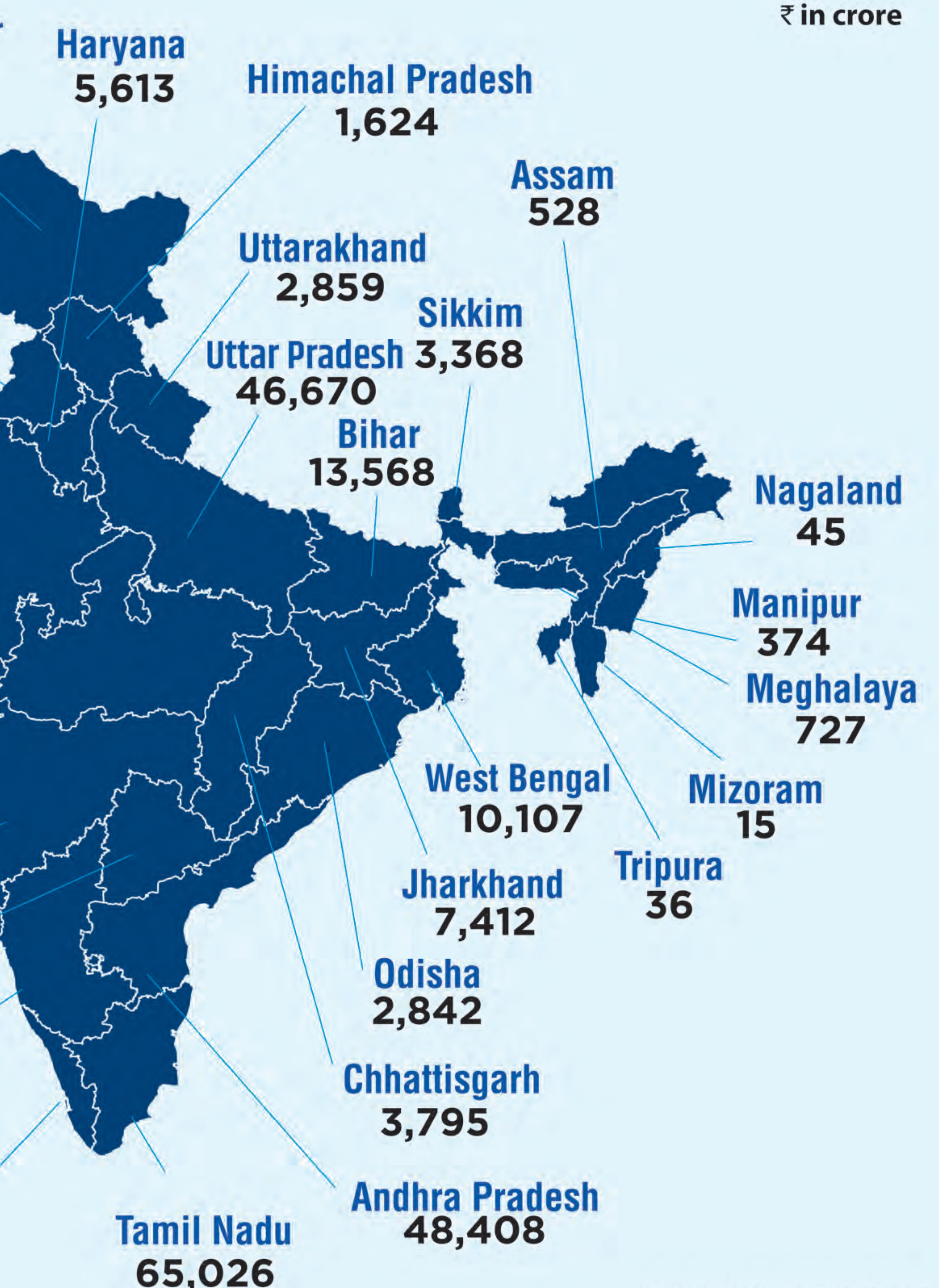
Private Sector Borrowers

₹54,724 Crore

Total Loan Outstanding

₹5,09,371 Crore





Note: Map not to scale and is for illustration purpose only

HIGHEST DOMESTIC RATINGS STABLE INTERNATIONAL RATINGS

Credit Ratings for Long Term Borrowings

Long-term International Ratings

MOODY'S

Baa3 (Stable)–Key Highlights

- REC Limited (REC) remains strategically important to the Indian power sector and plays a key role in implementing the central government policy initiatives.
- REC finances all segments of domestic power infrastructure projects, covering transmission, distribution and generation facilities throughout the country, with a focus on rural electrification projects.

FitchRatings

BBB- (Stable)–Key Highlights

- REC remains an important government-related entity due to its strategic role in supporting India's power sector. Hence, Fitch believes the government has strong incentive to provide extraordinary support to REC, if needed.

JCR JAPAN CREDIT RATING AGENCY, LTD.

BBB+ (Stable)–Key Highlights

- REC plays a very important role in the implementation of the Government of India's (GOI) power sector plans. The ratings strongly reflect the country's creditworthiness and are in line with the Republic of India's Long-term Issuer Ratings (FC: BBB+/Stable and LC: BBB+/Stable). It is based on REC's strong capital and operational performance, its important position as an institution that financially supports the development of power infrastructure across India, and its strong integration with GOI, supported by its position as a Nodal agency for power policy initiatives in India.

Long-term Domestic Ratings

CRISIL (An S&P Global Company)	ICRA	CARE Ratings	India Ratings & Research (A Fitch Group Company)
"AAA"	"AAA"	"AAA"	"AAA"

Perpetual Debt Instruments also rated "AAA" by CARE Ratings and CRISIL

AWARDS AND RECOGNITIONS

Business

- Honoured with 'Issuer of the Year' award at the 6th National Summit for corporate bond market by Assocham.
- Awarded first prize among power PSUs for implementing official language.
- Felicitated with Mahatma Awards 2023 for excellence in its CSR initiatives.
- Secured place in coveted Morgan Stanley Capital International (MSCI) Global Standard Index with effect from September 1, 2023.
- Conferred with the Dun & Bradstreet Award-2023 for 'Best Central PSU' - Financial Services category.
- Felicitated with prestigious Golden Peacock Awards instituted by the Institute of Directors (IOD) in Risk Management category.
- Honoured with XIIIth-PSE Excellence Award by Indian Chamber of Commerce in Operational Performance Excellence, CSR and Corporate Governance category.
- Conferred with Golden Award by GeM in highest value single bid procurements.
- Accolated with the ICAI Award for Excellence in Financial Reporting.

ESG

- Honoured with the prestigious SCOPE Excellence Award in Special Institutional Category (Digitalization) from Hon'ble Vice President of India.
- Conferred with the Best Green Bond – Corporate Award at the Asset Triple A Awards for Sustainable Finance.
- Presented with the Innovative Technology Development Award at IIT Madras CSR Summit: 'Building India 2047: Technology for Better Tomorrow'.

COMPANY INFORMATION

BOARD OF DIRECTORS

Shri Vivek Kumar Dewangan
Chairman & Managing Director

Shri Vijay Kumar Singh
Director (Projects)

Shri Harsh Baweja
Director (Finance) &
Chief Financial Officer

Shri Shashank Misra
Government Nominee Director

Shri Manoj Sharma
Nominee Director of
Power Finance Corporation Limited

Dr. Gambheer Singh
Independent Director

Dr. Manoj Manohar Pande
Independent Director

Dr. Durgesh Nandini
Independent Director

Shri Narayanan Thirupathy
Independent Director

CHIEF VIGILANCE OFFICER

Shri Virender Kumar Adhana

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

REC World Headquarters,
Plot No. I-4,
Sector 29, Gurugram,
Haryana-122001, India.
Tel: +91-124-444 1300

CORPORATE WEBSITE AND EMAIL : **www.recindia.nic.in | contactus@recindia.com**

EQUITY SHARES LISTED ON

- **National Stock Exchange of India Limited**
- **BSE Limited**

DEPOSITORIES

- **National Securities Depository Limited**
- **Central Depository Services (India) Limited**

STATUTORY AUDITORS

- **M/s. Kailash Chand Jain & Co., Chartered Accountants**
- **M/s. S C V & Co LLP, Chartered Accountants**

SECRETARIAL AUDITOR

- **M/s Agarwal S. & Associates, Company Secretaries**

BANKERS

- **Axis Bank**
- **Bank of Baroda**
- **Yes Bank**
- **HDFC Bank**
- **HSBC Bank**
- **ICICI Bank**
- **IndusInd Bank**
- **State Bank of India**

Mission and Vision

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

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

CORPORATE OBJECTIVES

At REC, our corporate objectives are deeply focused on promoting the socio-economic development of our nation.

With advanced financial solutions & streamlined operations, we are committed towards advancing the sustainable development goals of our nation while building sound infrastructure that supports the aspirations of every Indian.

Environment of Confidence

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.

6

Streamlined Operations

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.

5

1

An Integrated Approach

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

Diversification into other related areas

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

Scaling up Power Sector Growth

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

4

Advanced Fiscal Solutions

To optimize the rate of economic and financial returns for its operations while fulfiling 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.

BOARD OF DIRECTORS

Shri Vivek Kumar Dewangan
Chairman and Managing Director

Shri Vijay Kumar Singh
Director (Projects)

Shri Harsh Baweja
Director (Finance) &
Chief Financial Officer

Shri Shashank Misra
Government Nominee Director

Shri Manoj Sharma
Nominee Director of
Power Finance Corporation Limited

Dr. Gambheer Singh
Independent Director

Dr. Manoj Manohar Pande
Independent Director

Dr. Durgesh Nandini
Independent Director

Shri Narayanan Thirupathy
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 a degree in B.E. (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 Vijay Kumar Singh
(DIN: 02772733)
Director (Projects)

Shri Vijay Kumar Singh is the Director (Projects) 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 35 years of experience in the Indian power sector. He joined REC on March 29, 2007, prior to joining REC, he had worked with Power Grid Corporation of India Limited and NTPC Limited.

As Director (Projects), he is responsible for all technical functions of REC, including project & entity appraisal of renewable energy, generation, transmission & distribution projects, power sector value chain i.e. equipment manufacturing, coal block financing etc; and infrastructure financing namely ports, airports, metro, hospitals, refinery etc; and financing activities including sanction, disbursement and project monitoring, business development, Stressed Assets Management, Diversification and overall functioning of the Company. He is also responsible for key operational areas of Procurement, Legal matters, IT system and Capacity building business through RECIPMT. He is guiding the Program Management Division towards successful implementation of Government Programs.

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 Vijay Kumar 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 Harsh Baweja
(DIN: 09769272)
Director (Finance) &
Chief Financial Officer

Shri Harsh Baweja is Director (Finance) of REC Limited since May 14, 2024. He is a Chartered Accountant with an impressive 33-year tenure in steering financial operations across multiple institutions. As a Fellow Member of the Institute of Chartered Accountants of India (ICAI) and a holder of a Diploma in Information Systems Audit from ICAI, his credentials reflect proven track record in navigating complex financial landscapes.

With a wealth of experience spanning over three decades, his previous role as Executive Director (Finance) at REC showcased his adeptness in leading both state and private sector financing, showcasing exceptional acumen in managing diverse business verticals and financial portfolios. His tenure at REC saw him steer the organization through diverse financial challenges, demonstrating a keen understanding of financing sector.

His expertise includes organisational and financial planning, formulation of financial policies, financial accounting, management control systems, lending operations, cash and fund management, tax planning, optimisation of financial resources & its mobilisation and liaison with financial institutions, capital market players & State's top officials at the helm of affairs.

With extensive experience overseeing REC's business in key locations, Shri Harsh Baweja possesses an intimate understanding of the intricate financial dynamics within the energy sector. As Director (Finance), Shri Harsh Baweja is spearheading REC's financial strategies, ensuring the company's continued financial resilience and facilitating its ongoing initiatives towards sustainable development.

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

Shri Harsh Baweja is holding 6,745 equity shares 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 Shashank Misra
(DIN: 08364288)
Government Nominee Director

Shri Shashank Misra is Government Nominee Director on the Board of REC Limited since August 21, 2023. He is an IAS Officer (Madhya Pradesh: 2007) and holds B. Tech degree in Electrical Engineering from IIT Delhi. Presently, he is posted as Joint Secretary in the Ministry of Power, Government of India. Prior to joining in Ministry of Power, he has served in Department of Revenue, Ministry of Finance, Government of India.

He has also worked in various capacities in Madhya Pradesh Government which includes Managing Director of Madhya Pradesh Road Development Corporation Limited, Madhya Pradesh Building Development Corporation Limited, & Madhya Pradesh State Asset Management Company Limited, Chairman of Ujjain Smart City Limited and as CEO of Madhya Pradesh Rural Road Development Authority. Further, he is also Government Nominee Director on the Board of Power Finance Corporation Limited.

Shri Shashank Misra 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 Manoj Sharma
(DIN: 06822395)
Nominee Director of
Power Finance Corporation Limited

Shri Manoj Sharma has been appointed on the Board of REC Limited as the Nominee Director of Power Finance Corporation Limited (PFC), with effect from July 11, 2023. He is a Chartered Accountant with a degree in law (LLB) and currently working as Director (Commercial) in PFC.

He has more than 32 years of experience in power sector. In PFC, he has handled multiple areas & domains including institutional appraisal & development, entity appraisal, legal & documentation, taxation, budget, audit, preparation of financial statements & audit reports, financial analysis, resource mobilization, debt syndication and consultancy assignments on financial/commercial aspects in power sector. During the last 3 decades, he has been associated with entire spectrum of PFC's loan assets, covering formulation of lending policies, putting in place a policy framework to guide appraisal with a structured format for financial analysis, compliance with applicable regulatory and statutory frameworks, monitoring conditions, facilitating disbursement, resolution mechanism for stressed accounts. He is Chairman of PFC Projects Limited, a subsidiary of PFC, an SPV for submission of lenders' backed resolution plan by PFC for resolution of stressed assets.

Shri Manoj Sharma 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. 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, Association of Breast Surgeons of India and Indian Medical Association.

He is presently the Dean of Raipur Institute of Medical Sciences in Chhattisgarh. He has more than 24 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 is also working in the field of breast cancer awareness and organized more than 500 free health camps in various parts of Chhattisgarh state especially in Gourela, Pendra Marwahi (GPM) district for the needy and tribal people. He is regularly educating the villagers of GPM district, for plantation of medicinal trees, having numerous health benefits.

He has also published more than 10 national and international papers in 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 16 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. He is actively engaged in further researching in the area of Corporate Social Responsibility and the National Guidelines on Responsible Business Conduct principles.

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 Degree in 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.

Shri Narayanan Thirupathy
(DIN 10063245)
Independent Director

Shri Narayanan Thirupathy has been appointed as Part-time Non-official Independent Director on the Board of REC Limited with effect from March 6, 2023. He holds a Bachelor's degree in Economics from the University of Madras and is a popular Television debater and Social worker from Tamil Nadu. He has been working for the development of poor, downtrodden people for more than 36 years.

Shri Narayanan Thirupathy is the founder of a social forum called "Theervu" which means Justice, through which he has created awareness about the socio economic and industrial policies of the country and popularised the concept of good governance with the people of Tamil Nadu. He is well known for his immense contribution to create peace, communal harmony and social justice.

Shri Narayanan Thirupathy 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.

SENIOR MANAGEMENT TEAM

As on July 27, 2024

Shri Virender Kumar Adhana
Chief Vigilance Officer

Shri T.S.C. Bosh
Executive Director (Technical) & CEO - RECPDCL

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

Shri Sanjay Kumar
Executive Director (Finance)

Shri R.P. Vaishnaw
Executive Director (Finance)

Shri Rahul Dwivedi
Executive Director (PMD/IT/I&L)

Smt. Malathi Sundararajan
Executive Director (Finance) & CRO

Smt. Valli Natarajan
Executive Director (Technical)

Shri Daljeet Singh Khatri
Executive Director (Finance)

Shri Rajesh Kumar
Executive Director (Finance)

Shri N. Venkatesan
Executive Director (Technical)

Shri Arun Kumar Tyagi
Executive Director (Finance) & HR

Shri Kuldeep Rai
Executive Director (Technical)

Smt. Taruna Gupta
Executive Director (CSR)

Shri Saurabh Rastogi
Executive Director (Technical)

Shri Dharmendra Nagpal
Executive Director (Technical)

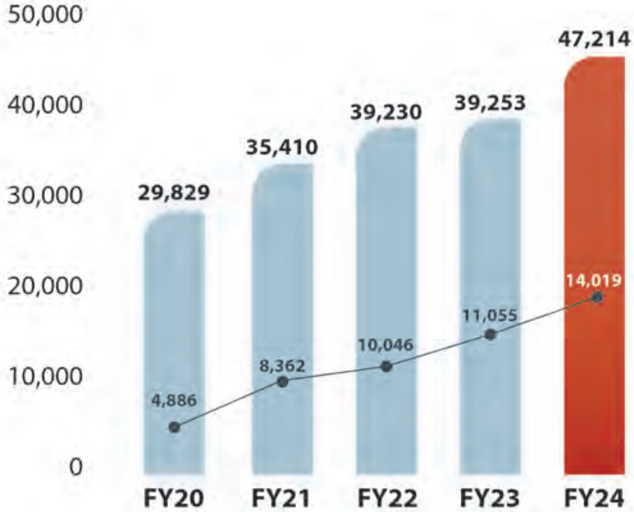
Shri Ajay Mathur
Executive Director (Finance)

Shri Prabhat Kumar Singh
Executive Director (Technical)

Shri J K Nayak
Executive Director (Finance)

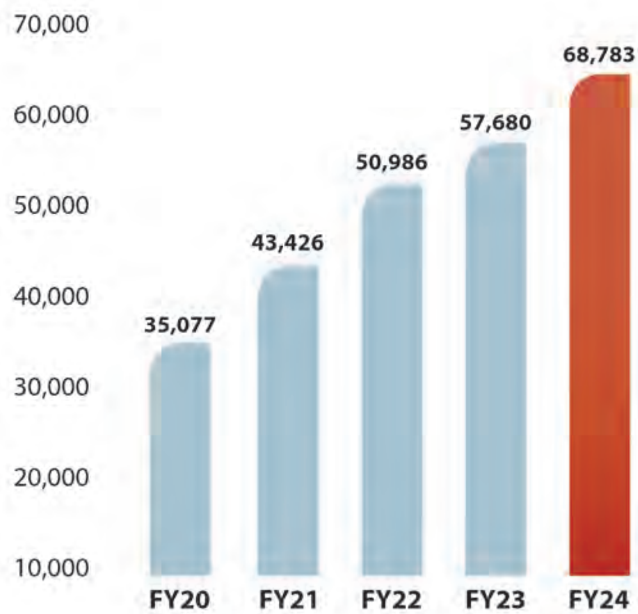
Shri S C Garg
Executive Director (Technical)

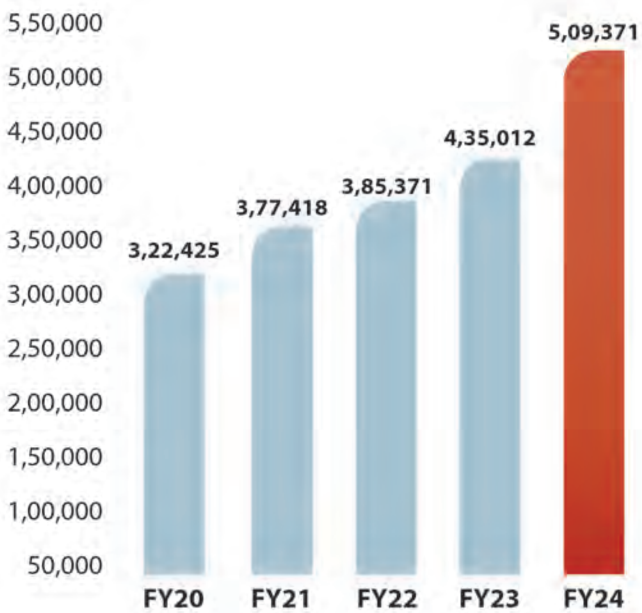
FIVE-YEAR PERFORMANCE



Total Income and Profit After Tax (₹ in crore)

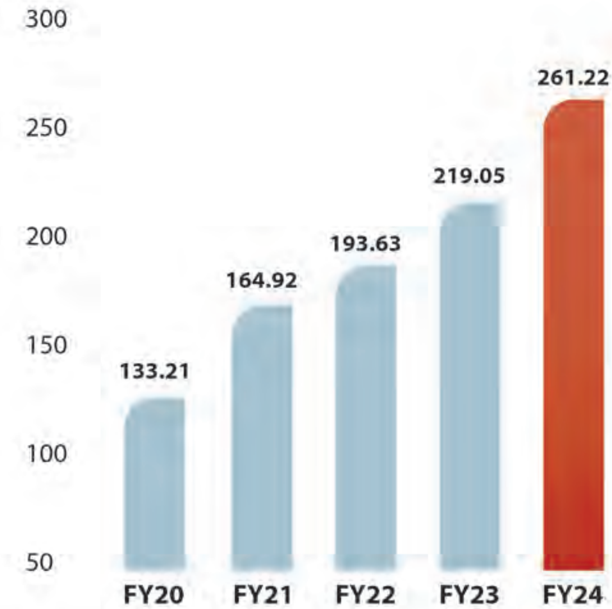
Net Worth (₹ in crore)

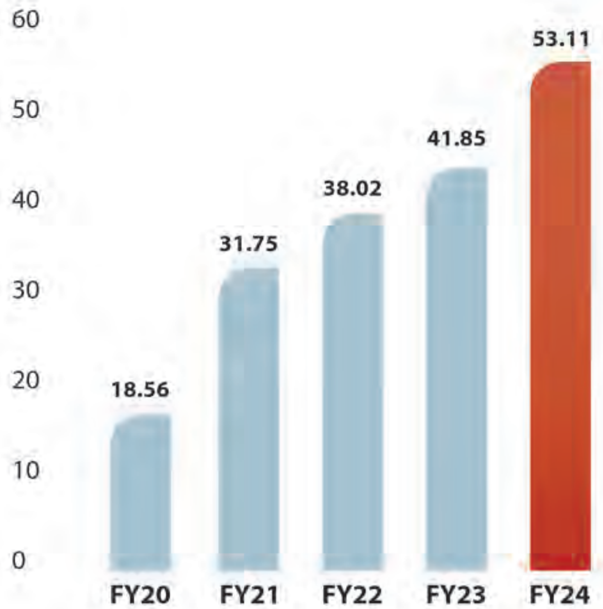




Loan Book (₹ in crore)

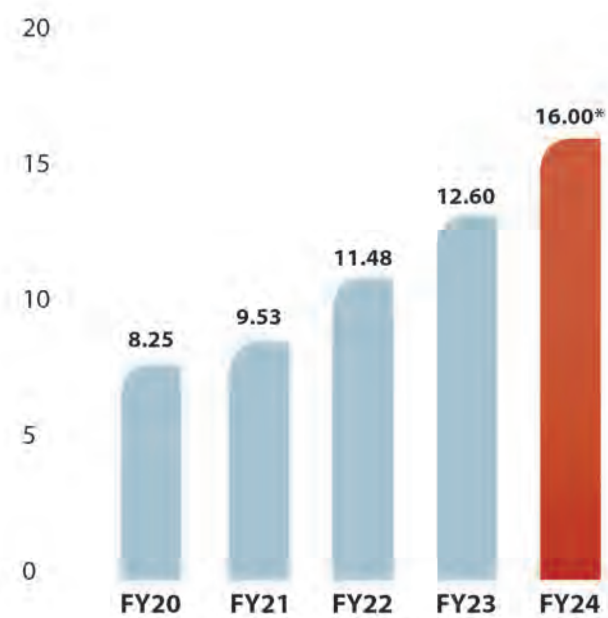
Book Value Per Share (₹)





Earning Per Share (₹)

Dividend Per Share (₹)



**Includes final divided of ₹ 5/- per share subject to approval of shareholders*

Note : Figures of previous years of Book Value, EPS & Dividend in above graphs are adjusted on account of issue of bonus shares in the ratio of 1:3 during the financial year 2022-23.

Five-year Performance

(₹ in crore)

Particulars (As per IND-AS)	2023-24	2022-23	2021-22	2020-21	2019-20
SHAREHOLDERS' FUND (at the end of the year)					
Equity Share Capital	**2,633.22**	2,633.22	1,974.92	1,974.92	1,974.92
Instruments entirely Equity in nature	**558.40**	558.40	558.40	558.40	-
Other Equity/Reserves & Surplus	**65,591.53**	54,448.05	48,452.28	40,893.05	33,101.64
Net Worth	**68,783.15**	57,679.67	50,985.60	43,426.37	35,076.56
BORROWINGS (at the end of the year)					
From Government of India/NSSF	**10,000.00**	10,000.00	10,000.00	10,000.00	10,000.00
Bonds/Debentures	**2,25,589.17**	1,98,115.65	1,83,291.97	2,04,119.67	1,88,538.25
From Financial Institutions	**8,050.00**	6,000.00	6,800.00	5,800.00	1,000.00
Foreign Currency Borrowings	**1,00,169.39**	78,440.04	65,957.45	47,486.43	44,378.49
Term Loans from Banks	**50,612.28**	56,298.20	42,878.32	29,938.58	18,899.78
Commercial Papers	**-**	-	-	-	2,925.00
Short-Term/Demand Loans/Others	**43,522.75**	25,762.53	17,916.55	25,166.32	14,374.33
Total	**4,37,943.59**	3,74,616.42	3,26,844.29	3,22,511.00	2,80,115.85
Fund Mobilization (during the year)	**1,46,747.00**	86,984.00	73,962.93	99,244.53	84,358.12
FINANCING OPERATIONS (during the year)					
Projects approved (in nos.)	**782**	562	370	441	727
Financial assistance sanctioned	**3,58,816.34**	2,68,460.54	54,421.76	1,54,820.87	1,10,907.99
Disbursements*	**1,61,462.28**	97,911.86	69,467.87	97,928.11	82,140.83
Repayments of Principal by borrowers	**86,414.33**	46,294.55	56,197.10	37,994.03	34,454.15
Outstanding at the end of the year	**5,09,370.95**	4,35,011.79	3,85,371.26	3,77,418.15	3,22,424.68
WORKING RESULTS (during the year)					
Total Income	**47,214.15**	39,252.73	39,230.45	35,410.44	29,829.13
Finance Costs including Net Exchange Loss, Fees & Commission Expenses	**30,140.10**	24,867.99	22,868.69	21,829.29	21,380.39
Provisions and Contingencies/ Impairment on financial instruments	**-1,358.39**	114.91	3,473.31	2,419.62	889.56
Net Loss on fair value changes	**-**	-	-	-	-
Other Expenses	**628.08**	506.97	445.59	395.87	565.89
Depreciation	**23.72**	24.09	17.96	9.53	10.00
Profit Before Tax	**17,780.64**	13,738.77	12,424.90	10,756.13	6,983.29
Provision for Taxation/Tax Expenses	**3,761.43**	2,684.13	2,378.98	2,394.35	2,097.13
Profit After Tax	**14,019.21**	11,054.64	10,045.92	8,361.78	4,886.16
Other Comprehensive Income for the period	**1,044.27**	(971.04)	(59.07)	456.52	(549.79)
Total Comprehensive Income	**15,063.48**	10,083.60	9,986.85	8,818.30	4,336.37
Dividend on Equity	**4,213.16**	3,317.86	3,021.62	2,510.12	2,172.41

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

Message from CMD

Dear Stakeholders,

I am honoured to present the 55th Annual Report of your company, highlighting another year of remarkable outstanding achievements. On behalf of the Board of Directors and the entire team of REC Limited, it is my great pleasure to welcome you to the 55th Annual General Meeting of your company. Your continued support and trust inspire us and drive our commitment to elevate REC to new heights. Your company remains unwavering in its commitment to excellence in advancing the power, infrastructure & logistics sector.

During the financial year 2023-24, your company achieved record-breaking milestones, with the highest-ever sanctions amounting to ₹3,58,816 crore and the highest-ever disbursements of ₹1,61,462 crore. Additionally, we have maintained the highest domestic rating of "AAA" for our debt instruments from all four major rating agencies i.e. CRISIL, ICRA, CARE, and India Ratings & Research. Internationally, REC enjoys ratings on par with India's sovereign rating, with "Baa3" from Moody's, "BBB-" from Fitch and "BBB+" from Japan Credit Rating Agency. These strong fundamentals, combined with our future-ready outlook, position us well poised for the times ahead.

The Ministry of New & Renewable Energy, Government of India has approved Pradhan Mantri Surya Ghar Muft Bijli Yojana with a total outlay of ₹75,021 crore for installing rooftop solar and providing free electricity up to 300 units every month for One crore households. We are honoured to be designated as the National Program Implementation Agency for this scheme.

In the energy sector, we are experiencing an unprecedented transition. The demand for electricity is rising, driven by the resurgence of economic activity and enhanced electrification in rural areas. There is a clear shift towards green energy and the Government is implementing various reforms to modernize, improve efficiency, and ensure sustainability in the sector. These initiatives are poised to enhance the consumer experience and improve the overall quality of life with environmental sustainability at its core.

The Government has transformed the power sector from power-deficient to power-sufficient by adding 1,94,394 MW of generation capacity over the past nine years. India has ambitious plans for energy transition, aiming for 500 GW of non-fossil-based installed electricity capacity by the year 2030. REC continues to play a key strategic role in the Government's flagship schemes for the power sector. In the past, REC has served as the nodal agency for the Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA) for universal access to electricity covering each willing household, Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) for 100% village electrification, and National Electricity Fund (NEF) Scheme as interest subvention scheme for strengthening Distribution infrastructure. These initiatives have strengthened the last-mile distribution system, achieved 100% village electrification, and facilitated household electrification across the country. REC has also been designated as the nodal agency for many States and Union Territories under the Revamped Distribution Sector Scheme (RDSS).

REC has emerged as a critical financial institution for the entire power sector and it provides loans for various power projects, including generation (thermal, hydro, renewable), transmission, and distribution including backward and forward linkages in Coal Blocks, Pollution Control measures to improve emission efficiency like FGD installation, Super Critical Thermal Power Plants etc. After getting Maharatna Status, Government allowed REC to lend to the logistics and non-power infrastructure sectors. In financial year 2023-24, REC sanctioned ₹40,569 crore to non-power infrastructure sectors comprising Roads & Expressways, Metro Rail, Airports, IT Communication, Social and Commercial Infrastructure (Educational Institution, Hospitals), Ports and Electro-Mechanical (E&M) works in respect of various other sectors like Steel, Refinery, etc.

ECONOMIC OVERVIEW

The global economy remains remarkably resilient during the review period, with growth holding steady as inflation returns to target. In recent years, the Indian economy has experienced remarkable growth, positioning itself as the world's the fifth-largest with a GDP of about $4 trillion as per IMF, driven by sweeping business reforms, technological advancements, and a flourishing entrepreneurial landscape. Government initiatives have been instrumental in fostering macroeconomic stability and creating an environment conducive to business growth. The Government's proactive stance towards implementing reforms has focused on improving the business environment, attracting foreign investments, and fostering the growth of start-ups, thus cementing India's status as a leading global economic force.

In the post-pandemic recovery phase, the Power Sector has been buoyant, aided by rising demand and energy transition focus. In the financial year 2023-24 the total power generation reached 1,738 BU marking a 7% growth compared to the previous year. Further, the installed electricity capacity addition during the year, was about 26 GW, taking the total installed capacity to 442 GW by the end of the financial year. Peak electricity demand witnessed an all-time high of 240 GW, as compared to 215.9 GW in the previous year.

As the leader of the G20 Presidency in 2023, India championed significant global commitments to advance sustainable development and combat climate change, underscoring its dedication to the Summit declaration of "One Earth, One Family, One Future."

According to the International Renewable Energy Agency (IRENA) 2023 global ranking, India is positioned 4th globally in terms of Renewable Energy installed capacity, 4th in installed Wind power capacity, and 5th in installed Solar power capacity. With a target of 500 GW of non-fossil fuel based installed electricity capacity by the year 2030 and a Net Zero target by 2070, India is undertaking one of the most ambitious renewable energy expansions worldwide. In line with this, the Company is actively exploring opportunities in the renewable energy sector and consequently, renewable energy sanctions of REC have increased to ₹1,36,516 crore in 2023-24, up from ₹21,371 crore in 2022-23, demonstrating a remarkable growth of around 539%.

In financial year 2023-24, approximately 70% of the ~26 GW capacity addition came from renewable sources, including around 15 GW from Solar and ~3.3 GW from Wind. As of March 31, 2024, India's total installed electricity capacity is ~442 GW (Thermal: ~243 GW, Nuclear: ~8 GW, and Renewables: ~191 GW). Renewable Energy contributes to ~43% of the installed capacity (including Large Hydropower at ~11%). Over the past three years, India's renewable energy capacity (including Large Hydropower) has increased by 16-17 GW annually on average.

India's journey towards becoming a developed nation by 2047 hinges significantly on improving its infrastructure, a cornerstone for fostering livable, climate-resilient, and inclusive cities that drive economic growth. The Government's commitment is evident through its allocation of 3.3% of GDP to the infrastructure sector in the financial year 2023-24, with the particular focus on the transport and logistics segments.

Roads & Highways account for the highest share, followed by Railways and Urban Public Transport. The Government has set ambitious targets for the transport sector, including development of 2 lakh-km national highway network by the year 2025 and expanding airports to 220. Additionally, plans include operationalizing 23 waterways by the year 2030 and developing 35 Multi-Modal Logistics Parks (MMLPs). The total budgetary outlay for infrastructure-related Ministries increased from around ₹3.7 lakh crore in the financial year 2022-23 to ₹5 lakh crore in the financial year 2023-24, offering investment prospects for the private sector across various transport sub-segments. Public-Private Partnerships (PPPs) have served as a vital mechanism for private sector engagement across various infrastructure domains, notably in the construction of airports, ports, highways, and logistics parks throughout India. Besides support from the Central Government and States across various schemes, India needs a significant push from PPP to achieve its goal of reaching a $5 trillion economy by the year 2025.

The Government's PM Gatishakti National Master Plan (NMP) aims to bring together the infrastructure schemes such as Bharatmala, Sagarmala, UDAN etc. under a digital platform. As per the India Investment Grid (IIG) database, there are currently 15,580 projects worth $2,388.93 billion at various stages of development.

POWER SECTOR REFORMS

As of March 31, 2024, the country's installed generation capacity stands at a remarkable 442 GW, with significant expansions planned in the renewable energy sector. This sets the stage for substantial growth in the Transmission & Distribution (T&D) sector. The Government has implemented various schemes and programs to enhance the financial and operational performance of Distribution Companies (Discoms).

The Government's Policy framework to support the distribution sector includes initiatives such as 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), and Late Payment Surcharge (LPS) Rules. These initiatives have led to significant infrastructure development and have helped bridge supply-side gaps in the distribution sector.

The Ministry of Power, Government of India, has introduced key reforms through the Electricity Amendment Rules, Rights of Consumer Rules, and subsidy Standard Operating Procedures, which are designed to improve efficiency in the distribution sector and prioritize consumer satisfaction.

The Company finances a diverse range of T&D projects, focusing on system improvement and augmentation, loss reduction measures, IT-based system implementation, and consumer satisfaction. Through these efforts, REC plays a pivotal role in advancing the development and sustainability of the power sector, thereby contributing significantly to the country's overall socio-economic progress.

FINANCIAL & OPERATIONAL PERFORMANCE

We are pleased to share that during the financial year 2023-24, REC delivered an outstanding performance across all fronts. We saw exceptional growth in loans sanctioned, which increased from ₹2,68,461 crore in 2022-23 to ₹3,58,816 crore in 2023-24, representing a growth of 34%. This growth was evident across all segments, including conventional generation, renewable energy, T&D (Transmission & Distribution), E&M (Electrification & Modernization), and LIS (Liquidity Infusion Scheme).

Additionally, the company's mandate has been expanded beyond the power sector to finance other non-power infrastructure and logistics sectors. I am happy to report that during the year, we sanctioned ₹40,569 crore for such projects, which constitute 11% of our overall sanctions. Let me present some of the key performance highlights of your company during the year 2023-24:

- Total Income stands at ₹47,214 crore vs ₹39,253 crore (^ 20% YoY).
- Net Interest Income stands at ₹16,167 crore vs ₹13,714 crore (^18% YoY).
- Net Profit stands at ₹14,019 crore vs ₹11,055 crore (^ 27% YoY).
- Loan book reached to ₹5.09 lakh crore vs ₹4.35 lakh crore (^17% YoY).
- Assets Quality improved with Net Credit impaired Assets at 0.86% vs 1.01% YoY.
- Net-worth stands at ₹68,783 crore vs ₹57,680 crore (^19% YoY).
- Capital Adequacy Ratio at 25.82% (Tier–I:23.32% & Tier–II:2.50%) against minimum requirement of 15%.
- 99% of total foreign currency borrowings have been hedged till maturity.
- Foreign Currency Borrowings account for 29% of the outstanding borrowing as on March 31, 2024 as compared to 25% as on March 31, 2023.
- No New NPAs during last 9 quarters.

- Highest ever yearly Disbursements stands at ₹1,61,462 crore vs ₹96,846 crore (^67% YoY).
- Highest ever yearly Sanctions stands at ₹3,58,816 crore vs ₹2,68,461crore (^34% YoY).

In line with the Installed Capacity projections of the country to grow from 442 GW in FY 2023-24 to 777 GW by financial year 2029-30, REC's total Loan Book is targeted to grow from current level of ₹5.09 lakh crore to ₹10 lakh crore by financial year 2029-30.

INNOVATION AND EFFICIENCY

REC has consistently embraced innovation to enhance its services and efficiency. The Company has introduced online loan applications, streamlined processes, and adopted digital solutions to expedite loan disbursements. Furthermore, REC actively participates in developing new financial instruments, such as green bonds, to support sustainable power projects. Your company is committed to raise affordable resources from both domestic and international sources and providing cost-effective financing products to the sector.

CAPITAL STRUCTURE

As of March 31, 2024, the company's authorized share capital stood at ₹5,000 crore, and paid-up share capital is ₹2,633.22 crore. Power Finance Corporation Limited, a Government of India undertaking, held 52.63% of the paid-up equity share capital, while the remaining 47.37% was held by the public shareholders.

FUND MOBILIZATION

During the financial year 2023-24, the Company mobilized funds of ₹1,46,747 crore from the market, which includes ₹11,421 crore from 54EC Bonds, ₹42,437 crore from Institutional Bonds/ Subordinate Debt and ₹36,961 crore from Foreign Currency Borrowings. REC was awarded for issuance of USD 750 million Green Bonds issued in April 2023 which was also the first USD Green Bond issuance from India post India's G20 Presidency and the largest ever Senior Green Bond Tranche by a South & South-East Asian issuer. The bond issue was priced at a minimum new issue premium of 7.5 bps, which was tighter than the most recent high-rated issuances from the region. The issue was well received by the investors for REC's significant contribution to financing projects aimed at mitigating climate change and promoting environmental sustainability. This recognition represents a milestone in REC's dedication to support initiatives that drive positive environmental impact and foster sustainable development.

Your company has also successfully issued its inaugural Japanese Yen (JPY) 61.1 billion 5-year, 5.25-year and 10-year Green bonds, issued under its US$ 10 billion Global Medium Term Notes Programme. Proceeds from the issue of the Bonds will be applied to finance the Eligible Green Projects in accordance with the Company's Green Finance Framework.

The journey towards India's energy transition demands a visionary approach to financing that aligns with our commitment to sustainable development towards a cleaner and greener energy landscape. REC stands resolute in its pledge to promote green and clean energy through this green issuance. As a frequent issuer in the international debt capital markets, we are always on the lookout to tap new markets and further diversify our funding sources. We are delighted to successfully price our inaugural Euro-Yen Green bonds, which reaffirms REC's position as an established issuer with deep access to global funding, while maintaining the overall cost of funding lower than the industry standards.

DIVIDEND

Your Company has continued its tradition of rewarding shareholders by maintaining its position as one of the highest dividend-paying companies among its peers. For the financial year 2023-24, the Board has recommended a final dividend of ₹5 per equity share (50% of the paid-up share capital), subject to your approval. This is in addition to the interim dividends already paid: ₹3.00 per share (30% of the paid-up share capital) as the 1st Interim Dividend, ₹3.50 per share (35% of the paid-up share capital) as the 2nd Interim Dividend and ₹4.50 per share (45% of the paid-up share capital) as the 3rd Interim Dividend. The total dividend for the year, including the proposed final dividend, amounts to ₹16 per share (160% of the paid-up share capital), compared to ₹12.60 per share (126% of the paid-up share capital) for the previous year. The total dividend payout for the financial year 2023-24, including the proposed final dividend, will be ₹4,213.16 crore.

REC ON ESG FRONT

- **Environmental And Social**

  REC is committed to the effective implementation and oversight of our environmental management policies and procedures, continuously striving for improvement in our environmental performance. We are dedicated to ensuring compliance with all applicable environmental laws and regulations. To monitor our environmental impact, we set targets aimed at reducing our environmental footprint. Our environmental policy applies not only to our operations but also to our relationships with suppliers and business partners.

  We are proud to announce that your Company has been honored with the 'Sustainability Champion – Editor's Choice Award' at the 'Outlook Planet Sustainability Summit & Awards 2024'. This award recognizes REC's unwavering commitment to sustainability initiatives and our proactive efforts in advancing towards a greener future.

  The award highlights the corporation's pledge to sustainability initiatives, leading the path toward a greener future. REC has been a front-runner in catalyzing India's energy transition. Its plans are intricately aligned with the global thrust towards clean energy sources and the company remains committed to being the leading financier of India's energy transition. REC is geared to invest significantly in sustainability initiatives, reflected in its current loan portfolio of approximately ₹38,971 crore under renewable energy, with a visionary target of improving the renewables energy mix to around 30% of projected loan book of about ₹10 lakh crore by 2030.

  Your company has been bestowed with the SKOCH ESG Award 2024 in the 'Renewable Energy Financing' category. The award recognizes REC's commitment towards sustainable finance, driving progress towards a greener future. This accolade underscores REC's dedication to sustainable financing, paving the way for a greener future and accelerating the transition to renewable energy. REC has emerged as a significant player in India's clean energy transition, actively contributing to the nation's sustainable future. Through various initiatives and achievements, REC has committed to numerous sustainable projects and signed various MOUs for green projects.

  Furthermore, REC has engaged in one-on-one discussions with various developers of green projects, spanning sectors such as solar, wind, Pump Storage Projects (PSPs), E-mobility, Solar module & wind turbine manufacturing, Green ammonia/hydrogen and battery storage. Looking ahead, REC anticipates a significant expansion in its renewable energy portfolio, with projections indicating growth to 10 times its present value.

- **Corporate Governance**

  REC is dedicated to upholding the principles and practices of corporate governance, ensuring transparency, integrity and accountability in all its operations. Our enduring success is attributed to several key factors, including robust corporate governance practices, active stakeholder engagement and a long-term vision for growth and development.

  REC is committed to adopting and adhering to the best practices in corporate governance. The company complies with all relevant requirements under the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by the Department of Public Enterprises and the Secretarial Standards issued by the Institute of Company Secretaries of India.

SUBSIDIARY COMPANY

Your Company's wholly owned subsidiary, REC Power Development and Consultancy Limited (RECPDCL), is leading the implementation of the National Feeder Monitoring System (NFMS). This advanced cloud-based IT platform is designed to monitor the reliability and quality of power across all 33/22/11 kV outgoing distribution feeders nationwide. By integrating this cutting-edge application with the National Power Portal and using machine-to-machine (M2M) data transmission methods, NFMS ensures efficient and accurate data collection, significantly reducing errors associated with manual processes. This emphasis on precise and effective online recording of energy exchanges within the distribution system is essential for minimizing operational errors and enhancing the overall reliability and efficiency of power distribution.

Furthermore, the web-based analytical platform provided by NFMS is a key feature, allowing stakeholders to generate reports and gain valuable insights from feeder data across various DISCOMs. This capability supports informed decision-making by enabling stakeholders to identify trends, detect anomalies and uncover opportunities for optimization within the distribution network.

The ambitious goal of covering approximately 2.55 lakh feeders across all DISCOMs nationwide is already seeing significant progress, with 1.2 lakh feeders integrated into the system. With 40 DISCOMs across 20 states actively sending data daily, the project is well underway in its mission to enhance monitoring, analysis and decision-making in the distribution sector. This initiative marks the beginning of a new era, positioning India towards achieving its net-zero ambitions by integrating the strengths of the power distribution sector with digitally-driven networked systems.

RECPDCL is also implementing Advanced Metering Infrastructure (AMI) projects nationwide as a Project Implementation Agency (PIA). The Company has already installed 5.07 lakh smart meters in the Union Territories of Jammu & Kashmir, Ladakh and Chandigarh.

Currently, RECPDCL is undertaking projects for the installation of approximately 5.5 lakh smart meters in Jammu and Kashmir and 0.60 lakh meters in Ladakh. Under the RDSS scheme, RECPDCL is implementing a smart metering project involving 15 lakh smart meters for the Union Territory of Jammu & Kashmir and 42 lakh smart meters for Gujarat DISCOMs.

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 respectively from time to time. So far, as Bid Process Coordinator (BPC) 65 Transmission projects - inter-state and intra-state valuing above ₹84,500 crore were successfully transferred by our subsidiary Company.

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.

During the financial year 2023-24, RECPDCL recorded an income of ₹390.64 crore, with a Profit After Tax of ₹149.64 crore. As of March 31, 2024, the Net Worth of RECPDCL has reached ₹567.17 crore.

SUBSIDIARY IN GIFT CITY

The company is planning to establish a wholly owned subsidiary in the International Financial Services Centre (IFSC), GIFT City, Gandhinagar, to engage in permissible activities as a finance company. The Reserve Bank of India has also issued the No-Objection Certificate for this venture. The approvals from other concerned Organizations and Departments are awaited.

This move to expand into GIFT City, a burgeoning financial services hub in India, aligns with REC's strategy to diversify its portfolio and explore new growth opportunities. The proposed subsidiary will undertake various financial activities, including lending, investment and other financial services, within GIFT City.

GIFT City offers an ideal environment for international lending activities, supported by world-class infrastructure. We are confident that REC will leverage these advantages to establish a strong presence in the global market. The new entity in GIFT City will not only create new business opportunities for REC but also significantly contribute to the growth of the country's energy sector. We are eager to utilize this strategic expansion to further advance REC's mission of fostering growth in India's power and infrastructure sectors while expanding our global footprint.

POLICY INITIATIVES

The Company regularly reviews, updates and strengthens its policy framework to enhance business value and comply with statutory requirements and amendments. During the financial year 2023-24, the Company focused on enhancing its corporate governance framework. This included amending the Policy on Criteria for Determining Materiality of Events or Information for disclosure to Stock Exchanges, specifying the process for refunding unclaimed amounts related to listed non-convertible securities and revising the IT outsourcing policy, among others.

To bolster its competitive position in the market, the Company introduced and amended several business-oriented policies. Notable among these were the Policy for Issuance of Letters of Undertaking (LoU) for Renewable Energy Projects, revisions to REC's Refinancing Policy for Renewable Energy and Conventional Generation Projects and the establishment of a Policy for Technical Write-Off of Loans. Further, various HR policies has also been updated/revised during the financial year.

RISK MANAGEMENT

REC has established a strong and resilient risk management framework that not only complies with the statutory requirements of various regulators but also instills confidence among its stakeholders. The company is dedicated to further enhancing its risk management culture, as demonstrated by several key initiatives.

REC is continuously conducting review of its risk management framework to align it with evolving market dynamics and best industry practices. This aims to ensure that REC's risk management practices meet global standards across all functional areas. During the financial year, various training sessions were held to raise awareness among REC employees about risk management, covering topics such as risk registers, project risk categorization and cybersecurity. Additionally, the 'Risk Mitigation Icon' initiative was launched, encouraging employees at all levels to propose improvements in their operational areas.

CORPORATE SOCIAL RESPONSIBILITY

Your Company strives to achieve a balance of economic, environmental and social imperatives. We are actively involved in facilitating setting up of projects designed to reduce its carbon footprint and ensure sustainable and secure growth. Through our CSR initiatives we attempt to fund and support socially beneficial projects with sustainability as a guiding principle, giving priority to issues of foremost concern as in the national development agenda and to reach a wide spectrum of beneficiaries with a view to empower economically and socially backward communities. During the financial year 2023-24, the Company continued its steadfast commitment to bring about a positive change in the society through its socially uplifting CSR initiatives. With a focus on national developmental issues, REC sanctioned projects worth around ₹467 crore and incurred the highest ever expenditure of ₹255 crore on various thematic areas surpassing the minimum requirement set by statutory provisions.

Your Company has covered a wide range of activities viz., health & sanitation, education, rural development, skill development, entrepreneurship programmes etc. Embracing inclusive development, your Company sponsored health and nutrition projects in aspirational districts like Mamit in Mizoram, Kiphire in Nagaland and Muzaffarpur in Bihar. REC Foundation, CSR arm of your Company also organised a Corporate Social Responsibility (CSR) Symposium cum Interaction with Stakeholders, bringing together key stakeholders from all walks of social sector. This symposium served as a platform to unveil and discuss pivotal initiatives aimed at community welfare. The presence of diverse stakeholders underscored REC's commitment to collaborative efforts in addressing societal needs and fostering sustainable development.

It is worth mentioning that the support that REC had pledged to National Sports Development Fund (NSDF) through Sports Authority of India for an amount of ₹100 crore over a period of three years covering Athletics, Badminton and Boxing which also includes Target Olympic Podium Scheme (TOPS) is reaping fruits now. Various athletes supported under this program are performing well at the world stage and have brought accolades to the nation in the year goneby.

The Company has recently launched its flagship scheme for deployment of 100 nos. of mobile medical units for primary health care services in various districts across India for a period of three years. These mobile medical units will provide doorstep primary healthcare services to under-served population in remote areas including distribution of free medicine pan India.

I am also humbled to share that the Company has committed CSR financial assistance to provide free of cost medical support to 1000 children with congenital heart, thereby bringing about transformative changes in the lives of the children and their families.

In order to commemorate 10 excellent years of operation of REC Foundation, a dedicated website has been launched in January, 2024 in presence of esteemed board members of the Company. This website will facilitate easy on-boarding of implementing agencies. This website also shares success stories, social impacts of the CSR projects, photos and other useful data with everyone. Very soon, desirous implementing agencies will be able to submit project proposals for CSR funding online and track the process.

REC's efforts have been recognized in various forums and media. I am happy to share that REC Foundation, has been conferred with several awards during the year:

- Innovative Technology Development Award by IIT Madras
- CSR Leadership Award 2023 at 14th Agriculture Leadership Award 2023
- CSR & Sustainability Award at XIII PSE Excellence Awards
- Mahatma Award for CSR, Sustainability SER & ESG for Corporations and Public Sector Enterprise

We shall continue to take up meaningful and impactful such initiatives in the coming years too.

MoU RATING & AWARDS

The performance of the Company in terms of MoU signed under the guidelines of the DPE, Government of India for the financial year 2023-24 is expected to be rated as "Excellent", subject to final evaluation by DPE. For the financial year 2022-23, the company has been rated "Excellent".

During the financial year, REC received several prestigious accolades, including, the Golden Award by Government e-Marketplace for the 'Highest Value Single Bid Procurements in financial year 2022-23, the Issuer of the Year award at the 6th National Summit for the Corporate Bond Market by Assocham, the first prize among power PSUs for implementing the official language policy, the Mahatma Awards 2023 for excellence in CSR initiatives, the Dun & Bradstreet Award-2023 for 'Best Central PSU' in the Financial Services category, the Golden Peacock Award by the Institute of Directors (IoD) in the Risk Management category, the XIII-PSE Excellence Award by the Indian Chamber of Commerce for Operational Performance Excellence, the ICAI Award for Excellence in Financial Reporting 2022-23, the SCOPE Excellence Award in the Special Institutional Category (Digitalization), the Best Green Bond - Corporate Award at the Asset Triple A Awards for Sustainable Finance. Additionally, REC has also been honoured with the prestigious 'Most Sustainable Maharatna Leader' Award at the World Sustainability Congress held in Mauritius.

THE PATH AHEAD

The Indian economy has recorded a growth of 7.6% Y-o-Y in financial year 2023-24, the highest among major economies in the world. The growth was driven by strong domestic demand, resilient consumption and investment. Government's prudent fiscal policy and capital expenditure played a key role in supporting this positive economic trajectory. India is further expected to maintain its growth momentum in financial year 2024-25 despite geopolitical concerns globally. With GDP of over 4.3 trillion dollars, generated by a population of over 1.4 billion, India is currently the fifth largest economy in the world and is likely to become the third largest by 2027 as per IMF study.

Indian power sector is crucial for sustaining country's economic growth and is poised to address challenges related to climate change through energy transition initiatives which aligns with our global commitments to sustainable development. The sector is expected to continue its growth trajectory, with increasing demand for electricity driven by urbanization, industrialization and economic development.

The Government is diligently addressing the dual objectives of ensuring energy security to cater to the growing demand and facilitating an energy transition towards cleaner and sustainable sources. While the emphasis is significantly on renewable and nuclear energy, coal continues to play a pivotal role in meeting the surge in demand. In order to achieve the target of 500 GW of installed power capacity from non-fossil fuel sources by 2030, an additional 303 GW of renewable energy capacity and 7 GW of nuclear capacity is expected in line with CEA's optimal generation mix report. Considering the anticipated escalation in peak electricity demand to 335 GW from the current 240 GW, it is also projected that an additional 94 GW of coal capacity will be essential by the year 2032. The latest National Electricity Plan (Generation) has further estimated that the installed capacity by the end of financial year 2031-32 is expected to reach 900 GW with 68% share of non- fossil fuel sources. This anticipated growth in country's electricity generation segment is poised to catalyse substantial investment. The required augmentation and expansions in existing transmission and distribution infrastructure will also attract significant investment.

As a Maharatna CPSE and a leading NBFC, REC is determined to play its part in contributing to country's energy transition goals by continuing as Government's strategic partner to finance entire power sector value chain viz. generation, transmission & distribution and also by capitalising on the new thrust areas by the Government which includes upcoming renewable energy projects (solar, wind, hybrid, hydro); Pumped and battery energy storage, EV's / charging infrastructure, smart metering, green hydrogen/ ammonia etc.

The company has experienced a robust loan book expansion of 17.1% during the current fiscal year. Our strategic objective is to scale our loan book to ₹10 Lakh crore by 2030 from the current loan book of ₹5.09 lakh crore. In line with our vision to be at the forefront of financing renewable energy projects, we are targeting to achieve a renewables loan book portfolio of ₹3 lakh crore by 2030 from the present level of about ₹38,971 crore. Our focus is not merely on growth but on maintaining the superior quality of our loan assets. This is evidenced by the consistent decline in our net NPAs, which currently stand at an impressive 0.86% and moreover we have been able to maintain a clean sheet with no new NPAs added for the last nine consecutive quarters.

With Government of India's permission granted to REC in financial year 2022-23, to lend to non-power infrastructure and logistics sector, we have been able to expand our business portfolio to infra sub-sector like Roads- Highways, Airports, Metro Rail, Healthcare Infrastructure, Ports, etc. Our foray into non-power infrastructure sectors adds diversification and complements our core focus areas.

REC has recently been appointed as the National Program Implementing Agency for the "PM Surya Ghar Muft Bijli Yojana," a scheme launched by the Hon'ble Prime Minister on February 13, 2024. This initiative aims to install rooftop solar systems on 1 crore residential households, targeting a total capacity of 30GW with an allocated budget of ₹75,021 crore. REC is diligently overseeing the progress of vendor registration, customer registration, application processing and the installation of rooftop solar systems with net metering. This scheme is anticipated to play a pivotal role in the nation's energy transition while aiding households in reducing their electricity bills.

With a clear vision and robust strategies in place, we are strategically positioned to play a pivotal role in India's transformative journey towards a cleaner, greener and more prosperous future. As India advances towards the vision of "Viksit Bharat", REC continues to be a beacon of progress and sustainability.

ACKNOWLEDGEMENTS

REC's achievements over the past five decades have been pivotal in shaping India's power sector. From illuminating rural homes to promoting renewable energy adoption, our diverse initiatives have empowered communities, strengthened the economy, and paved the way for a sustainable future.

As I conclude, I extend my heartfelt gratitude to the Hon'ble Minister of Power and New & Renewable Energy, the Hon'ble Minister of State for Power, the Secretary (Power) and all esteemed officials of the Ministry of Power for their steadfast support and visionary guidance. I also thank our holding company, Power Finance Corporation Limited, for their continued cooperation.

I am immensely grateful for the unwavering support from the officials of the 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.

Furthermore, in our pursuit of excellence in Corporate Governance, I extend my appreciation to the Comptroller & Auditor General of India, our Statutory Auditors, Secretarial Auditors, Registrars and all other professionals associated with the Company.

The remarkable success of REC is firmly anchored in the trust and goodwill we have built with our stakeholders. I extend my deepest thanks to all shareholders, debenture-holders, investors, lenders, borrowers and customers, including the visionary State Governments, State power utilities and dynamic private sector entrepreneurs.

Lastly, I am profoundly grateful to my esteemed colleagues on the Board for their insightful contributions and to the entire REC workforce for their relentless dedication. With your invaluable support, we will embark on a thrilling journey to elevate REC to unprecedented heights. *Thank you and Jai Hind!*

With warm wishes,

Place : Gurugram
Date : July 29, 2024

Vivek Kumar Dewangan
Chairman & Managing Director

REC Limited
(A Government of India Enterprise)
Regd. Office: Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003
Corporate Office: Plot No. I-4, Near IFFCO Chowk Metro Station, Sector-29, Gurugram-122001 (Haryana)
Tel: +91 124 444 1300 | **Website:** www.recindia.nic.in | **CIN:** L40101DL1969GOI005095

NOTICE

Notice is hereby given that the Fifty Fifth (55th) Annual General Meeting ("AGM") of REC Limited ("REC" or "the Company") (CIN: L40101DL1969GOI005095) will be held on **Tuesday, August 20, 2024 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, 2024 along with the reports of the Board of Directors, Auditors and the comments of the Comptroller & Auditor General of India 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 2023-24.

Item No. 3: To appoint a Director in place of Shri Manoj Sharma (DIN: 06822395), 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 2024-25.

SPECIAL BUSINESS

Item No. 5: Appointment of Shri Harsh Baweja (DIN: 09769272) as Director (Finance).

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

"RESOLVED THAT pursuant to Sections 152, 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 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 and Order dated May 14, 2024 issued by the Ministry of Power, Government of India (MoP), Shri Harsh Baweja (DIN: 09769272), who was appointed by the Board of Directors on recommendation of the Nomination & Remuneration Committee, as Director (Finance) (Additional Director) of the Company with effect from May 14, 2024 till the date of his superannuation i.e. January 31, 2026 or until further orders, in the scale of pay of ₹1,80,000-3,40,000 (IDA) and/or subject to any further order(s) issued by the Government of India regarding the terms & conditions 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 (Finance) of the Company and he shall be liable to retire by rotation."

Item No. 6: 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 54th Annual General Meeting held on September 6, 2023 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) & other applicable laws and provisions of Articles of Association of the Company, consent of the Shareholders 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 shall not exceed a sum equivalent upto ₹6,00,000 crore (Rupees Six Lakh Crore only) in Indian Rupees, as earlier approved by the shareholders and in any foreign currency equivalent to USD 24 billion (US Dollars Twenty Four Billion only)."

"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: 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 54th Annual General Meeting held on September 6, 2023 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 Shareholders 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 ₹6,00,000 crore (Rupees Six Lakh Crore only) in Indian Rupees, as earlier approved by the shareholders and in any foreign currency equivalent to USD 24 billion (US Dollars Twenty Four 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. 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 shareholders be and is hereby accorded to raise funds through private placement of unsecured/secured non-convertible bonds/debentures upto ₹1,45,000 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 ₹1,45,000 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 : July 27, 2024
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 meeting held on June 29, 2024 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 55th AGM of the Company.

2. In view of the Circular dated September 25, 2023, read with Circulars dated December 28, 2022, May 5, 2020, April 13, 2020 and April 8, 2020 and other relevant circulars issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular dated October 7, 2023, January 5, 2023, May 13, 2022, January 15, 2021 and May, 12, 2020 and other relevant circulars issued by Securities Exchange Board of India ("SEBI Circulars") and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 55th 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 55th 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 55th AGM through VC/OAVM facility and for electronic voting during the AGM.

4. Attendance of the Members participating in the 55th AGM through VC/OAVM facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

5. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.

6. In line with the above MCA & SEBI Circulars, the Notice of the 55th AGM along with Annual Report is being sent by e-mail to all those members, whose e-mail IDs are registered with the Company/depository(ies). Annual Report along with notice are also 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 also 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 2023-24 and other updates of Company.

   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 virenders@alankit.com or (complianceofficer@recindia.com) 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 virenders@alankit.com or (complianceofficer@recindia.com) quoting Folio No., Name, scanned copy of Share certificate (front & back), PAN Card and Aadhaar Card.

7. All Members of the Company including Institutional Investors are encouraged to attend the AGM and vote on item(s) to be transacted at the AGM. Corporate Members/Institutional Investors intending to appoint their authorized representatives pursuant to Section 113 of the Companies Act, 2013 to attend the AGM through VC/OAVM are requested to send a certified copy of the Board resolution/ authorization letter to the Scrutinizer through e-mail at sachincs2022@gmail.com with a copy marked to evoting@nsdl.com.

8. The Company has fixed **Tuesday, August 13, 2024** as the **"Cut-off date"** for determining the eligibility of members, to vote on item(s) of business to be transacted at the 55th AGM as detailed in notice.

   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 for e-voting, by sending a request at evoting@nsdl.com. 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.

9. CS Sachin Agarwal (FCS no. 5774) from M/s. Agarwal S. & Associates, 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 55th AGM, in a fair and transparent manner.

10. In compliance with provisions of MCA & SEBI Circulars referred above, Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of Listing Regulations and Secretarial Standards on General Meetings issued by Institute of Company Secretaries of India (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 55th AGM through VC/OAVM and voting during the 55th AGM through electronic voting system. The remote e-voting period begins on **Saturday, August 17, 2024 (0900 hours)** and ends on **Monday, August 19, 2024 (1700 hours).** The remote e-voting module shall be disabled by NSDL for voting thereafter.

    Members may join the 55th AGM through VC/OAVM, which shall be kept open for the members on **August 20, 2024 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 55th AGM through VC/OAVM and electronic voting during the AGM, annexed to this Notice.

    The Company, in compliance with the Listing Regulations will be webcasting the proceedings of the AGM on NSDL's website. Members can view the proceedings by logging on the e-Voting website of NSDL at www.evoting.nsdl.com using their secure login credentials.

11. 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 dividend thrice for the financial year 2023-24, as detailed below:

Sl. No.	Particulars	Amount per equity share (₹)	Date of declaration	Date of Payment
1.	1st Interim Dividend	3.00	July 26, 2023	August 24, 2023
2.	2nd Interim Dividend	3.50	November 1, 2023	November 30, 2023
3.	3rd Interim Dividend	4.50	March 19, 2024	April 16, 2024

Further, the Board of Directors of the Company in its meeting held on April 30, 2024 had *inter-alia* recommended final dividend @ ₹5.00 per equity share for the financial year 2023-24 and the said dividend, if approved, by the members at ensuing AGM, will be paid within thirty days from the date of 55th AGM of the Company, to the members or as per their mandates as under:

a) To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the Depositories, as of close of business hours on **Friday, June 28, 2024 ('Record Date').**

b) To all Members in respect of shares held in physical form after giving effect to valid transmission or transposition requests lodged with the Company as of the close of business hours on **Friday, June 28, 2024.**

SEBI vide its Circular dated March 16, 2023 read with Master Circular dated May 7, 2024 and other relevant applicable Circulars, has prescribed common and simplified norms for processing investor service requests by RTAs and norms for furnishing PAN, KYC (contact details, bank details and specimen signature), and nomination details. As per the said Circular, it is mandatory for the shareholders holding securities in physical form to, inter alia, furnish PAN, KYC, and nomination details. Physical folios wherein the said details are not available would be eligible for lodging grievance or any service request only after registering the required details. Any payments including dividend in respect of such folios shall only be made electronically with effect from April 1, 2024 upon registering the required details. Further, relevant FAQs published by SEBI on its website can be viewed at the following link: https://www.sebi.gov.in/ sebi_data/faqfiles/jan-2024/1704433843359.pdf.

Further, pursuant to Finance Act, 2020 dividend income is 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.

12. Brief Resume/Profile of the Directors seeking appointment/reappointment as required under Regulation 36 of Listing Regulations and Secretarial Standard-2 is annexed hereto and forms part of Notice.

13. 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 may determine in a General Meeting.

In the 54th AGM of the Company held on September 6, 2023, the Board of Directors were 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 2023-24. Accordingly, the Board of Directors approved the payment of remuneration of ₹68,00,000/- (Rupees Sixty Eight Lakh only) plus taxes as applicable to be shared equally by the Statutory Auditors i.e. M/s. Kailash Chand Jain & Co., Chartered Accountants and M/s. SCV & Co. LLP, Chartered Accountants, for the financial year 2023-24. The Board also approved that in addition to the said remuneration, the Statutory Auditors may be paid such actual reasonable travelling 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 2024-25 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 an appropriate remuneration of the Statutory Auditors of the Company, as may be deemed fit, for the financial year 2024-25.

14. In terms of Regulation 40 of Listing Regulations, as amended from time to time, transfer, transmission and transposition of securities shall be effected only in dematerialized form. Accordingly, we request 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. Members may contact the Company or Alankit Assignments Limited, RTA, for assistance in this regard.

a) Further, members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Alankit Assignments Limited, the details of such folios together with the share certificates along with the requisite KYC Documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.

b) SEBI vide its Circular dated January 25, 2022 has mandated the Listed Companies to issue securities in dematerialized form only while processing service requests *viz.* issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Therefore, members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website at https://recindia.nic.in/forms and on the website of the Company's RTA, Alankit Assignments at https://alankitassignments.com/investor-charter. It may be noted that any service request can be processed only after the folio is KYC Compliant.

c) In terms of SEBI guidelines/circulars, the security holder(s) whose folio(s) do not have PAN, Choice of Nomination, Contact Details, Bank Account Details and Specimen Signature updated, shall be eligible to lodge grievance or avail any service request from the RTA only after furnishing PAN, KYC details and Nomination. Accordingly, shareholders holding shares in physical form are once again requested to furnish the PAN, KYC details and other details, immediately to RTA of the Company i.e. Alankit Assignments Limited, in the prescribed forms, available on the website of the Company at https://recindia.nic.in/forms or RTA at https://alankitassignments.com/investor-charter. Further, The Company has also sent intimations to the concerned shareholders regarding the same. Further, Shareholders holding shares in dematerialized mode, are requested to update their KYC, Bank and other requisite details with their respective Depository Participant ("DP").

15. 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. Alankit Assigments Limited, Unit : **REC Limited, 205-208, Anarkali Complex, Jhandewalan Extension, New Delhi-110055.** Shareholders holding shares in electronic form may send the NECS/NEFT/Direct Credit 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 unless require revision/updation thereof.

16. Members who have not received/encashed their dividend Warrant/Demand Drafts within its validity period may write to the Company at its Registered Office or R&TA of the Company, for revalidating the Warrant/Demand Drafts or payment in lieu of such Warrant/Demand Drafts.

17. Members are requested to note that pursuant to the provisions of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, dividends, if not encashed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). Further, all the shares in respect of which dividend has remained unclaimed for 7 consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. 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 2016-17 and unclaimed interim dividend for the financial year 2017-18 will be due for transfer to IEPF in October, 2024 and March, 2025 respectively, in terms of the provisions of the Companies Act, 2013 and rules made there under.

    Member(s) are advised to claim unpaid/unclaimed dividend amounts, if any, in respect of final dividend for the financial year 2016-17 and thereafter, by sending a request to M/s Alankit Assignments Limited, R&TA of the Company, Unit: REC Limited, 205-208, Anarkali Complex, Jhandewalan, Extension, New Delhi -110055 or call at 91-1142541234 or email at 'virenders@alankit.com'. Further, unpaid/unclaimed amount of dividend relating to interim dividend for the financial year 2016-17 and earlier dividends, have already been transferred by the Company to IEPF and accordingly, any claims in respect of such amounts are to be made directly to the IEPF Authority as per the statutory provisions.

    The Members whose unclaimed dividends and/or shares have been transferred to IEPF, may contact the Company or RTA and submit the required documents for issue of Entitlement Letter. The Members can attach the Entitlement Letter and other required documents and file the IEPF-5 form for claiming the dividend and/ or shares available on www.iepf.gov.in. For further details, please refer website of the Company i.e. https://recindia.nic.in/iepf-details.

18. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website at https://recindia.nic.in/forms. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to RTA of the company in case the shares are held in physical form.

19. Statutory registers as prescribed under the Companies Act, 2013 and all 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. **August 20, 2024**. Members desiring for inspection of said documents are requested to send an e-mail to the Company at (complianceofficer@recindia.com)

20. 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@recindia.com) at least seven days prior to the date of the AGM and the same will be suitably replied by the Company.

21. 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.

22. The results of the e-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 timelines. Further, the resolution(s), if passed by shareholders, shall be deemed to be passed on the date of 55th AGM.

23. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, DP ID and Client ID/Folio number, PAN, mobile number at (complianceofficer@recindia.com) upto **Saturday, August 17, 2024** (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

24. SEBI vide Circular dated July 31, 2023 and August 4, 2023, read with Master Circular dated July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market. Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/ Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (https://smartodr.in/login) and the same can also be accessed through the Company's website at https://recindia.nic.in/smart-odr-portal.

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

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. Further, in accordance with Regulation 17(1C) of Listing Regulations, the approval of the shareholders for appointment of a person on the Board of Directors is required to be obtained at the next general meeting.

The Ministry of Power (MoP), vide its order dated May 14, 2024, has appointed Shri Harsh Baweja (DIN: 09769272), who was earlier serving as Executive Director (Finance) in the Company, as Director (Finance) of REC Limited in the scale of pay of ₹1,80,000-3,40,000 (IDA), with effect from the date of his assumption of charge of the post till the date of his superannuation i.e. January 31, 2026 or until further orders, whichever is earlier. Shri Harsh Baweja has assumed the charge of Director (Finance) w.e.f. May 14, 2024. Further, on recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company has approved the appointment of Shri Harsh Baweja as Director (Finance) (as Additional Director) of the Company, with effect from May 14, 2024, subject to approval of the shareholders.

A brief profile of Shri Harsh Baweja, in terms of listing Regulations, 2015 and Secretarial Standard-2, is annexed to this Notice.

Pursuant to the Articles of Association of the Company, Shri Harsh Baweja shall be liable to retire by rotation. Further, the terms & conditions of his appointment will be governed by MoP Order dated May 14, 2024 and/or any other Order as may be issued by the Government of India.

Shri Harsh Baweja fulfills the conditions as specified in the Act and Rules made thereunder and has also 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.

All documents related to this proposal shall be available for inspection through electronic mode, from date of circulation of this Notice upto the date of AGM.

The Board of Directors of the Company approved the proposal of appointment of Shri Harsh Baweja as Director (Finance) effective from May 14, 2024 and recommended the passing of the Ordinary Resolution at Item No. 5 of this notice, by Shareholders of the Company.

Except Shri Harsh Baweja, 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.

In view of the above, it is proposed to obtain approval of shareholders for appointment of Shri Harsh Baweja as Director (Finance) of the Company, by passing Ordinary Resolution set out at Item No 5. of this Notice.

Item No. 6

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 54th Annual General Meeting held on September 6, 2023, had granted powers to the Board of Directors of the Company to borrow moneys upto a total amount of ₹6,00,000 crore in Indian Rupees and in any foreign currency equivalent to USD 20 billion. As on March 31, 2024, the outstanding borrowings in India Rupees was ₹3,12,636 crore against the limit of ₹6,00,000 crore. Therefore, there is sufficient limit available for borrowing in India Rupees 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.

Considering the strong order book and disbursement pipeline, this borrowing pattern is likely to continue considering business growth expected in the current financial year i.e. 2024-25 as well. Considering cost advantage as compared to alternative source of borrowings in domestic currency, a large portion of the funding requirement is expected to be met out from the Foreign Currency Borrowings and it is expected that more than 7 Billion is expected to be raised in the next year upto August-September, 2025, as against the currently available limit of approx. USD 4.5 Billion (as on May 15, 2024). Considering that the current outstanding borrowings together with projected borrowings, in foreign currency, is likely to exceed the earlier approved limit of USD 20 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 20 billion to USD 24 billion, for the purpose of business of the Company.

All documents related to this business proposal 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 May 31, 2024 approved the above proposal and recommended the passing of the Special Resolution at Item No. 6 of this notice, by Shareholders of the Company.

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, other than the extent of their holding in the securities of the Company, if any.

In view of the above, it is proposed to obtain the approval of shareholders for increasing the borrowing limit, by passing Special Resolution set out at Item No. 6 of this Notice.

Item No. 7

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 Listing Regulations, 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 ₹6,00,000 crore in Indian Rupees and in any foreign currency equivalent to USD 24 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.

All documents related to this business proposal 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 May 31, 2024 approved the above proposal and recommended the passing of the Special Resolution at Item No. 7 of this notice, by Shareholders of the Company.

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, other than the extent of their holding in the securities of the Company, if any.

In view of the above, it is proposed to obtain the approval of shareholders for creation of mortgage and/or charge on all or any of the movable and/or immovable properties, by passing the Special Resolution set out 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 ₹1,45,000 crore, during a period of one year from the date of passing of this resolution, i.e. upto August 19, 2025, 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 ₹1,45,000 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.

All documents related to this business proposal 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 May 31, 2024 approved the above proposal and recommended the passing of the Special Resolution at Item No. 8 of this notice, by Shareholders of the Company.

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, other than the extent of their holding in the securities of the Company, if any.

In view of the above, it is proposed to obtain the approval of shareholders for private placement of securities, by passing Special Resolution set out at Item No. 8 of this Notice.

By Order of the Board of Directors
For REC Limited

Date : **July 27, 2024**
Place : **REC World Headquarters**
Plot No. I-4, Sector 29,
Gurugram, Haryana – 122001

J.S. Amitabh
Executive Director & Company Secretary

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

Name of the Director(s)	Shri Harsh Baweja	Shri Manoj Sharma
DIN	09769272	06822395
Date of birth	January 8, 1966	March 10, 1966
Age	58 Years	58 years
Date of first appointment on the Board	May 14, 2024	July 11, 2023
Qualification(s)	Chartered Accountant	Chartered Accountant with a degree in law (LLB)
Detailed profile/ resume including skills and capabilities	Shri Harsh Baweja is a Chartered Accountant with 33-year tenure in steering financial operations across multiple institutions. As a Fellow Member of the Institute of Chartered Accountants of India (ICAI) and a holder of a Diploma in Information Systems Audit from ICAI, his credentials reflect proven track record in navigating complex financial landscapes. With a wealth of experience spanning over three decades, his previous role as Executive Director (Finance) at REC showcased his adeptness in leading both state and private sector financing, showcasing exceptional acumen in managing diverse business verticals and financial portfolios. His tenure as Executive Director of Finance at REC saw him steer the organization through diverse financial challenges, demonstrating a keen understanding of financing sector. With extensive experience overseeing REC's business in key locations, Shri Baweja possesses an intimate understanding of the intricate financial dynamics within the energy sector. His strategic insights have significantly contributed to REC's growth trajectory and bolstered its financial performance over the years.	Shri Manoj Sharma is a Chartered Accountant with a degree in law (LLB). He is currently working as Director (Commercial) in PFC. He has more than 32 years of experience in power sector. In PFC, he has handled multiple areas & domains including institutional appraisal & development, entity appraisal, legal & documentation, taxation, budget, audit, preparation of financial statements & audit reports, financial analysis, resource mobilization, debt syndication and consultancy assignments on financial/commercial aspects in power sector. During the last 3 decades, he has been associated with entire spectrum of PFC's loan assets, covering formulation of lending policies, putting in place a policy framework to guide appraisal with a structured format for financial analysis, compliance with applicable regulatory and statutory frameworks, monitoring conditions, facilitating disbursement, resolution mechanism for stressed accounts, etc. He is Chairman of PFC Projects Limited, a subsidiary of PFC.
Nature of expertise in specific functional areas	His expertise includes organisational and financial planning, formulation of financial policies, financial accounting, management control systems, lending operations, cash and fund management, tax planning, optimisation of financial resources & its mobilisation.	Shri Manoj Sharma brings in expertise in various areas such as financial management, power sector domain expertise, project appraisal, corporate planning & strategy, risk management, leadership, board practices & governance, business development, environment & social areas.
Terms & conditions of appointment and proposed remuneration to be paid	Shri Harsh Baweja has been appointed as Director (Finance) (Additional Director) of REC Limited in the scale of pay of ₹1,80,000-3,40,000 (IDA), with effect from May 14, 2024 till the date of his superannuation i.e. January 31, 2026 or until further orders, whichever is earlier. The terms and conditions of his appointment will we governed by MoP order dated May 14, 2024 and any other order(s) etc. issued by the Goverment of India.	The Ministry of Power, Government of India, vide its letter dated July 11, 2023 nominated Shri Manoj Sharma as Nominee Director of PFC on the Board of REC. He is entitled to receive sitting fee in connection with the Board or Committee meetings of REC attended by him, as decided by the Board from time to time. Further, payment / reimbursement towards air tickets, hotel accommodation, hiring of vehicle, out-of-pocket expenses, local conveyance etc. in respect of him attending such Board or Committee meetings, would be borne by REC.

Shareholding in the Company including as a beneficial owner	6,745 equity shares of ₹10/- each.	Nil
Number of Board meetings attended during the financial year 2023-24	Not applicable as appointed with effect from May 14, 2024.	8 out of 10 Board meetings attended during his tenure starting from July 11, 2023.
Number of Committee meetings attended during the financial year 2023-24	Not applicable as appointed with effect from May 14, 2024.	6 out of 7 Committee meetings attended during his tenure starting from July 11, 2023.
Directorship held in other companies / listed entities	• REC Power Development and Consultancy Limited	• Power Finance Corporation Limited • PFC Projects Limited • Jharkhand Infrapower Limited • PFC Consulting Limited • Bihar Mega Power Limited • Deoghar Mega Power Limited • PFC Infra Finance IFSC Limited
Details of listed entities from which resigned in the past three years	Nil	Nil
Membership/ Chairmanship of Committee across all public companies other than REC	Nil	**Power Finance Corporation Limited** • Risk Management Committee (Member) • Corporate Social Responsibility Committee (Member) • HR Committee (Chairman) • Investment Committee (Member) • IT Strategy Committee (Member) **PFC Consulting Limited** • Corporate Social Responsibility 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 members for remote e-voting, attending the 55th AGM through VC/OAVM and electronic voting during the AGM

A. Instructions for remote e-voting system prior to the 55th AGM

The remote e-voting period begins on **Saturday, August 17, 2024 (0900 hours) and ends on Monday, August 19, 2024 (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. **August 13, 2024 ("cut-off date")** may cast their vote electronically. 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 CDSL 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 users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login of Easi/Easiest, the user will also be able to see the e-Voting option for eligible companies where e-voting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-voting page by providing demat account number and PAN from a link https://www.cdslindia.com at 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 E-voting Service Provider (ESP) 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 issues 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.com or call at toll free no.: 022 - 4886 7000
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 toll free no.: 1800 22 55 33

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.com/ either 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/ Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP 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 shall be 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 by 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 as mentioned below in process for those shareholders whose email ids are not registered.
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 available on www.evoting.nsdl.com.
   b) If you are holding shares in physical mode, click on "Physical User Reset Password" 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.com 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 General 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.

B. Instructions for members for attending the 55th 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 by following the steps mentioned above for access to NSDL e-voting system. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. 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.

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.

C. Instructions for members for voting through electronic voting system during the 55th 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 sachincs2022@gmail.com with a copy marked to evoting@nsdl.com.

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.

D. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self- attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to (complianceofficer@recindia.com).

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to (complianceofficer@recindia.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

3. Alternatively, shareholder/members may send a request to evoting@nsdl.com for procuring User Id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

General Guidelines for shareholders

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com to reset the password.

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.: 022 - 4886 7000 or send a request at evoting@nsdl.com or contact Shri Amit Vishal, Deputy Vice President or Ms. Pallavi Mhatre, Sr. Manager, National Securities Depository Limited, Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013, at the designated email IDs: evoting@nsdl.com or amitv@nsdl.com or pallavid@nsdl.com. Members may also write to the Company Secretary at the Company's email address at (complianceofficer@recindia.com).

BOARD'S REPORT

To

The Shareholders,

Your Directors have pleasure in presenting the Fifty Fifth Annual Report together with the Audited Financial Statements of your Company for the financial year ended on March 31, 2024.

1. PERFORMANCE HIGHLIGHTS

1.1 Summary of performance

The highlights of performance of your Company for the financial year 2023-24, with comparative position of previous year's performance, were as under:

(₹ in crore)

Parameter	FY 2023-24	FY 2022-23
Loans Sanctioned	**3,58,816.34**	2,68,460.54
Disbursements	**1,61,462.28**	96,846.30
Recoveries (including interest)	**1,31,041.76**	82,910.87
Total Operating Income	**47,146.30**	39,208.06
Profit Before Tax	**17,780.64**	13,738.77
Profit After Tax	**14,019.21**	11,054.64
Total Comprehensive Income	**15,063.48**	10,083.60

1.2 Financial performance

The Total Operating Income of your Company for the financial year 2023-24 was ₹47,146.30 crore as compared to ₹39,208.06 crore during the financial year 2022-23.

The Profit after Tax and Total Comprehensive Income for financial year 2023-24 was ₹14,019.21 crore and ₹15,063.48 crore respectively as compared to ₹11,054.64 crore and ₹10,083.60 crore for the financial year 2022-23.

Earnings Per Share (EPS) for the financial year ended March 31, 2024 was ₹53.11 per share of face value of ₹10/- each, as against EPS of ₹41.85 per share in the previous financial year. Net worth of the Company as on March 31, 2024 has increased to ₹68,783.15 crore, i.e. 19.25% higher than the Net Worth of ₹57,679.67 crore as on March 31, 2023.

The Gross Loan Asset Book of your Company as on March 31, 2024 was ₹5,09,370.95 crore, as compared to ₹4,35,011.79 crore as on March 31, 2023. Further, the outstanding borrowings as on March 31, 2024 were ₹4,37,943.59 crore.

1.3 Dividend

For the financial year 2023-24, the Board of Directors of your Company has recommended a final dividend of ₹5.00/- per equity share of face value of ₹10/- each (50% of the paid up share capital), which is subject to approval of the shareholders in the 55th Annual General Meeting scheduled to be held on August 20, 2024. The above dividend is in addition to 1st Interim Dividend of ₹3/- per equity share (30% of the paid up share capital) paid on August 24, 2023, 2nd Interim Dividend of ₹3.50/- per equity share (35% of the paid up share capital) paid on November 30, 2023 and 3rd Interim Dividend of ₹4.50/- per equity share (45% of the paid up share capital paid on April 16, 2024).

The total dividend for the financial year 2023-24, including the final dividend, amounts to ₹16 per share of face value of ₹10/- each, which is 160% of the paid-up share capital of the Company. For the last financial year 2022-23, the Company had paid a dividend of ₹12.60 per share of face value of ₹10/- each, which was 126% (post bonus) of the paid-up share capital of the Company.

The total dividend pay-out for the financial year 2023-24, including the final dividend, would work out to ₹4,213.16 crore. The dividend is paid in accordance with the Company's Dividend Distribution Policy, which is available at https://recindia.nic.in/policies

1.4 Share capital

As on March 31, 2024, the authorized share capital of the Company was ₹5,000 crore, consisting of 500 crore equity shares of ₹10/- each. The issued and paid-Up Share Capital of the Company was ₹2,633.22 crore, consisting of 2,63,32,24,000 equity shares of ₹10/- each. Power Finance Corporation Limited (PFC), a Government of India undertaking, held 52.63% of the paid-up equity share capital of the Company as on March 31, 2024, comprising of 1,38,59,93,662 equity shares of ₹10/- each and the balance 47.37% paid-up equity share capital was held by public shareholders.

1.5 Policy initiatives

The Company regularly reviews, updates and strengthens its policy framework to enhance business value and meet statutory requirements and amendments.

During the financial year 2023-24, the Company focused on further enhancing its corporate governance framework. This involved amending the Policy on Criteria for Determining Materiality of Events or Information for disclosure to Stock Exchanges, specifying the process for refunding unclaimed amounts related to listed non-convertible securities and revising the IT outsourcing policy, among others. Further, various HR policies has also been updated/revised during the financial year.

To bolster its competitive position in the market, the Company has introduced and amended several business-oriented policies. Notable among these were the Policy for Issuance of Letter of Undertaking (LoU) for Renewable Energy Projects, Letter of Comfort policy for state & private sector, revisions in the REC's Refinancing Policy for Renewable Energy and Conventional Generation Projects. Additionally, a Policy for 'Incidental Charges' for non-compliance with material terms and conditions or defaults in Loan Accounts was implemented.

2. FINANCIAL REVIEW

2.1 Summary of Financial Results

The summary of audited financial results of the Company for the financial year 2023-24, *vis-à-vis* the previous financial year, is given as under:

(₹ in crore)

Particulars	Standalone		Consolidated	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Revenue from Operations	47,146.30	39,208.06	47,504.75	39,478.26
Other Income	67.85	44.67	66.48	41.90
Total Income	**47,214.15**	**39,252.73**	**47,571.23**	**39,520.16**
Finance Costs	29,949.27	23,737.66	29,947.74	23,733.33
Net translation / transaction exchange loss	166.57	1,114.04	166.57	1,114.04
Fees and Commission Expense	24.26	16.29	24.26	16.29
Impairment on financial instruments	(1,358.39)	114.91	(1,379.58)	142.17
Other Expenses	651.80	531.06	852.30	616.66
Total Expenses	**29,433.51**	**25,513.96**	**29,611.29**	**25,622.49**
Share of Profit / Loss of Joint Venture accounted for using equity method	-	-	-	-
Profit Before Tax	**17,780.64**	**13,738.77**	**17,959.94**	**13,897.67**
Tax Expenses	3,761.43	2,684.13	3,814.48	2,730.69
Profit After Tax	**14,019.21**	**11,054.64**	**14,145.46**	**11,166.98**
Other Comprehensive Income for the period	1,044.27	(971.04)	1,044.27	(971.04)
Total Comprehensive Income	**15,063.48**	**10,083.60**	**15,189.73**	**10,195.94**
Add: Opening Balance of Retained Earnings and Other Comprehensive Income	8,719.48	6,675.66	9,102.50	6,946.34
Amount available for appropriation	**23,782.96**	**16,759.26**	**24,292.23**	**17,142.28**
Less: Appropriations				
Special Reserve created u/s 36(1)(viii) of the Income Tax Act, 1961	(3,066.94)	(2,674.96)	(3,066.94)	(2,674.96)
Reserve for bad and doubtful debts u/s 36(1)(viia) of the Income Tax Act, 1961	(687.76)	-	(687.76)	-
Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	(2,803.84)	(2,211.15)	(2,803.84)	(2,211.15)
General Reserve	-	-	-	-
Issue expenses on Perpetual Debt Instruments (net of taxes)	-	-	-	-
Coupon payment on Instrument Entirely Equity in Nature (Perpetual Debt Instruments) (Net of Taxes)	(33.30)	(33.30)	(33.30)	(33.30)
Sub-total: Appropriations	**(6,591.84)**	**(4,919.41)**	**(6,591.84)**	**(4,919.41)**
Less: Dividend Payments to Owners (including related taxes)				
Dividend	(4,042.00)	(3,120.37)	(4,042.00)	(3,120.37)
Closing Balance of Retained Earnings and Other Comprehensive Income	**13,149.12**	**8,719.48**	**13,658.39**	**9,102.50**

2.2 Contribution to National Exchequer

During the financial year 2023-24, the Company contributed an amount of ₹3,346.61 crore to the National Exchequer, which included ₹3,217.34 crore towards direct taxes and ₹129.27 crore towards Goods and Services Tax (GST). In the previous financial year, the total contribution to the National Exchequer was ₹2,805.76 crore.

2.3 Ratio analysis

A comparative statement of significant ratios of the Company for the financial year 2023-24 *vis-à-vis* the previous financial year, is given below:

Particulars	FY 2023-24	FY 2022-23
Earnings Per Share (₹)	**53.11**	41.85
Return on Average Net Worth (%)	**22.17**	20.35
Book Value per Share (₹)	**261.22**	219.05
Debt Equity Ratio (times)*	**6.37**	6.49
Price Earnings Ratio (times)#	**8.49**	2.76
Interest Coverage Ratio (times)	**1.59**	1.58

**Net debt represent principal outstanding, less cash and cash equivalent available.*
#PE Ratio is calculated based on closing price of REC's Equity Share at NSE, as on March 28, 2024, (being last trading day) and as on March 31, 2023, respectively.

2.4 Resource mobilization

2.4.1 Total resource mobilization during the year

During the financial year 2023-24, the Company mobilized funds of ₹1,46,747 crore from the market. This included ₹36,961 crore from External Commercial Borrowings in different currencies, USD 2,487.06 million and JPY 2,41,657.05 million, ₹25,093 crore equivalent to USD 2,789.00 million and JPY 34,229 million from FCNR (B) loans, long and short rupee term loans from banks and financial institutions of ₹19,500 crore and ₹3,600 crore (including ₹100 crore short term loan rolled over for 1 year during financial year 2023-24) respectively, ₹7,735 crore form commercial paper, ₹11,421 crore (includes pending allotment) from Capital Gains Tax Exemption Bonds and ₹42,437 crore (after adjustment of discount and premium) from Institutional Bonds.

2.4.2 Redemption and pre-payment

During the financial year 2023-24, the Company repaid a sum of ₹82,304.55 crore. This includes repayment amounting to ₹17,844 crore towards Institutional Bonds, ₹1,308.37 crore towards Tax-free Bonds, ₹6,651.31 crore towards Capital Gain Tax Exemption Bonds, ₹15,317.14 crore towards External Commercial Borrowings equivalent of USD 1,799.00 Million, ₹15,503.66 crore of FCNR loans equivalent of USD 1800 Million and Euro 69.77 million and ₹293.89 crore of ODA loans. The Company also repaid long term loans amounting to ₹23,136.17 crore to various banks and financial institutions and short-term loans amounting to ₹2,250 crore (including ₹100 crore short term loan rolled over for 1 year during financial year 2023-24) and redeemed commercial paper amounting to ₹7,735 crore.

2.4.3 Cost of borrowing

The overall annualized cost of funds during financial year 2023-24 was 7.13%.

Further, during the financial year 2023-24, your company had raised funds of ₹39,066.39 crore (other than perpetual debt instruments) through listed bonds, at a cost of 7.60% p.a., which is 12 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 ₹19,621 crore from various banks for its day-to-day operations, out of which ₹11,142 crore was availed as on March 31, 2024.

2.4.5 Perpetual Debt Instruments

Your Company had raised Perpetual Debt Instruments (PDI) as follows:

Series	Amount (₹ in crore)	Face Value	Date of allotment	Rate of Interest
206	558.40	10,00,000.00	22-01-2021	7.97%
222	2,000.00	1,00,00,000.00	28-04-2023	7.98%
226	1,090.00	1,00,00,000.00	27-09-2023	8.03%

As on March 31, 2024, the said instruments form 5.47% of the Tier-I capital of the Company. These PDI have no maturity and are callable only at the option of the Company after 10 years and relevant detailed disclosure on PDI is appearing in notes to accounts of the standalone financial statements forming part of this Annual Report.

2.4.6 Green Bonds issued by REC

In alignment with India's Climate action plan to increase the renewable energy capacity with an ultimate objective to reduce the carbon emissions and carbon intensity, REC raises funds through Green Bonds from time to time considering market conditions.

Annual Impact Reporting for Green Bonds – financial year 2023-24

REC had raised following Green Bonds till financial year 2023-24:

Sl. No.	Fund Raised (FCY)	Month and Year	Tenor
1	USD 450 million Green Bond	July 2017	10 Years
2	USD 750 million Green Bond	April 2023	5 Years
3	JPY 61.1 billion Green Bond		
	JPY 31.00 billion Green Bond	January 2024	5 Years
	JPY 27.4 billion Green Bond	January 2024	5.25 Years
	JPY 2.7 billion Green Bond	January 2024	10 Years

REC raised USD 750 Million in April, 2023 for a tenor of five years through USD Green Bonds. These bonds are listed exclusively at IFSC Stock exchanges, i.e. India INX and NSE IFSC in GIFT City, Gandhinagar, Gujarat. The bond issuance was the first Green Bond issuance by an Indian Company post India's G20 Presidency and the largest ever Green Bond Tranche by a South & South-East Asian issuer. The proceeds from these bonds are being utilized towards eligible green projects in accordance with REC's Green Finance Framework.

Further, in January 2024, REC had raised JPY 61.1 billion which was REC's eleventh venture into the international bond market and inaugural Yen Bond issuance. This was also the first Yen Green Bonds issuance by any Indian PSU. The bond was 5-year, 5.25-year and 10-year bonds. The same was largest ever Euro-Yen issuance in South & South East Asia and Largest Yen-denominated issuance from India. The transaction witnessed interest both from Japanese and international accounts with number of orders from each at 50%, international allocation being one of the highest for any other Indian Yen deal. These bonds are listed exclusively at IFSC Stock Exchanges i.e. India INX and NSE IFSC in GIFT City, Gandhinagar, Gujarat.

Use of Proceeds: The proceeds have been utilized to finance Solar, Wind and Renewable Purchase Obligations 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.

Managements of Proceeds: The net proceeds from the Green Bonds were allocated against the following projects as on March 31, 2024:

A. USD 450 million Green Bond

Sl. No.	Location	Capacity (in MW)	Category	Loan Sanction Date	Annual renewable energy generation in MWh as on March 31, 2024	Approved Loan	Loan Outstanding on March 31, 2024
						₹ in crore	₹ in crore
1	Karimnagar, Telangana	15	Solar Energy	11.11.2016	27,620.28	89.84	53.28
2	Jagtial, Telangana	30	Solar Energy	21.09.2016	54,425.88	179.62	112.01
3	Sircilla,Telangana	30	Solar Energy	21.09.2016	57,132.72	179.62	112.25
4	Warangal, Telanagana	15	Solar Energy	11.11.2016	25,557.30	89.84	53.43
5	Anantpur, Andhra Pradesh	500	Solar Energy	24.02.2016	7,72,584.00	2,480.00	1,434.40
6	Karimnagar, Telangana	15	Solar Energy	11.11.2016	28,408.68	89.84	53.26
7	Ranga Reddy, Telangana	5	Solar Energy	27.01.2016	5,909.00	26.90	16.14
8	Medak, Telangana	7	Solar Energy	26.11.2015	9,995.16	39.90	23.20
9	Karimnagar, Telangana	15	Solar Energy	11.11.2016	29,788.38	89.84	53.28
10	Chitradurga, Karnataka	30	Solar Energy	17.04.2017	33,612.12	150.39	92.04
11	Kudligi, Karnataka	20	Solar Energy	31.12.2018	42,503.52	84.00	62.18
12	Belgaum, Karnataka	15	Solar Energy	31.12.2018	31,693.68	63.86	47.38
13	Bagalkot, Karnataka	15	Solar Energy	31.12.2018	31,956.48	64.08	47.55
14	Bagalkot, Karnataka	15	Solar Energy	31.12.2018	32,193.00	66.41	49.57
15	Kutch, Gujarat	900	Solar Energy	20.12.2023	Project under Construction	2,690.00	2,690.00
16	Mandsaur,Madhya Pradesh	20	Wind Energy	28.01.2016	19,272.00	86.63	41.15
	Total				**12,02,652.20**	**6,470.77**	**4,941.12**

B. USD 750 million Green Bond

Sl. No.	Location	Capacity (in MW)	Category	Loan Sanction Date	Annual renewable energy generation in MWh as on March 31, 2024	Approved Loan ₹ in crore	Loan Outstanding on March 31, 2024 ₹ in crore
1	Mumbai, Maharashtara	NA	Low carbon Transport	27.05.2022	Project under construction	29,985.32	3,194.41
2	Tuticorin, Thoothukudi District, Tamil Nadu	540	Wind Energy	28.05.2021	Project under construction	2,564.73	2,411.68
3	Dharapuram, Tirupur District, Tamil Nadu	270	Wind Energy	19.07.2021	Project under construction	647.00	500.40
4	Gadag, Karnataka	560	Solar-Wind Hybrid Power Project	24.06.2023	Project under construction	3,081.30	2,149.48
5	Mundra, Kutch District, Gujarat	2,000	Solar PV Manufacturing Facility	05.08.2021	Project under construction	1,121.08	362.11
	Total					**37,399.43**	**8,618.08**

C. JPY 61.10 billion Green Bond Project

Sl. No.	Location	Capacity (in MW)	Category	Loan Sanction Date	Annual renewable energy generation in MWh as on March 31, 2024	Approved Loan ₹ in crore	Loan Outstanding on March 31, 2024 ₹ in crore
1	Gadag, Karnataka	560	Generation Renewables-Hybrid	24.06.2023	Project under Construction	3,081.30	278.30
2	Banka, Bihar	50	Generation Renewables- Solar	26.07.2023	Project under Construction	220.52	44.57
3	Jaisalmer, Rajasthan	180	Generation Renewables- Solar	24.06.2023	Project under Construction	945.36	179.26
4	Jaisalmer, Rajasthan	900	Generation Renewables- Solar	20.12.2023	Project under Construction	4,751.50	2,190.00
5	Dhaulpur, Rajasthan	300	Generation Renewables- Solar	10.03.2021	Project under Construction	1,519.00	1.35
6	Raisar, Rajasthan	300	Generation Renewables- Solar	10.03.2021	Project under Construction	1,519.00	1.68
7	Kutch, Gujarat	167	Generation Renewables- Solar	20.12.2023	Project under Construction	845.75	225.00
8	Mumbai, Maharashtra	NA	Low carbon Transport	27.05.2022	Project under Construction	29,985.32	607.68
	Total					**42,867.75**	**3,527.84**

Note: Loan amount sanction of ₹29,985.32 crore and ₹3,081.30 crore towards clean transport for Mumbai, Maharashtra and hybrid projects for Gadag, Karnataka has been partially utilised for disbursement from proceeds of USD 750 Million Bond and JPY 61.10 Billion Bond as detailed in table B and C.

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

2.4.7 International Cooperation & Development

REC has 6 lines of ODA (Official Development Assistance) credit with KfW, Germany. Out of which, first four lines have been fully drawn. In FY 2021-22, REC had entered into fifth line of credit with KfW for availing ODA term loan of USD 169.5 Million under Indo-German Bilateral Partnership in accordance with the approval granted by Department of Economic Affairs, Ministry of Finance, Government of India for part financing of innovative Solar PV Technology based. Under this facility, total amount of USD 123.15 Million has been drawn till March 31,2024.

Further, in 2023, REC signed a Sixth line of credit with KfW for availing ODA term loan of 200 million Euro. This line of credit under the Indo-Germanic Development Cooperation will be utilized to refinance investments in the distribution infrastructure of DISCOMs in alignment with the Revamped Distribution Sector Scheme (RDSS) of the Government of India. Under this facility, no amount has been drawn till March 31,2024.

Apart from the above, REC had two lines of ODA credit with JICA, Japan, under JICA-I & II ODA loans which have been fully repaid.

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 throughout the financial year 2023-24. Further, REC enjoys international credit rating from international credit rating agencies Moody's, FITCH and Japan Credit Rating of "Baa3", "BBB-" and "BBB+" respectively, which is at par with the sovereign rating of India. Further details of credit ratings are given in the corporate governance report annexed to this report.

2.6 Investments made during the financial year 2023-24

In terms of RBI's circular on High Quality Liquid Assets (HQLAs) during the financial year 2023-24, Company has invested in State Government Securities (SGS) and Corporate Bonds.

Further, 58,82,025 no. of equity shares held in NHPC Limited and 3,47,429 no. of equity shares held in Housing and Urban Development Corporation Limited, respectively, were sold through stock exchange mechanism, at prevailing market price which was higher than its purchase price, thus resulting in cumulative gain of ₹52.51 crore. 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 2023-24, the total resources of your Company stood at ₹5,47,440.39 crore.

Out of this, equity share capital contributed ₹2,633.22 crore, instruments entirely equity in nature comprised ₹558.40 crore, other equity including Reserves & Surplus stood at ₹65,591.53 crore, financial liabilities including borrowings and other financial liabilities accounted for ₹4,78,214.54 crore and non-financial liabilities including provisions stood at ₹442.70 crore.

These funds were deployed as financial assets including long-term and short-term loans, investments etc. of ₹5,43,917.60 crore and non-financial assets including property, plant & equipment, tax assets etc. of ₹3,522.74 crore, besides asset classified as held for sale, amounting to ₹0.05 crore.

3. LOANS SANCTIONED

During the financial year 2023-24, the company has sanctioned loans worth ₹3,58,816.34 crore as against ₹2,68,460.54 crore in the previous financial year.

The loans sanctioned for the financial year 2023-24 includes ₹67,112.15 crore towards Conventional Generation Projects (including coal purchase/mining), ₹1,36,516.17 crore towards Renewable Energy projects (including Large Hydro), ₹1,01,994.08 crore towards T&D projects including the loans under Revolving Bill Payment Facility and Late Payment Surcharge, ₹40,568.92 crore towards Infrastructure & Logistics projects (including E&M works) and ₹12,625.02 crore towards Short Term & Medium Term Loans. Details of category-wise sanctions during the year are appearing subsequently in this report.

4. DISBURSEMENTS

During the financial year 2023-24, the Company disbursed total sum of ₹161,462.28 crore, as against ₹96,846.30 crore in the previous financial year.

The disbursements for financial year 2023-24 included ₹25,053.77 crore towards generation projects, ₹16,024.22 crore towards renewable energy projects, ₹47,582.22 crore towards T&D projects, ₹9,339.40 crore towards Power Infrastructure projects, ₹7,675.84 crore towards Infrastructure & Logistics projects, ₹55,589.51 crore towards other loans including short term and RBPF and ₹197.32 crore of counter-part funding under RDSS, DDUGJY (including DDG component) and SAUBHAGYA schemes of the Government of India.

5. RECOVERIES

5.1 Recoveries during the financial year

Your Company gives utmost priority to timely realization of its dues towards principal, interest, etc. During the financial year 2023-24, the amount due for recovery including interest for Standard Assets (Stage I & II) was ₹1,31,403.85 crore, as compared to ₹83,138.84 crore during the previous financial year. The Company recovered a total sum of ₹1,31,041.76 crore towards Standard Assets (Stage I & II) during the year, as against ₹82,910.87 crore in the previous financial year. The Company achieved recovery rate of 99.55% for the financial year 2023-24. The principal overdues from defaulting borrowers pertaining to Standard Assets (Stage I & II) as on March 31, 2024 were ₹237.17 crore. Further, an amount of ₹137.09 crore has been recovered from Credit Impaired Assets (Stage III) in the financial year 2023-24, as compared to ₹1,786.72 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, 2024 the Gross Credit Impaired Assets (Stage III) were ₹13,810.33 crore, which is 2.71% of Gross Loan Assets; and Net Credit Impaired Assets (Stage III) were ₹4,356.52 crore, which is 0.86% of the Gross Loan Assets.

5.3 Stressed Asset Management

REC continuously works towards resolution of stressed assets, through various frameworks including RBI framework and resolution under Insolvency and Bankruptcy Code (IBC). REC has been able to contain its NPAs at minimum level, i.e. one of the lowest amongst peer Companies in power sector. During the financial year 2023-24, REC has successfully resolved and upgraded three stressed power projects, as per the details given below:

(₹ in crore)

Sl. No	Name of the borrower	REC's exposure	Remarks
1	Meenakshi Energy Private Limited	710.84	Resolved under IBC
2	Dans Energy Private Limited	366.88	Resolved through Restructuring outside IBC
3	Classic Global Securities Limited	2.91	Resolved through OTS outside IBC
	TOTAL	**1,080.63**	

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 appraisal of the promoter or entity is carried out on the basis of financial performance, creditworthiness, 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.

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 (excluding State Discoms, State Electricity Boards / Utilities with integrated operations and Power Departments). 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 and Power Departments), the 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 2023-24, your Company has completed grading in respect of 180 utilities (excluding State Government), out of which 21 utilities were graded as A++, 48 as A+, 45 as A, 31 as B and 28 utilities as C category. Further, 7 utilities were non-responsive, therefore not graded.

6.3 Project Monitoring

Project monitoring is an important activity for a large and diverse financial institution like REC. Accordingly, REC has developed an elaborative and comprehensive project-monitoring framework, which aims to ensure timely completion of projects, reduce risks and mitigate cost overruns in the projects.

The Project Monitoring Guidelines adopted by the Company cover a whole gamut of steps for the overall rigorous monitoring of under-construction as well as commissioned projects. The frequency of monitoring is finalised based on various factors like loan sector, type of project, construction stage, the size of loan and status of disbursement etc.

The overall project monitoring activities are overseen by a dedicated group at Corporate level. Project monitoring is carried out by our Regional Offices located across the country and also by the concerned Divisions at Corporate level. Additionally, to ensure efficient monitoring of private sector projects, independent Project Management Agencies (PMAs) are also being appointed. The important observations of the monitoring are taken up with the project developers for resolution on a regular basis.

A monthly MIS covering details of project monitoring carried out at various levels is shared with all concerned in REC.

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, Infrastructure and Logistics projects including for the electrification of villages and under the various schemes of the Government of India.

Details of major financing activities during the financial year under review were as follows:

Overview of Yadadri thermal power project (Telangana) financed by REC

7.1 Generation

During the financial year 2023-24, your company sanctioned 28 nos. of loans towards Generation Projects (other than Hydro Projects) including implementation of pollution control equipment, coal mining projects, procurement of coal etc. and sanctioned total loan assistance of ₹67,112.15 crore, as per details given below:

7.2 Renewable Energy

(₹ in crore)

Particulars	No. of Loans	Loan amount
State Sector	**27**	**66,734.15**
Fresh Loan(s)	23	63,182.85
Additional Loan(s)	4	3,551.30
Private Sector	**1**	**378.00**
Fresh Loan(s)	1	378.00
Additional Loan(s)	-	-
Total	**28**	**67,112.15**

During the financial year 2023-24, your company has sanctioned 82 nos. of Renewable Energy projects (including large hydro projects) with installed capacity aggregating to 17,465 MW, Solar Park, e-Mobility projects with total loan assistance of ₹1,36,516.17 crore, as per details given below:

The above loans includes 10 Large Hydro projects with

(₹ in crore)

Particulars	No. of Loans	Loan amount
State Sector	**19**	**52,329.01**
Fresh Loan(s)	18	51,058.19
Additional Loan(s)	1	1,270.82
Private Sector	**63**	**84,187.16**
Fresh Loan(s)	62	84,134.41
Additional Loan(s)	1	52.75
Total	**82**	**1,36,516.17**

aggregate capacity of 4,876 MW, 33 Solar Energy projects with aggregate capacity of 4,423 MW, 15 Wind Energy projects with aggregate capacity of 917 MW, 3 Solar+Wind Hybrid projects of 1,775 MW aggregate capacity with battery energy storage system, 5 Pumped Storage Project with aggregate capacity of 5,450 MW, 3 Small Hydro projects with aggregate capacity of 24 MW, 3 Solar Module Manufacturing Plants, 2 Wind Turbine Manufacturing Plants, 1 Solar Infra Park, 1 Compressed Biogas (CBG) production plant, 3 E-mobility projects for procurement of 5,750 electric Buses, 2 Green Ammonia projects and 1 R&M work for Hydro Project.

7.3 Transmission & Distribution

During the financial year 2023-24, your company has sanctioned 607 nos. of Transmission & Distribution (T&D) schemes/projects involving a total loan assistance of ₹1,01,944.08 crore including RDSS, LPS and RBPF schemes of Government of India.

Details of loans sanctioned under T&D category during the financial year 2023-24 are given below:

(₹ in crore)

Particulars	No. of Loans	Loan amount
State Sector	**601**	**95,849.22**
Transmission Loan(s)	204	14,888.16
Distribution Loan(s)	372	49,589.94
Loan under LPS	7	16,021.12
RBPF	18	15,350.00
Private Sector	**6**	**6,144.86**
Transmission Loan(s)	4	4,802.06
Distribution Loan(s)	2	1,342.80
Total	**607**	**1,01,994.08**

7.4 Infrastructure & Logistics

During the financial year 2023-24, your Company has sanctioned 38 no. of Infrastructure & Logistics projects involving a total loan assistance ₹40,568.92 crore in several large-scale Infrastructure projects in areas such as development of Highways/Roads, Metro rail systems, Airports, Hospitals etc.

Details of Infrastructure & Logistics loans sanctioned during the financial year 2023-24 are given below:

(₹ in crore)

Particulars	No. of Loans	Loan amount
State Sector	**28**	**30,865.48**
Highways/Roads	1	15,537.96
Drinking Water/ Irrigation	2	4,903.84
Hospitals	2	4,265.25
Metro	1	3,045.00
Others	22	3,113.43
Private Sector	**10**	**9,703.44**
Highways/Roads	7	5,463.44
Airport	2	1,870.00
Others- LoU facility	1	2,370.00
Total	**38**	**40,568.92**

100 MW (110 MWp) Solar PV Project in Theni / Batlagundu, Tamil Nadu financed by REC

20MW Wind Energy project in Nipaniya, Mandsaur, Madhya Pradesh financed by REC

7.5 Short / Medium Term Loans and other loan assistance

Your company has also sanctioned 27 nos. of Short Term & Medium Term Loans aggregating to ₹12,625.02 crore to various power sector borrowers during the financial year 2023-24 towards their short-term or medium-term fund requirement and working capital requirement etc.

7.6 Financing activities in North Eastern States

During the financial year 2023-24 the total financial assistance sanctioned by your company in the North Eastern States includes a sum of ₹4,919.29 crore towards 2 projects.

8. PRESENT T&D SCENARIO AND OTHER REFORMS

As the Country's installed generation capacity is at a high of 442 GW (as on March 31, 2024) and there are huge capacities planned in the renewable and thermal space, the Transmission and Distribution (T&D) sector is poised to witness growth. There is also a need to modernize the transmission and 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 remains the most critical link in the power sector value chain, reforms in the DISCOMs under the Government of India's flagship programme, such as Revamped Distribution Sector Scheme (RDSS) will improve their operational efficiencies and financial sustainability. 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 transmission and distribution projects, broadly with the objectives of system improvement and augmentation, loss reduction measures, IT based system implementation, consumer satisfaction, smart metering projects, working capital requirements of power utilities etc., thus playing a significant role in the development and sustainability of the power sector and 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 includes 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), Late Payment Surcharge (LPS) etc., to name a few.

This has resulted in major infrastructure creation and bridging of supply side gaps in the distribution sector. The discoms need to focus on improving their operational efficiencies and financial sustainability, to meet the desired consumer service standards.

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) was launched in 2021, for supporting discoms to undertake reforms and improve performance in a time-bound manner. Your company as the Nodal agency for this flagship scheme of Government of India, 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.

For ensuring electrification of remaining un-electrified households, the concerned proposals are also being sanctioned under RDSS. Government of India has recently launched the PM JANMAN scheme on November 15, 2023 which aims at the targeted development of 75 Particularly Vulnerable Tribal Groups (PVTG) residing in 18 States and the Union Territory of Andaman and Nicobar Islands. As part of this, electrification of PVTG and VVP habitations/ households are also being carried out under RDSS. Further, proposals for electrification of households in the villages identified under VVP (Vibrant Village Programme) are also being sanctioned under RDSS.

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 the distribution sector.

The Ministry of Power, Government of India has notified key reforms via Electricity Amendment rules, Rights of Consumer Rules, subsidy etc. which will bring about efficiencies into the distribution sector and are also consumer centric. The major reforms are brought through bringing amendments to the following rules:

1) Amendments to Electricity Rules, 2005

a) Electricity (Amendment) Rules, 2022; prescribe implementation of formula and procedure for automatic pass through of Fuel and Power Procurement Adjustment Surcharge [FPPAS].

b) Electricity (Amendment) Rules, 2023; covering aspects like establishment of a forum for redressal of grievances of consumers under section 42 of Act, appointment of Ombudsman by state commission etc.

c) Electricity (Second Amendment) Rules, 2023; Notified covering subsidy accounting and payment, framework for financial sustainability guiding states on AT&C loss trajectories, Promoting Renewable Energy Through Green Energy Open Access etc.

d) Electricity (Amendment) Rules, 2024; Notified covered charging of additional surcharge on Open Access consumers, cost reflective tariff etc.

2) Electricity (Rights of Consumers) Rules, 2020

a) Electricity (Rights of Consumers) Amendment Rules, 2023; Notified covering provisions for reading of smart meters, implementation of Time-of-Day Tariff for commercial and industrial consumers, timely intimation to consumers on change in tariff etc.

b) Electricity (Rights of Consumers) Amendment Rules, 2024; Notified focussing on reduced timelines for consumers application processing, testing of energy meters etc.

3) Electricity (Promoting Renewable Energy through Green Energy Open Access) Rules, 2022

Electricity (Promoting Renewable Energy through Green Energy Open Access) (Second Amendment) Rules, 2023; Notified specifying contracted demand or sanctioned load of a consumer.

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 over a period of 5 years i.e. financial year 2021-22 to financial year 2025-26. REC, as nodal agency, has been assigned 19 States/Union Territories for overseeing and monitoring of implementation of the scheme.

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 under RDSS 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 analyse 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 Artificial Intelligence (AI) / Machine Learning (ML) in power distribution by leveraging partnerships and consultations.

A competition named "POWERTHON" was launched by Hon'ble Union Cabinet Minister of Power and New & Renewable Energy with the key objective to create a forum for the participation of Technology Solution Providers (TSPs), start-ups, educational institutions, research institutes, equipment manufacturers, state power utilities and other state and central power sector entities for showcasing their technology driven solutions based on advanced emerging technologies like AI/ML, Blockchain etc. to solve the complex problems being faced in the power Distribution sector.

REC had partnered with Society for Innovation & Entrepreneurship, Indian Institute of Technology, Bombay (SINE IIT-Bombay) as the nodal incubator for implementation of the POWERTHON framework to identify key intervention areas, select TSPs through a competitive screening process, establishing governance mechanisms for the pilot projects and its scale-up.

Under this partnership, 275 applications were received from Technology Solution Providers (TSPs) offering solutions across 10 key problem/challenge areas. Subsequently post screening and selection processes 16 TSPs were selected for 17 pilot projects across various DISCOMs. 7 Nos. of TSPs were successfully executed and their pilots across areas like Consumer experience enhancement, AT&C loss reduction, Energy Theft detection, Demand & load forecasting and Vegetation Management. Out of these 5 Pilot projects were executed by start-ups and 2 pilot projects by Non-Start-ups. These successful pilots projects are spread across states.

Alongwith the aforementioned, some of the Technology Solution Providers (TSPs) under the programme are also empanelled by RECPDCL (a wholly owned subsidiary of REC) under key modules like Billing Efficiency, Collection Efficiency, improvement in Technical losses and Demand & Load Forecasting.

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 ₹2,462.36 crore released till March 31, 2024.

8.4 Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY)

The Government of India's flagship programme, DDUGJY, for which REC is the nodal agency, has been completed in its sunset year financial year 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.

Projects amounting to ₹43,633.23 crore were executed under DDUGJY (New and Addl. HHs and DDG) in 33 States and Union Territories against which Government of India's grant of ₹26,745.00 crore has been released under the scheme till March 31, 2024.

8.4.1 Erstwhile RE projects, subsumed under DDUGJY

Projects amounting to ₹62,062.93 crore were executed under erstwhile RE projects (i.e. X^th^ Plan, XI^th^ Plan, XII^th^ Plan & DDG) subsumed under DDUGJY in 29 States including Union Territories, against which Government of India's grant of ₹54,627.31 crore has been released under the scheme till March 31, 2024.

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. 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, Projects amounting to ₹9,244.22 crore were executed in 26 States and Union Territories against which Government of India's grant of ₹6,330.35 crore has been released under the scheme till March 31, 2024.

8.5.1 Additional infrastructure for enabling electrification of SAUBHAGYA households

Works amounting to ₹11,373.26 crore were executed in 26 States and Union Territories for creation of additional infrastructure under DDUGJY for SAUBHAGYA scheme, against which Government of India's grant of ₹7,566.49 crore has been released under the scheme till March 31, 2024.

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. Further, the Ministry of Power has sanctioned 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 under PMDP-2015. The funds are being channelized through REC. 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 under RDSS.

Till March 31, 2024, REC has released an amount of ₹831.63 crore grant under PMDP Rural since inception of PMDP. Further, REC has released ₹441.09 crore in PMDP Urban (including Smart metering) since July, 2022 after TSA (Treasury Single Account) was created for UT of J&K and Ladakh and REC was appointed as Nodal Agency for UT of J&K and Ladakh ₹266.65 crore has been released under PMDP Transmission since March 2024.

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 3rd Edition of the Consumer Service Rating of DISCOMs report (financial year 2022-23) can be accessed at REC website:

https://recindia.nic.in/consumer-service-rating-of-discoms

8.8 Regulatory Parameters Report

During the year 2023-24, REC has published periodical reports capturing key regulatory parameters across

Generation, Transmission & Distribution segments 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 Report on "The study of Organisational Structure & Recruitment process of DISCOMs"

MoP constituted a Task Force on August 11, 2021 chaired by Additional Secretary (Power), to study the existing different organizational structures with a major emphasis on the role of efficient organisation structure and proper manpower planning in DISCOMs for effective implementation of various reform measures introduced from time to time. Under the guidance of MoP, REC had undertaken a detailed study on the existing organizational structure, processes and recruitment cycle & key challenges faced by various DISCOMs with a major focus on Governance and human resource management aspects and developed a compendium of best practices and suggested standard guidance frameworks to address legacy structural and manpower challenges. The report on "The study of Organisational Structure & Recruitment process of DISCOMs" was circulated by MoP on March 20, 2023 to all states for implementation of the recommendations of the report in the state DISCOMs to strengthen them organizationally, to proactively handle the changing sector dynamics.

8.10 Urja Mitra

Urja Mitra, an initiative implemented by your Company under the guidance of Ministry of Power, Government of India is first of its kind application which provides a notification platform for Central Outage Management for State power distribution utilities. The intent of the application is to share information with consumers about outages in rural and urban areas through SMS / Calls / push notifications on their mobile phones. It empowers registered consumer to access and view the outage information's for any Discoms / Power Department through a Mobile Application /Citizen dashboard on real time basis and also provides a platform to view real time power outages in any part of the country and lodge complaints on power outages.

As of financial year 2023-24, data of around 23.7 crore consumers from 53 Discoms have been uploaded on the Urja Mitra App and almost (~)705 crore SMSs have been sent to the consumers.

8.11 11 kV Rural Feeder Monitoring Scheme

Antecedent to the implementation of NFMS, RECPDCL has implemented 11 kV Rural Feeder Monitoring System with an objective to monitor quality and reliability parameters of Rural power supply at feeder level, to ensure achievement of "24x7 Power for All".

Under RFMS, it was envisaged to develop a web based automated system for monitoring of the rural, agricultural and mixed (agriculture rural) 11kV feeders by enabling feeders to share their data through installation of communication devices like Modem/DCUs. Concerned stakeholders are empowered with cognitive insights and useful MIS through the data acquired from numerous essential feeder meter parameters.

RFMS has strengthened all rural feeders across the country and has largely contributed towards drawing an inference of Reliability parameters for Rural India.

8.12 National Feeder Monitoring System (NFMS)

RECPDCL is spearheading the implementation of National Feeder Monitoring System (NFMS), which is a cloud based central IT platform designed to monitor the reliability and quality of power across all 33/22/11 kV outgoing distribution feeders nationwide. Linking this state-of-the-art application to the National Power Portal and employing machine-to-machine (M2M) data transmission methods ensures efficient and accurate data collection, minimizing errors associated with manual intervention. The emphasis on accurate and effective online recording of energy exchanges in the distribution system is crucial for minimizing operational errors that can occur due to human involvement. By leveraging technology to automate data collection and transmission, this initiative aims to enhance the reliability and efficiency of power distribution.

In addition to the above, the focus on providing a web-based analytical platform is noteworthy as it enables stakeholders to generate and view reports, as well as derive valuable insights from feeder data across various DISCOMs. This capability is essential for informed decision-making, allowing stakeholders to identify trends, anomalies and opportunities for optimization within the distribution network.

Covering approximately 2.5 lakh feeders across all DISCOMs in the country is an ambitious goal, but the integration of ~1 lakh feeders already demonstrates significant progress as on March 31, 2024 with 29 DISCOMs and 15 states/UTs actively sending data to the system daily, the project is well underway in its mission to enhance monitoring, analysis and decision-making in the distribution sector.

This metamorphosis marks the beginning of the new era to spearhead new India towards realising its net-zero ambitions by integrating the strengths of the power distribution sector with digitally driven networked systems.

8.13 Smart Prepaid Metering

RECPDCL is implementing Advanced Metering Infrastructure (AMI) projects across the country as Project Implementation Agency (PIA). The Company has already installed 5.07 Lakh smart meters in UT of Jammu & Kashmir, Ladakh and Chandigarh.

The company is implementing projects for installation of approx. 5.5 lakh smart meters in Jammu and Kashmir and 0.60 lakh meters in Ladakh.

Under RDSS scheme, RECPDCL is implementing Smart metering project of 15 lakh Smart meter for UT of Jammu & Kashmir and 42 lakh Smart meter for Gujarat Discoms.

8.14 Implementation of Transmission projects:

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.

8.15 Rooftop Solar Scheme

With an objective to achieve 40 GW of Roof Top Solar (RTS) capacity in the country, the Government of India launched Rooftop Solar Programme Phase-II on March 8, 2019. The Programme envisaged installation of 4,000 MW of RTS capacity in the residential sector by providing Central Financial Assistance (CFA) and incentives to DISCOMs for achievement of additional RTS capacity in a year over and above the installed capacity of the previous year. A provision of total central financial support of ₹11,814 crore, including service charges to the implementing agencies, has been made under the programme, which was initially scheduled for completion by the year 2022 but later the Programme has been extended till March 31, 2026.

As on November 30, 2023, 2,651.10 MW RTS capacity installed under subsidy scheme of Phase-II Programme. The cumulative RTS installed capacity in the country has increased from 1.8 GW as on March 31, 2019 to 11.9 GW as on March 31, 2024.

To give this scheme a further impetus, Government has announced PM Surya Ghar Muft Bijli Yojana recently and the 'Rooftop Solar Programme Phase-II' has been subsumed into this scheme.

8.16 PM Surya Ghar Muft Bijli Yojana

The Union Cabinet, chaired by the Hon'ble Prime Minister has approved PM Surya Ghar Muft Bijli Yojana with a total outlay of ₹75,021 crore for installing rooftop solar and providing free electricity up to 300 units every month for One crore households. The Hon'ble Prime Minister had launched the scheme on February 13, 2024.

The scheme provides a CFA of 60% of system cost for 2 kW systems and 40% of additional system cost for systems between 2 to 3 kW capacity. The CFA will be capped at 3 kW. At current bench mark prices, the CFA for the scheme is as follows:

Sl. No.	Type of Residential Segment	CFA	CFA (Special Category States)
1.	Residential Sector (first 2 kW_p of RTS capacity or part thereof)	₹30,000/ kWp	₹33,000/kWp
2.	Residential Sector (with additional RTS capacity of 1 kWp or part thereof)	₹18,000/ kWp	₹19,800/kWp
3.	Residential Sector (additional RTS capacity beyond 3 kWp)	No additional CFA	No additional CFA
4.	Group Housing Societies/ Residential Welfare Associations (GHS/RWA) etc, for common facilities including EV charging up to 500 kWp (@3 kWp per house)	₹18,000/ kWp	₹19,800/kWp

A national portal (https://pmsuryaghar.gov.in) has been developed for this purpose, through which, the households can apply for subsidy and will be able to select a suitable vendor for installing rooftop solar. Households will be able to access collateral-free low-interest loan products of around 7% at present for installation of residential RTS systems up to 3 kW.

The proposed scheme is estimated to have an addition of 30 GW of solar capacity through rooftop solar in the residential sector, generating 1000 BUs of electricity and resulting in reduction of 720 million tonnes of CO_2 equivalent emissions over the 25-year lifetime of rooftop systems.

9. PERFORMANCE & ACHIEVEMENTS UNDER GOVERNMENT PROGRAMMES

The performance and achievements under various Government programmes during financial year 2023-24 and cumulatively till March 31, 2024, are given below:

9.1 Performance and achievement under RDSS, DDUGJY and PMDP-2015 during the financial year 2023-24:

a. **Sanction and release:** During the financial year 2023-24, an amount of ₹5,275.36 crore (including PMA) was sanctioned under RDSS against smart metering and loss reduction works including PMA in the States assigned to REC (nodal agency).

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 2023-24, aggregate GBS funds amounting to ₹6,968.79 crore have been released to States/UTs and utilised by them, [comprising RDSS: ₹5,325.43 crore, DDUGJY (including additional infra): ₹1,013.26 crore; SAUBHAGYA: ₹27.81 crore, PMDP Rural: ₹88.97 crore, PMDP Urban (including Smart metering): ₹246.67 crore, PMDP Transmission: ₹266.65 crore].

b. **Physical progress under RDSS:** 15,50,031 number of Smart meters installed under RDSS.

9.2 Cumulative performance upto March 31, 2024

a. **Sanction and release:** Under RDSS, an amount of ₹1,42,797.62 crore (including PMA) was sanctioned to the States allocated to REC (nodal agency) towards smart metering and loss reduction (including Border Area, VVP, LT auxiliary, PVTG works, additional household electrification and modernization works for Varanasi).

Under DDUGJY including RE Projects and SAUBHAGYA schemes, an aggregate amount of ₹1,41,960.99 crore was sanctioned and on completion of the projects, aggregate executed cost arrived at ₹1,26,313.64 crore as on March 31, 2024.

Under PMDP (Rural), an amount of ₹1,687.98 crore was sanctioned.

Since launch of the schemes, ₹1,02,703.53 crore of Government of India grant funds have been disbursed by REC as nodal agency to the implementing agencies up to March 31, 2024 [comprising RDSS (including PVTG): ₹5,924.68 crore; DDUGJY (including additional infrastructure): ₹88,909.13 crore; SAUBHAGYA: ₹6,330.35 crore, PMDP Rural: ₹831.63 crore, PMDP Urban (including Smart metering): ₹441.09 crore since July 2022, PMDP Transmission: ₹266.65 crore since March 2024.]

b. **Physical progress:**

i) **DDUGJY (including RE and Additional Infra)**

The following works have been completed cumulatively till completion of DDUGJY (including RE and Additional Infra) scheme since inception:

- Commissioning of sub-stations including augmentation: 7,231 nos.
- Commissioning of Distribution transformers (including augmentation): 16,57,684 nos.
- 11 kV lines (including Feeder Segregation): 8,02,181 cKm
- LT lines: 13,47,723 cKm
- 33 kV/66 kV lines: 41,138 cKm
- Installation of consumer metering: 1,87,97,312 nos.
- Metering of DTRs and Feeders: 2,54,307 nos.

ii) RDSS

The following works have been completed cumulatively upto March 31, 2024 under RDSS scheme (REC states) since inception:

- Number of Smart Consumer Metering installed under RDSS: 30,47,216

c. SAUBHAGYA: 2.86 crore households have been electrified since launch of SAUBHAGYA scheme under various schemes i.e. SAUBHAGYA, DDUGJY, RE, PMDP and other State RE schemes.

10. STANDARDIZATION, QUALITY CONTROL & MONITORING

Your Company has regular handholding support and technical expertise in the distribution system, to State Power utilities for the implementation of Government schemes. The technical specifications, guaranteed technical particulars (GTP), layout drawing, datasheet 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 the 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), Supervisory 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. State Power utilities are taking leverage 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) have been appointed for carrying out material and field works inspections for ensuring the quality of materials supplied at the site and field works during the implementation of such schemes. Impact evaluation of already implemented schemes i.e. Saubhagya & DDUGJY schemes are also being undertaken by third-party agencies *viz.* M/s RTI-UCLA & M/s E&Y respectively, in order to measure the direct & indirect impact of the scheme on general livelihood & growth of rural India.

Further, to ensure periodic monitoring & quality, Comprehensive Quality guidelines has been approved by Monitoring Committee in addition to the in-house quality checks and processes followed by the DISCOM. The Nodal Agency (REC/PFC) are supporting in carrying out concurrent inspection of the quality of works of RDSS through Third Party Quality Monitoring Agency (TPQMA) at all levels of work progress in DISCOM/Power Department, for example, PDI of Power transformers, Field Material Quality inspection and Testing (FMQIT), Field Works Quality Inspection (FWQI).

11. RISK MANAGEMENT

The Company has a Comprehensive Risk Management Policy, encompassing a spectrum of risks such as Credit Risk, Operational Risk, Liquidity Risk and Market Risk etc. It diligently identifies and addresses these risks through appropriate measures.

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, a more granular project risk categorisation framework has been developed wherein individual project level risk assessment is being carried out and projects under 'High' or 'Moderate' risk category are deliberated in Risk Management Sub-Committee (RMSC) and Risk Management Committee (RMC).

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

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. The Company has implemented a comprehensive Risk Register, through which all operational risks are measured and categorised as high, moderate or low and necessary steps are taken to manage these risks.

(iii) Liquidity Risk: Stemming from maturity mismatch associated with assets and liabilities of the company, liquidity risk involves the 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.

(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.

(vii) Environmental, Social & Governance (ESG) Risks: ESG risks emanates from environmental, social and governance factors that have an impact on the operations, financial performance and management of the Company. Owing to the rising climate concerns & impetus of governments in respective economies across the globe, ESG risks have attained great significance.

REC incorporates environmental impact considerations in its operational, financial and risk management linked decision making. In this regard, the Company has formulated & implemented an ESG policy covering the focus areas.

11.1 Risk Management Committee

The Company has established a Risk Management Committee (RMC) comprising directors to oversee the integrated risks of the Company. As on March 31, 2024, the RMC comprises of Chairman & Managing Director (CMD), Director (Projects), Director (Finance) and Two Independent Directors. Executive Directors of key divisions of the organization, are standing invitees to the meetings of RMC.

The primary role of the RMC is to monitor various risks and recommend mitigation actions concerning the Company's operations and related matters. Additionally, in compliance with RBI norms, the Company has appointed a Chief Risk Officer (CRO) who serves as the convener of the RMC, ensuring effective coordination and risk oversight.

11.2 Asset Liability Management Committee

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

12. RISK BASED INTERNAL AUDIT

Your Company has a Board-approved Risk Based Internal Audit (RBIA) policy/manual since April, 2022, which links the Company'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. This is in line with the RBI mandate of the RBIA framework for all non-deposit taking NBFCs with asset size of ₹5,000 crore and above. RBIA helps the Company 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 RBIA policy.

13. 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. 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.

14. INFORMATION TECHNOLOGY INITIATIVES

14.1 ERP application: REC has revamped the existing e-Business ERP (Oracle e-Biz suite 11i) in operation since 2009, to the higher version of R12 and migrated the ERP hardware to private cloud environment at REC Data center. The new ERP supports GST and latest accounting standard (Ind-AS) and has advanced features which have facilitated further automation of business operation of the Company. The ERP system is continuously improved as per requirements.

14.2 NIC e-office: NIC e-office solution with automated workflow and electronic document management (KMS) features implemented in REC. The system has brought in major transformation in working of the Corporation, improved efficiency, transparency and as a step towards greener initiative of less paper environment.

14.3 Augmentation of the Network infrastructure of the Company: Company wide MPLS VPN network infrastructure facility has been revamped with latest network and security devices with high availability to meet the demanding requirement of operation. The secured VPN network has facilitated users to connect to REC Network from remote locations to access business critical applications *viz*. ERP and e-office for seamless operation without disruptions.

14.4 Primary Data Centre (PDC) and Disaster Recovery Center (DRC): Both PDC and DRC of REC are ISO/IEC 27001:2013 certified and also comply to National Cyber Security Policy of Government of India.

14.5 Compliance to IT Framework as per RBI Master Direction: REC has implemented IT security directives of Master Direction of IT Framework as per RBI Guidelines. REC is compliant with Master Directions of IT Framework issued by RBI for NBFC sector.

14.6 Step towards Digital initiative: REC has also deployed a number of in-house developed systems as part of IT initiatives towards achieving better e-governance Single-sign-On solution has been implemented for inhouse portals.

14.7 Centralized Mail / Dak Room: Towards greener initiative and less paper environment, Centralized scanning solution has been implemented in Corporate office and digitization of physical records is a continuous process across the Company.

14.8 Cyber Threat Monitoring & Protection: REC has put in place latest cyber security solutions along with the mechanism for real-time log and security event analysis to identify anomalous activities in the REC environment, contain those events and restore normal service.

14.9 Providing cyber security awareness training and Computing facility to Employees: Computer to Employee population ratio is 100%. IT Division also organizes and impart various information security programs through virtual trainings / wallpapers / SMS / emails / circulars.

15. 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 3,357 training programmes and trained 74,256 engineers/managers from power utilities, including generation, transmission & distribution companies, electricity departments, rural electric cooperatives, electricity regulatory commissions, etc.

15.1 National Regular Programme (NRP)

Under the NRP training programme, RECIPMT successfully organized 20 programs in classroom mode on different topics such as, "Distribution Transformers-Operation & Maintenance for Failure Minimization", "O&M of EHV Substations, Lines and Quality Assurance", "Power Transformer-Testing, Commissioning, Protection & Maintenance", "Smart Metering Technologies for Distribution sector", "Distribution Loss Reduction-Pilferage of Electricity Issues, Challenges & Remedies", "Design Construction & Testing of Distribution Transmission Lines", "General Network Access (Open Access), Power Trading and Exchanges", "Best Practices in HR Management for Power Distribution Utilities", "Tariff Policy and Submission of ARRs- Regulatory Compliance", "Operation, Maintenance and Protection of Distribution Sub-stations and Lines", "RDS Scheme & Smart Metering Technologies - Effective Implementation for Sustainable DISCOM Operation", "Labour Laws and Labour Codes - Procedures in dealing with Court Cases", "Energy Transition, Promotion of Green Energy and Best", "Design, Construction and Quality Control of EHV Sub-Station and Lines", "Recent regulations in grid management and security issues", "Protection system in EHV sub–stations & lines", "Techno commercial improvements of Discoms – Issues & challenges", "Underground cables –selection, sizing, laying, monitoring & fault detection", "Power Purchase Agreements and intricacies in power management" & "Concept to commissioning of solar power plants – on grid and off grid". A total of 262 participants took part in these programmes.

15.2 MEA, GoI 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. Since 2005 until now, RECIPMT has organized 113 training programmes and trained 1,936 executives from 102 countries. 97 Participants participated in these programmes during the financial year 2023-24 from other countries like Algeria, Azerbaijan, Bangladesh, Bhutan, Ecuador, Ethiopia, Gambia, Ghana, Malawi, Maldives, Mauritius, Mongolia, Morocco, Myanmar, Nepal, Nigeria, South Sudan, Syria, Sri Lanka, Tajikistan, Tanzania, Thailand, Togo, Tunisia, Vietnam and Zimbabwe.

15.3 REC sponsored programmes

In order to encourage training activities and bring in awareness among the executives of power utilities, the following training programmes were conducted by RECIPMT under the sponsorship of REC Limited during the financial year 2023-24 and a total of 4,892 participants participated 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 75 training programs on "Electrical Safety", under which 1,880 participants from different utilities were trained during the financial year 2023-24.

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

RECIPMT organized 60 batches of 2-day webinars on "Techno-Commercial Improvement of DISCOM's Performance", covering subjects such as AT&C Loss Reduction techniques, O&M issues-challenges, Electricity Act amendments, ACR-ARR Aspects, etc. Under the same, RECIPMT trained 1,505 participants of power sector companies i.e. from Gencos, Transcos and Discoms.

c. REC sponsored programme on Best Practices in Power Utilities

REC has sponsored 60 batches of 3-day Classroom programme on "Best Practices in Power Utility" and trained 1,507 participants of Power Sector including Gencos, Transcos and Discoms.

15.4 REC executives (in-house) training programmes

During the financial year 2023-24, RECIPMT also organized 10 online webinars on "Awareness Programme on Vigilance Aspects, CDA Rules & Disciplinary procedures" and 7 classroom sessions for the employees of REC, which were attended by 334 employees. The topics covered were "Project Appraisal & Loan Documentation", "RDS Scheme & Smart Metering Technologies & Applications", "Enterprise Resource Planning (ERP)", "Finance for Non-Finance Executives", "Advanced Excel and MS Power point", "Purchase Procedure and Procurement through GeM" & "General Management".

15.5 Customized Programmes

During the financial year 2023-24, RECIPMT has organised 5 Customized Classroom mode programme on different subjects such as "Power Purchase Agreement & Legalities" for BESCOM, "Power Transformer-Testing, Commissioning, Operation & Maintenance" for RVPNL, "Concept to Commissioning of Solar Power Project" for HPPCL, "Power Distribution Management" for PSPCL & "Procurement and Supply Chain Management" for KSEBL. A total of 146 participants were trained from these programmes.

15.6 Total Training Programmes organized during the financial year 2023-24

During the financial year 2023-24, RECIPMT conducted an aggregate of 243 training programmes, which were attended by 5,731 participants, with achievement of 17,093 training man-days in total.

16. HUMAN RESOURCE MANAGEMENT

HR plays a vital role in engaging professional workforce in the Company. Hiring and retaining talent is a foundation of high-performing company and is essential for growth of a company. In order to augment professionals from various disciplines in your Company, 125 executives were appointed through Direct Recruitment during the financial year 2023-2024. The total manpower of the Company as on March 31, 2024 was 513 which includes 485 executives and 28 non-executives. As proactive HR strategies to employment conditions, HR plays a stronger role in manpower planning and our HR team has been diligently adding value to various strategic planning and induction.

16.1 Reservation in Employment

Reservation is provided to the members of the Scheduled Castes, Scheduled Tribes and Other Backward Classes as per the directives issued by the Government of India regarding reservations in appointment and promotion to various posts. The group wise details of SC, ST and OBC employees as on March 31, 2024 are given below:

	Number of Employees			
Category	**Group A**	**Group B**	**Group C**	**Total**
SC	57	1	8	66
ST	27	0	0	27
OBC	118	1	3	122
General / Others	283	5	10	298
Total employees	**485**	**7**	**21**	**513**
Overall Women employees	73	0	5	78
PwBD *(Divyang)* employees	12	1	1	14

16.2 Training & Human Resource Development

The Company motivates employees to perform at the highest level possible and maintain an organizational culture of high morale. A primary way HR adds value to a company is by persuading company leaders to train and develop employees. With this intent Training were imparted to our employees at all levels during the financial year.

The Training and Human Resource Policy of the Company aims in contributing to the current view and future expectations of all departments, requirement of resources and forecasting training needs on emerging opportunities and threats concerning the Company. To refine the business skills and competencies required for better employee performance, all possible opportunities and skill development training is provided to all employees. Training is also provided to promote better understanding of professional requirements as well as to sensitize employees to socio-economic environment in which business of the Company is carried out. Training for growth of spiritual, health and attitudinal change process was also imparted in order to equip the employees professionally.

During the financial year 2023-24, total 286 employees attended various training, leadership training, skill-development programs, workshops etc. These initiatives enabled the Company to achieve 1,211 training man-days during the whole year.

16.3 Employee Welfare

Company's ultimate goal should be to keep employees happy, healthy and productive. 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. The Company has also been funding sports & recreation equipment to promote well-being of employees. The company has also extended crèche / day care facility to foster a work-life balance for employees. To facilitate recreation and healthy life, Gymnasium is also available for employees in the premises. Various Yoga programs, Health Talks and Camps were organized for the employees on regular basis, for better well-being.

16.4 Sports activities

Employee engagement in Sporting activities bring people and nations together all the while inculcating feelings of oneness, harmony and tolerance. In an ideal scenario, one often looks for a perfect workplace. A place that provides a supportive setting and encourages a healthy work-life balance. Incorporating sports as an essential part of the office program can help in the quest of achieving that goal. With

REC employee won Gold Medal in Men Singles at 28th Central Power Sector Undertaking Badminton Tournament this fortitude, REC hosted an Inter-CPSU Chess Tournament at Lucknow, Uttar Pradesh during the financial year 2023-24. Further, your Company also sponsored various Inter- CPSU sports tournaments such as, Table Tennis, Cricket, Volley Ball, Chess etc., organized by various power sector CPSUs under the aegis of Power Sports Control Board (PSCB). All employees were encouraged to participate in various quiz, paper presentations and simulation competitions conducted by reputed institutions during the financial year.

16.5 Representation of Women Employees

Women empowerment is discussed extensively and it is crucial for both, Company REC and society at large to re-examine their initiatives with a renewed focus on creating tangible impacts that facilitate women's advancement to leadership positions. At REC, we have been committed to provide opportunities to female employees. As of March 31, 2024, the company employs 78 permanent women, constituting 15.2% of total workforce. We uphold a policy of non-discrimination based on gender. A dedicated Women's Cell operates within the company to oversee the welfare and holistic development of female employees. REC Women's Cell commemorated International Women's Day by organizing various activities, including team-building exercises, fun games and interactive sessions that saw enthusiastic participation from female employees. REC is steadfast in its belief in gender equality and strives to ensure a safe and supportive work environment for all women.

Outbond Training Programme for female employees on Women's Day

16.6 Industrial Relations

Employer and Employees relations are foundation of the Company and at REC the amiable relation prevail for years. The Industrial Relations scenario in the Company continued to be cordial and harmonious in the financial year 2023-24. 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 to build an atmosphere of trust and cooperation resulting in a motivated workforce and continued improvement in business performance.

16.7 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 employees and provides a clear and transparent framework to address complaints.

Further, your company has a Public Grievance Redressal system for dealing with the grievances of the stakeholder 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.

17. 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. During the year, CSR initiatives have been taken up in the fields of sanitation and hygiene, promotion of healthcare facilities, education, 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 the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 made thereunder, as amended; and is available at https://recindia.nic.in/our-csr-initiatives & https://www.recfoundation.in/

In terms of guidelines issued by DPE for the financial year 2023-24, CPSEs are required to spend 60% of CSR budget on the theme of "Health & Nutrition", preferably in aspirational districts. The Company stepped-up its efforts to support social welfare activities in health and related thematic areas, in various aspirational districts spread across India, with emphasized on improving health services in the aspirational districts of Mamit (Mizoram), Kiphire (Nagaland) and Muzaffarpur (Bihar).

In line with the applicable provisions of the Companies Act, 2013 and Rules made thereunder, the Board approved CSR budget of ₹249.86 crore for the financial year 2023-24. Against the same, the Company has spent ₹255.01 crore during the year (including excess spent of ₹7.70 crore carried forward from previous year).

The total expenditure was broadly channelized to the following major projects:

- Procurement & installation of Medical Equipment in the District Hospital in Bilaspur, Chattisgarh.
- Distribution of aids & assistive devices to persons with disabilities in various Districts / States in the country.
- Procurement, operation and maintenance of Mobile Medical Units in various districts of across India for improving reach of primary health care services in far reaching areas.
- Extension of Department of Emergency Medicine and procurement & installation of medical equipment in Medical College in Rajasthan.
- Construction of multi-storeyed waiting lounge for patients and their attendants at All India Institute of Medical Sciences (AIIMS), New Delhi.
- Renovation and upgradation of Auditorium at Atal Bihari Vajpayee Institute of Medical Sciences & Dr. Ram Manohar Lohia Hospital, New Delhi.
- Providing free of cost medical support for surgeries of children diagnosed with Congenital Heart Disease hailing from economically weaker sections of society.
- Creating Role Model Schools to align with the New Education Policy in schools in 2 States and 2 Union Territories.
- Promotion of sports and identification of sporting talent pan India in the field of Athletics, Boxing and Badminton.
- Procurement and deployment of e-buses for transportation of students in the campus of Maulana Azad National Institute of Technology, Bhopal.
- Promotion of REC-Integrity Club in schools pan India.
- Establishment of greenfield school in Haveri District, Karnataka.
- Construction of classrooms in Secondary & Higher Secondary Schools in Wardha District, Maharashtra.
- Providing educational support for children of ex-Servicemen, martyrs and their widows.

The detailed Annual Report on CSR activities for the financial year 2023-24, including particulars of impact assessment(s) carried out by the Company in respect of various CSR projects, is annexed to this report.

EV charging station at REC Corporate Office, Gurugram

18. 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 are carried out:

- In compliance with the instructions of CVC/MoP, the matter of rotational transfers from the identified sensitive posts is constantly monitored.
- 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 are observed, the matter is taken up with the concerned divisions, which led to strengthening of appraisal system.
- Field inspections of regional offices, REC financed projects and scrutiny of APRs of executives.
- Thrust on use of IT systems and applications for loans, schemes, tenders, third party bills etc.
- It is ensured that major policies and information of the Company are available on REC's website.

18.1 Observance of Vigilance Awareness Week

REC Limited observed "Vigilance Awareness Week 2023" from October 30, 2023 to November 5, 2023 with theme "Say No to Corruption, Commit to the Nation" / "भ्रष्टाचार का विरोध करें, राष्ट्र के प्रति समर्पित रहें" in line with Central Vigilance Commission (CVC) Circular No. 06/08/23 dated August 2, 2023 and 08/09/23 dated September 11, 2023. During the week, various interesting activities and competitions were organised with the aim to spread awareness among the employees. The activities and competitions included Paragraph Writing competition, Quiz, Poster/Collage Making competition, Group Discussion, Slogan writing competitions, Poem Writing competitions, Marathon etc.

All employees of the Company were administered Integrity Pledge on October 30, 2023. Banners and Standees were displayed at different locations at REC's Offices across India. The message of fighting against corruption and focusing on Commitment to the Nation was widely inculcated.

An overwhelming participation was received from employees in all the activities. CMD and CVO of the Company called-forth the employees to assimilate the learnings of the week in their personality and to help fight against corruption.

Paragraph Writing Competition– The employees participated in the Paragraph Writing competition with a lot of enthusiasm and passion. They eloquently expressed their opinions, constructive ideas and views on achieving a corruption-free India.

Quiz Competition– The energetic participation of the employees in Quiz Competition was commendable. The participants were sometimes very quick with their answers while some questions left them clueless. The Quiz Master acknowledged correct answers with occasional rewards, enhancing the engaging atmosphere of the event.

Poster/ Collage Making– Employees created admirable posters and collages with their innovative ideas of reusing waste material. The art of cutting and pasting of papers, fabrics and other materials onto canvas to depict their views show-cased their hidden talents.

Poem Writing Competition– The participants participated with full dedication and positivity and conveyed their talents through poems which made the competition more interesting and fun.

Family Participation– Family members of employees were also encouraged to participate in various competitions. The entries showed the enthusiasm of the participance towards fighting corruption. The participation extended from little kids to elderly parents, which was extremely encouraging.

Seminar / Workshops– Workshop/Seminar on i) Procurement Guidelines, ii) Say No to Corruption, Commit to Nation, iii) Vigilance Aspects, iv) CDA Rules, v) Disciplinary procedures, vi) CTE Inspection and vii) Enterprise Resource Planning (ERP) were organised. The knowledge of the faculty and the art of delivering the lecture in effective and simple way was appreciated by all the employees. Practical examples covered in the lecture made it very interesting and enjoyable.

Marathon– 5 Km Marathon was conducted with students & hockey players of Smart Hockey Academy and REC employees at Shubhash Stadium Raipur, Chhattisgarh. The energy of the participants was commendable.

Nukkad Natak– REC organised 2 Nukkad nataks; one in the slum (semi-urban) area of Jahangirpuri, Delhi and another one Near Government Hospital Jahangirpuri with the aim to spread awareness among public at large.

Integrity Clubs – REC Limited is promoting Integrity Club in Schools to inculcate moral values into the minds of young children so that they grow up to become socially and morally responsible citizens of the country and also to develop them to fight against the menace of Corruption in India.

19. IMPLEMENTATION OF OFFICIAL LANGUAGE

To promote the use of Hindi in official work, continuous efforts are being 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 the REC Corporate Office from September 14 to September 29, 2023, wherein various competitions like Rajbhasha Hindi quiz, Hindi Slogan Lekhan, Hindi Bhashan, Hindi Kavya Paath and Hindi Nibandh Lekhan were organized. These competitions saw encouraging participation from employees. To motivate the employees to increase the use of Hindi in their day-to-day work, prizes were awarded to the winners of these competitions. 'Hindi Pakhwada' was also organized in various Regional Offices of the Company including RECIPMT, during which hands-on exposure was provided to participants for carrying out official work in Hindi. Further, Hindi Workshops were also organized at REC offices to equip employees and to guide them for proper use of the Language.

During the financial year 2023-24, the Committee of Parliament on Official Language successfully conducted inspections at various Regional Offices of the Company *viz*., Vijayawada, Lucknow, Dehradun and Bengaluru. These inspection created a spirit of awareness amongst employees for enhanced adoption of Hindi in their official work. A team of officials of Ministry of Power also reviewed the progressive use of Hindi at REC Corporate Office on March 19, 2024.

In the meeting of Hindi Advisory Committee of Ministry of Power held on August 17, 2023, the then, Hon'ble Minister of Power, New and Renewable Energy conferred REC with the First prize for the year 2021-22 and consolation prize for the year 2022-23 for Official Language Implementation.

REC has been publishing a Hindi magazine '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 these write-ups, articles, poems, etc. To motivate the employees for use of Official Language Hindi, a 'Kavi Sammelan', graced by Hindi poets, was organized on February 23, 2024 at the REC Corporate Office.

'Thought of the Day' in Hindi is also being displayed through digital scrollers placed across Corporate Office premises. During the year, use of Hindi was also promoted through various social media platforms by the Company.

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

20.1 Conservation of Energy & Technology Absorption

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

REC Corporate Office Building located in Gurugram is designed and constructed by using energy efficient façade to lower HVAC load requirement in the building thereby conserving energy. Further, the energy efficient equipment's and LED lights are being used in the building to conserve energy.

In order to utilize alternate source of energy, 979 kWp solar plant has been installed at top of the building (supported by solar pergola structure) to cater REC office load requirement by using clean and renewable source of energy. The solar plant has generated 13.50 lakh units of electricity during the financial year 2023-24.

20.2 Foreign Exchange Earnings & Outgo

During the financial year 2023-24, the Company had no foreign exchange earnings. Further, foreign exchange outflow aggregating to ₹21,307.57 crore was made during the year, on account of interest, principal repayment, finance charges and other expenses.

21. SUBSIDIARY COMPANIES

REC's wholly-owned subsidiary, *viz.*, REC Power Development and Consultancy 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 respectively from time to time.

In order to initiate development of each allocated 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.

Karamadai 400kV Substation Bay extension of Kundah Power Evacuation project (Tamil Nadu) financed by REC

During the financial year 2023-24, RECPDCL has transferred 9 project specific SPVs to the successful bidders, namely:

Sl. No.	Name of the SPV	Date of transfer of SPV
1.	KPS1 Transmission Limited	20-Apr-2023
2.	Beawar Transmission Limited	20-Sep-2023
3.	Ramgarh II Transmission Limited	26-Oct-2023
4.	Bidar Transmission Limited	09-Feb-2024
5.	Sikar Khetri Transmission Limited	09-Feb-2024
6.	Ishanagar Power Transmission Limited	09-Feb-2024
7.	Karera Power Transmission Limited	09-Feb-2024
8.	Dhule Power Transmission Limited	09-Feb-2024
9.	Pachora Power Transmission Limited	14-Feb-2024

As on March 31, 2024, RECPDCL had the following project-specific SPVs for various inter-state / intra-state transmission projects:

1) Chandil Transmission Limited
2) Dumka Transmission Limited
3) Mandar Transmission Limited
4) Koderma Transmission Limited
5) Luhri Power Transmission Limited
6) Khavda II- D Transmission Limited#
7) Meerut Shamli Power Transmission Limited*
8) NERES XVI Power Transmission Limited*
9) Rajasthan Part I Power Transmission Limited
10) Rajasthan IV A Power Transmission Limited

11) Rajasthan IV C Power Transmission Limited

12) Rajasthan IV E Power Transmission Limited

13) Rajasthan IV H1 Power Transmission Limited

14) Shongtong Power Transmission Limited

15) Kallam Transco Limited*

16) Khavda IVA Power Transmission Limited

17) Khavda IV C Power Transmission Limited

18) Khavda IV-E2 Power Transmission Limited*

19) Khavda V-A Power Transmission Limited

20) Tumkur-II REZ Power Transmission Limited

21) NERGS-I Power Transmission Limited

22) Jalpura Khurja Power Transmission Limited*

23) Kankani Power Transmission Limited

24) ERES-XXXIX Power Transmission Limited

Note: SPVs as referred at Sl. No. 9 to 24 were incorporated during the financial year 2023-24.

** Kallam Transco Limited & Jalpura Khurja Power Transmission Limited were transferred on April 5, 2024 and Meerut Shamli Power Transmission Limited was transferred on April 6, 2024. Further, NERES XVI Power Transmission Limited and Khavda IV-E2 Power Transmission Limited were transferd on May 30, 2024.*

 # Khvda II-D Transmission Limited has been struck off on July 6, 2024 from the Registrar of Companies.

Further, after the end of financial year 2023-24, new SPVs have been incorporated as wholly-owned subsidiaries of RECPDCL and REC, namely:

1. Bhadla-III Power Transmission Limited
2. Bikaner A Power Transmission Limited
3. Bikaner B Power Transmission Limited

During the financial year 2023-24, RECPDCL recorded an income of ₹390.64 crore, as compared to income of ₹307.26 crore in the previous financial year. The Profit After Tax for the financial year 2023-24 was ₹149.64 crore, as against ₹139.79 crore in the previous financial year. Further, the Net Worth of RECPDCL as on March 31, 2024 was ₹567.17 crore, as against the Net Worth of ₹440.93 crore as on March 31, 2023.

22. GIFT CITY

The Company is in the process of incorporation of a Wholly Owned Subsidiary (WOS) Company of REC Limited for dealing in permissible activities as a Finance Company in International Financial Service Centre (IFSC), Gujarat International Finance Tec-City ("GIFT"), Gandhinagar, Gujarat.

Further, the Company has received "No Objection Certificate" on May 3, 2024 from the Reserve Bank of India (RBI) for setting up such Wholly Owned Subsidiary in GIFT City, Gujarat.

23. JOINT VENTURE & ASSOCIATE COMPANY

During the financial year 2023-24, Company does not have any Joint Venture & Associate Company, apart from investments, as detailed in the financial statements, forming part of this Annual Report. Further, in terms of the agreement execute amongst the Joint Venture partners i.e. NTPC Limited, REC Limited, Power Finance Corporation Limited and Power Grid Corporation of India Limited, EESL ceased to be a jointly controlled entity under Ind-AS framework.

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

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 2023-24, that include its wholly owned subsidiary company i.e. REC Power Development and Consultancy Limited (Audited). The same shall also be laid before the 55th Annual General Meeting along with the Standalone Financial Statements of the Company for adoption.

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. www.recindia.nic.in. 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 any member of the Company.

25. DIRECTORS, KMP & POLICY FRAMEWORK RELATED THERETO

Being a Government Company within the meaning of Section 2(45) 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 on the Board of the Company 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 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/disclosures-under-regulation-46-of-sebi

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 policy on fit & proper criteria of Directors, which can be accessed at https://recindia.nic.in/disclosures-under-regulation-46-of-sebi

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 (Projects) 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.

Changes in Directors & KMP during & after the year are brought out below:

25.1 CMD and Whole-time Directors

1. Shri Ajoy Choudhury (DIN: 06629871), who held the post of Director (Finance), REC Limited has superannuated from the services of the Company on January 31, 2024 and accordingly, has ceased to be a Director and Key Managerial Personnel of REC Limited with effect from February 1, 2024.
2. Pursuant to MoP order dated January 31, 2024, Shri Vivek Kumar Dewangan, CMD had been entrusted with the additional charge of the post of Director (Finance) w.e.f. February 1, 2024 or till the appointment of a regular incumbent to the post of Director (Finance), or until further orders, whichever is earlier.
3. Pursuant to MoP letter dated May 14, 2024 read with resolution passed by the Board dated May 31 2024, Shri Harsh Baweja, (DIN: 09769272), has been appointed as Director (Finance) (Additional Director) on the Board w.e.f. May 14, 2024 till the date of superannuation i.e. January 31, 2026, or until further orders, whichever is earlier. Further, he has also been appointed as Chief Financial Officer w.e.f. May 14, 2024.

25.2 Nominee Directors

1. Pursuant to MoP letter dated July 11, 2023 read with resolution passed by the Board dated July 17, 2023 Shri Manoj Sharma, (DIN: 06822395), Director (Commercial) of PFC has been appointed as Nominee Director of PFC on the Board of REC in place of Smt. Parminder Chopra (DIN: 08530587) w.e.f. July 11, 2023.
2. Pursuant to MoP office order dated August 21, 2023 read with resolution passed by the Board dated August 23, 2023, Shri Shashank Misra, (DIN: 08364288) Joint Secretary, MoP, has been appointed as the Government Nominee Director in REC w.e.f. August 21, 2023, vice Shri Piyush Singh (DIN: 07492389), former Government Nominee Director.

25.3 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 Manoj Sharma, PFC Nominee Director shall retire by rotation at the 55th AGM of the Company and being eligible, offers himself for re-appointment. Further, pursuant to Regulation 17(1C) of SEBI Listing Regulations, the appointment of Shri Harsh Baweja as Director (Finance) is also being submitted to the shareholders for approval. The Board recommends their re-appointment/appointment.

Brief resume and other particulars of Shri Manoj Sharma and Shri Harsh Baweja are annexed to the Notice of AGM forming part of this Annual Report.

25.4 Company Secretary

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

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/or by the Department of Public Enterprises (DPE). It is understood that during the financial year 2023-24, the performance evaluation of Non-Executive Directors of the Company was carried out by the administrative ministry, as per their 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, 2024, 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 & AWARDS

The performance of the Company in terms of MoU signed under the guidelines of the DPE, Government of India for the financial year 2023-24 is expected to be rated as "Excellent", subject to final evaluation by DPE. For the financial year 2022-23, the company has been rated "Excellent".

During the financial year, REC has been:

- Conferred with the Dun & Bradstreet Award-2023 for 'Best Central PSU' - Financial Services category.
- Felicitated with prestigious Golden Peacock Awards instituted by the Institute of Directors (IOD) in Risk Management category.
- Honoured with XIII-PSE Excellence Award by Indian Chamber of Commerce in Operational Performance Excellence, CSR and Corporate Governance category.
- Accolated with the ICAI Award for Excellence in Financial Reporting 2022-23.
- Honoured with the prestigious SCOPE Excellence Award in Special Institutional Category (Digitalization) from Hon'ble Vice President of India.
- Conferred with the Best Green Bond - Corporate Award at the Asset Triple A Awards for Sustainable Finance.
- Secured place in coveted Morgan Stanley Capital International (MSCI) Global Standard Index with effect from September 1, 2023.
- Felicitated with Mahatma Awards 2023 for excellence in its CSR initiatives.
- Awarded first prize among power PSUs for implementing official language.
- Honoured with 'Issuer of the Year' award at the 6th National Summit for corporate bond market by Assocham.
- Conferred with Golden Award by GeM in 'highest value single bid procurements in financial year 2022-23'.
- Presented with the Innovative Technology Development Award at IIT Madras CSR Summit: 'Building India 2047:Technology for Better Tomorrow'.

Apart from above, Shri Vivek Kumar Dewangan, CMD, REC has been conferred with the prestigious 'Most Sustainable Maharatna Leader' Award at World Sustainability Congress held in Mauritius.

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 the Notice of Annual General Meeting (AGM). The Company is conducting the AGM 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.

In line with the initiative to promote use of Electric Vehicles (EVs), REC has already started the process of complete migration on e-mobility from fossil fuel vehicles. Electric vehicles are environment friendly and also helping to reduce carbon emissions for ensuring the green sustainable environment.

30. COMMITMENT TO SWACHHTA

REC has undertaken activities for creating awareness on Swachhta, like installation of dustbins at various public places, plantation drive nearby office premises, interactive session on waste management and cleanliness for employees, special cleanliness drive at public utilities by Regional Office's/State Offices, special cleanliness drive and fumigation in slum area near by corporate office premises and organizing best out of waste competitions in schools, under the Swachhta 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 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 Government 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, 2023 to March 31, 2024:

Sl. No.	Particulars of RTI	Nos.
1.	Applications received	435
2.	Applications disposed of	435
3.	Applications disposed of subsequently	0
4.	First appeals received by Appellate Authority, REC	35
5.	First appeals disposed of by Appellate Authority, REC	35
6.	Appeals disposed of subsequently	0
7.	Second appeals received from Central Information Commission	2
8.	Second appeals disposed of by Central Information Commission	2

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 MSEs, 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 Women and SC/ST MSE vendors and also to allow purchase preference upto 25% of the tendered value to MSEs, out of which 4% is reserved for MSEs owned by SC/ST and 3% is reserve MSEs owned by women entrepreneurs for all cases where L_1 vendor is other than MSE vendors by allowing MSE vendors for price matching with L_1 if MSE bidders have quoted price within the band of L_1+15%, wherever splitting is feasible. If splitting is not feasible, 100% of tender quantity will be given to MSEs as per MSE Purchase preference policy. Further, REC is registered on GeM (Government e-Marketplace), Sambandh, Samadhan and 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. Various relaxations are also being provided to MSEs like a) Issue of Tender Forms/Sets free of cost b) Exemption from payment of Earnest Money Deposit, Prior-Turnover and Prior-Experience in procurement activities (on select basis), etc.

During the financial year 2023-24, total procurement made by the Company was ₹152.97 crore and REC not only achieved, but exceeded its targets set by the Government in MoU. The procurement from GeM portal was ₹145.66 crore (achieved more than the target of 95%) and procurement from MSEs was ₹56.84 crore (achieved more than the target of 25%), out of which procurement from SC/ST was ₹2.74 crore and procurement from women entrepreneurs was ₹1.20 crore. The procurements from SC, ST and women entrepreneurs, highly depends on the participation in tender process or meet tender requirements and L_1 price by such vendors, on which REC has no control. It is also noteworthy, that there were no complaint against REC regarding delay in payments or any other grievance by any MSME vendor, on GoI's Samadhan portal during the year. Further, 1,238 nos. of procurements have been made from MSEs during financial year 2023-24 out of which 238 nos. of procurements from Women MSEs and 42 nos. of procurements from SC/ST MSEs have been made.

Your company has made it compulsory for all its Pan-India offices to procure 100% common use goods and services mandatorily through Gem and has conducted a comprehensive GeM procurement training programme for its employees, having specially featured sessions of faculty from GeM conducted through RECIPMT. Further, workshop on public procurement by Advisor (Procurement Policy), DoE was also conducted.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 issued in full compliance of GoI's 'Make in India' directions, as applicable. Further, as per GoI's directives, such compliance is being monitored by the Board of Directors; and on a case-to-case basis by the Sub-Committee to ensure compliance of Government of India directives on 'Make in India', for tenders valuing ₹250 crore or above.

REC's Public Procurement Policy for MSEs 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 aims at sensitizing employees and provide a healthy and congenial atmosphere to work. The cell is headed by a senior woman officer of the Company and includes a member from 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 2023-24, the Company did not receive any complaint of sexual harassment.

34. ANNUAL RETURN

The Annual Return of the Company for the financial year 2022-23 filed with the Ministry of Corporate Affairs and the draft Annual Return for the financial year 2023-24, 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 2023-24 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 2023-24 is annexed to this report.

36. AUDITORS

36.1 Statutory Auditors

M/s Kailash Chand Jain & Co. , Chartered Accountants, New Delhi (Firm Registration No.: 112318W) and M/s SCV & Co. LLP., Chartered Accountants, New Delhi (Firm Registration No.: 000235N/N500089) were appointed as Statutory Auditors of your Company for the financial year 2023-24 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, 2024.

Further, the appointment of the Statutory Auditors for the financial year 2024-25 is yet to be made by the Comptroller & Auditor General (C&AG) of India. Approval of the Members of the Company will be obtained in ensuing Annual General Meeting, to authorize the Board of Directors of the Company, to fix the remuneration of Statutory Auditors for the financial year 2024-25, as may be appointed by the C&AG.

36.2 Secretarial Auditors

M/s Agarwal S. & Associates, Company Secretaries, Delhi (Certificate of Practice no. 5910), were appointed as Secretarial Auditors for carrying out Secretarial Audit of the Company for the financial year 2023-24. In terms of Section 204 of the Companies Act, 2013 and Rules made thereunder, they have issued Secretarial Audit Report for the financial year 2023-24 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 2023-24 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 management's reply to the observations of the Secretarial Auditors is as follows:

Observation of Secretarial Auditors	Management's Reply
In pursuance to the proviso to the Regulation 17(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 3.1.4 of the DPE Guidelines on Corporate Governance for Central Public Sector Enterprises, the number of Independent Directors on the Board, headed by an Executive Chairman, were less than fifty percent of Board Members during the period from April 01, 2023 to January 31, 2024.	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 that is Ministry of Power (MoP), Government of India and the Company has no role in the appointment of Directors on its Board, and it is beyond the control of the Company to appoint Directors, including Independent Directors on the Board on its own. The Company has been requesting & following up with the MoP for appointment of requisite number of Independent Director on its Board from time to time. As on March 31, 2024, the Company was complying with the provisions of Regulation 17 (1)(b) of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Clause 3.1.4 of the DPE Guidelines on Corporate Governance for Central Public Sector Enterprises, as the number of Independent Directors on the Board were in compliance with the applicable statutory provisions.

37. COMMENTS OF C&AG OF INDIA

The Comptroller & Auditor General (C&AG) of India, vide letter(s) dated July 26, 2024 have given 'Nil' comments on the Audited Financial Statements of the Company for the financial year ended March 31, 2024 under Section 143(6)(a) of the Companies Act, 2013.

The comments of C&AG for the financial year 2023-24 have been annexed along with the report of Statutory Auditors of the Company in this Annual Report.

38. DEBENTURE TRUSTEES

In compliance with SEBI (Listing Obligations and 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 2023-24.

b) The Company has not accepted any public deposits during the financial year 2023-24 and the Board of Directors of the Company has passed requisite resolution in this regard, in compliance of RBI Guidelines.

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

d) 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 policies. For details, please refer to the 'Management Discussion and Analysis Report' annexed to this report.

e) 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 of Directors, 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 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance, 2010, as amended from time to time, which forms part of this Annual Report.

f) 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 of the standalone financial statements.

g) 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.

h) 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, 2024 and the date of this report.

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

j) 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.

k) 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.

l) 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.

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

n) The Independent Directors of the Company are nominated / appointed by the President of India acting through the administrative ministry, i.e. Ministry of Power. Accordingly, the appointing authority considers the integrity, expertise and experience of the individual to be nominated / appointed. In the opinion of the Board, the Independent Directors of the Company are persons of integrity and possess the relevant expertise, proficiency and experience to contribute effectively to the Company. Further, the Company has received declaration from Independent Directors of the Company pursuant to the requirement of Section 149(6) of the Companies Act, 2013.

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

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

q) During the financial year 2023-24, no event has taken place that give rise to reporting of details w.r.t. difference between amount of the valuation done at the time of onetime settlement and valuation done while taking loan from the Banks or Financial Institutions.

40. ANNEXURES TO BOARD'S REPORT

In terms of the provisions of SEBI (Listing Obligations and Disclosure requirements Regulations), 2015 and other applicable statutory provisions, separate sections containing Management Discussion & Analysis Report, Report on Corporate Governance, Business Responsibility & Sustainability Report, Integrated Report are enclosed to this Board's Report.

Various statutory reports, information, certificates etc., in terms of the Companies Act, 2013, SEBI (Listing Obligations and 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 under:

Particulars	Annexure
Management Discussion & Analysis Report	I
Report on Corporate Governance	II
Business Responsibility & Sustainability Report	III
Integrated Reporting	IV
Secretarial Audit Report	V
Independent Auditor's Certificate on Corporate Governance	VI
Particulars of Contracts or Arrangements with Related Parties	VII
Annual Report on CSR Activities	VIII
Details of Debenture Trustees	IX

41. ACKNOWLEDGEMENTS

The Board of Directors sincerely express their appreciation to the Ministry of Power, Ministry of Finance, Ministry of Corporate Affairs, NITI Aayog, Department of Investment and Public Asset Management, Department of Public Enterprises, Reserve Bank of India, Securities & Exchange Board of India, National Stock Exchange of India Limited, BSE Limited, National Securities Depository Limited, Central Depository Services (India) Limited and the Comptroller & Auditor General of India for their invaluable guidance and support. Gratitude is also extended to Power Finance Corporation Limited, the holding company, for their unwavering support.

The Board of Directors extend their heartfelt thanks to all shareholders, investors, lenders and bondholders for their unwavering confidence in the Company. The Board of Directors also acknowledge and appreciate the trust placed in the Company by all customers and borrowers, including State Governments, State Electricity Boards, State Power Utilities and Independent Power Producers.

The Board of Directors are appreciative of the dedication and support provided by the Statutory Auditors, Secretarial Auditors and other professionals associated with the Company. Last but not the least, the Board of Directors express their deep gratitude to the employees and staff for their tireless commitment to excellence.

For and on behalf of the Board of Directors

Vivek Kumar Dewangan
Chairman & Managing Director
DIN: 01377212

Place: Gurugram
Date : July 27, 2024

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 2023-24.

BUSINESS ENVIRONMENT

Global Business Environment

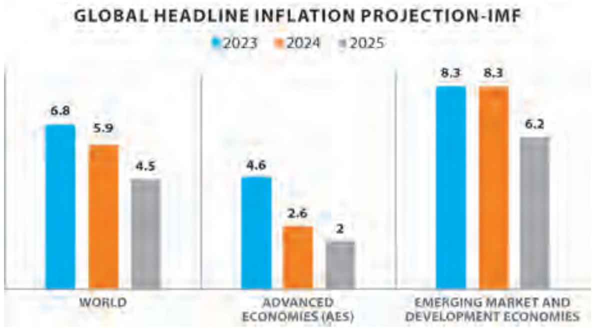
The global economy remains remarkably resilient during the review period, with growth holding steady as inflation returns to target. Staring from early 2023, the journey has been eventful, starting with Russian-Ukraine war that triggered a global energy and food crisis and a considerable surge in inflation, followed by a globally synchronized monetary policy tightening and tension in middle-east. Yet, despite many gloomy predictions, the world avoided a recession, the banking system proved largely resilient and major emerging market economies did not suffer sudden stops. Resilient growth and faster disinflation point toward favourable supply developments, including the fading of earlier energy price shocks, the striking rebound in labour supply supported by strong immigration flows in many advanced economies. Decisive monetary policy actions, as well as improved monetary policy frameworks, especially in emerging market economies, have helped anchor inflation expectations.

According to April, 2024, IMF World Economic Outlook report, global growth is projected at 3.2% in 2023 and is forecasted to maintain the same pace through 2024 and 2025. For advanced economies, growth is projected to rise slightly from 1.6% in 2023 to 1.7% in 2024 and 1.8% in 2025, with the increase mainly reflecting a recovery in the euro area from low growth in 2023. In emerging market and developing economies, growth is expected to be moderated from 4.3% in 2023 to stable at 4.2% in 2024 and 2025, with a moderation in emerging and developing Asia offset mainly by rising growth for economies in the Middle East and Central Asia and for sub-Saharan Africa.

IMF: World Economic outlook projections

Global Growth	Projections		
	2023	2024	2025
World	**3.2**	**3.2**	**3.2**
1. Advanced Economies (AE)	**1.6**	**1.7**	**1.8**
US	2.5	2.7	2.0
EU Area	0.4	0.8	1.5
UK	0.1	0.5	1.5
Japan	1.9	0.9	1.0
2. Emerging Market and Development Economies	**4.3**	**4.2**	**4.2**
India	**7.8**	**6.8**	**6.5**
China	5.2	4.6	4.1
Brazil	2.9	2.2	2.1
Sub-Saharan Africa	3.4	3.8	4.0
Middle East and Central Asia	1.9	2.8	4.2

Global headline inflation is expected to fall from an annual average of 6.8 % in 2023 to 5.9 % in 2024 and 4.5 % in 2025. A more front-loaded decline is expected for advanced economies, with inflation



falling to 2.6% in 2024 from 4.6% in 2023 and expected to decline further to 2% in 2025. For emerging market and developing economies, inflation is likely to be unchanged at 8.3% in 2024 and is expected to fall to 6.2% in 2025. The fall in global inflation in 2024 reflects a broad-based decline in global core inflation. The drivers of declining core inflation differ by country but include the effects of still-tight monetary policies, a related softening in labour markets and fading pass-through effects from earlier declines in relative prices, notably in that of energy.

Despite the ongoing growth in the global economy, several challenges persist, necessitating decisive actions. While there are positive trends in inflation, the primary focus remains on bringing it down to target levels. Much of the progress in inflation reduction has stemmed from declines in energy prices and goods inflation falling below historical averages. However, any further disruptions could derail this disinflationary trajectory. Additionally, although inflation is receding, real interest rates have risen and the dynamics of sovereign debt have become less favourable, particularly for heavily indebted emerging markets. Medium-term growth prospects also remain historically low.

Global efforts to address climate change is another critical development challenge. Progress made by countries that pledged to cut their greenhouse gas emissions under the 2015 Paris Agreement has fallen short, with vast gaps remaining between the actions needed and those that have been planned and executed. Substantial global investments are required to build a green and climate-resilient future and to achieve net-zero target globally. G20 countries are responsible for about 76% of global greenhouse gas emissions. At the same time, the adverse effects of climate change and natural disasters are disproportionately impacting the poorest, with 40% of people affected by disasters living in Lower Income Countries. Financing from higher-income economies and the mobilization of private capital will accordingly be needed. As emissions continue to rise, urgent action is needed on Emerging market and developing economies are also needed to significantly ramp up their green investment efforts and reduce fossil fuel investments. Multilateral frameworks and cooperation are vital to sustain further progress.

A significant outcome of COP 28 held in Dubai in December, 2023, was the commitment of 130 countries to triple the global Renewable Energy (RE) capacity to over 11,000 GW by 2030 to stay on course in energy transition. In 2023, a record renewable energy capacity of 473 GW added and total capacity reached 3,870 GW. With the current growth momentum in REs, it is set to provide more than one-third of global electricity generation by 2025, overtaking coal with its share in total generation is forecasted to rise from 30% in 2023 to 37% in 2026. The rapid growth of renewables, supported by rising nuclear generation, is set to displace global coal-fired generation. Asia remains the main driver of growth in nuclear power, with the region's share of global nuclear generation forecast to reach 30% in 2026, with China and India leading the front. As the Global hydro generation declined in 2023, the global hydropower capacity factor, fell to below 40%, the lowest value recorded in at least three decades, due to weather impacts such as droughts, below average rainfall and early snowmelts in numerous regions. Extreme weather events triggered major power outages in many countries. This underlined the need to boost resilience as weather impacts on power systems increase, with both supply and demand becoming more weather-dependent.

While the Global economic outlook appears optimistic with steady growth projections and declining inflation, persistent challenges such as the need to further stabilize inflation, manage sovereign debt and address climate change underscore the importance of decisive and collaborative actions. As we navigate the complexities of an interconnected world, sustained efforts towards sustainable development, inclusive growth and environmental stewardship remain paramount. By fostering cooperation, leveraging innovative solutions and prioritizing equitable economic policies, we can chart a course towards a more prosperous and resilient future for all.

Indian Business Environment

In recent years, the Indian economy has experienced remarkable growth, positioning itself as the world's fifth-largest with a GDP of about $4 trillion as per IMF, driven by sweeping business reforms, technological advancements and a flourishing entrepreneurial landscape. Government initiatives have been instrumental in fostering macroeconomic stability and creating an environment conducive to business growth. The Government's proactive stance towards implementing reforms has focused on improving the business environment, attracting foreign investments and fostering the growth of start-ups, thus cementing India's status as a leading global economic force.

According to Reserve Bank of India (RBI), the country's GDP growth remained robust by strong aggregate demand. Fixed investment firmed up at a robust pace with the government's continued thrust on infrastructure building. Private corporate investment has also gained vitality. In the financial year 2023-24, the real GDP was projected to have grown by 7.6% compared to 7% in the previous financial year 2022-23. On the supply side, manufacturing activity continued to gain during the financial year, supported by lower commodity prices, diversifying global supply chains and easing logistic costs due to improving infrastructure. Buoyancy in construction activity contributed to services sector momentum. Real Gross Value Added (GVA) posted a growth of 6.9% growth in the financial year 2023-24. Looking ahead to the financial year 2024-25, considering the headwinds from geopolitical tensions, rising geo-economics fragmentations, volatility in global commodity prices and escalation of Red Sea disruptions, the real GDP is projected at around 7%.

Since last financial year, headline CPI inflation has been gradually declining, prospecting a positive indication for the economy. In recent times, Inflation had seen its peak of 7.8% in April, 2022, thereby declined to 5.7% in March, 2023 and further eased to 4.9 % in March, 2024 during this financial year.

Amidst global challenges, the Indian economy has stayed resilient. Buoyed by strong domestic demand and backed by robust macroeconomic fundamentals, India has emerged as the fastest growing major economy of the world in the financial year 2023-24. The upturn in the investment cycle, broad-based revival in manufacturing and services sectors, government's capex push upbeat business and consumer sentiments and strong corporate and bank balance sheets provide impetus to the growth momentum going forward. Even though, the continuing effect of monetary policy action and stance is keeping core inflation muted, torrent from geopolitical hostilities, volatile global financial markets and climate shocks are the key risks to the country's growth and inflation outlook.

INDUSTRY STRUCTURE AND DEVELOPMENT

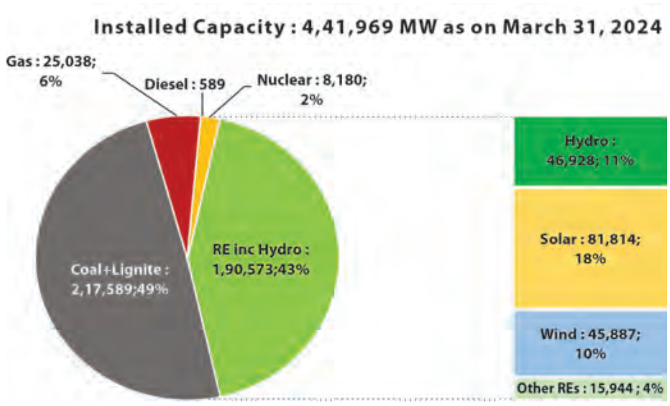
Industry Overview

In the post-pandemic recovery phase, the Power Sector has been buoyant, aided by rising demand and energy transition focus. In the financial year 2023-24 the total power generation reached 1,738 BU, marking a 7% growth compared to the previous year. Renewables including hydro generation during the financial year 2023-24 stood at 364 BU i.e. down 2.2% Y-o-Y. Even though RE generation was increased by 10.9%, large hydro generation had a considerable slowdown of 17.8%. Non-fossil fuel power generation as a whole stood at 412 BU, reflecting a slowdown of 1.4% compared to the previous year. Consequently, the share of non-fossil energy stood at 24%. Further, the installed power capacity addition during the year, was about 26 GW, taking the total installed capacity to 442 GW by the end of the financial year. It is noteworthy that renewable energy accounted for 73% of the added capacity. The share of non-fossil capacity also increased from 43% to 45% compared to the previous year. Peak electricity demand witnessed an all-time high of 240 GW, as compared to 215.9 GW in the previous year.

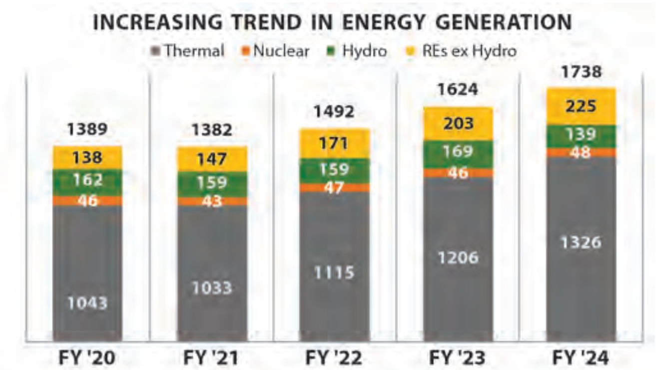
Industry-Structure

Generation

As on March 31, 2024, the installed power generating capacity in the Country was 442 GW comprising of 104 GW in the Central Sector; 108 GW in the State Sector, 230 GW in the Private Sector. In terms of generation capacity by type, the conventional thermal/fossil capacity was 243 GW, Hydro 47 GW, Nuclear 8 GW and Renewables ex Hydro comprised 144 GW. The Plant Load Factor (PLF) for thermal power plants across the country improved to 69.07% against 63.95% over last year. Central sector thermal stations achieved a PLF of 75.09%, whereas state sector and IPP sector achieved PLF of 64.81% and 67.47% respectively.

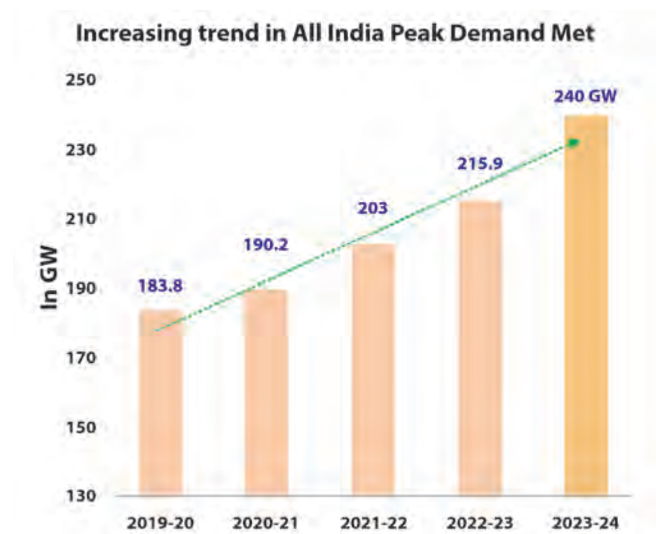


Total electricity generation from all sources during the year stood at 1,738 BU thereby growing by 7% over previous year. To supply this growth in overall generation, the Thermal generation (including Coal + Lignite + Gas) has seen a 10% YoY growth. The share of non-fossil generation in total electricity generation has come down to



24% compared with 26% last year. Even though the renewables excluding hydro generation has witnessed a consideration growth of 10.9% YoY, the hydro generation decrease by 17.8% YoY, which has eventually resulted in falling of non-fossil based share. The nuclear generation has seen a moderate growth of 4.5% YoY. CEA has envisaged energy requirement of 1736 BU for the financial year 2024-25.

The Peak electricity demand met continued to increase consistently over the years and reached all time high of 240 GW in September, 2023. CEA further projected peak demand to reach 256.5 GW during the financial year 2024-25.



This surge in both total electricity generation and peak demand reflects the flourishing landscape of the Indian economy.

Coal

Over the past decade, thermal power, predominantly fuelled by coal, has consistently accounted for more than 70% of total power generation. Despite commendable strides in promoting renewable energy sources, the sheer growth in electricity demand necessitates a continued reliance on thermal power, with projections indicating its share to be 55% by the year 2030 and 27% by the year 2047. It is anticipated that coal demand in the year 2030 will likely reach 1462 MT and 1755 MT by the year 2047.

Country's coal production has seen a YoY growth of 11.65% during the financial year 2023-24 to reach record yearly production of 997.23 MT. Coal India Limited holds the highest production share (77.6%). Out of the total produced coal, 870.55 MT (i.e. 87.3%) has been allocated to the Power Utilities and Captive Power Plants alone.

Electricity generated from coal has risen by 10.04 % YoY to reach 1261 BU, which is 72.6% of the total electricity generation during the financial year 2023-24. Indian Power sector has received a total of 864.32 MT coals during the financial year which includes 798.59 MT Domestic Coal and 65.73 MT imported coal. With the rising electricity demand and country's bolstering economy, going forward for coming few years, coal will continue be the most significant contributor in country's power sector.

The Government's initiatives, like auctioning coal blocks to private companies/PSUs, streamlining regulations and allowing captive mines to sell a portion of their production, have boosted coal production, reducing dependence on imports. Coal mining sector has proved to be a big booster for economic growth of the coal producing States in the Country as it has generated substantial revenue, totalling ₹152,696 crore during the period 2014-2023 with a healthy CAGR of 13.8%. Since 2020, a total of 91 coal mines have been auctioned under commercial auctions, with expected annual revenue of more than ₹33,000 crore.

Renewable Energy Sources

Globally, India stands at 4th position in terms of Renewable Energy Installed Capacity. As of March 31, 2024, India's installed renewable energy capacity (including large hydro) stood at about 191 GW representing 43.2% of the overall installed power capacity. Out of which, Solar energy contributed 82 GW, followed by 47 GW from Hydro, 46 GW from wind power, 11 GW from bio-power and waste & 5 GW from small hydro. In terms of renewables capacity addition in the year, a total of 19 GW capacity was added, which includes 15 GW Solar capacity addition, 3 GW of Wind, the rest totalling about 1 GW capacity.

Transmission & Distribution

Transmission

Transmission is a crucial element in the power delivery value chain and facilitates evacuation of power from generating stations to the load centres, both inter-state and intra-state. Efficient dispersal of power to deficit regions requires commensurate strengthening of Intra-State Transmission System (ISTS) network; enhancing the Inter-State power transmission system and augmentation in the National Grid.

Transmission status as on March 31, 2024	HVDC			EHV AC			
	± 800 kV	± 500 kV	± 320 kV	765 kV	400 kV	230/220 kV	Total
Lines added in the financial year 2023-24 (in cKM)	Nil	Nil	Nil	2,119	6,088	5,996	14,203
Total Line Length (in cKM)	9,655	9,432	288	54,797	2,03,838	2,07,534	4,85,544
Transformation capacity added in the financial year 2023-24 (in MVA)	Nil	Nil	Nil	18,000	32,185	20,543	70,728
Total Transformation capacity (in MVA)	18,000	13,500	2,000	2,94,700	4,57,933	4,64,947	12,51,080

During the financial year 2023-24, a total of 14,203 cKM transmission lines were added together with 70,728 MVA of transformation (sub-station) capacity. As on March 31, 2024, our country has one of the largest synchronous interconnected electricity grids in the world with 4,85,544 cKM of transmission line and 12,51,080 MVA of transformation capacity.

According to CEA's Draft National Electricity Plan, Volume II (Transmission) issued in January, 2024, about 1,23,577 cKM of transmission lines and 7,10,940 MVA of transformation capacity in the substations (at 220 kV and above voltage levels) are estimated to be added during the period 2022-27. It also estimated that the aggregate inter-regional transmission capacity will be expanded from 1,12,250 MW in the financial year 2022 to 1,43,850 MW in the financial year 2027. Besides this Reactive Power Compensation has been considered as one of the major focus areas for maintaining grid stability amidst growing renewable energy integration and accordingly detailed planning has been carried out. Bus Reactor addition of 51,068 MVAr with estimated cost of ₹11,600 crore and Line Reactor addition of 57,890 MVAr with estimated cost of ₹14,919 crore are envisaged during the financial year 2022-27 period.

Cumulative estimated expenditure of ₹4,75,804 crore has been considered for implementation of additional transmission system in the country (transmission lines, sub-stations, reactive compensation etc.) during the period 2022-27.

Distribution

Power distribution is the final and most crucial link in the electricity supply value chain which is directly connected to the consumers. Historically, power distribution has been the monopoly of Government-owned state utilities, being a concurrent subject, with the private sector playing only a limited part. Recently this situation is reforming, as increasing number of private players are engaging in the sector.

Over the years, distribution sector has faced various challenges like unreliable power supply, high AT&C losses, old and overloaded network, low cost recovery, low consumer satisfaction, etc. resulting poor financial health of Discoms and distribution companies are not able to undertake corresponding investments in infrastructure augmentation. Recently in last few years, the distribution sector has received greater attention and various reforms measures/ Rules have been notified by Ministry of Power, Government of India for improving financial viability of distribution utilities and equipping them to provide 24x7 reliable & quality power to consumer. The country has achieved universal electrification as every village, every hamlet and every willing home has been connected to electricity thereby ensuring universal access. This transformation from an acutely power deficit country, to a situation where we can export electricity to our neighbouring countries, has been made possible by the relentless efforts of the Government and all the stakeholders. In the recent past, various schemes like Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY), Integrated Power Development Scheme (IPDS) and Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA) were implemented for strengthening the distribution system and providing access to electricity to all. With the results of these steps, the average availability of power in urban areas is around 23.8 Hours while the average availability of power in rural areas is around 20.6 Hours presently.

Several initiatives have also been introduced to bring down the Aggregate Technical and Commercial (AT&C) losses along within the definitive regulatory framework. Recently, Government has launched RDSS scheme with the aim to improve the quality and reliability 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 reduction of ACS - ARR gap to zero by the financial year 2024-25. The Scheme has an outlay of ₹3,03,758 crore for over 5 years i.e financial year 2021-22 to financial year 2025-26, with an estimated GBS from Central Government of ₹97,631 crore.

As all these reform measures were largely aimed at improving the financial health of Discoms, which eventually lead to a reduction in outstanding dues to Power Generating Companies (GENCOs). The outstanding dues of DISCOMs to GENCOs have declined from ₹1,39,947 crore as on June 3, 2022 to ₹49,452 crore as on January 31, 2024 which is expected to add to the overall health of the power sector. Late Payment Surcharge Rules drove reduction in payables to generation and transmission companies. Days Payable reduced to 126 days and Days Receivable also reduced to 119 days. With the help from RDSS scheme, The AT&C losses has been improved to 15.4% in the financial year 2023 from 16.5% in the financial year 2022, Billing Efficiency improved to 87.0% in the financial year 2023 from 86% in the financial year 2022 and Collection Efficiency remained high at 97.3%.

Realizing the importance of the requirement of Distribution infrastructure for meeting the load up to 2030, CEA in consultation with distribution utilities prepared the Distribution Perspective Plan upto the financial year 2029-30 based on the information received from the Discoms. This Plan has included the Discom wise and All India level Distribution infrastructure planned by discoms to meet the projected demand by the financial year 2029-30. The details of the new technologies available for introduction of Smart Distribution and a chapter on Capacity Building for distribution utilities have been included for guidance of the distribution utilities. The DPP has also included AT&C loss Reduction trajectory till the year 2030 for 71 Discoms nationwide.

It has been estimated that funds requirement for Distribution Infrastructure upgradation during the period 2022-2027 would be ₹4.28 lakh crore, out of which ₹1.89 lakh crore will be available with the Discom from various sources including RDSS. An additional ₹2.86 lakh crore investment is further estimated to be required for the 2027-30 period.

Power Sector Policy Environment

India has demonstrated a firm commitment towards achieving the ambitious energy transition goals announced by the Hon'ble Prime Minister at COP26. These goals include a target to achieve 500 GW of renewable energy and a 50% share from renewable sources by the year 2030. The government has also pledged to achieve net-zero emissions by the year 2070, which reflects its determination to promote sustainable development and reduce the country's carbon footprint. A major focus was laid on capturing emerging energy transition trends - from Renewables to Hydrogen and even Smart Metering.

Further, the recent Interim Union Budget of the year 2024 helps carry forward the momentum in the energy transition of the country by announcing various measures as under:

- The budget has proposed to solarize 1 crore households enabling them to get 300 units of free electricity; saving about ₹15,000/- to ₹18,000/- per household annually.
- Viability Gap Funding (VGF) has been announced for harnessing Off-shore wind project for initial capacity of 1GW.
- To reduce import on natural gas/ methanol and ammonia, setting up of coal gasification and liquefaction capacity of 100 metric ton by the year 2030 has been announced.
- Announcement of phased mandatory blending of compressed bio-gas with CNG & PNG for transportation.

- Government of India to strengthen EV ecosystem to support manufacturing and charging infra. EV adoption to be encouraged through Payment security mechanism.

Government has taken many initiatives to foster the growth of country's renewable energy sector and to fuel the clean energy transition:

- Government of India has initiated the Production Linked Incentive (PLI) Scheme with a budget outlay of ₹24,000 crore to boast the domestic manufacturing of High Efficiency Solar PV Modules. With this effort, India's PV module manufacturing capacity surpassed ~38 GW in the year 2023 and poised to exceed ~110 GW by the year 2026.
- To boast the energy storage, GoI has approved ₹9,400 crore Viability Gap Funding (VGF) Scheme to develop 4,000 MWh of Battery Energy Storage Systems (BESS) by the financial year 2030-31. New renewables projects prioritize storage, aiming for round-the-clock supply. To reach the 50% renewables goal by the year 2030, the plan includes addition of 16 GW pumped storage projects and 42 GW of BESS capacity.
- Government of India has put in place Renewable Purchase Obligation targets for the DISCOMs, wherein progressive targets are in place i.e. 29.91% in the financial year 2025 to 43.33% by the financial year 2030.
- Government of India has established Green Energy Corridors to develop intra-state transmission systems for renewable energy projects. Financial Assistance is being given to support transmission infrastructure setup in ten RE rich states for RE power evacuation. Currently, inter-regional transmission capacity stands at 112 GW, set to expand to 144 GW by the year 2027 for seamless renewable energy evacuation and transfer to any part of the country.
- Government has initiated schemes like PM-KUSUM, Rooftop Solar Programme, PM Surya Ghar Muft Bijli Yojana to boast country's decentralised generation from solar power.
- To establish India as a global hub for green hydrogen production Government of India has launched National Green Hydrogen Mission with an outlay of ₹19,744 crore.

Through these schemes and policies, the GoI has fostered a conducive environment for the growth of the clean energy sectors.

Revamped Distribution Sector Scheme (RDSS)

The Central Government has approved a Revamped Distribution Sector Scheme, a Reforms-based and Results-linked Scheme with an outlay of ₹3,03,758 crore over a period of five years from the financial year 2021-22 to financial year 2025-26 with the objective to improve the 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 the financial year 2024-25 by improving the operational efficiencies and financial sustainability of all DISCOMs/Power Departments excluding private sector DISCOMs. DISCOMs/Power Departments would be able to access funds under the Scheme for Pre-paid Smart Metering, System Metering and Distribution infrastructure works for loss reduction and modernization.

The Scheme provides for annual appraisal of the DISCOM performance against predefined and agreed upon performance trajectories including AT&C losses, ACS-ARR gaps, infrastructure upgrade performance, consumer services, hours of supply, corporate governance, etc. DISCOMs have to score a minimum of 60% of marks and clear a minimum bar in respect to certain parameters to be able to be eligible for funding against the Scheme in that year. Implementation of the Scheme would lead to consumer empowerment by way of prepaid Smart metering to be implemented in Public-Private-Partnership (PPP) mode and leveraging Artificial Intelligence to analyse data generated through IT/OT devices including System Meters, prepaid Smart meters to prepare system generated energy accounting reports every month to enable DISCOMs to take informed decisions on loss reduction, demand forecasting, Time of Day (ToD) tariff, Renewable Energy (RE) Integration and for other predictive analysis.

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.

Rooftop Solar Programme Phase-II

With an objective to achieve 40 GW of Roof Top Solar (RTS) capacity in the country, the Government of India launched Rooftop Solar Programme Phase-II on March 8, 2019. The Programme envisaged installation of 4,000 MW of RTS capacity in the residential sector by providing Central Financial Assistance (CFA) and incentives to DISCOMs for achievement of additional RTS capacity in a year over and above the installed capacity of the previous year. A provision of total central financial support of ₹11,814 crore, including service charges to the implementing agencies, has been made under the programme, which was initially scheduled for completion by the year 2022 but later the Programme has been extended till March 31, 2026.

As on November 30, 2023, 2,651.10 MW RTS capacity installed under subsidy scheme of Phase-II Programme. The cumulative RTS installed capacity in the country has increased from 1.8 GW as on March 31, 2019 to 11.9 GW as on March 31, 2024.

To give this scheme a further impetus, Government has announced "PM Surya Ghar Muft Bijli Yojana" recently and the 'Rooftop Solar Programme Phase-II' has been subsumed into this scheme.

PM Surya Ghar Muft Bijli Yojana

The Union Cabinet, chaired by the Hon'ble Prime Minister has approved PM Surya Ghar Muft Bijli Yojana with a total outlay of ₹75,021 crore for installing rooftop solar and providing free electricity up to 300 units every month for One Crore households. The Hon'ble Prime Minister had launched the scheme on February 13, 2024.

The scheme provides a CFA of 60% of system cost for 2 kW systems and 40% of additional system cost for systems between 2 to 3 kW capacity. The CFA will be capped at 3 kW. At current bench mark prices, the CFA for the scheme is as follows:

Sl. No.	Type of Residential Segment	CFA	CFA (Special Category States)
1.	Residential Sector (first 2 kW_p of RTS capacity or part thereof)	₹30,000/ kWp	₹33,000/kWp
2.	Residential Sector (with additional RTS capacity of 1 kWp or part thereof)	₹18,000/ kWp	₹19,800/kWp
3.	Residential Sector (additional RTS capacity beyond 3 kWp)	No additional CFA	No additional CFA
4.	Group Housing Societies/ Residential Welfare Associations (GHS/RWA) etc, for common facilities including EV charging up to 500 kWp (@3 kWp per house)	₹18,000/ kWp	₹19,800/kWp

A national portal (https://pmsuryaghar.gov.in) has been developed for this purpose, through which, the households can apply for subsidy and will be able to select a suitable vendor for installing rooftop solar. Households will be able to access collateral-free low-interest loan products of around 7% at present for installation of residential RTS systems up to 3 kW.

The proposed scheme is estimated to have an addition of 30 GW of solar capacity through rooftop solar in the residential sector, generating 1000 BUs of electricity and resulting in reduction of 720 million tonnes of CO_2 equivalent emissions over the 25-year lifetime of rooftop systems.

REC Limited has been designated as the Program Implementation Agency for this scheme.

National Green Hydrogen Mission

The Union Cabinet had earlier (in January, 2023) approved the National Green Hydrogen Mission with an allocation of ₹19,744 crore, aimed at producing 5 million ton of green hydrogen annually by the year 2030, with the intended objectives of making India a leading producer and supplier of Green Hydrogen in the world. The Mission outlay includes, ₹17,490 crore for the Strategic Interventions for Green Hydrogen Transition Programme (SIGHT) program, ₹1,466 crore for pilot projects, ₹400 crore for R&D and ₹388 crore towards other Mission components.

MNRE later in June, 2023, issued SIGHT guidelines that covers ₹13,050 crore for Green Hydrogen Production and ₹4,440 crore for Electrolyser Manufacturing. Incentives for Green H2 production capped at ₹50/KG, ₹40/KG, ₹30/KG production for 1st, 2nd & 3rd year respectively.

In a significant move for the progress of the National Green Hydrogen Mission, the government has notified the Green Hydrogen Standard for India. MNRE has standardized the definition of Green H2 as having a well-to-gate emission (i.e. including water treatment, electrolysis, gas purification, drying and compression of hydrogen) of not more than 2 kg CO2 equivalent / kg H2.

MNRE later had issued R&D Roadmap for Green Hydrogen with a budget of ₹400 crore to provide guidance for developing a vibrant research and an ecosystem to help commercialize Green H2. MNRE also had come out with three separate guidelines for undertaking pilot projects for using green hydrogen in the Transport, Steel and Shipping sector.

Pradhan Mantri Kisan Urja Suraksha Evam Utthaan Mahabhiyan (PM-KUSUM)

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 its meeting held 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.

PM-KUSUM is a demand driven scheme and capacities are allocated based on demand received from the states. As on March 31, 2024, grid-connected solar power plants of 4,766 MW has been sanctioned out of which 166.28 MW capacity have been installed and 3.15 lakh agriculture pumps have been solarized under the scheme.

Solar Parks Scheme

To facilitate large scale grid-connected solar power projects, a scheme for "Development of Solar Parks and Ultra Mega Solar Power Projects" is under implementation with a target capacity of 40 GW capacity by the financial year 2025-26. Solar Parks provide solar power developers with a plug and play model, by facilitating necessary infrastructure like land, power evacuation facilities, road connectivity, water facility etc. along with all statutory clearances. As on December 31, 2023, 51 Solar Parks with an aggregate capacity of 37,740 MW have been sanctioned in 12 States in the country since launch of the Scheme i.e. December, 2014 and an aggregate capacity of 10,504 MW of solar projects have been commissioned in 20 Solar Parks, so far.

National Bioenergy Programme

The Ministry of New and Renewable Energy (MNRE), Government of India has launched the National Bioenergy Programme on November 2, 2022, for implementation in two Phases with the underlying sub-schemes such as Waste to Energy Programme (to support in setting up large Biogas, BioCNG and Power Plants), Biomass Programme (to support setting up pellets and briquettes used in power generation and non-bagasse power generation projects. The Phase-I of the Programme has been approved with a budget outlay of ₹858 crore.

6 Bio-CNG plants and more than 11,100 small biogas plants commissioned under National Bioenergy Programme as on July 31, 2023.

Infrastructure Sector

India's journey towards becoming a developed nation by 2047 hinges significantly on improving its infrastructure, a cornerstone for fostering liveable, climate-resilient and inclusive cities that drive economic growth. The government's commitment is evident through its allocation of 3.3% of GDP to the infrastructure sector in the financial year 2024, with particular focus on the transport and logistics segments.

Roads & Highways account for the highest share, followed by Railways and Urban Public Transport. The Government has set ambitious targets for the transport sector, including development of 2 lakh-km national highway network by the year 2025 and expanding airports to 220. Additionally, plans include operationalizing 23 waterways by the year 2030 and developing 35 Multi-Modal Logistics Parks (MMLPs). The total budgetary outlay for infrastructure-related ministries increased from around ₹3.7 lakh crore in the financial year 2023 to ₹5 lakh crore in the financial year 2024, offering investment prospects for the private sector across various transport sub-segments. Public-Private Partnerships (PPPs) have served as a vital mechanism for private sector engagement across various infrastructure domains, notably in the construction of airports, ports, highways and logistics parks throughout India. Besides support from the central government and states across various schemes, India needs a significant push from PPP to achieve its goal of reaching a $5 trillion economy by the year 2025.

In the year 2021, the Government launched the PM Gatishakti National Master Plan (NMP) with a focus on major transport sectors to enhance multimodal connectivity infrastructure in various economic zones. It aims to bring together the infrastructure schemes such as Bharatmala, Sagarmala, UDAN etc. under a digital platform. The NMP offers a detailed database of trunk and utility infrastructure, ongoing and future projects from different ministries/departments of both the Central Government and States/UTs. Integrated with the GIS-enabled PM Gatishakti platform, this allows for streamlined planning, design and monitoring of next-generation infrastructure projects on a single portal. As per the India Investment Grid (IIG) database, there are currently 15,580 projects worth $2,388.93 Billion at various stages of development.

Alongside this, the National Logistics Policy, addresses the development of integrated infrastructure and efficiency in services, including processes and regulatory frameworks, through its Comprehensive Logistics Action Plan (CLAP). Together, the NMP and the National Logistics Policy provide a framework for creating a data-driven decision support mechanism to enhance logistics efficiency and reduce costs in the country's logistics ecosystem.

Major Prospects of Indian Infrastructure

Roads: The Bharatmala Pariyojana is progressing with Phase I focusing on developing 34,800 km of National Highways. It emphasizes corridor-based development and is set to conclude by the financial year 2027-2028, covering 31 States/UTs and over 550 districts. Additionally, the Government targets building 22 new Greenfield expressways, signalling significant advancements in India's transportation infrastructure.

Airports: The Ministry of Civil Aviation's flagship Regional Connectivity Scheme UDAN (Ude Desh Ka Aam Nagarik) aims to enhance air connectivity to regional airports in small towns. Launched in 2016, UDAN focuses on making flight services accessible to common citizens by developing infrastructure and air connectivity. In its first 5 years, UDAN served over one crore passengers, inaugurating 425 new routes and 58 airports. The Budget for the financial year 2023-24 allocated ₹1,244.07 crore to UDAN, doubling the previous year's budget, with plans to revive 22 airports. Additionally, the government outlined the revival of 50 additional airports, heliports, water aerodromes and advanced landing grounds.

Railways: India's railway sector is undertaking ambitious projects such as the Mumbai-Ahmedabad High Speed Rail Corridor, the world's highest pier bridge under construction and the Chenab bridge in Jammu & Kashmir - the world's highest railway bridge. With a total Broad Gauge network of 61,508 km electrified as of December, 2023, the sector has also introduced 35 indigenously designed Vande Bharat Express trains, with six more set to launch soon. These trains serve up to 247 districts across the country. Indian Railways aims to become a Net Zero Carbon Emitter by the year 2030, with 211 MW of solar plants and 103 MW of wind power plants commissioned as of October, 2023, along with 2,150 MW of renewable capacity tied up.

Ports: The Union Minister for Ports, Shipping and Waterways said that the country's total port capacity will increase from the existing 2,600 MTPA (Mn Tonnes per annum) to more than 10,000 MTPA in 2047. Indian Ports "Turn Around Time" has reached 0.9 days which is better than USA (1.5 days), Australia (1.7 days) and Singapore (1.0 days), as per the World Bank's Logistics Performance Index (LPI) Report 2023. Sagarmala, the flagship Central Sector Scheme of the Ministry of Ports, Shipping and Waterways, promotes port-led development in the country through harnessing India's 7,500 km long coastline, 14,500 km of potentially navigable waterways and strategic location on key international maritime trade routes. The government also aims to operationalise 23 waterways by 2030.

India launched the National Infrastructure Pipeline (NIP), in 2020 which envisages an investment of ₹111 lakh crore over the period 2020 to 2025 i.e. an annual average investment of almost ₹22 lakh crore. PPP have been identified as a valuable instrument to speed up infrastructure development and investments envisaged under NIP.

It is essential for India to prioritize the development of both urban and rural areas to ensure overall national progress. By the year 2030, it is projected that 40% of India's population will reside in urban areas, contributing significantly to the country's GDP. However, rapid urbanization poses challenges in managing infrastructure and delivering services effectively. The Smart Cities Mission is a key initiative aimed at addressing these challenges efficiently. As of February, 2024, 6,753 projects out of a total of 7,991 have been completed under the Smart Cities Mission, showcasing tangible progress. Moreover, India has made significant strides in digital infrastructure development, with rural areas expected to contribute significantly to new internet user growth, with around 56% of total new internet users coming from rural India by the year 2025, according to a report by TransUnion CIBIL. This trend underscores the increasing connectivity between rural and urban regions in the country.

The infrastructure sector plays a pivotal role in driving India's economic growth and overall development. As the country continues on its path towards becoming a global economic powerhouse, the need for robust infrastructure becomes increasingly apparent.

OPPORTUNITIES AND STRENGTHS

Opportunities

- Organization to fully optimize its core business by leveraging the time opportunity to invest in these business models too which are offering greater returns in the market like energy efficiency, energy storage system, hybrid RE generation, etc.
- Investment Opportunities in Indian power sector.
- Energy transition and Net Zero led investment: Investments (~₹35 lakh crore) across low carbon, renewable and energy efficient power technologies.
- According to CRISIL Infra Year book 2023, India's infrastructure expenditure is projected to double to ₹143 lakh crore between the financial years 2024 and 2030, compared to the period of 2017-2023. This will present a huge opportunity for investment in infra & logistics segment.
- Counter-part funding in schemes like RDSS (~₹2 lakh crore).

Strengths

- REC holds a strategic position, given REC's role in financing power sector & implementing policies and flagship programs of the GoI.
- Strong financial position and well capitalized.
- REC has a diversified asset portfolio with no single borrower with more than 10% asset portfolio.
- REC has an experienced talent pool and required skill sets for business.
- Strong relationship & network with stakeholders in Central & State Government.

THREATS, RISKS AND CONCERNS

- Competition from other banks and financial institutions in power, infrastructure and logistics sector may require lending at fine rates resulting in flat margins.
- Financial and operational health of the distribution utilities continues to be an area of concern.

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 2023-24, the Company sanctioned total loan assistance of ₹3,58,816 crore towards various projects and schemes. The same included ₹67,112 crore towards generation projects, ₹1,36,516 crore towards renewable energy (including hydro) projects, ₹1,01,994 crore towards T&D projects, ₹40,569 crore towards Infrastructure & Logistics projects and ₹12,625 crore towards other loans such as short-term loans, medium-term loans etc.

During the financial year 2023-24, the Company disbursed total loans of ₹1,61,462 crore, which included ₹25,054 crore towards generation projects, ₹16,024 crore towards renewable energy (including hydro) projects, ₹92,857 crore towards T&D projects, ₹17,015 crore towards Infrastructure & Logistics projects and ₹10,512 crore towards other loans such as short-term loans, medium-term loans etc.

OUTLOOK

India is presently one of the fastest growing economy in the World and currently, it is the fifth largest economy in the World; and it is poised to become the third largest economy by the year 2030. This will only be possible if there is sufficient electricity to power this growth. It is essential that generation capacity, transmission capacity and distribution capacity are added at a pace matching the growth in demand- and in fact slightly ahead of the demand; so that the shortage of electricity does not slow down growth.

The power sector witnessed a remarkable surge in the financial year 2023-24, with all around performances from all the stakeholders involved. Most of the power sector PSUs have seen enhanced market/ investor supports following by their excellent performances. Owing to the huge surge in power demand, which is also expected to be persistent in the financial year 2024-25, a stable outlook for the thermal generation sector and renewable generation and transmission are also expected. Even though the majority of new generation capacity is expected to come from renewable sources, to meet the demand surge and support country's economic growth in near terms thermal generation will be very crucial.

Generation: Considering the energy transition goals of the country and also to the growing energy demand to sustain country's growth momentum, CEA has estimated in its National Electricity Plan (Generation), 2022-32 that the installed capacity is likely to reach 900 GW by 2030, comprising of 284 GW of thermal capacity, 20 GW nuclear capacity and 596 GW RE capacity including Hydro. Moreover, Peak demand of the county is ever growing and likely to reach 366 GW by 2032 from current level of 240 GW. In order to meet this estimated electricity demand to ensure uninterrupted power supply for the nation's growth, generation planning studies has been carried out by CEA considering stressed scenario on the following capacity addition between the period 2023-32 is anticipated by the Government:

- 27,180 MW of Thermal Capacity is under construction and the total anticipated Thermal capacity addition by 2031-32 is likely to be 87,910 MW. Considering the estimated capital cost (as considered in NEP) for setting up of new coal-based thermal capacity as ₹8.34 crore / MW, this thermal capacity addition is expected to entail an expenditure of minimum ₹7,33,170 crore by the financial year 2031-32.
- 18,033.5 MW of Hydro Capacity (including stalled projects) is under construction and the total anticipated Hydro capacity addition by the financial year 2031-32 is likely to be 42,014 MW.
- 8,000 MW of Nuclear Capacity is under construction and the total anticipated Nuclear capacity addition by 2031-32 is likely to be 12,200 MW.
- 78,935 MW of Renewable Energy Capacity is under construction and the anticipated RE capacity addition by the financial year 2031-32 will be 3,75,279 MW.

All these indicates a huge investment requirement in generation segment in Indian Power sector.

With the Government of India's strong emphasis on enhancing domestic coal production and minimizing reliance on imported coal to ensure the nation's energy security, the commercial coal block mining sector has become increasingly vital. Through streamlined regulations and transparent commercial auctions, a total of 91 coal mines have been successfully awarded in the past three years. Substantial financing is essential to support and develop the infrastructure associated with these auctioned coal mines.

Transmission & Distribution: Comprehensive transmission planning and execution to evacuate power from renewable-rich regions to the rest of the nation is also in progress. As per CEA's estimate ₹4.76 lakh crore is expected to be required for augmentation of additional transmission infrastructure in the country during 2022-27 period. Distribution sector is also expected to witness a substantial uplift in the coming days with improved infrastructure, financial health and AT&C loss trajectory. CEA has also estimated a fund requirement of ₹4.28 lakh crore for Distribution Infrastructure upgradation during 2022-2027 period.

New & Clean Energy segment: Utility-scale energy storage and pumped hydro storage projects are likely to play an important role in enhancing the flexibility of the system. CEA has estimated that about 14GW of Pumped hydro and 41 GW of BESS projects are likely to be added by the year 2030. Prior to announcement of VGF scheme for BESS projects of total 4,000 MWh in Union Budget of the financial year 2023-24, Cabinet has approved the same with an initial outlay of ₹9,400 crore, including a budgetary support of ₹3,760 crore. With this scheme, Government of India targets achieving a Levelized Cost of Storage (LCoS) ranging from ₹5.50-6.60 per kilowatt-hour (kWh), making stored renewable energy a viable option for managing peak power demand across the country. Green Hydrogen and its derivative are gaining momentum in Indian market and going forward it will be one of the most crucial driver in the energy, transport, port and heavy industrial sectors. An inaugural bid has been invited towards development of a total capacity of 4 GW Off-shore wind projects off the coast of Tamil Nadu, paving the way for its Growth in the country.

Based on current trajectory of trends and policies, the Indian power sector is expected to continue to maintain a steady growth in the financial year 2024-25. With Indian economy projected to maintain its growth momentum for the coming years, the outlook for investments in power sector is quite bright. Given the low per capita electricity consumption the prospects for the power sector are promising over the long term.

MoU RATING AND AWARDS

The performance of the Company in terms of MoU signed under the guidelines of the Department of Public Enterprises (DPE), Government of India for the financial year 2023-24 is likely to be Excellent subject to final evaluation by DPE. For the financial year 2022-23 MoU rating of REC has been rated as "Excellent" owing to its excellent financial and operational performances.

During the financial year, REC has been:

- Conferred with Golden Award by GeM in 'highest value single bid procurements in financial year 2022-23'.
- Honoured with 'Issuer of the Year' award at the 6th National Summit for corporate bond market by Assocham.
- Awarded first prize among power PSUs for implementing official language.
- Felicitated with Mahatma Awards 2023 for excellence in its CSR initiatives.
- Secured place in coveted Morgan Stanley Capital International (MSCI) Global Standard Index with effect from September 1, 2023.
- Conferred with the Dun & Bradstreet Award-2023 for 'Best Central PSU' - Financial Services category.
- Felicitated with prestigious Golden Peacock Awards instituted by the Institute of Directors (IOD) in Risk Management category.
- Honoured with XIII-PSE Excellence Award by Indian Chamber of Commerce in Operational Performance Excellence, CSR and Corporate Governance category.
- Accolated with the ICAI Award for Excellence in Financial Reporting 2022-23.
- Honoured with the prestigious SCOPE Excellence Award in Special Institutional Category (Digitalization) from Hon'ble Vice President of India.
- Conferred with the Best Green Bond - Corporate Award at the Asset Triple A Awards for Sustainable Finance.
- Presented with the Innovative Technology Development Award at IIT Madras CSR Summit: 'Building India 2047:Technology for Better Tomorrow'.

Apart from above, Shri Vivek Kumar Dewangan, CMD, REC has been conferred with the prestigious 'Most Sustainable Maharatna Leader' Award at World Sustainability Congress held in Mauritius.

ENVIRONMENT, SOCIAL AND GOVERNANCE RISKS

The Board approved Environment, Social & Governance (ESG) Policy framework of the company serves as a guiding document for all ESG initiatives and activities undertaken by REC. It articulates the Company's commitment to sustainability, responsible business practices and long-term value creation for internal and external stakeholders including customers, employees, investors, regulators, business partners and community members alike.

Environment:

As a Non-Banking Financial Company (NBFC) in the public sector, REC is committed to playing a pivotal role in advancing the country's green transition goals, particularly in response to escalating concerns about climate change. Reflecting this commitment, REC's renewable sanctions witnessed an extraordinary surge of over 500%, accompanied by a 59% increase in disbursements. Looking ahead, the trajectory suggests a rapid expansion in the share of renewables, consequently enhancing their representation within REC's total loan portfolio.

REC has started to the process of measuring its Carbon emission GHG footprint and is working on carbon neutrality and Net Zero Plan. The REC World Headquarters in Gurugram stands as a beacon of sustainable infrastructure, featuring a solar rooftop capacity of 964 kwp alongside numerous energy-efficient attributes. In the financial year 2023-24 alone, the corporate office rooftop solar system generated a 13,50,298 Units of electric energy, thereby contributing a major share of energy consumption via clean solar power. Additionally, the Company has installed EV charging infrastructure at the REC Corporate office and have started transitioning REC's conventional office fleet to EVs, with plans for a full fleet conversion. This initiative highlights the Company's commitment to sustainability and promotes the adoption of EVs. Furthermore, REC has undertaken proactive measures to eliminate single-use plastics from its premises, underscoring its commitment to environmental stewardship. To further engage stakeholders, REC has integrated Environmental, Social and Governance (ESG) consideration into its procurement policy.

Social:

REC remains steadfast in upholding fair and inclusive practices, regularly reviewing and updating policies to align with DPE guidelines. REC's "employee ethics and code of conduct" manual promotes integrity and ethical behaviour, while a robust grievance redressal mechanism ensures that employee concerns are addressed promptly.

REC prioritize customer experience, actively seeking feedback to enhance service delivery. REC has a Grievance Redressal Officer (GRO) under Fair Practice code to address grievances pertaining to customers. REC's Corporate Social Responsibility Policy underscores REC's commitment to being a socially responsible corporate citizen. REC's commitment to CSR is demonstrated through receipt of the "Mahatma Awards '23" from the Mahatma Award Foundation and the "CSR Leadership Award 2023" from the Agriculture Today Group.

Governance:

REC believes that stringent corporate governance standards, coupled with ethical and transparent business practices, are instrumental in driving efficiency and achieving superior outcomes. REC maintains full compliance with regulatory disclosure requirements and voluntarily disclose data in accordance with SEBI regulations. The Company's dedication to the transparency and integrity has been recognized with the PSE Excellence Award by Indian Chambers of Commerce during this year in Corporate Governance category. REC's "Whistle Blower Policy" encourages stakeholders to report any breaches of REC's employee code of conduct or unethical behaviour, while REC's adherence to information security guidelines ensures the safeguarding of data as per Ministry of Electronics and Information Technology directives.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company maintains an adequate system of internal controls in commensuration with size, scale and complexity of its operations, including suitable monitoring procedures to ensure accurate and timely financial reporting of various transactions, efficiency of operations and compliance with applicable laws, regulations, guidelines and Company's policies. Suitable delegation of powers and guidelines for accounting have been issued for uniform compliance. REC also has in place ORACLE ERP solution and NIC 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 by external professional audit firms.

Further, review audits of various Regional and State offices are also conducted by the in-house Internal Audit Team in the year following the year in which the audit has been conducted by the external professional audit firms. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, Company has a Board-approved Risk Based Internal Audit (RBIA) framework which 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 said policy. Furthermore, REC IT team is working towards strengthening of existing ERP modules and development of other additional requirements.

FINANCIAL & OPERATIONAL PERFORMANCE

The Company achieved impressive performance during the financial year 2023-24. The operating income of the Company on a standalone basis was ₹47,146.30 crore, which was 20.25% higher than last year (₹39,208.06 crore). The Profit before Tax for the financial year 2023-24 was ₹17,780.64 crore, which was 29.42% higher than last year (₹13,738.77 crore). Net Profit for the financial year 2023-24 stood at ₹14,019.21 crore, which was 26.82% higher than last year (₹11,054.64 crore). The Net Worth as on March 31, 2024, stood at ₹68,783.15 crore, which was 19.25% higher than last year (₹57,679.67 crore).

The Company gives utmost priority to timely realization of its dues towards principal, interest, etc. During the financial year 2023-24, the Company has recovered ₹1,31,041.76 crore, against the total sum of ₹1,31,403.85 crore due for recovery, including interest for Standard Assets (Stage I & II), thereby achieving a recovery rate of 99.55%.

Further, in preparation of the annual accounts for the year ended March 31, 2024, the applicable Accounting Standards have been followed and no material departures have been made from the same;

KEY FINANCIAL RATIOS

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

Particulars	FY 2023-24	FY 2022-23
Interest Coverage ratio (times)	**1.59**	1.58
Debt Equity ratio (times)	**6.37**	6.49
Operating Profit Margin (%)	**37.57**	34.93
Net Profit Margin (%)	**29.69**	28.16
Gross Credit Impaired Assets (Stage-III) (%)	**2.71**	3.42
Net Credit Impaired Assets (Stage-III) (%)	**0.86**	1.01
Return on Net Worth (PAT/Average Net Worth) (%)	**22.17**	20.35

There was no significant change in the key financial ratios for financial year 2023-24 *vis-à-vis* the last financial year 2022-23.

HUMAN RESOURCES / INDUSTRIAL RELATIONS

As on March 31, 2024, total manpower of the Company was 513 employees, which included 485 executives and 28 non-executives. The industrial relations scenario continued to be on a cordial and harmonious note. During the financial year 2023-24, there was no loss of man-days on account of industrial unrest.

Employee training and development continued to receive key focus. Total 286 employees of the Company attended various training programmes, workshops, webinars etc. during the financial year 2023-24, achieving 1,211 training man-days in total.

In order to equip the employees professionally, 34 executives were deputed for training programmes abroad.

CSR

REC's Corporate Social Responsibility initiatives are pursued with key focus on addressing community based, societal and environmental concerns. REC undertakes its CSR activities through 'REC Foundation', a registered Society under the Societies Registration Act, 1860. REC Foundation is governed by Governing Body comprising of nominated officials of REC Limited.

During the financial year 2023-24, the Company sanctioned a total amount ₹467.84 crore towards various new CSR initiatives in the fields of health care (including for elderly and persons with special abilities), safe drinking water and sanitation facilities, employment enhancing vocational skills, education, environmental sustainability, rural development projects etc. The implementation of CSR projects is done in project mode with clear objectives, baseline survey, implementation plan, specific timelines, identified milestones, monitoring of progress and impact assessment.

The disbursement towards CSR projects is linked with the achievement of predefined milestones and deliverables. During the financial year 2023-24, the Company spent a total amount of ₹255.01 crore during the year (including excess spent of ₹7.70 crore from previous year).

During the financial year 2023-24, the Company has unveiled several ground breaking schemes, notably the pan India Mobile Medical Unit (MMU), designed to provide essential healthcare services to underserved rural areas and the Sanitary Napkins Vending Machine project, aimed at promoting menstrual hygiene among women during the financial year 2023-24.

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 a Chief Risk Officer (CRO), as per the requirement of RBI norms.

The risks faced by REC have been categorized and are being 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. ESG risk the risk due to environmental, social and governance factors on company's operations, financial performance and management.

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 with CMD, Whole-time Directors and senior officials as its members, which meets regularly for reviewing the assets liabilities positions. The Company also has in place an Asset Liability Management Policy and Hedging Policy, as part of Comprehensive Risk Management Policy. To mitigate the relevant ESG risks, the Company has formulated & implemented an ESG policy covering the focus areas inter alia including climate change strategy, corporate governance etc.

BUSINESS STRATEGY

In alignment with the government's dual focus on ensuring energy security to meet growing demand and facilitating the transition to cleaner, sustainable sources, REC is strategically positioned to capitalize on both segments. While maintaining its commitment to financing the power sector's needs in generation, transmission and distribution, REC's primary focus over the next few years will be on supporting the development of renewable energy projects. This includes financing solar, wind, Hybrid and large hydro projects, as well as EVs and their charging infrastructure. REC will also finance the manufacturing of equipment for clean technologies, the development of solar parks and solar SEZs, Pumped Hydro projects, Battery Energy Storage system, Green Hydrogen and its derivative, the installation of solar pump-sets, Smart meeting, etc. While the power sector remains REC's core strength, the company also anticipates considerable business growth in the non-power infrastructure and logistics sector, which has recently been added to its portfolio. The company's primary objective is to sustain the growth momentum of its loan book, but its utmost priority lies to uphold the exceptional quality of its loan assets.

For and on behalf of the Board of Directors

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

Place: Gurugram
Date : July 27, 2024

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

With 55 years of dedicated service to the nation, REC has been a cornerstone of our country's advancement. Initially established to fund the power sector, REC has now ventured into funding infrastructure and logistics sector, demonstrating its adaptability to meet India's changing needs. The success of REC is underpinned by a robust Corporate Governance framework, fostering trust amongst the stakeholders. REC's commitment to transparency, ethical practices and long-term sustainability creates value for all stakeholders. With a focus on responsible resource utilization, environmental sustainability and community engagement, REC upholds its broader societal responsibilities.

REC strives to create value for all its stakeholders including shareholders, non-convertible security holders, customers, vendors, employees, communities and the general public. The Company complies with all mandatory requirements for corporate governance as outlined by the Companies Act, 2013, ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Department of Public Enterprises' Guidelines on Corporate Governance for Central Public Sector Enterprises ("DPE Guidelines on Corporate Governance") and the Secretarial Standards issued by Institute of Company Secretaries of India ("Secretarial Standards"). Additionally, REC goes beyond these minimum requirements and meets most of the non-mandatory guidelines set forth by Securities and Exchange Board of India (SEBI).

A report regarding compliance of conditions of Corporate Governance during financial year 2023-24 is provided below, followed by a Certificate on compliance of Corporate Governance provisions issued by the Statutory Auditors of the Company.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

At REC, the approach to Corporate Governance is comprehensive, blending ethical management with a strong commitment to sustainability and environmental awareness. The Company consistently prioritize creating sustainable value for stakeholders while ensuring environmental stewardship within regulatory guidelines. The Company's investment decisions are strategically driven by our dedication to green energy and renewable resources, emphasizing energy conservation and efficiency. 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;

REC Limited avails green loan facility of JPY 31.96 Billion (USD 200 Million) from Deutsche Bank AG, Gift City Branch

- 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.

As a Non-Banking Financial Company (NBFC), the Company has established its own "Internal Guidelines on Corporate Governance" in accordance with the norms set by the Reserve Bank of India (RBI). These guidelines codify the Company's approach to corporate governance, outlining its philosophy, structure and framework. The Internal Guidelines on Corporate Governance can be accessed at https://recindia.nic.in/policies

2. BOARD OF DIRECTORS

As per the Articles of Association of REC, the number of Directors on the Board of the Company shall not be less than 3 (Three) and not more than 15 (Fifteen). As on March 31, 2024, the Board of Directors of REC comprised of 8 (Eight) Directors, including the Chairman & Managing Director (CMD) and holding additional charge of Director (Finance); Director (Projects); 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 4 (Four) Part-time Non-Official Independent Directors, including a Woman Independent Director.

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

The number of Independent Directors on the Board were less than fifty percent of Board Members during the period from April 1, 2023 to January 31, 2024. However, as on March 31, 2024, the composition of the Board was in compliance with applicable provision of the listing regulations. Accordingly, the Company is in compliance with the applicable statutory provisions as on March 31, 2024.

The Directors of REC are equipped with the necessary skills and knowledge to efficiently and effectively run the Company's operations. They work together to offer the strategic direction and support needed to achieve the Company's goals and objectives.

The Board has adopted a Policy on, *inter-alia*, Policy on diversity and skills of the Board, criteria for appointing senior management personnel and remuneration to Directors, KMPs and other employees Diversity and Skills of the Board, on recommendation of the Nomination and 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/policies

Additionally, following the RBI's Master Directions and based on the recommendation of the Nomination and Remuneration Committee, the Board has implemented a "Policy on 'fit & proper' criteria for Directors". This policy outlines the internal process for assessing Directors' qualifications, expertise, track record, integrity and other relevant factors to determine their suitability as a Director. The "fit & proper" criteria specified in the policy are checked during the appointment or reappointment of Directors and annually thereafter. The policy can be accessed at https://recindia.nic.in/uploads/files/Amended---Policy-on-Fit--Proper-Criteria.pdf.

(a) Composition of Board

The composition of the Board as on March 31, 2024 and other relevant information, is outlined below:

Sl. No.	Name of the Director	DIN	Position in the Company	No. of other Directorships held in other companies	Directorships held in other listed entities and category of Directorship	No. of Committee positions held in other companies	
						Chairperson	Member
Whole-time Directors (Executive Directors)							
1	Shri Vivek Kumar Dewangan	01377212	CMD & Director (Finance) (Additional Charge)	1	-	-	-
2	Shri Vijay Kumar Singh	02772733	Director (Projects)	2	-	-	-
Non-Executive Directors (Nominee Directors)							
3	Shri Shashank Misra	08364288	Government Nominee Director	-	-	-	-
4	Shri Manoj Sharma	06822395	Nominee Director of PFC	7	Power Finance Corporation Limited (Whole-time Director)	-	-
Non-Executive Directors (Independent Directors)							
5	Dr. Gambheer Singh	02003319	Independent Director	1	-	-	-
6	Dr. Manoj Manohar Pande	09388430	Independent Director	-	-	-	-
7	Dr. Durgesh Nandini	09398540	Independent Director	-	-	-	-
8	Shri Narayanan Thirupathy	10063245	Independent Director	-	-	-	-

In line with Regulation 26 of Listing 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) Changes in the composition of the Board during financial year 2023-24

1. Pursuant to MoP letter dated July 11, 2023 read with resolution passed by the Board dated July 17, 2023 Shri Manoj Sharma, (DIN: 06822395), Director (Commercial) of PFC has been appointed as Nominee Director of PFC on the Board of REC in place of Smt. Parminder Chopra (DIN: 08530587) w.e.f. July 11, 2023.

2. Pursuant to MoP office order dated August 21, 2023 read with resolution passed by the Board dated August 23, 2023, Shri Shashank Misra, (DIN 08364288) Joint Secretary, MoP, was appointed as the Government Nominee Director in REC w.e.f. August 21, 2023 vice Shri Piyush Singh (DIN: 07492389), former Government Nominee Director.

3. Shri Ajoy Choudhury (DIN: 06629871), who held the post of Director (Finance), REC Limited has superannuated from the services of the Company on January 31, 2024 and accordingly, he has ceased to be a Director and Key Managerial Personnel of REC Limited with effect from February 1, 2024.

4. Pursuant to MoP order dated January 31, 2024, Shri Vivek Kumar Dewangan, CMD has been assigned the additional charge of Director (Finance) w.e.f. February 1, 2024 or till the appointment of a regular incumbent to the post of Director (Finance), or until further orders, whichever is earlier.

(c) Changes in the compostion of the Board after March 31, 2024

Pursuant to MoP letter dated May 14, 2024 read with resolution passed by the Board dated May 31 2024, Shri Harsh Baweja, (DIN: 09769272), has been appointed as Director (Finance) (Additional Director) on the Board w.e.f. May 14, 2024 till the date of superannuation i.e. January 31, 2026, or until further orders, whichever is earlier. Further, he has been appointed as Chief Financial Officer (CFO) w.e.f. May 14, 2024.

(d) Other provisions as to Board and its Committees

(i) Board procedures

The Company follows a structured approach of holding board and Committee meetings, with the aim of maximizing participation, promoting a paperless environment and ensuring compliance with statutory provisions. The Company operates with a systematic process for conducting board and Committee meetings. In order to ensure the full participation and presence of all directors, the meeting dates are agreed upon well in advance through consultation with all the directors. The agenda notes are sent to the directors within the time frame set by relevant statutory provisions, using either electronic or physical methods based on the director's preference. For added convenience and to promote a paperless environment, the company uses a secure platform to send the electronic agenda notes to the directors. Additionally, to maintain confidentiality, Unpublished Price Sensitive Information (UPSI) is shared with the Board of Directors in password-protected PDF format, ensuring secure communication channels.

Resolutions may be passed through circulation as required by business needs and are recorded in the next board meeting. In cases of urgent business needs, meetings may be called on short notice, following the prescribed procedures.

The Company uses e-office application designed by National Informatics Centre (NIC), Ministry of Electronics and Information Technology, Government of India wherein *inter-alia* all approvals related to UPSI are shared with concerned persons and maintained with audit trails & time stamp. The said e-office can be login by the respective user only and it has highest security with 2 level authentication.

The agenda for Audit Committee and Board Meeting are put up to the Management for approval and thereafter shared with Directors /concerned officials in a secured platform/ password protected files and password thereof are shared separately.

The inclusion of any item on the agenda for board or Committee meetings is determined through an established internal process and decided by the CMD. The agenda notes include an executive summary in a standard format, as well as detailed information about the proposal, including draft resolution(s) to be approved.

Board and Committee meetings are ordinarily held at the Corporate office/Registered office of Company during regular business hours and video conferencing technology is also used extensively in order to facilitate participation. If necessary, senior management officials are invited to attend and make presentations or offer additional insights on any agenda items. A comprehensive system of follow-up in the form of an Action Taken Report (ATR) is employed after each meeting, which chronicles the steps taken based on earlier decisions and discussions by the Board or Committees. The company strictly adheres to the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

(ii) Details of Board meetings held during the financial year 2023-24

During the financial year 2023-24, meeting of the Board of Directors were held 13 (Thirteen) times, including an adjourned meeting, on the following dates:

Q1	Q2	Q3	Q4
22-Apr-2023	26-Jul-2023	27-Oct-2023	23-Jan-2024
17-May-2023	29-Aug-2023	1-Nov-2023	19-Mar-2024
24-Jun-2023	6-Sep-2023	30-Nov-2023	27-Mar-2024* (Adjourned)
	27-Sep-2023	20-Dec-2023	

**The Board meeting held on March 27, 2024 was part of adjourned meeting held on March 19, 2024.*

The minimum and maximum gap between any two Board meetings held during the financial year was 4 (Four) days and 55 (Fifty-five) days, respectively. Further, gap between the first Board meeting of financial year 2023-24 from the last Board meeting of financial year 2022-23, was 22 (Twenty-Two) days.

(iii) Information placed before the Board of Directors

The Board of Directors has complete and unrestricted access to comprehensive company information, exceeding the regulatory requirements. The information placed before the board includes annual plans, financial updates, fund-raising proposals, financial results, Committee minutes, minutes of subsidiary board meetings and senior management appointments. Additionally, it covers legal notices, accidents, defaults, liability claims, joint ventures, significant transactions, labor issues, asset sales, regulatory compliance and investor reports. The board receives quarterly reports on various aspects such as foreign exchange exposure, compliance, share capital, borrowing, investments and loan portfolios. Half-yearly reports include whistle-blower policy and fair practices compliance. Periodic reports cover delegation of powers and action taken on earlier decisions. Other pertinent information is also presented to the Board.

(iv) Details of Directors' attendance at Board meetings and Annual General Meeting (AGM) held during the financial year 2023-24.

Sl. No.	Name of the Director	Date of meeting and attendance thereat							
		1	2	3	4	5	6	7	8
		22-Apr-2023	17-May-2023	24-Jun-2023	26-Jul-2023	29-Aug-2023	6-Sep-2023	27-Sep -2023	27-Oct-2023
1	**Shri Vivek Kumar Dewangan** *Chairman & Managing Director*	📹	👤	👤	👤	👤	👤	👤	👤
2	**Shri Vijay Kumar Singh** *Director (Projects)**	👤	👤	👤	👤	👤	👤	👤	👤
3	**Shri Ajoy Choudhury** *Director (Finance) upto 31-Jan-2024*	👤	👤	👤	👤	👤	👤	👤	👤
4	**Shri Shashank Misra** *Government Nominee Director w.e.f. 21-Aug-2023*	N.A.	N.A.	N.A.	N.A.	👤	LoA	👤	LoA
5	**Shri Piyush Singh** *Government Nominee Director upto 21-Aug-2023*	👤	📹	LoA	LoA	N.A.	N.A.	N.A.	N.A.
6	**Shri Manoj Sharma** *PFC Nominee Director w.e.f. 11-Jul-2023*	N.A.	N.A.	N.A.	👤	👤	👤	📹	👤
7	**Smt. Parminder Chopra** *PFC Nominee Director upto 11-Jul-2023*	LoA	📹	LoA	N.A.	N.A.	N.A.	N.A.	N.A.
8	**Dr. Gambheer Singh** *Independent Director*	📹	👤	👤	👤	👤	👤	👤	👤
9	**Dr. Manoj Manohar Pande** *Independent Director*	📹	👤	👤	👤	👤	👤	📹	👤
10	**Dr. Durgesh Nandini** *Independent Director*	👤	👤	📹	👤	👤	👤	👤	👤
11	**Shri Narayanan Thirupathy** *Independent Director*	👤	👤	👤	👤	👤	👤	👤	👤

👤 Present in person 📹 Present through video conferencing N.A. Not Applicable LoA Leave of Absence

**MoP vide its letter dated August 10, 2023, rechristened the existing post of Director (Technical) of the Company as Director (Projects).*

***The Board meeting held on March 27, 2024 was part of original Board Meeting held on March 19, 2024, hence not counted as separate Board Meeting for the purpose of counting of Attendance.*

(v) Retirement by rotation at the ensuing 55th AGM

In accordance with the provisions of the Act and Article 91 (iv) of the Articles of Association of the Company, Shri Manoj Sharma, (DIN: 06822395), Nominee Director, PFC shall retire by rotation at the ensuing 55th AGM of the Company and being eligible, offers himself for re-appointment. The brief resume of Shri Manoj Sharma, including his expertise in various functional areas and other relevant information, is appearing in the Notice of the 55th AGM forming part of this Annual Report.

(vi) Resume of Director

Brief resume of director seeking appointment or re-appointment at the Annual General Meeting is appended to the Notice calling the Annual General Meeting.

(vii) *Inter-se* relationship between Directors

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

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

As on March 31, 2024, none of the Non-Executive Directors held any shares or convertible instruments in the Company.

(ix) Information related to Independent Directors

During the financial year 2023-24, none of the Independent Directors has resigned.

All Independent Directors of REC are registered in the database for Independent Directors maintained by the Indian Institute of Corporate Affairs. Further, all Independent Directors have submitted the requisite declaration(s), that they meet the criteria of independence specified under Section 149(6) of the Act and Regulation 16(1)(b) of Listing Regulations.

In view of the Board, Independent Directors of the Company have strong moral character and the necessary skills and experience required for making valuable contributions to the company and to be free from any ties or connections to the management.

(x) Separate meeting of Independent Directors

In accordance with the provisions of Listing Regulations and the Act, a separate meeting of the Independent Directors of REC was held on March 16, 2024, which was attended by all Independent Directors of the Company.

Date of meeting and attendance thereat						Total number of meetings			Attendance at 54th AGM held on 6-Sep-23
9	10	11	12	13		Held during tenure	Attended by Director	% of atten-dance	
1-Nov-2023	30-Nov-2023	20-Dec-2023	23-Jan-2024	19-Mar-2024	27-Mar-2024 *(Adjourned)***				
						13	13	100	
						13	13	100	
				N.A.	N.A.	12	12	100	
LoA		LoA			LoA	9	5	55.55	
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	4	2	50	N.A.
		LoA	LoA			10	8	80	
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	3	1	33.33	N.A.
						13	13	100	
						13	13	100	
						13	13	100	
						13	13	100	

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

The Board of Directors at REC is comprised of highly qualified individuals who possess the necessary skills, expertise and competence to effectively manage the company and make valuable contributions to the Board and its Committees. The Board members are dedicated to ensure that REC adheres to the highest standards of corporate governance. In light of the complexities of REC's business and the broader power sector, the Board has identified key skills, expertise, competencies and attributes that are critical for its effective functioning:

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.

Area of skill or expertise	Description
Board Practices & Governance	Experience in developing 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, 2024 and the Board members appointed subsequently, have been highlighted:

Name of the Director	Key qualifications of the Board – Area of expertise								
	Financial Management	Power Sector Domain Expertise	Project Appraisal	Corporate Planning & Strategy	Risk Management	Leadership	Board Practices & Governance	Business Development	Environment & Social
Shri Vivek Kumar Dewangan	✓	✓	✓	✓	✓	✓	✓	✓	✓
Shri Vijay Kumar Singh	✓	✓	✓	✓	✓	✓	✓	✓	✓
Shri Harsh Baweja***	✓	✓	✓	✓	✓	✓	✓	✓	✓
Shri Shashank Misra*	✓	✓	✓	✓	✓	✓	✓	✓	✓
Shri Manoj Sharma**	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Gambheer Singh	✓	✓		✓	✓	✓	✓	✓	✓
Dr. Manoj Manohar Pande	✓	✓		✓	✓	✓	✓	✓	✓
Dr. Durgesh Nandini	✓	✓		✓		✓	✓	✓	✓
Shri Narayanan Thirupathy	✓	✓		✓		✓	✓	✓	✓

**Appointed w.e.f. August 21, 2023 **Appointed w.e.f. July 11, 2023 ***Appointed w.e.f. May 14, 2024*

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

3. COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors functions as full Board and 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.

The Board has the following Committees & Compositions as on July 27, 2024 :

BOARD OF DIRECTORS

Audit Committee
- Dr. Gambheer Singh
- Dr. Durgesh Nandini
- Shri Manoj Sharma

Nomination and Remuneration Committee
- Dr. Manoj Manohar Pande
- Dr. Gambheer Singh
- Dr. Durgesh Nandini
- Shri Narayanan Thirupathy

Stakeholders Relationship Committee
- Dr. Durgesh Nandini
- Shri Vijay Kumar Singh
- Shri Harsh Baweja

Risk Management Committee
- Shri V.K. Dewangan
- Dr. Manoj M. Pande
- Dr. Gambheer Singh
- Shri Vijay Kumar Singh
- Shri Harsh Baweja

CSR Committee
- Dr. Manoj M. Pande
- Shri Vijay Kumar Singh
- Shri Harsh Baweja

Committee for Investment / Deployment of Surplus Funds
- Shri Vivek Kumar Dewangan
- Shri Vijay Kumar Singh
- Shri Harsh Baweja

Asset Liability Management Committee
- Shri Vivek Kumar Dewangan
- Shri Vijay Kumar Singh
- Shri Harsh Baweja
- ED (Resources)
- ED (Private / State Operations)
- ED (ALM)
- ED & Chief Risk Officer

IT Strategy Committee
- Shri Narayanan Thirupathy
- Dr. Gambheer Singh
- Shri Vijay Kumar Singh
- ED (IT)
- HoD (IT)
- Chief Information Security Officer
- External Technical Expert

Sub-committee to ensure compliance of GoI directives on 'Make in India'
- Shri Shashank Misra
- Shri Harsh Baweja
- Shri Manoj Sharma

Chairperson Member

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 Act, Regulation 18 of Listing 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 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 listing Regulations, 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.

During the year under review, the Audit Committee met 9 (nine) times. The composition of Audit Committee and details of attendance at its meetings held during the financial year 2023-24, were as under:

Sl. No.	Name of the Director	Position in the Committee	Date of meeting and attendance thereat									Total number of meetings		
			17-May-2023	23-Jun-2023	26-Jul-2023	28-Aug-2023	27-Sep-2023	1-Nov-2023	30-Nov-2023	23-Jan-2024	27-Mar-2024	Held during tenure	Attended by Director	% of attendance
1	**Dr. Gambheer Singh** Independent Director	Chairperson	👤	📹	👤	👤	👤	👤	👤	👤	📹	9	9	100
2	**Dr. Durgesh Nandini** Independent Director	Member	👤	📹	👤	👤	👤	👤	👤	👤	📹	9	9	100
3	**Shri Manoj Sharma** PFC Nominee Director	Member w.e.f. July 11, 2023	N.A.	N.A.	👤	👤	📹	📹	👤	LoA	📹	7	6	85.71
4	**Smt. Parminder Chopra** PFC Nominee Director	Member Upto July 11, 2023	📹	📹	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	2	2	100

👤 Present in person   📹 Present through video conferencing   N.A. Not Applicable   LoA Leave of Absence

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. 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 the members of the Audit Committee are financially literate and one member of the Audit Committee had accounting or related financial management expertise. Further, the Chairperson of Audit Committee was present at the last AGM held on September 6, 2023, to answer the queries of shareholders.

3.2 Nomination and 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 Whole-time Directors including CMD 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 and Remuneration Committee (NRC) in accordance with the provisions of Section 178 of the Act, Regulation 19 of Listing Regulations, RBI's norms for NBFCs *viz*., Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and DPE Guidelines on Corporate Governance. The terms of reference of NRC, to the extent applicable to REC, are as under:

a. To comply with the requirements in accordance with Section 178 of the Act 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 listing Regulations, 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.

During the year under review, the NRC met 5 (Five) times. The composition of NRC and details of attendance at its meetings held during the financial year 2023-24, were as under:

Sl. No.	Name of the Director	Position in the Committee	Date of meeting and attendance thereat					Total number of meetings		
			22-Apr-2023	23-Jun-2023	27-Oct-2023	20-Dec-2023	23-Jan-2024	Held during tenure	Attended by Director	% of attendance
1	**Dr. Manoj Manohar Pande** Independent Director	Chairperson	📹	👤	👤	👤	👤	5	5	100
2	**Dr. Gambheer Singh** Independent Director	Member	📹	📹	👤	👤	👤	5	5	100
3	**Dr. Durgesh Nandini** Independent Director	Member	👤	📹	👤	👤	👤	5	5	100
4.	**Shri Narayanan Thirupathy** Independent Director	Member	👤	👤	👤	👤	👤	5	5	100

👤 Present in person 📹 Present through video conferencing

The quorum for meetings of NRC is two members, including the Chairperson of the Committee. Further, Director (Finance), Director (Projects) and Executive Director (HR) / Head of Division (HR), are also standing invitees to the meetings of 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 Act, 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 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 Act. 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 NRC, the Board has adopted a Policy on, *inter-alia,* Policy on diversity and skills of the Board, criteria for appointing senior management personnel and remuneration to Directors, KMPs and other employees, 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 of the Company during the financial year 2023-24, were as under:

(Amount in ₹)

Sl. No.	Name & Designation	Salary & Allowances	Performance Linked Incentive	Perquisites	Other Benefits included in Form 16	Leave Encashment	CPF Contribution	Pension Fund Contribution	Total
1.	**Shri Vivek Kumar Dewangan** Chairman & Managing Director	39,08,304	-	-	1,27,169	-	-	-	**40,35,473**
2.	**Shri Vijay Kumar Singh** Director (Projects)	59,57,378	26,69,853	83,508	24,600	-	4,99,184	4,58,717	**96,93,240**
3.	**Shri Ajoy Choudhury** Director (Finance) (upto January 31, 2024)	49,64,281	25,09,529	42,242	28,396	25,09,511	4,15,491	3,74,735	**1,08,44,185**

Notes:

1. *Shri Ajoy Choudhury has been superannuated on January 31, 2024 and accordingly, salary details are for the period April 1, 2023 to January 31, 2024.*
2. *Performance Linked Incentive is paid in line with the guidelines issued in this regard by the DPE.*
3. *Other benefits included in Form 16 exclude the reimbursement(s) towards uniform, entertainment, electricity, water and attendant charges and exempt medical expenses/ reimbursement.*
4. *In the financial year 2023-24, 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.*
5. *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.*
6. *The Company has not given any stock options. Further, 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 (except Government Nominee Director) 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 Act and Rules made thereunder.

During the financial year 2023-24, 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 Manoj Sharma** Nominee Director of PFC (appointed w.e.f. July 11, 2023)	3,20,000	1,80,000	**5,00,000**
2	**Dr. Gambheer Singh** Independent Director	5,20,000	5,40,000	**10,60,000**
3	**Dr. Manoj Manohar Pande** Independent Director	5,20,000	5,40,000	**10,60,000**
4	**Dr. Durgesh Nandini** Independent Director	5,20,000	5,40,000	**10,60,000**
5	**Shri Narayanan Thirupathy** Independent Director	5,20,000	2,70,000	**7,90,000**
6	**Smt. Parminder Chopra*** Nominee Director of PFC (Director upto July 11, 2023)	-	-	**-**
	Total	**24,00,000**	**20,70,000**	**44,70,000**

**The nominee Director of PFC was entitled to receive sitting fee for attending the Board and Committee meetings of REC, which was paid to PFC. However, Smt. Parminder Chopra, Nominee Director of PFC has conveyed that no sitting fee was required to 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. Further, the Government Nominee Director is not entitled to receive any sitting fees from the Company, as per the norms of Government of India.

Senior management

(a) The details of Chief Vigilance Officer & Executive Directors (ED) i.e. one level below the Board and KMP (other than whole time Directors) as on March 31, 2024, are as follows:

Sl. No.	Name
1.	Shri Virender Kumar Adhana
2.	Shri T. S.C. Bosh
3.	Shri J. S. Amitabh
4.	Shri Fuzail Ahmed (Ceased to be ED w.e.f. June 1, 2024)
5.	Shri Sanjay Kumar
6.	Shri Rameshwer Prasad Vaishnaw
7.	Shri Rahul Dwivedi
8.	Smt. Malathi Sundararajan
9.	Smt. Valli Natarajan
10.	Shri Daljeet Singh Khatri
11.	Shri Harsh Baweja [elevated to the post of Director (Finance)] w.e.f. May 14, 2024
12.	Shri Rajesh Kumar
13.	Shri N. Venkatesan
14.	Shri Arun Kumar Tyagi
15.	Shri Kuldeep Rai
16.	Smt. Taruna Gupta
17.	Shri Saurabh Rastogi
18.	Shri Dharmendra Nagpal
19.	Shri Ajay Mathur
20.	Shri Prabhat Kumar Singh

(b) **Changes during the financial year 2023-24:**

Promotion :

Sl. No.	Name
1.	Shri Rajesh Kumar w.e.f. July 1, 2023
2.	Shri N. Venkatesan w.e.f. July 1, 2023
3.	Shri Arun Kumar Tyagi w.e.f. July 1, 2023
4.	Shri Kuldeep Rai w.e.f. July 1, 2023
5.	Smt. Taruna Gupta w.e.f. Oct. 17, 2023
6.	Smt. Swati Gupta w.e.f. Nov. 1, 2023
7.	Shri Saurabh Rastogi w.e.f. Dec. 29, 2023
8.	Shri Dharmendra Nagpal w.e.f. Dec. 29, 2023
9.	Shri Ajay Mathur w.e.f. Dec. 29, 2023
10.	Shri Prabhat Kumar Singh w.e.f. Jan. 31, 2024

Superannuation/Separation :

Sl. No.	Name
1.	Shri Sanjay Kulshrestha w.e.f. Oct. 16, 2023
2.	Smt. Swati Gupta w.e.f. Dec. 1, 2023

3.3 Stakeholders Relationship Committee

The Company has constituted a Stakeholders Relationship Committee (SRC), in terms of the provisions of Section 178 of the Act, Regulation 20 of Listing 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/Annual Report of the Company etc.

During the year under review, the SRC met 2 (Two) times. The composition of SRC and details of attendance at its meetings held during the financial year 2023-24, were as under:

Sl. No.	Name of the Director	Position in the Committee	Date of meeting and attendance thereat		Total number of meetings		
			16-May-2023	27-Oct-2023	Held during tenure	Attended by Director	% of attendance
1.	**Dr. Durgesh Nandini** Independent Director	Chairperson	👤	👤	2	2	100
2.	**Shri Vijay Kumar Singh** Director (Projects)	Member	👤	👤	2	2	100
3.	**Shri Ajoy Choudhury** Director (Finance)	Member Upto Jan 31, 2024	👤	👤	2	2	100
4.	**Shri Manoj Sharma** Nominee Director, PFC	Member w.e.f. March 1, 2024	N.A.	N.A.	N.A.	N.A.	N.A.

👤 Present in person N.A. Not Applicable

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 Listing 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 invitees to the meetings of the SRC. The Chairperson of the Committee, was present at the last AGM of the Company held on September 6, 2023, to answer the queries of security holders.

Requests & grievances of shareholders / debenture-holders

In order 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.

NSE and BSE have a web-based complaints redressal system and a separate platform of SEBI namely SCORES (SEBI Complaints Redressal System), through which investors can lodge a complaint against a company for their grievances. The status of every complaint 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 NSE and BSE web based system or does not have access to SCORES, can lodge a complaint in physical form or alternatively can send an e-mail to the R&TA of the Company and Company for redressal of compliant.

SEBI vide Circular dated July 31, 2023 and August 4, 2023, read with Master Circular dated July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market. Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/ Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (https://smartodr.in/login) and the same can also be accessed through the Company's website at https://recindia.nic.in/smart-odr-portal.

The Company and its R&TA 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 Listing Regulations, the status of shareholders' / investors' requests & grievances for the financial year 2023-24 was as under:

Particulars of Grievances	Equity Shares	Listed debt securities	Total
Pending as on 1-Apr-2023	6	0	6
Received during the financial year	30	494	524
Disposed of during the financial year	36	494	530
Remaining unresolved as on 31-Mar-2024	**0**	**0**	**0**

Apart from above grievances, the Company has received 363 request/clarifications/Queries from equity shareholders which were resolved during the financial year 2023-24 except seven request/clarifications/Queries which were resolved post March 31, 2024.

3.4 Risk Management Committee

The Risk Management Committee (RMC) has been constituted in line with the provisions of Regulation 21 of Listing 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.

During the year under review, the Risk Management Committee met 3 (Three) times.

The composition of Risk Management Committee and details of attendance at its meetings held during the financial year 2023-24, were as under:

S. No.	Name of the Director	Position in the Committee	Date of meeting and attendance thereat			Total number of meetings		
			28-Jun-2023	19-Oct-2023	24-Jan-2024	Held during tenure	Attended by Director	% of attendance
1	**Shri Vivek Kumar Dewangan** Chairman & Managing Director	Chairperson	👤	👤	🎥	3	3	100
2	**Dr. Manoj Manohar Pande** Independent Director	Member	🎥	🎥	👤	3	3	100
3	**Dr. Gambheer Singh** Independent Director	Member w.e.f. 27-Mar-2024	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
4	**Shri Vijay Kumar Singh** Director (Projects)	Member	👤	LoA	👤	3	2	66.66
5	**Shri Ajoy Choudhury** Director (Finance)	Member upto 31-Jan-2024	👤	👤	🎥	3	3	100

👤 Present in person 🎥 Present through video conferencing N.A. Not Applicable LoA Leave of Absence

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 Risk Management Committee 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 Executive Director (Asset Liability Management) Division are standing invitees to the meetings of the Risk Management Committee.

3.5 Corporate Social Responsibility Committee

As per the provisions of Section 135 of the Act 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 Act;

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 Act;

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.

During the year under review, the CSR committee met 9 (Nine) times. The composition of CSR committee and details of attendance at its meetings held during the financial year 2023-24, were as under:

Sl. No.	Name of the Director	Position in the Committee	Date of meeting and attendance thereat									Total number of meetings		
			16-May-2023	23-Jun-2023	25-Jul-2023	10-Aug-2023	28-Aug-2023	27-Oct-2023	30-Nov-2023	23-Jan-2024	6-Mar-2024	Held during tenure	Attended by Director	% of attendance
1	**Dr. Manoj Manohar Pande** Independent Director	Chairperson	👤	👤	👤	🎥	👤	👤	👤	👤	👤	9	9	100
2	**Shri Vijay Kumar Singh** Director (Projects)	Member	👤	🎥	🎥	🎥	👤	👤	👤	👤	👤	9	9	100
3	**Dr. Durgesh Nandini** Independent Director	Member w.e.f. Mar 1, 2024	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	👤	1	1	100
4	**Shri Ajoy Choudhury** Director (Finance)	Member upto Jan 31, 2024	👤	🎥	👤	🎥	👤	👤	👤	👤	N.A.	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/policies

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 ₹1,000 crore and above in single instance in Certificate of Deposits or ₹2,000 crore and above in Mutual Funds and Fixed Deposits at any time. The Committee comprises of the CMD as Chairperson; Director (Projects) and Director (Finance) 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 2023-24.

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 (Projects), Director (Finance) and HoDs from the finance and operating divisions of the Company.

During the year under review, the ALCO met 3 (Three) times. The composition of ALCO and details of attendance at its meetings held during the financial year 2023-24, were as under:

Sl. No.	Name/ Designation of the Director / Member	Position in the Committee	Date of meeting and attendance thereat			Total number of meetings		
			12-Jul-2023	11-Sep-2023	12-Dec-2023	Held during tenure	Attended by Director/ Member	% of attendance
1	**Shri Vivek Kumar Dewangan** Chairman & Managing Director	Chairperson	👤	🎥	👤	3	3	100%
2	**Shri Vijay Kumar Singh** Director (Projects)	Member	👤	🎥	👤	3	3	100%
3	**Shri Ajoy Choudhury** Director (Finance)	Member Upto 31-Jan-2024	👤	🎥	👤	3	3	100%
4	**ED (Resources)**	Member	👤	🎥	👤	3	3	100%
5	**ED (Private / State Operations)**	Member	👤	🎥	👤	3	3	100%
6	**ED (ALM)**	Member	👤	🎥	👤	3	3	100%
7	**ED & CRO**	Member	👤	🎥	LoA	3	2	67%

👤 Present in person 🎥 Present through video conferencing LoA Leave of Absence

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 a Board Level IT Strategy Committee (ITSC). The ITSC Committee was reconstituted on March 19, 2024 comprising of two Independent Directors as the Chairperson & member, Director (Projects); Executive Director (IT), Head of Division (IT), Chief Information Security Officer (CISO) and one external Technical Expert on requirement basis 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, ensuring cyber security, internal controls, Governance, approving IT strategy, policy documents and best practices, envisaged under the RBI's Master Directions.

During the year under review, the ITSC met 3 (Three) times. The composition of ITSC and details of attendance at its meetings held during the financial year 2023-24, were as follows:

Sl. No.	Name / Designation of the Director / Member	Position in the Committee	Date of meeting and attendance thereat			Total number of meetings		
			08-May-2023	07-Aug-2023	05-Feb-2024	Held during tenure of Member	Attended by the Member	Percentage of attendance
1	**Shri Narayanan Thirupathy** Independent Director	Chairperson	👤	👤	👤	3	3	100
2	**Dr. Gambheer Singh** Independent Director	Member	📹	👤	📹	3	3	100
3	**Executive Director (IT)** (CIO)	Member	👤	📹	👤	3	3	100
4	**CGM / HOD (IT)** (CTO)	Member	👤	👤	👤	3	3	100
5	**External Technical Expert**	Member	📹	📹	👤	3	3	100

👤 Present in person   📹 Present through video conferencing

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, 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. Further, one (1) meeting of the said Sub-Committee was held on June 24, 2023 during the financial year 2023-24.

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 (Projects) and Director (Finance) 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 2023-24, 1 (one) meeting of the Perpetual Debt Instrument Committee was held on January 3, 2024, which was attended by CMD, Director (Projects) 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, 2024, 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 2023-24.

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 Act. 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.

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 Listing 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://recindia.nic.in/policies

6. GENERAL BODY MEETINGS

The details of the last three AGMs of the Company and special resolutions passed thereat, are as follows:

Financial Year	Date	Time	Venue
2020-21	24-Sep-2021	11:00 A.M.	Through VC/OAVM
2021-22	16-Sep-2022	11:00 A.M.	Through VC/OAVM
2022-23	6-Sep-2023	11:00 A.M.	Through VC/OAVM

All resolutions moved at the AGM were passed through remote e-voting by the requisite majority of members. The following are the special resolution passed at the previous three AGMs.

AGM no.	Special Resolution(s) passed
52nd	1. Approval for private placement of securities. 2. Alteration of Objects Clause of Memorandum of Association of the Company.
53rd	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.
54th	1. Appointment of Shri Narayanan Thirupathy (DIN: 10063245) as Non- Executive Independent Director. 2. To increase the overall Borrowing Limit of the Company. 3. To create mortgage and/or charge on all or any of the movable and/or immovable properties of the Company. 4. Approval for private placement of securities.

Note: The 52nd, 53rd and 54th AGMs of REC were held through Video Conferencing / Other Audio-Visual Means, in terms of the General Circular no. 10/2022 dated May 5, 2020, General Circular no. 02/2021 dated January 13, 2021, General Circular no. 02/22 dated May 5, 2022 and General Circular No. 10/ 2022 dated December 28, 2022 issued by the Ministry of Corporate Affairs in light of Covid-19 pandemic.

The Ministry of Corporate Affairs (MCA) has issued a General Circular no. 09/2023 dated September 25, 2023 and SEBI has issued circular dated October 7, 2023, pursuant to which the ensuing 55th AGM of REC will be held on August 20, 2024 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 55th AGM forming part of this Annual Report.

Further, in light of the said MCA General Circular read with SEBI Circular dated January 5, 2024, the Annual Report of the Company for financial year 2023-24 is being sent in soft copy to those shareholders and holders of non-convertible securities of the Company, whose email addresses are registered with the Company / Registrars / Depositories / Depository Participants.

Extra-Ordinary General Meetings (EGMs)

During the year under review, there was no extra-ordinary general meeting held.

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 credit of Dividend (interim or final) and deduction of TDS, if any 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 55th AGM of the Company along with Annual Report for the financial year 2023-24, 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 Annual Report of the Company for financial year 2023-24. Those shareholders who have still not registered or updated their e-mail IDs, may follow the process mentioned in the Notice of 55th AGM, for registration of e-mail ID and procuring the User ID and Password for e-voting at the ensuing AGM.

7.1 Postal Ballot

No postal ballot conducted during the financial year 2023-24. Further, details of postal ballot conducted during the preceeding three (3) financial years are as follows.

Financial Year	Brief description of the resolution	Type of Resolution	Votes cast in favour (%)	Votes cast against (%)	Procedure for postal ballot					Person who conducted the postal ballot exercise
					Date of Postal Ballot Notice	Cut-off date	Newspaper in which advertisement was printed	Remote e-voting period & E-voting Agency	Result Date	
2020-21	NIL									
2021-22	Appointment of Smt. Parminder Chopra (DIN: 08530587) as Nominee Director of PFC.	Ordinary	85.95	14.05	March 25, 2022	March 23, 2022	Business Standard newspaper (English and Hindi editions) on Monday, March 28, 2022	Tuesday, March 29, 2022 (0900 hours) India Standard Time (IST) to Wednesday, April 27, 2022 (1700 hours) (IST) E-voting agency: NSDL	Friday, April 29, 2022	CS Hemant Kumar Singh (FCS no. 6033, Certificate of Practice no. 6370), from M/s Hemant Singh & Associates, Company Secretaries
	Appointment of Shri Sudhir Kumar Gangadhar Rahate (DIN: 05254178) as CMD.	Ordinary	93.70	6.30						
2022-23	Appointment of Shri Vivek Kumar Dewangan (DIN: 01377212) as CMD.	Ordinary	93.68	6.32	July 8, 2022	July 5, 2022	Business Standard newspaper (English and Hindi editions) on Saturday, July 9, 2022	Monday, July 11, 2022 (0900 hours) India Standard Time (IST) to Tuesday, August 9, 2022 (1700 hours), both days inclusive E-voting agency: NSDL	Tuesday, August 9, 2022	
	Capitalize the reserves and issue Bonus shares to the shareholders of the Company.	Ordinary	98.39	1.61						
	Alteration of Objects Clause of Memorandum of Association of the Company.	Special	99.99	0.01	September 26, 2022	September 20, 2022	Business Standard newspaper (English and Hindi editions) on Tuesday, September 27, 2022	Wednesday, September 28, 2022 (0900 hours) India Standard Time (IST) to Thursday, October 27, 2022 (1700 hours) (IST) E-voting agency: NSDL	Thursday, October 27, 2022	
	Appointment of Shri Piyush Singh (DIN: 07492389) as Government Nominee Director.	Ordinary	85.77	14.23						

The results of postal ballot 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. Further, no special resolution proposed/expected to be conducted through postal ballot during the financial year 2024-25.

8. SECRETARIAL AUDIT

M/s Agarwal S. & Associates, Company Secretaries have conducted the Secretarial Audit of the Company for the financial year 2023-24 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 Listing 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 Act. The Policy is available at https://recindia.nic.in/policies

Further, the particulars of Related Party Transactions are given in form AOC-2 annexed to the Boards' Report.

10. DISCLOSURES

1. There were no instances of non-compliance related to the Capital Markets during the last three years. For the financial year ended on March 31, 2024, the Company has complied with all requirements of the Listing Regulations, the Act and rules made thereunder, applicable Secretarial Standards issued by ICSI and DPE Guidelines on Corporate Governance, as amended from time to time.

   However, in accordance with Regulation 17(1) of Listing Regulations, the Company was short of an Independent Director till January 31, 2024. The National Stock Exchange of India Limited and BSE Limited have levied monetary fines for non-compliance under Regulation 17(1) of ₹21,53,500/- each (for the quarters ended March, June, September and December 2023), against which the management of the Company has submitted a waiver request vide their letter dated March 1, 2024 to the stock exchanges and requested to withdraw/ waive off all the fines imposed and outstanding on the Company in this regard. It is further that NSE vide its letter dated May 3, 2024 and BSE vide letter dated June 25, 2024 has waived off all the fines imposed and outstanding on the Company pertaining till quarter ended March 31, 2024.

   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 role in the appointment of Directors or maintaining the Composition of its Board.

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 Listing 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 Listing Regulations, except where the Company did not have requisite number of Independent Directors, 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 Listing Regulations. Further, in compliance of Regulation 46 and Regulation 62 of Listing 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 adheres to a Board-approved Risk Management Policy, which includes a Hedging Policy designed to mitigate foreign currency exchange risk. This policy establishes a framework for managing fluctuations in exchange rates that could negatively affect the value of foreign currency-denominated assets, liabilities and off-balance sheet arrangements. Various hedging techniques are employed to effectively manage this risk.

   Appropriate disclosures concerning the foreign currency risks are provided in the Notes to Accounts, forming an integral part of the Audited Financial Statements. 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 Directors 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 2023-24.

10. During the financial year 2023-24, 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 2023-24 have increased to ₹164.38 crore as compared to ₹122.69 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 2023-24 were 0.56% (previous year 0.48%); and as a percentage of financial expenses for the financial year 2023-24 were 0.55% (previous year 0.52%).
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 2023-24 have been prepared as per the Accounting Standards specified under Section 133 of the Act 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 2023-24. Further, the Company has informed the Stock Exchanges that the Statutory Auditors have furnished Audit Report on Standalone and Consolidated Financial Results with unmodified opinion, in line with the provision of the Listing Regulations.
15. The Company has not issued any Stock Options / ESOPs during the financial year 2023-24.
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 2023-24 were as under:

Report for Quarter ended	Date of submission of report
June 30, 2023	July 12, 2023
September 30, 2023	October 10, 2023
December 31, 2023	January 11, 2024
March 31, 2024	April 5, 2024

Further, the Report containing Annual Score (consolidated score of four quarters) is now automatically generated on the DPE website, based on the scores of four quarters.

The Company has also submitted to the Stock Exchanges, quarterly compliance reports on Corporate Governance under Regulation 27(2)(a) of Listing Regulations, for all the quarters of financial year 2023-24 within the stipulated time.

17. In line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the disclosure regarding complaints under the said Act during the financial year 2023-24, is as under:

Sl. No.	Particulars	Number of complaints
1.	Number of complaints filed during the financial year	Nil
2.	Number of complaints disposed of during the financial year	Nil
3.	Number of complaints pending as on the end of the financial year	Nil

18. During the financial year 2023-24 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 2023-24, the Company has conducted 3 (Three) such training programmes for its Independent Directors. 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/policies

    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 the Listing 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 2023-24. 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 in the meetings of the Audit Committee.
21. Details of utilization of funds raised through preferential allotment as specified under Regulation 32(7A) and Regulation 52(7) of the Listing Regulations was not applicable during the year under review. Further, there was no variation in use of issue proceeds of private placement of bonds during the financial year 2023-24.

22. The credit rating of REC are as follows:

Particulars	Credit Rating
Domestic Long-term Borrowings	CRISIL AAA, ICRA AAA, CARE AAA, IND AAA
Domestic Long Term Principal Protected Market Linked Debentures	CRISIL PP-MLD AAA, ICRA PP-MLD AAA
Domestic Perpetual Bonds	CRISIL AAA, CARE AAA
Domestic Short term Borowings	CRISIL A1+, ICRA A1+, CARE A1+, IND A1+
International Long-term Issuer Rating	BBB- (Fitch), Baa3 (Moody's), BBB+ (Japan Credit Rating Agency)
During the year, the credit rating on domestic perpetual bonds has been upgraded from CARE AA+ to CARE AAA.	

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 Agarwal S. & Associates, 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 the 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 2023-24, there was no instance where the Board of Directors did not accept the recommendation given by any Board-level Committee of the Company.

25. As per information available, no agreement has been entered as referred under clause 5A of paragraph A of Part A of Schedule III of Listing Regulations by the parties referred therein.

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 is available at https://recindia.nic.in/policies 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, 2024.

Sd/-

Place : Gurugram
Date : May 9, 2024

Vivek Kumar Dewangan
Chairman & Managing Director
DIN: 01377212

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/policies

The said Code sets up policies and procedures which aims 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 any UPSI was submitted to the Board for consideration and approval including consideration of quarterly results, the trading window was closed and notice of such closure of trading window was 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 designated employees 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 a robust "Policy for Prevention of Fraud" aimed at establishing a systematic approach for detecting and preventing fraudulent activities, ensuring fair dealing and ethical conduct within the organization. The policy encompasses various key aspects, including delineating management's responsibilities in fraud detection and prevention, providing clear guidelines to employees and stakeholders on forbidding involvement in fraudulent activities and outlining the necessary actions to be taken if fraudulent activity is suspected. It mandates a timeline and specifies details for reporting fraud to the designated Nodal Officer, along with conducting thorough investigations into any suspected fraudulent activities. Further, REC has a zero-tolerance approach towards fraud in any form against the Company.

The said policy is available at https://recindia.nic.in/policies

15. WHISTLE BLOWER POLICY

The Company has in place a "Whistle Blower Policy", in compliance of the provisions of the Act, Listing 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://recindia.nic.in/policies

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 2023-24 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 2023-24, 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/-

Place : Gurugram **Vivek Kumar Dewangan**
Date : April 8, 2024 Chairman & Managing Director
and Director (Finance), Additional Charge
DIN: 01377212

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 follows:

(₹ in crore)

Sl. No.	Particulars	FY 2023-24	FY 2022-23
A.	Fee paid to Statutory Auditor:		
(i)	As Auditor	0.68	0.58
(ii)	For Taxation matters	0.16	0.15
(iii)	For Company law matters (includes limited review fees)	0.36	0.35
(iv)	For other services	0.38	0.25
(v)	For reimbursement of expenses	0.05	0.11
Sub-total		**1.63**	**1.44**
B.	Non-recoverable tax credit in respect of fees paid to auditors	0.13	0.11
Total (Auditors fee and expenses)		**1.76**	**1.55**

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 various means of communication spanning across various platforms, ensuring a broad and inclusive reach. Traditional methods such as newspaper and magazine advertisements, events & exhibitions and press meets allow the company to disseminate information widely and effectively. The company also engages in media interactions and investor meets to maintain transparency and foster trust within the investor community. Further, the Company engages with stakeholders regularly on social media enabling the company to connect with its stakeholders on a more personal and immediate level. The company is committed to maintaining strong and open lines of dialogue with all its stakeholders.

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 Investors section. Further, financial results of the Company are published in national newspapers like Economic Times (English & Hindi), Mint (English), Financial Express (English), Hindustan Navbharat Times (Hindi), Hindustan Times (Hindi) and Jansatta (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 Listing Regulations, a Certificate on financial reporting and internal controls to the Board, duly signed by the Chairman and Managing Director of the Company, having additional charge of Director (Finance) was placed before the Board in its meeting held on April 30, 2024, along with the Annual Audited Financial Statements of the Company for the financial year ended on March 31, 2024. 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 2023-24.

The ensuing 55th Annual General Meeting (AGM) of shareholders for the Company will be held through video conferencing / other audio visual means on the following day, date and time:

Day, Date	Tuesday, August 20, 2024
Time	11:00 A.M. (IST)

Details regarding participation in the said meeting and other relevant information of shareholders, are appearing in the Notice of the 55th AGM of the Company forming part of this Annual Report.

ii. Financial Calendar (financial year 2023-24 *vis-à-vis* financial year 2024-25)

The financial calendar for the last / completed financial year 2023-24 *vis-à-vis* the next / ongoing financial year 2024-25, is as follows:

Financial Year	FY 2023-24		FY 2024-25	
Accounting Period	**1-Apr-2023 to 31-Mar-2024**		**1-Apr-2024 to 31-Mar-2025**	
Announcement of Financial Results	Q1	26-Jul-2023	Q1	Within 45 days from end of quarter
	Q2	01-Nov-2023	Q2	
	Q3	23-Jan-2024	Q3	
	Q4 & Annual	30-Apr-2024	Q4 & Annual	Within 60 days from end of financial year
Date of AGM	August 20, 2024		August, 2025	

iii. Dividend

(a) Dividend Distribution Policy

The Company has formulated a Dividend Distribution Policy in compliance of Regulation 43A of the Listing 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. Further, the policy can be accessed at https://recindia.nic.in/policies

(b) Dividend for the financial year 2023-24

In pursuance of Article 114 of the Articles of Association of the Company read with Section 123 of the Act and Companies (Declaration and Payment of Dividend) Rules, 2014, as amended from time to time, the Company has paid interim dividend for the financial year 2023-24, as detailed hereunder:

Particulars	Date of Dividend Payment	Dividend per Equity Share (Amount in ₹)
1st Interim Dividend	24-Aug-2023	3.00/-
2nd Interim Dividend	30-Nov-2023	3.50/-
3rd Interim Dividend	16-Apr-2024	4.50/-
Final Dividend	30 days from the date of declaration*	5.00/-
TOTAL		**16.00/-**

**Subject to the approval of shareholders in 55th 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
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)
2021-22	1,974.92	3,021.63	153.00	2-Sep-2021	1st Interim Dividend (₹2.00)
				25-Nov-2021	2nd Interim Dividend (₹2.50)
				3-Mar-2022	3rd Interim Dividend (₹6.00)
				13-Oct-2022	Final Dividend (₹4.80)
2022-23	2,633.22	3,317.86	126.00	24-Nov-2022	1st Interim Dividend (₹5.00)
				28-Feb-2023	2nd Interim Dividend (₹3.25)
				05-Oct-2023	Final Dividend (₹4.35)

(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 2023-24, the following amounts of dividend became due for transfer to IEPF, which were deposited as per details given below:

Particulars	Date of IEPF Transfer	Amount in ₹
Final Dividend for the FY 2015-16	17-Nov-2023	26,07,818
Interim Dividend for the FY 2016-17	02-April-2024	57,54,889
TOTAL		**83,62,707**

As per Section 125 of Act 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 financial year 2023-24 w.r.t Unclaimed Principal/Interest on Debentures:

Particulars	Date of IEPF Transfer	Amount in ₹
Principal & Interest 54 EC and Infra Bonds	25-04-2023	1,82,60,599
Principal & Interest 54 EC Bonds	10-05-2023	9,32,047
Interest 54 EC Bonds	07-06-2023	48,000
Interest 54 EC Bonds	21-07-2023	49,604
Principal & Interest 54 EC Bonds	24-08-2023	56,24,658
Interest 54 EC Bonds	20-09-2023	3,00,000
Interest 54 EC Bonds	26-10-2023	1,44,000
Interest 54 EC Bonds	21-11-2023	1,85,918
Interest 54 EC Bonds	25-01-2024	36,600
Principal & Interest Infra Bonds	12-03-2024	1,09,00,223
Interest 54 EC Bonds	22-03-2024	29,400
TOTAL		**3,65,11,049**

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 or online payment in place of old warrants.

Equity Shares transferred to IEPF

As per the provisions of Section 124(6) of the Act 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.

During the financial year 2023-24, the following IEPF Shares became due for transfer to IEPF, which were transferred as per details given below:

Particulars	Date of Transfer of Shares to IEPF	No. of Shares
Final Dividend FY 2015-16	23-Nov-2023	14,991
Interim Dividend FY 2016-17	11-Apr-2024	16,612
TOTAL		**31,603**

As on March 31, 2024, the number of equity shares of REC Limited held in Demat account of IEPF Authority were 2,05,726 .

The members who have a claim on the above dividends and/or shares or Interest and/or Principal of Debentures may write an e-mail at complianceofficer@recindia.com, stating the requirement of issuing an entitlement letter. The entitlement letter will contain the information of amounts/dividend amount and/or share transferred by the Company to IEPF having completed 7 years. After issuance of the entitlement letter, an online application in the prescribed Form No. IEPF-5 available on the website www.iepf.gov.in shall be filed and self-attested physical copy of the form, challan, Indemnity Bond and all other requisite documents enumerated in Form No. IEPF-5, shall be sent in an envelope marked "Claim for refund from IEPF Authority", to the Company Secretary at the Corporate Office for shares and/or dividend and to CGM (Fin.) - Resources for interest and/or principal for Debentures.

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 favor 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 Act.

Nodal/Deputy Nodal Officer

Pursuant to Rule 7(2A) of the IEPF Rules, the following persons are the Nodal/Deputy Nodal Officers of the Company in respect of IEPF matters as on March 31, 2024 are as follows:

Particulars	Name and Designation
Nodal Officer	Shri J. S. Amitabh Executive Director & Company Secretary
Deputy Nodal Officer for Debentures/ Bonds	Shri Ajay Mathur Executive Director (Finance)
	Shri Rajkumar Sonkar Sr. GM (Finance)
Deputy Nodal Officer for Equity Shares	Shri Dinesh Garg General Manager (Company Secretary)

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. Further, 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 already 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 Shares of 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	**Alankit Assignments Limited** 205-208, Anarkali Complex, Jhandewalan, Extension New Delhi -110055	
Telephone	011 – 42541234	
Email	rta@alankit.com	
Website	www.alankit.com	
R&TA(s) for various Debt Securities (for securities issued till March 31, 2024)		
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	+91-11-2996 1281-83
Email	einward.ris@kfintech.com gopalakrishna.kvs@kfintech.com	recbonds3@gmail.com, spgupta123@gmail.com
Website	https://www.kfintech.com/	https://www.beetalfinancial.com/

For Debt Securities issued on or after April 1, 2024, the Company has changed its R&TA for Debt Securities from KFin Technologies Limited and Beetal Financial & Computer Services (P) Limited to Alankit Assignments Limited. Further, necessary intimations was sent to respective stock exchanges and the information in this regard was also made available on the website of the Company. Updated contact details of R&TA is as below:

R&TA for Debt Securities	
Address	**Alankit Assignments Limited** 205-208, Anarkali Complex, Jhandewalan, Extension New Delhi -110055
Telephone	011 – 42541234
Email	rta@alankit.com
Website	www.alankit.com

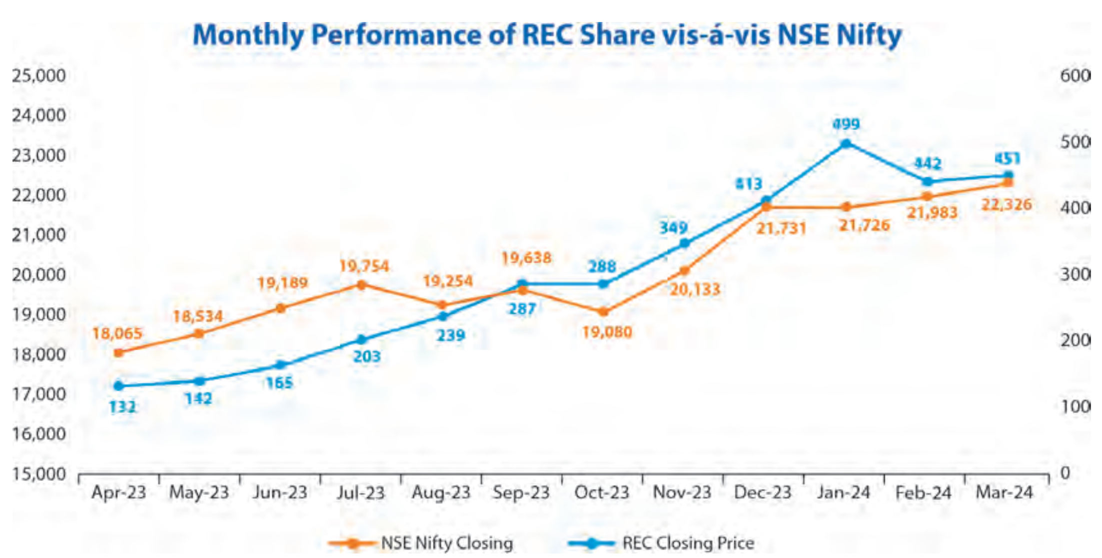
vii. Market Price Data for the financial year 2023-24:

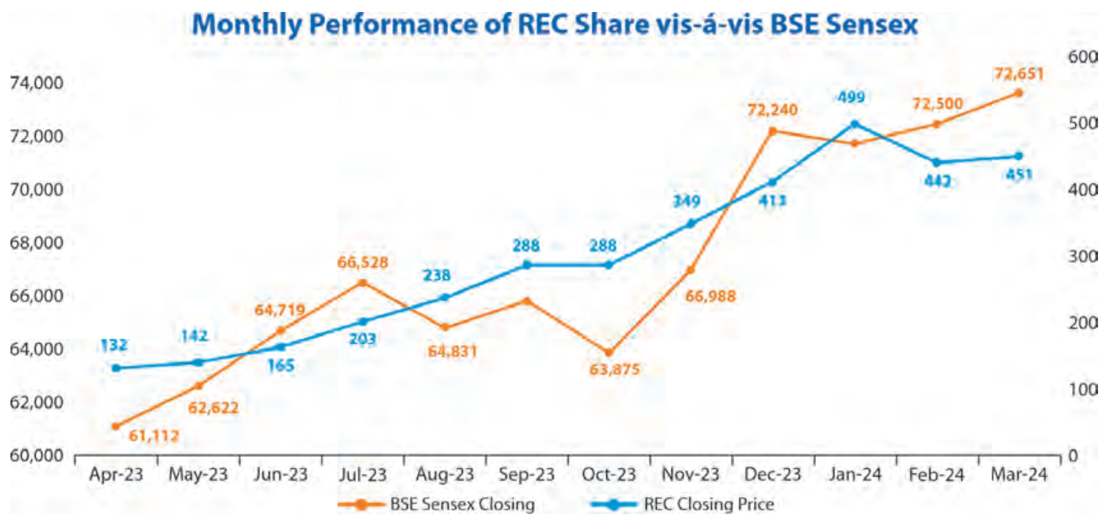
Monthly Performance of REC's Equity Share *vis-à-vis* movement of NSE NIFTY and BSE SENSEX during the financial year 2023-24, is as under:

Month	REC Share at NSE (₹)			Movement of NSE NIFTY		
	High	Low	Close*	High	Low	Close*
Apr' 2023	132.40	115.65	132.15	18,089.15	17,312.75	18,065.00
May' 2023	142.65	127.40	141.55	18,662.45	18,042.40	18,534.40
Jun' 2023	169.50	140.40	164.65	19,201.70	18,464.55	19,189.05
Jul' 2023	203.85	159.15	202.95	19,991.85	19,234.40	19,753.80
Aug' 2023	249.25	191.45	238.65	19,795.60	19,223.65	19,253.80
Sep' 2023	291.95	230.55	287.40	20,222.45	19,255.70	19,638.30
Oct' 2023	299.20	259.45	287.60	19,849.75	18,837.85	19,079.60
Nov' 2023	352.00	273.15	348.70	20,158.70	18,973.70	20,133.15
Dec' 2023	454.75	351.10	412.85	21,801.45	20,183.70	21,731.40
Jan' 2024	511.80	410.70	499.05	22,124.15	21,137.20	21,725.70
Feb' 2024	524.00	424.60	442.05	22,297.50	21,530.20	21,982.90
Mar' 2024	492.10	414.55	451.00	22,526.60	21,710.20	22,326.20

Month	REC Share at BSE (₹)			Movement of BSE SENSEX		
	High	Low	Close*	High	Low	Close*
Apr' 2023	132.50	115.50	132.20	61,209.46	58,793.08	61,112.44
May' 2023	142.60	127.40	141.50	63,036.12	61,002.17	62,622.24
Jun' 2023	169.15	140.30	164.60	64,768.58	62,359.14	64,718.56
Jul' 2023	203.75	159.15	202.95	67,619.17	64,836.16	66,527.67
Aug' 2023	249.20	191.50	238.25	66,658.12	64,723.63	64,831.41
Sep' 2023	292.00	230.60	287.55	67,927.23	64,818.37	65,828.41
Oct' 2023	299.10	259.50	287.55	66,592.16	63,092.98	63,874.93
Nov' 2023	352.00	273.40	348.55	67,069.89	63,550.46	66,988.44
Dec' 2023	454.80	351.45	412.70	72,484.34	67,149.07	72,240.26
Jan' 2024	511.50	410.95	498.85	73,427.59	70,001.60	71,752.11
Feb' 2024	524.00	424.70	442.30	73,413.93	70,809.84	72,500.30
Mar' 2024	492.00	415.00	450.80	74,245.17	71,674.42	73,651.35

**Closing date price as on last trading day of the each month.*





viii. Share transfer system

SEBI vide its Circular dated January 25, 2022, has mandated the listed companies to issue securities in dematerialized form only while processing service requests, *viz*. Issue of duplicate securities certificate; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/ folios; transmission and transposition. Further SEBI vide its circular May 18, 2022, has simplified the procedure and standardized the format of documents for transmission of securities. Accordingly, members are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website at https://recindia.nic.in/forms and on the website of the Company's RTA, Alankit Assignments at https://alankitassignments.com/investor-charter. It may be noted that any service request can be processed only after the folio is KYC Compliant.

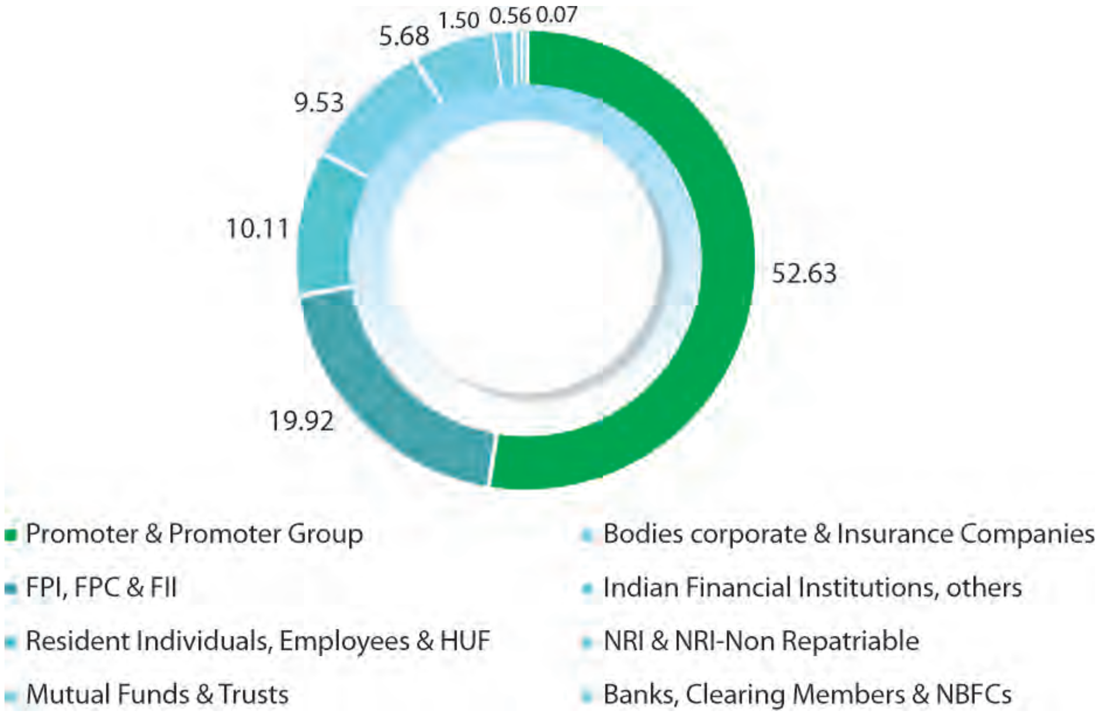
Further, in terms of SEBI circular dated March 16, 2023, Company has sent intimations to the shareholders, who are holding the shares in physical form to furnish/update PAN, e-mail address, mobile number, bank account and nomination details and the said intimation has also been sent to stock exchanges for dissemination.

Shareholding Pattern / Distribution of Shareholding

(a) Shareholding Pattern on the basis of Ownership

The category-wise shareholding pattern of the Company as on March 31, 2024, *vis-à-vis* last year i.e. as on March 31, 2023, was as under:

Particulars	As on March 31, 2024		As on March 31, 2023	
	Number of Shares	% of Total Shares	Number of Shares	% of Total Shares
Promoter & Promoter Group	1,38,59,93,662	52.63	1,38,59,93,662	52.63
FPI, FPC & FII	52,44,89,512	19.92	56,65,14,684	21.51
Mutual Funds	24,97,60,921	9.48	19,30,01,898	7.33
Resident Individuals	25,44,62,707	9.66	29,07,67,284	11.04
Insurance Companies	11,76,17,199	4.47	56,52,957	0.21
Bodies Corporates	3,19,34,601	1.21	3,80,56,997	1.45
Clearing Members	16,32,232	0.06	3,39,652	0.01
Banks	1,39,218	0.01	19,97,782	0.08
HUF	1,13,73,727	0.43	1,65,76,501	0.63
Trusts	12,99,237	0.05	18,88,592	0.07
Non Resident Indians	95,55,526	0.36	1,03,91,386	0.39
Indian Financial Institutions/QIB	1,79,26,960	0.68	11,13,75,000	4.24
NRI-Non Repatriable	51,34,770	0.20	94,19,528	0.36
Employees	5,19,354	0.02	5,87,291	0.03
Others (IEPF, AIF)	2,13,62,115	0.82	6,47,778	0.02
NBFCs	22,259	Negligible	13,008	Negligible
TOTAL	**2,63,32,24,000**	**100.00**	**2,63,32,24,000**	**100.00**



(b) Distribution of Shareholding as on March 31, 2024

The distribution of shareholding as on March 31, 2024 by number of shares held, was as under:

Particulars	Number of Shareholders	% of Shareholders	Number of Shares held	% of Total Shares
1-5000	7,96,993	98.98	17,27,60,103	6.56
5001 -10000	4,090	0.51	2,92,43,524	1.11
10001-20000	1,865	0.23	2,63,98,716	1.00
20001-30000	557	0.07	1,38,43,506	0.53
30001-40000	271	0.03	95,13,837	0.36
40001-50000	205	0.03	93,19,317	0.35
50001-100000	390	0.05	2,76,66,800	1.05
100001 & above	869	0.10	2,34,44,78,197	89.04
TOTAL	**8,05,240**	**100.00**	**2,63,32,24,000**	**100.00**

Note: Shareholders can have multiple demate accounts under a single PAN leading to diffrence in total no. of shareholders. The total no. of shareholders consolidated on basis of PAN is 7,70,808.

ix. Liquidity

The shares of the Company are in compulsory dematerialized segment and available for trading under systems of both Depositories i.e. 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, A Wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai - 400 013	Marathon Futurex A-Wing, 25th Floor, NM Joshi Marg, Lower Parel, Mumbai - 400 013
Telephone	+91-20-2721 8080 +91-22-2499 3499	1-800-21-09911
Email	relations@nsdl.com info@nsdl.com	helpdesk@cdslindia.com complaints@cdslindia.com
Website	www.nsdl.co.in	www.cdslindia.com

The details of number of shares held in dematerialized and physical form as on March 31, 2024 were as under:

Particulars	Number of Shareholders	Number of Shares held	% of Total Shares
Physical	11,005	21,179	Negligible
NSDL (Demat)	2,82,522	2,49,25,93,419	94.66 %
CDSL (Demat)	5,11,713	14,06,09,402	5.34%
TOTAL	**8,05,240**	**2,63,32,24,000**	**100.00%**

x. Reconciliation of Share Capital Audit Report

In terms of Regulation 76 of the SEBI (Depositories and 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 2023-24, 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 details of Equity Shares of the Company in Demat Suspense in accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the Listing Regulations, are as follows:

Particulars	Number of cases	Number of shares involved
Aggregate number of shareholders and outstanding unclaimed shares in the Suspense Account as on April 1, 2023.	32	6,644
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 March 31, 2024.	32	6,644

Notes:

1. The voting rights on the shares outstanding in the suspense account as on March 31, 2024 shall remain frozen till the time rightful owner of such shares claims the same.

2. All the above cases are pertaining to IPO and 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 2024-25 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 2024-25 to National Securities Depository Limited and Central Depository Services (India) Limited.

xv. Plant Locations

REC is a Non-Banking Financial Company (NBFC) categorized as Infrastructure Finance Company (IFC) 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. Legal Entity Identifiers

The legal entity identifier of the Company is 335800B4YRYWAMIJZ374.

xviii. Corporate Website

The corporate website of the Company is www.recindia.nic.in.

xix. Address for correspondence

The address and contact details for correspondence with the Company are:

	Registered Office	Corporate Office
Address	Core-4, SCOPE Complex 7, Lodhi Road New Delhi - 110003	REC World Headquarters Plot no. I-4, Sector 29 Gurugram, Haryana-122001
Telephone	+91-11-4309 1500 +91-11-4309 1501	+91-124-271 1000 +91-124-444 1300
Email	contactus@recindia.com	contactus@recindia.com

xx. Compliance Officer and Public Spokesperson

The name and contact details of Compliance Officer and Public Spokesperson of the Company are:

Name	**Shri J. S. Amitabh** Executive Director & Company Secretary
Address	**REC Limited** REC World Headquarters Plot no. I-4, Sector 29, Gurugram, Haryana-122001
Telephone	+91-124-444 1331
Email	complianceofficer@recindia.com jsamitabh@recindia.com

For and on behalf of the Board of Directors

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

Place: Gurugram
Date: July 27, 2024

ANNEXURE-A

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,
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 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 & 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 Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations/ representations furnished to us by the Company & its officers and declarations received from respective Director(s), we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on March 31, 2024 have been debarred or disqualified from being appointed or continuing as Director of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sl. No.	Name of Director	DIN	Date of appointment
1	Shri Vivek Kumar Dewangan	01377212	May 17, 2022
2	Shri Vijay Kumar Singh	02772733	July 15, 2022
3	Shri Shashank Misra	08364288	August 21, 2023
4	Shri Manoj Sharma	06822395	July 11, 2023
5	Dr. Gambheer Singh	02003319	November 15, 2021
6	Dr. Manoj Manohar Pande	09388430	November 15, 2021
7	Dr. (Smt.) Durgesh Nandini	09398540	December 30, 2021
8	Shri Narayanan Thirupathy	10063245	March 6, 2023

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 Agarwal S. & Associates,
Company Secretaries,
ICSI Unique Code: P2003DE049100
Peer Review Cert. No.: 2725/2022

Sd/-
CS Sachin Agarwal
Partner
FCS No.:5774
CP No.:5910
UDIN: F005774F000510960

Place: New Delhi
Date: May 31, 2024

ANNEXURE-B

CERTIFICATE

Under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

This is to certify that:

a. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2024 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/-
(Vivek Kumar Dewangan)
Chairman & Managing Director
and Director (Finance), Additional Charge
DIN: 01377212

Date : April 30, 2024

ANNEXURE-III TO BOARD'S REPORT

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING

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	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@recindia.com
7.	Telephone	+91-124-444 1300
8.	Website	https://recindia.nic.in/
9.	Financial year for which reporting is being done	April 1, 2023 to March 31, 2024
10.	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited (NSE) BSE Limited (BSE)
11.	Paid-up Capital	₹2,633.22 crore
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 Vijay Kumar Singh Director (Projects) (DIN: 02772733) +91-124-271 5517 directorprojects@recindia.com
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 consolidated basis
14.	Name of assurance provider	M/s Corporate Professionals
15.	Type of assurance obtained	Reasonable Assurance

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

Sl. No.	Description of the main activity	Description of business activity	% of the turnover of the entity
1	Financial and Insurance Service	Financial and Credit leasing activities	99.86%

17. 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	99.61%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	0	35*	35
International	0	0	0

** This includes REC Corporate office including our subsidiary and REC regional offices in 23 Locations in different parts of the country which is listed separately in the Annual report and also our subsidiary 'RECPDCL' office 12 locations across India.*

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	28
International (No. of Countries)	0

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 2023-24.

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. Furthermore, the Ministry of Power has permitted REC to lend to Infrastructure and Logistics sector as well. As a result, REC has actively started financing/exploring subsectors like Airports, Metro Rail, Roads and Highways, Green Hydrogen/Green Ammonia, Irrigation/Water resources, Multi-Modal Logistics Parks, Cold Chains, Railway Stations Redevelopment, Ports, Healthcare Infrastructure etc. During current financial year REC has sanctioned ₹3,745 crore debt funding and released ₹7,676 crore towards infrastructure and logistics space. The key products of the Company include long-term loans, medium-term loans, short-term loans, debt refinancing, revolving bill payments etc. for the entire power and infrastructure & logistics sector value chain. Customers of the Company include State Governments, Central/ State utilities, independent power producers, rural electric cooperatives, joint ventures, private sector borrowers and developers etc.

IV. Employees

20. Details as at the end of the 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)	512*	434	85	78	15
2.	Other than Permanent (E)	468	399	85	69	15
3.	Total employees (D + E)	980	833	85	147	15
WORKERS						
4.	Permanent (F)	Not Applicable				
5.	Other than Permanent (G)					
6.	Total workers (F + G)					

**one employee who is on deputation is included in the category of other than permanent employees.*

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)	14	13	93	1	7
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total differently abled employees (D + E)	14	13	93	1	7
Differently abled Workers						
4.	Permanent (F)	Not Applicable				
5.	Other than Permanent (G)					
6.	Total differently abled workers (F + G)					

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	1	12.5
Key Management Personnel	3	0	0

22. Turnover rate for permanent employees and workers *(Disclose trends for the past 3 years)*

	FY 2023-24			FY 2022-23*			FY 2021-22*		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	6.35%	4.23%	6.03%	10.57%	10.37%	10.54%	7.51%	7.09%	7.44%
Permanent Workers	Not Applicable								

** Record keeping and data collation/verification methodology was reviewed and accordingly, information has been updated ensuring utmost accuracy and reliability wherever required.*

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (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 in column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Power Finance Corporation Limited	Holding	52.63	Yes
2.	REC Power Development and Consultancy Limited (RECPDCL)	Subsidiary	100	Yes
	RECPDCL Subsidiaries			
3.	Shongtong Power Transmission Limited	Subsidiary	100	No
4.	Kallam Transco Limited	Subsidiary	100	No
5.	Khavda IV C Power Transmission Limited	Subsidiary	100	No
6.	Khavda IVA Power Transmission Limited	Subsidiary	100	No
7.	Khavda IV-E2 Power Transmission Limited	Subsidiary	100	No
8.	Khavda V-A Power Transmission Limited	Subsidiary	100	No
9.	Rajasthan IV A Power Transmission Limited	Subsidiary	100	No
10.	Rajasthan IV C Power Transmission Limited	Subsidiary	100	No
11.	Rajasthan IV E Power Transmission Limited	Subsidiary	100	No
12.	Rajasthan IV H1 Power Transmission Limited	Subsidiary	100	No
13.	Khavda II-D Transmission Limited	Subsidiary	100	No
14.	Chandil Transmission Limited	Subsidiary	100	No
15.	Dumka Transmission Limited	Subsidiary	100	No
16.	Koderma Transmission Limited	Subsidiary	100	No
17.	Mandar Transmission Limited	Subsidiary	100	No
18.	Luhri Power Transmission Limited	Subsidiary	100	No
19.	NERES XVI Power Transmission Limited	Subsidiary	100	No
20.	Jalpura Khurja Power Transmission limited	Subsidiary	100	No
21.	Rajasthan Part I Power Transmission Limited	Subsidiary	100	No
22.	Tumkur-II REZ Power Transmission Limited	Subsidiary	100	No
23.	NERGS-I Power Transmission Limited	Subsidiary	100	No
24.	Kankani Power Transmission Limited	Subsidiary	100	No
25.	Meerut Shamli Power Transmission Limited	Subsidiary	100	No
26.	ERES-XXXIX Power Transmission Limited	Subsidiary	100	No

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No): Yes

(ii) Turnover (in ₹): ₹47,504.75 crore*

(iii) Net worth (in ₹): ₹69,350.25 crore*

**Figures are on consolidated basis*

VII. Transparency and Disclosures Compliances

25. 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 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks
Communities	Yes https://recindia.nic.in/grievances	88	12	Out of the 12 complaints pending at end of year 2023-24, only 2 nos. of complaints are pending as on May 8, 2024 while the remaining have been subsequently closed.	59	1	1 complaint pending at end of year 2022-23 have also been subsequently closed.
Investors (other than shareholders)	Yes https://recindia.nic.in/grievances	494	0	-	1,217	0	-
Shareholders	Yes https://recindia.nic.in/investors-contact	30	0	Apart from these complaints, the Company has received 363 request/clarifications/queries from equity shareholders which were resolved/responded during the financial year 2023-24 except seven request/clarifications/queries which were resolved post March 31, 2024.	2,464	6	The pending cases have since been resolved
Employees and workers	Yes, available on intranet	1	0	-	0	0	-
Customers	Yes https://recindia.nic.in/policies	0	0	-	0	0	-
Value Chain Partners	Yes https://recindia.nic.in/independentexternal-monitor-iem-for-ruralelectrification-corporation-ltd	3	0	2 claims under vivad se vishwas,1 by Independent External Monitor of GeM	0	0	-

26. 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.	Climate Risk Management	Risk and Opportunity	Physical risks such as floods, drought, water stress, cyclones, temperature extremes and wildfires and transitional risks such as carbon taxation, mandatory use of renewable energy regulations, shifting preference towards green and sustainable alternatives can impact the financial performance of the borrowers. Thus, increasing the credit risk. Reputational risk could also arise in case REC is unable to meet stakeholder expectations on climate related disclosures. While climate change poses a risk, increased awareness about climate change has accelerated adoption of renewable energy, thereby creating an opportunity to finance these projects.	REC has formulated & implemented an ESG policy covering the focus areas inter alia including climate change strategy. Furthermore, REC also plans to integrate climate risk assessment in project evaluation process and prepare climate risk disclosure in line with RBI Draft Disclosure framework on Climate-related Financial Risks in future. REC is positioning itself to ensure that transition to greener energy is at the core of its business growth objectives. During financial year 2023-24, while the company's overall sanction has grown by 34% Y-o-Y basis, sanction in renewables projects has seen a massive growth of 533% Y-o-Y. Going forward REC endeavours to increase the share of clean energy portfolio from current about 8% to 30% of its loan book by financial year 2030.	Negative: potential possibility of asset stranding due to climate risk. Positive: ability to tap into sustainable finance instruments such as green bonds.
2.	Energy and Emissions Management	Opportunity	REC acknowledges the importance of transitioning towards a low carbon economy and thus plans to work towards carbon neutrality in near future. Efficient energy use and emissions reduction not only help in mitigating climate change but also lead to cost savings and enhanced corporate reputation. India's updated Nationally Determined Contribution (NDC) and aim to achieve net-zero emissions by 2070 also serve as an opportunity for REC to increase the share of green projects in its portfolio. REC can explore initiative for actively supporting environmentally favourable projects in sectors like renewable energy, electric vehicles, Green Hydrogen etc. As global and national policies increasingly favour green investments, REC is well positioned to capitalize these trends. REC's proactive approach in financing projects that align with environmental goals not only helps in mitigating climate related risks but also enhances its reputation.	-	Positive: cost savings due to reduced energy use and increased efficiency in own operations. Ability to tap into sustainable finance instruments such as green bonds.

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)
3.	Community Development	Opportunity	Community engagement and development can impact the company's social license to operate, reputation and long-term sustainability. By engaging with local communities, REC fosters positive relationships, address community concerns and promote economic development, enhancing project acceptance and minimizing social risks. Additionally, investing in community development initiatives can contribute to social stability, talent retention and overall business success.	-	Positive: improved stakeholder relationships, skill development and shared value creation, enhanced brand reputation, risk mitigation.
4.	Customer satisfaction	Opportunity	Customer satisfaction directly impacts the company's reputation, competitiveness and financial performance. By prioritizing customer satisfaction, REC can build long-term relationship which is essential in for REC's continued success and growth.	-	Positive: increase in revenue, improvement in brand image.
5.	Diversity and Inclusion	Opportunity	Diversity and inclusion promote a culture of respect, equity and innovation within the organization. Embracing diversity in workforce enables us to tap into a broader range of perspectives, experiences and talents, fostering creativity and problem-solving. Inclusion ensures that all employees feel valued and empowered to contribute their best, enhancing morale, productivity and employee retention.	-	Positive: broader talent pool, enhanced brand reputation, improved decision making, reduced employee attrition
6.	Human Capital Development	Opportunity	Human capital is a major pillar for the success of the organization as it influences productivity, retention and organizational success. By fostering a positive work environment and promoting employee engagement, REC can enhance morale, job satisfaction and loyalty. Investing in employee wellbeing initiatives, such as health and wellness programs, promotes physical and mental health, reducing absenteeism and improving overall productivity. Moreover, providing continuous training and development opportunities empowers employees to acquire new skills, adapt to changing job requirements and contribute effectively to REC's mission and goals.	-	Positive: upskilling of employees, improved productivity, reduced employee attrition.

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)
7.	Sustainable Supply Chain Management	Opportunity	By focusing on sustainable procurement practices, REC can ensure that the goods and services procured do not cause any negative impact to the environment and the society. Furthermore, preferential procurement practices help REC in providing opportunities to disadvantaged business groups such as MSMEs, thus promoting shared value creation.	-	Positive: risk mitigation, cost savings
8.	Corporate Governance and Business Ethics	Risk	Strong governance and business ethics are crucial for maintaining investor and stakeholder trust, ensuring regulatory compliance and mitigating legal and reputational risks. Unethical practices and instances of bribery/corruption can damage brand reputation. Ensuring strong governance practices and communicating the same across all levels in the company is important to build a culture that ensures business outcomes are delivered in the right manner and with responsibility. Effective governance ensures sound decision-making, compliance with laws and regulations and alignment with stakeholder interests, ultimately safeguarding the company's reputation and long-term success. Prioritizing corporate governance and ethics also enhances REC's credibility as a responsible corporate, essential for sustaining trust and fostering sustainable growth.	We have a well-defined governance framework and code of conduct. The management abides by the prescribed rules, practices and processes. REC Management takes responsibility for ensuring compliance with all applicable rules and regulations. Furthermore, we provide comprehensive ethics training for employees, ensure transparent and accountable reporting practices and regularly review and update governance policies.	Negative: potential fines/ penalties in case of violations
9.	Data Privacy and Cyber Security	Risk	Data privacy and cybersecurity are critical as REC handles confidential financial and project related information of clients while processing the financing requests. Protecting data and ensuring compliance with data privacy regulations is essential for maintaining trust and avoiding legal and reputational risks. Cybersecurity measures are necessary to safeguard against data breaches and cyberattacks, which could disrupt operations and harm stakeholders. By prioritizing data privacy and cybersecurity, REC can mitigate risks, preserve reputation and demonstrate its commitment to protecting stakeholders' information, crucial for sustaining trust and business continuity.	We have implemented robust cybersecurity measures, strong governance around information security and data privacy. We conduct regular audits and provide frequent trainings.	Negative: potential fines/ penalties in case of violations

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)
10.	Digital Transformation and Innovation	Opportunity	Digital transformation and innovation drive efficiency, competitiveness and growth in an increasingly digitalized world. Embracing digital technologies enables REC to streamline processes, enhance customer experience and develop new business models. Innovation fosters agility and adaptability, allowing REC to respond effectively to changing market dynamics and customer needs. By investing in digital transformation and innovation, REC can unlock new opportunities, improve operational performance and stay ahead of the curve in the rapidly evolving infrastructure finance landscape, essential for long-term success and sustainability.	-	Positive: reduced operational costs, increased employee productivity
11.	Economic Development	Opportunity	Given its role in infrastructure finance and development, REC's ability to withstand economic fluctuations, market volatility and external shocks is essential for maintaining financial stability and fulfilling its mandate effectively. By focusing on economic resilience, REC can support sustainable growth, job creation and infrastructure development, build its brand image and reputation, while contributing to overall economic stability and prosperity. Moreover, resilience ensures continuity in providing financing solutions and support to clients, bolstering confidence and building trust in the organization's ability to weather economic challenges and deliver long-term value.	-	Positive: increased revenue
12.	Regulatory Compliance	Risk	Regulatory compliance ensures adherence to laws, regulations and industry standards governing operations. By complying with regulatory requirements, REC can mitigate legal and financial risks, maintain trust with stakeholders and uphold reputation as a responsible company. Failure to comply with regulations could result in penalties, legal disputes and reputational damage, negatively impacting REC's operations and financial performance. Therefore, prioritizing regulatory compliance is essential for sustaining REC's license to operate, fostering investor confidence and supporting long-term growth and success.	Ensure rigorous compliance programs, provide regular training for employees on regulatory requirements, proactively monitor regulatory changes and implement compliance audits.	Negative: potential fines/ penalties in case of violations

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)
13.	Sustainable Finance	Opportunity	By promoting sustainable finance instruments such as Green bonds and loans, REC can mobilize capital for sustainable infrastructure development and support projects that have positive impacts. Under REC Green bond Framework, REC finances the projects related to renewable energy, energy efficiency, pollution prevention and control and clean transportation. REC can also explore expanding the portfolio of sustainable finance instruments in future to help generate positive environmental and social impacts alongside financial returns.	-	Positive: increased revenue
14.	Responsible Lending	Opportunity	ESG evaluation has become increasingly important as stakeholders demand more sustainable and responsible business practices. Integrating ESG factors into risk assessment processes helps to better understand the long-term viability of potential borrowers. It also helps to identify potential environmental, social and governance risks. This helps in making more informed decisions about companies or projects to finance. Integrating ESG considerations into investment decisions not only enhances risk management, but also attracts responsible investors, promotes sustainable development and contributes to long-term value creation.	-	Positive: reduction in possibility of defaults/ stranded assets
15.	Risk Management	Risk	Risk management involves identifying, assessing and mitigating risks that affect the entire organization or industry, rather than just specific projects or investments. By effectively managing risks, REC can safeguard financial stability, reputation and long-term viability.	Implementing robust risk management processes ensures resilience in the face of uncertainties, enhances decision-making and preserves stakeholder trust. It also captures REC's ability to absorb shocks arising from financial and economic stress and meet stricter regulatory requirements related to the complexity and interconnectedness of companies in the industry	Negative: potential fines/ penalties in case of violations

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)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b.	Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c.	Web Link of the Policies, if available	Please refer to Annexure of the report								
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4.	Name of the national and international codes/certifications/labels/ standards adopted by your entity and mapped to each principle.	ISO 27001: 2013								
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	Being a Central Public Sector Enterprise, the operational and financial targets for REC for financial year 2023-24 was fixed under the MoU guidelines of the Department of Public Sector Enterprises (DPE), Government of India. The MoU framework contains 12 parameters with marks allocated to each, aggregating a maximum of 100. Several compliances are also spelt out as part of the MoU, which carry negative marks for non-compliance. Total score achieved above 90 results in excellent rating. The MoU document is available at the following link https://recindia.nic.in/mou								
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	REC has a 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 and the performance of the Company is evaluated *vis-à-vis* the MoU parameters. Owing to its excellent financial performances during the financial year 2022-23, REC has been rated as "Excellent" by DPE and for financial year 2023-24, the company is again expected to be rated as excellent, subject to final evaluation by MoP/DPE.								
Governance, leadership and oversight										

7. Statement by director responsible for the business responsibility report, highlighting ESG -related challenges, targets and achievements

At REC Limited, we understand the importance of sustainability in shaping a better future for generations to come. Our commitment goes beyond mere acknowledgment; it is a fundamental part of our ethos and drives our actions at every level of operation. As India experiences rapid growth, we recognize the urgent need to balance development with the preservation of our natural resources and ecosystems.

Sustainability is woven into the fabric of our core business operations. We are dedicated to conducting our activities with minimal impact on the environment while maximizing positive societal impact. We have integrated ESG considerations into our overall business strategy, recognizing that sustainable practices are essential for longterm value creation. ESG factors are now systematically evaluated in decision-making processes, ensuring alignment with environmental and social objectives.

One of our key initiatives involves the promotion of alternate sources of power, particularly solar energy. We have in place a 979 kWp rooftop solar plant at our corporate office and 40 kWp roof top solar plant at RECIPMT, for harnessing renewable energy to meet electricity requirements, thus reducing our carbon footprint. The procurement of electric vehicles (EVs) and the establishment of EV charging stations further demonstrate our efforts to promote clean transportation and reduce emissions. As a part of our CSR initiative, we have installed solar roof-top power panel and micro grids under Smartgram project, reducing dependence on traditional energy sources and improving quality of life.

At REC Limited, we stand at the forefront of the green revolution, spearheading investments in cutting-edge renewable energy ventures while championing energy efficiency initiatives. During financial year 2023-24, while the company's overall sanction has grown by 34% Y-o-Y basis, sanction in renewables projects has seen a massive growth of 533% Y-o-Y. Going forward REC endeavors to increase the share of clean energy portfolio from current about 8% to 30% of its loan book by financial year 2030 . Our commitment to financing renewable power generation extends beyond conventional boundaries, embracing solar, wind and hydroelectric endeavours that redefine the energy landscape.

In our quest for sustainability, we also prioritize Responsible Resource Management. We have implemented waste water treatment and reuse systems, minimized water wastage and promoted efficient water management practices.

Our commitment to sustainability extends to our employees as well. We have robust HR policies in place to ensure a safe, inclusive and supportive work environment. We maintain open communication channels with stakeholders and adhere to the highest ethical standards in all our dealings. REC Limited is committed to being a transparent and accountable steward of environmental and financial resources.

Through the adoption of renewable energy solutions, we support India's targets for increasing renewable energy capacity and reducing reliance on fossil fuels. Additionally, our initiatives improve the quality of life in rural communities, reduce air pollution and enhance productivity through the adoption of sustainable practices.

	In financial year 2023-24, our CSR endeavours reached an astounding 7,88,295 beneficiaries, underscoring our unwavering commitment to social progress. From rural electrification projects, educational infrastructural development, building sports facilities, watershed management programs, to vocational training programs, our initiatives are transforming communities and catalysing positive change at the grassroot level. To broaden the base of sports and to promote excellence in sports in India, REC Limited committed ₹100 crore to the National Sports Development Fund (NSDF) through the Sports Authority of India for three years, starting from financial year 2022-23. This ongoing contribution also includes the Government of India's Target Olympic Podium Scheme (TOPS), which aims to support India's finest athletes. REC is dedicated to sourcing products that meet rigorous sustainability criteria, including use of recyclable, environmentally friendly, energy-efficient and locally sourced products. We prioritize partnerships with vendors and suppliers who share our commitment to Environmental, Social and Governance (ESG) principles. We are committed to upholding the highest standards of corporate governance and ethical conduct, ensuring transparency, accountability and integrity in all our operations. Our governance framework is a testament to our commitment to responsible decision-making, risk management and regulatory compliance. As we embark on the next phase of our sustainability journey, we remain resolute in our commitment to driving positive change and creating shared value for all stakeholders. From pioneering renewable energy solutions to fostering social inclusion and ethical governance, we are poised to lead the charge towards a more sustainable and prosperous future.

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. Shri Vijay Kumar Singh Director (Projects) (DIN: 02772733) +91-124-271 5517 directorprojects@recindia.com

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	Yes, review was undertaken by the Committee of the Board									On quarterly and annual basis								
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	Yes, review was undertaken by the Committee of the Board									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.	All policies & processes are reviewed by the Board of Directors/senior management from time to time. Further, Company has appointed CRISIL as ESG Consultant for review of our ESG practices/policies and accordingly revised ESG policy was approved by Board of Directors along with amendments to existing policies as suggested by CRISIL and reviewed by our internal team. All such policies have been uploaded on REC website.								

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:

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	Not applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

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	12	Training session on ESG, BRSR and NGRBC principles, familiarization programme of Independent Directors to acquaint the Directors with business and operations of the Company, industry structure, nature of services offered.	100%
Key Managerial Personnel	4	Training session on ESG, BRSR and NGRBC principles	100%
Employees other than BoD and KMPs	77	Training session on principles 1,3,4,5,6,7,8,9	88%
Workers	Not applicable		

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 ₹)**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Penalty/ Fine	Principle 1	National Stock Exchange of India Limited (NSE) & BSE Limited (BSE)	₹43,07,000/- including GST	The penalty is associated with compliance related to composition of Board of the Company. BSE & NSE imposed fine of ₹21,53,500/- (including GST) each for the quarters ended March, June, September and December, 2023.	Yes[1]
Settlement	None	None	None	None	None
Compounding fee	None	None	None	None	None

Non-Monetary				
	NGRBC Principle	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Imprisonment	None	None	None	None
Punishment	None	None	None	None

[1]NSE and BSE had waived off all the penalties imposed and outstanding on the Company.

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
The number of Independent Directors on the Board, headed by an Executive Chairman, were less than fifty percent of Board Members during the period from April 1, 2023 to January 31, 2024. Further, as on March 31, 2024, the composition of the Board was in compliance with applicable provision of the SEBI Listing Regulations, 2015. REC being a Government Company, the power to appoint Directors on its Board vests with the President of India acting through the Administrative Ministry i.e. Ministry of Power ("MoP") and thereby the Company has no control in the appointment of Directors on its Board. The Company has been requesting & following up with the Ministry of Power, Government of India, for the appointment of requisite number of Independent Directors on its Board. The Company has requested stock exchanges to withdraw/ waive off all the fines imposed and outstanding on the Company in this regard and NSE & BSE vide their letter dated May 3, 2024 & June 25, 2024, respectively has waived off all the fines imposed and outstanding on the Company pertaining till quarter ended March 31, 2024.	1. National Stock Exchange of India Limited (NSE) 2. BSE Limited (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 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 has also adopted a Whistle Blower Policy. Further, the Company's Conduct, Discipline and Appeal (CDA) Rules define the code of conduct for all employees and recognize 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. Following is the link for these policy documents at https://recindia.nic.in/policies

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 2023-24	FY 2022-23
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	Not applicable	

6. Details of complaints with regard to conflict of interest:

	FY 2023-24		FY 2022-23	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	-

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

8. Number of days of accounts payables [(Accounts payable *365) / Cost of goods/services procured] in the following format:

	FY 2023-24	FY 2022-23
Number of days of accounts payables	9	5

9. Open-ness of business:

Provide details of concentration of purchases and sales with trading houses, dealers and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	0	0
	b. Number of trading houses where purchases are made from	0	0
	c. Purchases from Top 10 trading houses as % of total purchases from trading houses	0	0
Concentration of Sales	a. Sales to dealer/ distributers as % of total sales	Not applicable	Not applicable
	b. Number of dealers / distributors to whom sales are made	Not applicable	Not applicable
	c. Sales to top 10 dealer/ distributers as % of total sales to dealer/distributers	Not applicable	Not applicable
Share of RPTs in	a. Purchases (Purchases with related parties /Total Purchases)	0	0
	b. Sales (Sales to related parties / Total Sales)	Not applicable	Not applicable
	c. Loans & advances (Loans & advances given to related parties/ Total loans & advances)	0.0001%*	0
	d. Investments (Investments in related parties/Total Investments made)	0	0

** Total loans and advances with related party for the financial year 2023-24 is ₹30 lakh and for financial year 2022-23 is ₹22 lakh.*

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
1	In addition to the pre-bid meetings, focused Vendor Development Programs were conducted on building the capacity of Micro and Small Enterprises (MSEs) and enhancing their participation in public procurement process	24%*

** REC has invited all MSEs vendors including prospective vendors for the periodic Vendor Development Program. However, 24% vendors participated in the program who are actively associated with REC.*

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.

Yes, REC code of business conduct and ethics for board members and senior management covers *inter-alia* the process of dealing with conflict of interests. As per the code of conduct, the members of the board and senior management:

- Shall not be involved in taking any decision on a subject matter in which a conflict of interest arises or is likely to arise.
- Shall make disclosures to the Board relating to all the material, financial and commercial transactions, if any, where they have personal interest that may have a potential conflict with the interest of the Company at large.
- Shall abstain from discussion, voting or otherwise influencing a decision on any matters that may come before the Board in which they may have a conflict or potential conflict of interest.
- Shall not engage in any activity (be it in providing consultancy service, carrying on business, accepting employment) which is likely to interfere or conflict with their duties/ responsibilities towards Company without prior approval. Shall not invest or associate themselves in any other manner with any supplier, service provider or customer of the company.

The code is available at https://recindia.nic.in/policies

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 products and processes to total R&D and CAPEX investments made by the entity, respectively.

	Amount	Percentage	Details of improvements in environmental and social impacts
R&D	0	0	Not applicable
Capex	₹23.5 Lakh	1%	Diesel generator was converted in dual fuel generator (70% Diesel and 30% PNG) to reduce pollutants.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, REC has a sustainable procurement policy which serves as an extension of our core values. Through this procurement policy, we promote exemplary standards in economic, social, ethical and environmental practices, recognize and mitigate risks inherent in our procurement procedures and foster ESG awareness among our suppliers. We also endeavor to support and train suppliers on skill enhancement and sustainable practices. We require our suppliers to comply with sustainable procurement policies. Furthermore, we expect our suppliers to adhere to the supplier code of conduct and provide ESG data to REC as and when requested. The senior management is actively involved and oversees the implementation of this policy.

The policy is available at https://recindia.nic.in

b. If yes, what percentage of inputs were sourced sustainably?

90.21% of REC's inputs amounting to ₹152.96 crore were sourced sustainably and ESG declaration is taken from respective suppliers. In case of our subsidiary (REC PDCL), procurement predominantly includes very high-value tenders issued on behalf of its clients as a Project Implementation Agency (PIA). These tenders are in the nature of Price Discovery and RECDPCL does not own or pay for these assets. Segregating above procurement, RECPDCL own procurement amounts to ₹47.71 crore in financial year 2023-24 and is largely constitutes of Hiring of Consultancy services (₹45.6 crore). Considering insignificant procurement figure compared to REC, RECPDCL has not been tracking ESG performance of suppliers as of now. However it is confirmed that RECPDCL has started the process for capturing this aspect of procurement and same will be reported going forward. For GHG Emission and other reporting, we have segregated third parties procurement of RECPDCL.

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.

Type of waste	Mechanism
Plastics (including packaging)	Given the nature of business and operations, we do not have material plastic waste, e-waste and other waste. Further, the operations do not generate any hazardous waste. For E-waste and plastic waste generated, we partner with authorized recyclers for ensuring sustainable waste management. Furthermore, we have introduced mechanisms to promote use of products made of recycled plastic and reduced plastic use to very minimal by encouraging use of substitutes such as ceramic glasses, steel bottles, jute bags, cloth bags etc.
E-waste	
Hazardous waste	
Other waste	

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.**

No, since REC is a NBFC, Extended Producer Responsibility is not applicable to REC.

LEADERSHIP INDICATORS

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for the manufacturing industry) or for its services (for the service industry)? If yes, provide details in the following format:**

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
Life Cycle Assessment is not applicable for REC. Being a non banking finance company, 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 power and infrastructure & logistics 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, under Official Development Assistance - KfW-III, which is applicable for financing renewable energy projects. The same serves as the roadmap for REC to address & 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
No significant social or environmental concern / risk is envisaged from production or disposal of the Company's products / services. REC is not a manufacturing Company. However, as a part of its appraisal process for all the power project it finances, REC identifies and assess the potential environmental risks of the projects. Environmental issues, if any, are identified through due diligence, site visits and review of applicable compliances etc. 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.		

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).**

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-24	FY 2022-23
Not applicable. There are no major input materials used since the nature of operations is focused on lending, furthermore, 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:**

	FY 2023-24			FY 2022-23		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Not applicable, REC does not manufacture any products; hence, there is no product or packaging material reclaimed.					
E-waste						
Hazardous waste						
Other waste						

Note: The change results from recent improvements in our data verification processes, ensuring the utmost accuracy and reliability

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not applicable, REC does not manufacture any products; hence, there are no product or packaging materials reclaimed.	

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	% of employees covered by										
	Total (A)	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	434	434	100	434	100	NA	NA	434	100	434	100
Female	78	78	100	78	100	78	100	NA	NA	78	100
Total	**512**	**512**	**100**	**512**	**100**	**78**	**100**	**434**	**100**	**512**	**100**
Other than Permanent employees											
Male	399	364	91	361	90	NA	NA	82	21	1	Nil
Female	69	66	96	64	93	69	100	NA	NA	0	Nil
Total	**468**	**430**	**92**	**425**	**91**	**69**	**100**	**82**	**21**	**1**	Nil

Applicability of the measures were reviewed and all the above benefits covers all our permanent employees, including employees eligible otherwise. Accordingly, reporting is updated compared to last year.

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	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	Not applicable										
Female											
Total											
Other than Permanent workers											
Male	Not applicable										
Female											
Total											

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

	FY 2023-24	FY 2022-23
Cost incurred on well- being measures as a % of total revenue of the company	0.023%	0.024%

2. **Details of retirement benefits:**

Benefits	FY 2023-24			FY 2022-23		
	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.)
Provident Fund	100	NA	Y	100	NA	Y
Gratuity	100	NA	Y	100	NA	Y
ESI	NA	NA	NA	NA	NA	NA
Others-NPS/ PRMS etc.	100	NA	Y	100	NA	Y

Note: Above data corresponds to Permanent Employees.

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, wheelchair accessible restrooms and direction signs in braille at various points. Further, the corporate website of REC complies with World Wide Web Consortium (W3C) Web Content Accessibility Guidelines (WCAG) 2.0 level AA. This will enable people with visual impairment to access the website using assistive technologies, such as screen readers. The information on the website is accessible with different screen readers, such as JAWS, NVDA, SAFA, Supernova and Window-Eyes. Further information about the same can be accessed at https://recindia.nic.in/screen-reader-access.

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. The policy is available at https://recindia.nic.in

5. Return to work and retention rates of permanent employees and workers that took parental leave:

	Permanent employees		Permanent workers	
Gender	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	Not applicable	
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	Not applicable
Other than Permanent Workers	
Permanent Employees	Yes, REC has a grievance redressal mechanism to receive and redress grievances of the employees. The employee can raise the grievance with the reporting manager. The reporting manager will try to resolve the grievance within 7 days. In case the employee is not satisfied with the redressal, She/he can submit the grievance to the concerned HoD within 15 days. The HoD will try to resolve the grievance within 7 days. In case the employee is still not satisfied with the decision or fails to receive response within stipulated time frame, She/he can escalate the grievance to the grievance redressal Committee. The decision of the Committee will be communicated to the employee within 45 days. In exceptional cases, the aggrieved employee who is still not satisfied, will have an option to appeal to CMD within 10 days from the date of receipt of decision from grievance Committee. The CMD will take a decision and communicate the same within 30 days. All grievances received are tracked and monitored on regular intervals. The decision notes are also maintained for future records.
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. Membership details is as below :

Category	FY 2023-24			FY 2022-23		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees						
Male	434	434	100	353	353	100
Female	78	78	100	64	64	100
Total	**512**	**512**	**100**	**417**	**417**	**100**
Total Permanent Workers						
Male	Not applicable					
Female						
Total						

8. Details of training given to employees and workers:

Category	FY 2023-24					FY 2022-23*				
	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	833	799	96	725	87	353	340	96	340	96
Female	147	142	97	132	90	64	60	94	60	94
Total	980	941	96	857	87	417	400	96	400	96
Workers										
Male	Not applicable									
Female										
Total										

** Record keeping and data collation/verification methodology was reviewed and accordingly, information has been updated ensuring utmost accuracy and reliability wherever required.*

9. Details of performance and career development reviews of employees and worker:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male^	434	434	100%	353	353	100%
Female ^	78	78	100%	64	64	100%
Total	512	512	100%	417	417	100%
Workers						
Male	Not applicable					
Female						
Total						

^ Permanent employees

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:

REC is committed to provide a safe and healthy workplace by minimizing the risk of accidents, injury and exposure to health risks and it complies with applicable laws and regulations with respect to safety at workplace. The nature of REC's business operations poses no occupational health and safety hazards per se. The fire extinguishers, fire exits, first aid boxes, etc. are monitored and evaluated on a regular basis. Periodic internal communication and alerts are sent out to employees and awareness sessions, trainings and mock drills are conducted on safety related aspects such as first-aid, fire safety, including evacuation drills. There are periodic checks on electrical and fire safety parameters and the issues highlighted are rectified immediately. REC has implemented several initiatives to ensure a safe and healthy working environment for its employees including organizing annual health check-ups, medical camps and regular interactions with health professionals. REC has also established a comprehensive medical policy to safeguard the health and well-being of employees. This policy includes coverage for medical expenses as well as provisions for medical leave.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

This is not directly applicable given the nature of business. However, REC carries out routine workplace inspections. Furthermore, REC has instituted a rigorous procedure to address electrical and fire hazards, which include regular testing and training for emergency response activities. There are regular audits done to assess the electrical and fire safety parameters, including daily checks of emergency exits and related equipment. We also conduct quarterly mock fire drills and first-aid training.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/ No)

Yes. REC has a process to report work-related hazards.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No).

Yes, REC organizes regular health check-ups, medical camps and interactions with health professionals. Initiatives are undertaken to build awareness around critical issues related to heart care, diabetes, cancer etc. Apart from this the employees and their dependents are also covered under the health insurance policy.

11. Details of safety related incidents:

Safety Incident/Number	Category*	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) per one million-person hours worked)	Employees	Nil	Nil
	Workers	Nil	Nil
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	Nil	Nil
No. of fatalities	Employees	Nil	Nil
	Workers	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Nil	Nil

*Including the contract employees

12. Describe the measures taken by the entity to ensure a safe and healthy workplace:

REC acknowledges the significance of ensuring a healthy and safe working environment for all of its employees and contractors. We have adopted measures to ensure periodic electrical and fire safety parameters are checked and necessary action is taken in a timely manner. In order to provide improved health care facilities to the employees, part-time services of doctors are engaged to provide onsite medical facilities. We conduct sessions with expert speakers and encourage employees to adopt a healthy lifestyle. To facilitate recreation and a healthy lifestyle, a Gymnasium is available for employees on the premises. Various Yoga programs and Health Camps are also organized by the company regularly for the employees.

13. Number of Complaints on the following made by employees and workers:

	FY 2023-24			FY 2022-23		
	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	Nil	Nil	No complaints	Nil	Nil	No complaints
Health & Safety	Nil	Nil	No complaints	Nil	Nil	No complaints

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	REC strives to keep the workplace environment healthy, safe and hygienic, upholding the dignity of the employees. All offices are internally assessed periodically through internal audits for various aspects of health and safety measures and related working conditions.
Working conditions	

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. REC takes various measures to ensure safety in its premises, no significant risks/ concerns have arisen from the internal assessments of health and safety practices and working conditions.

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 as declared by the employee.

(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, REC 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 rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Employees	Nil	Nil	Nil	Nil
Workers	Not applicable			

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)

Yes. REC is a CPSE, which follows employment norms of DPE in cases of retirement or termination of employment. REC also provides post-retirement medical benefits and other welfare measures to its retired employees.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Nil
Working Conditions	Nil

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:

REC has a stakeholder engagement policy outlining the approach for identifying, engaging and managing stakeholders. In the context of this policy, a stakeholder denotes individuals or groups who are either directly or indirectly impacted by the activities of REC, along with those who hold vested interests in REC's business operations or possess the capacity to influence the outcomes of such operations. REC recognizes employees, business associates (suppliers, vendors, partners and service providers), shareholders/investors, banking institutions, regulatory bodies, customers and neighboring communities as pivotal stakeholders. REC has mapped its internal and external stakeholders. Internal stakeholders include employees and staff of the Company; and external stakeholders include business associates (suppliers, vendors, partners), shareholders/investors, bondholders, creditors, borrowers, banking institutions, 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., customers and neighboring communities. The process of identifying our stakeholders continues to be an ongoing undertaking, which enables us to stay up to date with developments in their needs and respond accordingly. We proactively address their expectations, mitigate potential risks and build lasting relationships that are essential to our prosperity, by understanding the needs and concerns of our stakeholders.

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/ Dissemination of information through Stock Exchange Mechanism etc.	Quarterly	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/Website/Dissemination of information through Stock Exchange Mechanism	Need based	Allotment, Interest Servicing, Redemption Payment, Bond Certificate/Demat Credit. Addressing requests/ grievances of bondholders from time to time.
Employees	No	Emails/Notice Board/ Website	Need based	Inform the employees of the key developments within the organization, sharing company's progress both on operational and financial front, etc., discussion on ESG aspects, NGRBC principles, employee wellbeing and development, human rights, health and safety etc.
Community	No	Surveys/Impact assessment/ CSR Activities/Personal interactions/Project-based discussions	Need based	Community development and wellbeing, CSR projects
Vendors	No	Email/SMS/Meetings/Letters/ Telephone	Need based	Procurement of goods/services through tendering/ GeM Portal process, redressal of their grievances. Vendor Development Programmes are also organised from time to time.
Customers	No	Email/SMS/Website/ Letters/ Telephone	Need based	Customer satisfaction surveys

While majority of stakeholder groups listed here are not classified as Vulnerable or Marginalized, there are segments within these groups that are deemed as Vulnerable or Marginalized. This includes individuals from economically disadvantaged sections, lower income groups, women, children, people with disability, MSME enterprises, enterprises owned by SC/ST and women entrepreneurs. REC is committed to uplifting these marginalized segments of society by providing them trainings and equal opportunities.

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.**

REC, within the boundaries of relevant regulations, ensures clear and open communication and provides access to pertinent information regarding its decisions affecting relevant stakeholders. This is balanced with the need to safeguard confidential competitive strategies and information.

REC already has various Board-approved policies in place, to address the economic, environmental and social topics relating to its business. These policies have been developed based on the input from relevant stakeholders. Further, to serve as a guiding document for all ESG initiatives and activities undertaken by REC, the Board of Directors of the Company has approved the Environment, Social & Governance (ESG) Policy of REC.

Engagement with stakeholders is an ongoing process integrated into business activities of REC. Typically, business units lead this engagement, with senior executives participating as necessary. The Board of Directors is regularly briefed on the outcomes of these engagements and offers guidance and insights on related matters.

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, REC has approved its Environment Social and Governance (ESG) Policy to contribute towards society. The ESG policy incorporates input received from all stakeholders. The ESG policy framework of the Company, *inter-alia*, comprises environmental impact considerations in its operational, financial and risk management linked decision-making. Further, to ensure the financing of clean energy, suitable conditions related to Environmental, Health, Safety and Social (EHSS) aspects, are being added to the loan agreement/sanction.

3. **Provide details of instances of engagement with and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

REC is registered on GeM (Government e-Marketplace), Sambandh, Samadhan and 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 and Company also promotes procurement from MSEs & women entrepreneurs and extends certain facilities in its procurement procedures to registered MSEs. It is also noteworthy, that there was no complaint against REC regarding delay in payments or any other grievance by any MSE vendor, on Government of India's Samadhan portal during the year. The Company also 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. Furthermore, our CSR initiatives also focus on upliftment of marginalized, poor, needy, deprived, underprivileged and differently abled persons.

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:**

Category	FY 2023-24			FY 2022-23#		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	512	467	91.21	417	375	89.92
Other than permanent	468	414	88.46	2	2	100
Total	**980**	**881**	**89.90**	**419**	**377**	**89.97**
Workers						
Permanent	Not applicable					
Other than permanent						
Total						

#Record keeping and data collation/verification methodology was reviewed and accordingly, information has been updated ensuring utmost accuracy and reliability wherever required.

2. **Details of minimum wages paid to employees and workers:**

Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees*										
Permanent										
Male	434	Nil	Nil	434	100	353	Nil	Nil	353	100
Female	78	Nil	Nil	78	100	64	Nil	Nil	64	100
Other than Permanent										
Male	399	19	4.76	380	95.24	2	Nil	Nil	2	100
Female	69	2	2.90	67	97.10	0	Nil	Nil	Nil	Nil
Workers										
Permanent										
Male	Not Applicable									
Female										
Other than Permanent										
Male	Not Applicable									
Female										

**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:**

a. **Median remuneration/wages:**

Amount in ₹

	Male		Female	
	Number	**Median remuneration/ salary/ wages of respective category**	**Number**	**Median remuneration/ salary/ wages of respective category**
Board of Directors (BoD)	2*	66,04,915.00	Nil*	Nil
Key Managerial Personnel	3	91,94,056.36	Nil	Nil
Employees other than BoD and KMP	433^	27,26,527.80	78^	28,60,655.00
Workers	Not applicable			

** Details of Remuneration submitted include that of only Chairman and Managing Director & Whole-time Director(s).*
^ Permanent employees

b. **Gross wages paid to females as % of total wages paid by the entity:**

	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages paid by the entity	14.18%	15.20%

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.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

REC has a human rights policy which applies to all stakeholders involved with the company, including all employees (permanent or contractual), contractors/ suppliers, partners and consultants. We expect all stakeholders to adhere to human rights principles in their dealings with REC. REC prohibits all forms of human trafficking, forced labour and child labour within its operations and value chain. REC is committed to providing equal remuneration for work of equal value and ensuring non-discrimination in all aspects of employment, including recruitment, hiring, promotion, compensation and termination. We prohibit discrimination based on gender, age, religion, disability, sexual orientation, or any other protected characteristic.

To address reports of human rights breaches effectively, REC has established a robust, efficient, fair, transparent and open grievance redressal mechanism to address concerns of all stakeholders. The mechanism is designed to track, monitor and respond to such concerns promptly, providing effective solutions to aggrieved parties. Any individual who wishes to report human right grievances can reach out to the respective stakeholder grievance redressal officer as per REC stakeholder grievance redressal policy.

The grievance redressal mechanism establishes a structured and equitable procedure through which both internal and external stakeholders can voice and address their grievances, concerns and complaints. To ensure compliance with the policy and procedures, REC might conduct regular audits and assessments of its own operations as well as for value chain partners to monitor and evaluate adherence to human rights principles.

6. **Number of Complaints on the following made by employees and workers:**

	FY 2023-24			FY 2022-23		
	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	Nil	Nil	-	Nil	Nil	-
Discrimination at workplace	Nil	Nil	-	Nil	Nil	-
Child Labour	Nil	Nil	-	Nil	Nil	-
Forced Labour/ Involuntary Labour	Nil	Nil	-	Nil	Nil	-
Wages	Nil	Nil	-	Nil	Nil	-
Ohter Human Rights related issues	Nil	Nil	-	Nil	Nil	-

7. **Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees / workers	Nil	Nil
Complaints on POSH upheld	Nil	Nil

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases:

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 the workplace and upholds that career advancement is based on talent and performance. All stakeholders internal as well as external irrespective of their position, caste, creed, gender and religion, are given due respect and dignity.

Cases related to prevention of sexual harassment at workplace are treated with utmost sensitivity and confidentially in line with the guidelines of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013.

REC prohibits retaliation against any employee who reports in good faith any suspected or potential violation of the Code of Ethics and Personal Conduct of the Company which includes aspects of discrimination and harassment. Pursuant to the Whistle Blower Policy of the Company, a 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/policies

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	-

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 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. There were no grievances/ complaints raised in the reporting year.

2. Details of the scope and coverage of any Human rights due diligence conducted:

While REC has a human rights policy and includes human rights requirements in declarations from vendors. There was no human rights due diligence conducted in the reporting year.

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 corporate office premises are accessible to differently abled visitors, with elevators and ramps, wheelchair accessible restrooms and direction signs in braille at various points. Further, the corporate website of REC Limited complies with World Wide Web Consortium (W3C) Web Content Accessibility Guidelines (WCAG) 2.0 level AA. This will enable people with visual impairments to access the website using assistive technologies, such as screen readers. The information on the website is accessible with different screen readers, such as JAWS, NVDA, SAFA, Supernova and Window-Eyes. Further information about the same can be accessed at https:// recindia.nic.in/screen-reader-access.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	REC is taking mandatory ESG declarations as a part of tendering process. However, no assessment was done for value chain partners.
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	

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 (GigaJoule : GJ) and energy intensity:

Parameter	FY 2023-24	FY 2022-23
From renewable sources		
Total electricity consumption (A) (GJ)	4,965	4,854
Total fuel consumption (B) (GJ)	Nil	Nil
Energy consumption through other sources (C) (GJ)	Nil	Nil
Total energy consumed from renewable sources (A+B+C) (GJ)	4,965	4,854
From non-renewable sources		
Total electricity consumption (D) (GJ)	7,930	6,640
Total fuel consumption (E) (GJ)	2,119	1,474
Energy consumption through other sources (F) (GJ)	Nil	Nil
Total energy consumed from non-renewable sources (D+E+F) (GJ)	10,049	8,114
Total energy consumed (A+B+C+D+E+F)	15,014	12,968
Energy intensity per crore of turnover (Total energy consumed in GJ / Revenue from operations in crore)	0.32	0.33
Energy intensity per crore of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed GJ / Revenue from operations in crore adjusted for PPP)	7.08	7.52
Energy intensity in terms of physical output	Not Applicable	Not Applicable
Energy intensity (optional) – the relevant metric may be selected by the entity	Not Applicable	Not Applicable

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? - Yes, REC has undertaken reasonable assurance for BRSR core parameters from M/s Corporate Professionals.

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? Yes/No. 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:

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	Nil	Nil
(ii) Groundwater	Nil	Nil
(iii) Third party water	38,121.17*	33,634.32
(iv) Seawater / desalinated water	Nil	Nil
(v) Others	Nil	Nil
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	38,121.17	33,634.32
Total volume of water consumption (in kilolitres)	38,121.17 **	33,634.32
Water intensity per crore of turnover (Total water consumption in Kl / Revenue from operations in crore)	0.80	0.85
Water intensity per core of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption in Kl / Revenue from operations in crore adjusted for PPP)	17.98	19.49
Water intensity in terms of physical output	Not Applicable	Not Applicable
Water intensity (optional) – the relevant metric may be selected by the entity	Not Applicable	Not Applicable

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. - Yes, REC has undertaken reasonable assurance for BRSR core parameters from M/s Corporate Professionals.

**Please note that REC is a NBFC and not a manufacturing entity. Consequently, our water consumption is minimal and the data reported is as per water bills .*

***Please note that REC is a NBFC and hence water withdrawal is assumed to be equal to water consumed as water discharged is negligible*

4. Provide the following details related to water discharged:

Parameter	FY 2023-24	FY 2022-23
Water discharge by destination and level of treatment (in kiloliters)		
(i) To Surface water	REC is a NBFC, water discharge is very minimal, however REC Corporate office designed to have zero water discharge, as water collected from rain water and third party (HUDA) is being fully utilized in the building including re-cycling of waste water (Sewage water) through STP and again utilizing the same in Horticulture and flushing.	
No treatment		
With treatment – please specify level of treatment		
(ii) To Groundwater		
No treatment		
With treatment – please specify level of treatment		
(iii) To Seawater		
No treatment		
With treatment – please specify level of treatment		
(iv) Sent to third parties		
No treatment		
With treatment – please specify level of treatment		
(v) Others		
No treatment		
With treatment – please specify level of treatment		
Total water discharged (in kiloliters)		

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. - Yes, REC has undertaken reasonable assurance for BRSR core parameters from M/s Corporate Professionals.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation:

REC being a Financial Services company, implementation of zero liquid discharge mechanism is not an obligation. However, the Corporate Office Building of REC, located in Gurugram, is a zero liquid discharge building designed to use wastewater drained after Reverse Osmosis (ROs) and Rain water used for Solar cleaning, HVAC / Chillers, Toilets & floor washing, water bodies etc. in. Further, Building is designed to use water treated through STP, for Horticulture and flushing purposes.

6. Please provide details of air emissions (other than GHG emissions) by the entity:

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx	Tonnes	0.004833261	-
SOx	Tonnes	0.000670596	
Particulate matter (PM)	Tonnes	0.000856466	
Carbon Monoxide	Tonnes	0.000766082	

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. - Yes, REC has undertaken reasonable assurance for BRSR core parameters from M/s Corporate Professionals.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity:

Parameter	Unit	FY 2023-24		FY 2022-23*	
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	**555.37**		**281.92**	
		tCO_2	140.03	tCO_2	98.64
		CH_4 - tCO_2e	0.68	CH_4 - tCO_2e	0.56
		N_2O - tCO_2e	0.46	N_2O - tCO_2e	0.42
		HFCs - tCO_2e	414.20	HFCs - tCO_2e	182.30
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	**1577.17**		**1320.59**	
		tCO_2	1577.17	tCO_2	1320.59
		CH_4 - tCO_2e	0	CH_4 - tCO_2e	0
		N_2O - tCO_2e	0	N_2O - tCO_2e	0
		HFCs - tCO_2e	0	HFCs - tCO_2e	0
Total Scope 1 and Scope 2 emission intensity per crore of turnover (Total Scope 1 and Scope 2 GHG emissions in MT/ Revenue from operations in crore)	Metric tonnes of CO_2 equivalent/ INR	0.045		0.041	
Total Scope 1 and Scope 2 emission intensity per crore of turnover adjusted for Purchasing Power Parity(PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations in crore adjusted for PPP)	Metric tonnes of CO_2 equivalent/ USD	1.005		0.929	
Total Scope 1 and Scope 2 emission intensity in terms of physical output		Not Applicable		Not Applicable	
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		Not Applicable		Not Applicable	

** Record keeping and data collation/verification methodology was reviewed and sanitized further and accordingly, information has been updated ensuring utmost accuracy and reliability wherever required.*

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- - Yes, REC has undertaken reasonable assurance for BRSR core parameters from M/s Corporate Professionals.

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details:

REC, in line with the Government's outlook for renewable energy sector 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 2023-24 were ₹1,36,516.17 crore towards 82 renewable energy projects, with aggregate installed generation capacity of 17,464.8 MW. Moreover, company's sanction in renewables projects has seen an astonishing growth of 533% Y-o-Y, while overall sanction has grown by 34% Y-o-Y. The Company's policies for renewable energy projects are reviewed from time to time, to meet the ever-evolving needs of this dynamic sector. REC's financing norms for renewable energy projects can be accessed from the corporate website at https://recindia.nic.in/loan-policy-circular. 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.

Diesel generator was converted in dual fuel generator (70% Diesel and 30% PNG) to reduce pollutants

9. Provide details related to waste management by the entity in the following format:

Parameter	FY 2023-24	FY 2022-23
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0.55	Nil
E-waste (B)	0.53*	0.16*
Bio-medical waste (C)	Nil	Nil
Construction and demolition waste (D)	Nil	Nil
Battery waste (E)	Nil	Nil
Radioactive waste (F)	Nil	Nil
Other Hazardous waste. Please specify, if any. (G)	Nil	Nil
Other Non-hazardous waste generated (H).	35.45*	Nil
Total (A+B + C + D + E + F + G + H)	**36.53***	**0.16***
Parameter	**FY 2023-24**	**FY 2022-23**
Waste intensity per crore of turnover (Total waste generated in MT / Revenue from operations in crore)	0.00077	0.000
Waste intensity per crore of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated in MT / Revenue from operations in crore adjusted for PPP)	0.01723	0.00009
Waste intensity in terms of physical output	Not Applicable	Not Applicable
Waste intensity (optional) – the relevant metric may be selected by the entity	Not Applicable	Not Applicable
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste: E-waste	-	-
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	**0.53***	**0.16***
Category of waste - Other Non-hazardous waste generated		
(i) Recycled	16.2*	-
(ii) Re-used	-	-
(iii) Other recovery operations – Composting	19.8*	-
Total	**36.00***	**-**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	Nil	Nil
(ii) Landfilling	Have hired Govt. Authorised 3rd Party Waste Management Vendor for all our office waste management as per Government Guidelines.	
(iii) Other disposal operations		
Total		

**Note: REC as NBFC waste generated is office waste only and is very minimal.*

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? - Yes, REC has undertaken reasonable assurance for BRSR core parameters from M/s Corporate Professionals.

10. **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, Government of India and State Pollution Control Committee/ Board Electronic waste, by following the procedure defined under REC's Procurement Guidelines.

11. **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:**

Sl. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not applicable. None of the operations/ offices are in/around ecologically sensitive area.			

12. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
REC being a NBFC, finances infra 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.					

13. **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. Yes/No. If not, provide details of all such non-compliances in the following format:**

Sl. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken if any
REC complies with all 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. **Water withdrawal, consumption and discharge in areas of water stress (in kiloliters):**

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area: Not applicable

(ii) Nature of operations: Other Financial Services and Activities - Other Credit Granting

(iii) Water withdrawal, consumption and discharge: Not applicable

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	Not applicable	
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Water consumed / turnover)		
Water intensity (optional) – the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	Not applicable	
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? - Yes, REC has undertaken reasonable assurance for BRSR core parameters

2. Please provide details of total Scope 3 emissions & its intensity:

Parameter	Unit	FY 2023-24	FY 2022-23*
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	10,295.23	5,254.77
Total Scope 3 emissions per crore of turnover	Metric tonnes of CO2 equivalent/ INR in crore	0.22	0.22
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	-	Not Applicable	Not Applicable

** Record keeping and data collation/verification methodology was reviewed and sanitized further and accordingly, information has been updated ensuring utmost accuracy and reliability wherever required. Further, third party tenders is segregated from RECPDCL procurement to calculate emission.*

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. **-** Yes, REC has undertaken reasonable assurance for BRSR core parameters from M/s Corporate Professionals.

3. 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.

4. 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:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Use of energy efficient façade and radiant cooling slabs	REC Corporate Office Building located in Gurugram 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.	~30% reduction in HVAC load requirement
2.	Solar plant	Solar plant of 979 kWp has been installed at top of the REC Corporate Office building (supported by solar pergola structure) to cater REC office load requirement by using clean and renewable source of energy.	987.43 tCO_2e emissions reduced due to use of renewable energy
3.	Reducing paper consumption	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.	-
4.	Conversion of existing Diesel generator to dual fuel generator	Converted existing 1010 kVA Diesel generator Set at REC Corporate office into Dual Fuel (70% PNG and 30% Diesel) to minimize GHG emissions.	-

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link:

Yes, REC has implemented the Business Continuity and Disaster Recovery Plan. Requisite training programs are conducted for the teams to be prepared to respond in a crisis. Disaster drills exercises are conducted at regular intervals to assess the efficacy of procedures and guidelines as mentioned in the plan. Such drills are audited through external CERT-In certified auditors. Observations received from such audits are considered as a part of continuous improvements. The plan is reviewed at periodic intervals and the management and board are kept abreast of any developments or changes in the BCP.

6. 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 the 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 harmful emissions and particulate matter. During the financial year, REC has sanctioned projects for installation of FGD, with total loan amount of ₹1,658 crore. REC is also financing Ultra Super Critical Thermal Power Projects with higher thermal efficiency than the conventional thermal power plants and during the financial year 2023-24 REC has sanctioned 5 projects worth ₹22,719 crore.

7. 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 projects. 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: 6**

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.	Press Club of India	National
2.	Standing Conference of Public Enterprises (SCOPE)	National
3.	Confederation of Indian Industry (CII)	National
4.	Central Board of Irrigation & Power (CBIP)	National
5.	Chartered Institute of Logistics and Transport (CILT)	National
6.	World Energy Council (WEC), India	National

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:**

Name of authority	Brief of the case	Corrective action taken
No adverse orders were passed from regulatory authorities.		

LEADERSHIP INDICATORS

1. **Details of public policy positions advocated by the entity:**

Sl. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available

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 MoP&NG, Coal, MNRE, MEA and CEA, Department of Atomic Energy acting as Vice Chairman of the body.

The Board of Directors and Senior Officials of REC contribute towards the formulation of various policies relating to power sector, as part of various Committees/working groups constituted by Ministry of Power, Government of India. Based on the Government of India Commitment to International community to achieve the target of net zero emissions by 2070, REC has been emphasizing and advocated for clean technology, energy efficiency and renewable energy in its business proposition and at various industry platforms from time to time.

With dedicated efforts of many years, REC has contributed towards achieving village and household electrification in the country, especially in the far-flung areas. The Company has been the nodal agency for key power sector schemes such as Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY), Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA) and Ujwal DISCOM Assurance Yojana (UDAY).

REC is currently playing the role of nodal agency for Revamped Distribution Sector Scheme (RDSS) for 19 states. RDSS is Reforms-based and Results-linked Scheme with an outlay of ₹3,03,758 crore over 5 years financial year 2021-22 to financial year 2025-26 with Gross Budgetary Support (GBS): ₹97,631 crore. Its Objectives is to (i) To improve quality, reliability and affordability of power supply to consumers., (ii) Reduce all India AT&C losses to 12-15% by 2024-25 and (iii) Reduce ACS-ARR gap to zero by 2024-25.

Smart prepaid metering is the main features of the RDSS Scheme and REC has played a pivotal role on behalf of MoP for running media campaign and awareness program across the country to spread the benefits of the smart prepaid metering.

To support and advise MoP in policy formulation, Regulatory Compliance and Monitoring Division namely Utility Reforms and System Intervention has been established for supporting the distribution utilities for such works and following activities is carried out.

Sl. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available

1) Consumer Service Rating of DISCOMs (CSRD) report is also being published by REC on behalf of MoP. Purpose of CSRD is to encourage DISCOMs to address existing gaps and learn through best practices adhered by other DISCOMs resulting in enhanced consumer satisfaction level Inline with Electricity (Rights of Consumers) Rules, 2020 and develop a sense of competitiveness among DISCOMs.

   CSRD evaluation is carried out on four parameters namely Operational Reliability, Connections and other Services, Metering and billing & Collection and lastly Fault Rectification and Grievance Redressal. In financial year 2023: 4 DISCOMs come in A+ category, 8 DISCOMs in A category.

   CSRD reports can be accessed at <https://recindia.nic.in/consumer-service-rating-of-discoms>.

2) Framework to enable Advanced Technologies in power distribution (POWERTHON) : POWERTHON-was launched in Feb' 2022 aiming at leveraging the existing network of Technology Solution Providers (TSPs) to test & scale up use cases of AI/ML in DISCOMs to solve various issues such as AT&C Losses, DT Failure, Load forecasting, etc. Details can be accessed at https://recindia.nic.in

3) Report on Key Regulatory Parameters of Power Utilities: REC has been publishing a compilation of "Key Regulatory Parameters of Utilities" and can be accessed at <https://recindia.nic.in/RegulatoryParameters>

4) Other initiatives of MoP like Energy Accounting and Auditing is being carried by REC.

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 other Government Programs like Ladakh Transmission works, Implementation of Prime Minister Development Package (PMDP) works aimed to ensure 24x7 reliable & quality power to the consumers of UT of J&K and UT of Ladakh

Flagship National Feeder Monitoring scheme of Ministry of Power under RDSS is being implemented by RECPDCL wherein all outgoing distribution feeders shall be integrated with NFMS through Feeder Monitoring Solutions at utility level with an objective of monitoring the Reliability & Quality of Power to consumers.

This financial year, REC has been named National Programme Implementing Agency for another flagship program of Government of India under MNRE namely PM Surya Ghar Muft Bijli Yojana with a total outlay of ₹75,021 crore for installing rooftop solar and providing free electricity up to 300 units every month for One Crore households. The Hon'ble Prime Minister had launched the scheme on February 13, 2024.

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:

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not applicable					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:

Sl. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
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 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers	29.51%^	55.31%^^
Directly from within India	100%	100%

^ During financial year 2023-24, REC has done 37% procurement from Micro and Small Enterprises (MSEs) on a standalone basis. When including the procurement activities of our subsidiary, RECPDCL, the consolidated MSE procurement is 29.51%. It's important to note that only RECPDCL's own procurement is included in this calculation, as it primarily handles large-scale, non-MSE purchases for power utilities(facilitates) as part of its business and are excluded.

^^ During financial year 2022-23, REC on standalone had sourced 55% inputs from MSME and on consolidated level the procurement from MSMEs comes to 55.31% which is excluding the procurement done for third parties by RECPDCL

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost:

Location	FY 2023-24	FY 2022-23
Rural	0	0
Semi-urban	0	0
Urban	8.53%	7.88%
Metropolitan	91.47%	92.12%

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):

Details of negative social impact identified	Corrective action taken
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 ₹
1.	Andhra Pradesh	Kadapa	12,503,012
2.	Bihar	Muzaffarpur	97,620,154
3.	Himachal Pradesh	Chamba	3,263,645
4.	Madhya Pradesh	Chhatarpur	2,311,990
5.	Madhya Pradesh	Khandwa	-7,76,944
6.	Maharashtra	Gadchiroli	2,560,000
7.	Mizoram	Mamit	15,193,266
8.	Nagaland	Kiphire	21,473,162

An "Aspirational District" is a designation by the Government of India aimed at improving the socio-economic status (health & nutrition, education, agriculture & water resources, financial inclusion & skill development) of districts that are relatively underdeveloped.

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/policies

(b) From which marginalized /vulnerable groups do you procure?

REC has made it mandatory to procure 100% of certain common use goods & services valuing up to ₹10 lakh from MSE vendors and also to allow purchase preference up to 25% of the tendered value to MSEs, out of which 4% is reserved for MSEs owned by SC, ST and 3% is reserve MSEs owned by women entrepreneurs for all cases where L_1 vendor is other than MSE vendors by allowing MSE vendors for price matching with L_1 if MSE bidders have quoted price within the band of L_1 +15%, wherever splitting is feasible. The Company extends various facilities in its procurement procedures to registered MSEs, 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% procurement from micro and small enterprises (MSE) out of which 4% is to be from SC/ST vendors and 3% from Woman vendors. For financial year 2023-24, REC procured 37% from MSE 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:

Sl. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
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:

Name of authority	Brief of the Case	Corrective action taken
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 one indoor badminton court in Government Nagarjuna P.G. College of Science, Raipur.	100	100%
2	Providing job-oriented Skill development training to 360 nos. of beneficiaries belonging to SC/ST/OBC/ Women/ EWS etc.	360	100%
3	Construction of "REC Girls Hostel" (G+2) at Kohima Science College, Jotsoma, Nagaland.	NA	NA
4	Providing 1,000 school benches made from recyclable plastic waste in 27 Government schools and conducting awareness programme in 50 schools towards climate change & sustainability for a period of 12 months in Gurugram, Haryana.	1,750	100%
5	Construction of auditorium in Government Higher Secondary School, Kannur.	250	100%
6	Construction of 140 bedded home (Block-B & Part Block-C of Anandam) - A home for the homeless sick, destitute, unknown & elderly people.	140	100%
7	Improving Screening for Cervical Cancer through Empowering Communities in Barabanki	4,000	100%
8	To reduce the prevalence of Gender-Based Violence (GBV) in the urban slums of Mysore (Karnataka) and Bareilly (UP).	200	100%
9	Modernization and Digitization of Psychiatric Rehabilitation Services.	1,000	100%
10	Up-gradation of the District Hospital, Mon by procurement of the medical equipment to strengthen health care services at District Hospital.	2,000	100%
11	Survey and repair of 12,347 toilets constructed during financial year 2014-15 under Swachh Vidyalaya Abhiyan (SVA) by REC' in 5 states Uttar Pradesh, Bihar, Rajasthan, Telangana and Madhya Pradesh.	4,00,000	100%
12	Repair/rectification of toilets constructed by REC under SVA in two tranches: Tranche-2 being of 1,681 toilets.	NA	NA
13	Setting up 1,650 nos. of Solar Street Lights in rural and tribal areas.	10,000	100%
14	Construction of hostel building for ST/ vulnerable/ weaker section of the society in Kelwada (Kumbhalgarh) village.	100	100%
15	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%
16	Construction / extension of staff quarter for medical department and Modular prefabricated housing (quarter) for teachers	10,000	100%
17	Construction of 2 hostel tower (G+8) with furniture, fixtures, landscaping, external lighting & approach road for post graduate students and installation of grid connected 100kWp roof top Solar PV Panel under School of Medical Research and Technology (SMART on IIT, Kanpur).	NA	NA
18	Distribution of aids & assistive devices to approx. 9,000 persons with disabilities by conducting camps in 25 locations in various districts in the country.	5,750	100%
19	Provide 4,300 nos. of aids and appliances to specially abled persons in Assam, Bihar, Chhattisgarh, Jharkhand, Maharashtra, Rajasthan, Uttar Pradesh and Tamil Nadu.	3,911	100%
20	Procurement of 15 nos. of ambulances to be run in tribal areas of various districts in Madhya Pradesh.	5,000	100%
21	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%
22	Free distribution of seeds (Rabi season) to farmers residing in draught prone area.	9,225	100%
23	Transformation of health & school education by providing nursing training, infrastructure support in district hospital, strengthen hospital staff to improve maternal & child health care, procurement of generators, infrastructure development in government school building, teacher training etc.	10,000	100%
24	Rural Development Works like construction of community hall, PCC Road, Conduits, Yatri Shed, installation of LED Lights, RO Plants etc.	10,000	100%
25	Construction of Community Hall at Asufii Punanamei Mao, Senapati.	1,000	100%
26	Procurement & installation of Medical Equipment in the District Hospital in Bilaspur.	2,000	100%
27	Procurement, operation and maintenance of 10 nos. of mobile health clinics for primary health care services for a period of three years.	1,23,000	100%
28	Construction of 12 kms. road from Yaingangpokpi to Laikoiching in Ukhrul district.	10,000	100%
29	Learn and Earn- A REC Foundation Initiative to impart bachelor's degrees to 300 youths in garment manufacturing and entrepreneurship, over the period of three years.	300	80%
30	Setting up of 500 of solar street lighting system (12 Watt) with remote monitoring system (RMS) and 5-year comprehensive AMC in 6 village panchayats of Bilaspur.	3,000	100%
31	Contribution of ₹20 crore over the period of 3 years i.e. ₹6.66 crore per year to the corpus of Gujarat Foundation for Entrepreneurial Excellence's (GFEE) incubators.	NA	NA

Sl. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
32	Construction of 100 bedded waiting hall for the attendant of patients, multipurpose hall and incubation centre at Sadar Hospital and procurement & installation of 25 nos. of incubators at district hospital and PHCs.	100	80%
33	Construction of three classrooms, dining hall and a digital classroom in Zila Parishad High School Morzampadu (V), Machavaram Mandal Palnadu.	500	80%
34	Contribution to PM CARES Fund.	NA	NA
35	Farmer-Centric Integrated Watershed Management for Improving Rural Livelihood.	10,000	100%
36	Broad basing of Sports and promotion of excellence in sports in India.	2,500	100%
37	Installation of various Medical equipment's at Kamptee Cantt Board Hospital, Nagpur.	500	100%
38	Providing holistic education & rehabilitation services for children with visual impairment by providing teaching aids, infrastructural development etc.	250	100%
39	Procurement of Blood Bank equipment for separating the blood components in District Hospital, Machilipatnam.	1,000	100%
40	Renovation of Central Sterile Supply Department (CSSD) unit of AIIMS, Delhi and procurement of new medical equipment.	1,00,000	80%
41	Construction of 200 bedded rest room (Vishram Sadan at SKMCH) for patient's attendants in Sri Krishna Medical College & Hospital.	1,000	90%
42	Construction of compound walls and providing gates in 24 nos. of government schools.	1,200	100%
43	Construction of two multipurpose community hall in Pedayerukapadu village and Edurumundi village of Krishna District.	7,425	100%
44	Contribution to Clean Ganga Fund.	NA	NA
45	Operation of innovative mobile school for imparting free education to 462 children of migrant construction labourers in Gurugram, Haryana and Hardoi, Uttar Pradesh.	462	100%
46	Construction of Kitchen, dining hall & storeroom and installation of Reverse Osmosis water treatment plant in 12 nos. of Government high schools in Pulivendula rural, Pulivendula urban, Lingala and Thoundur mandals in Kadapa.	3,081	100%
47	Extension of Department of Emergency Medicine and procurement & installation of medical equipment in SMS Medical College Jaipur.	NA	NA
48	Healing Little Hearts-an REC initiative to provide free of cost medical support to 1000 children with Congenital Heart Disease (CHD).	1,000	100%
49	Strengthening of education infrastructure cum training component for improving the quality of education in aspirational district Chamba.	3,000	100%
50	Contribution towards Armed Forces Flag Day Fund (AFFD Fund) for providing education grant for children of Ex-Servicemen (ESM), Martyrs and their Widows.	12,500	NA
51	Construction of admin offices & hospital below the Saraswarti plaza, infrastructural development in between Saraswarti Edge & temple street and restoration & developmental work of various kund in Kedarnath town and surrounding areas in Kedarnath.	NA	NA
52	Procurement, operation and maintenance of 2 nos. of mobile medical units for primary health care services in Gadchiroli for a period of three years.	2,400	100%
53	Distribution of aids & assistive devices to persons with disabilities (25 camps) in various Districts / States in the country.	1,750	100%
54	Construction of REC waiting lounge "AIIMS - REC Ashraya" at AIIMS, New Delhi.	NA	NA
55	Improvement of health services and renovation & construction in Primary Health Centre, Primary Sub Health Centre, Community Health Centre and District hospital in Mamit.	5,000	80%
56	Assistance for creating "REC Foundation-Rupantar Role Model Schools" to align with the New Education Policy in 100 schools.	7,000	100%
57	Renovation and Enhancement of Auditorium at ABVIMS & Dr. RML Hospital, New Delhi.	NA	NA
58	Contribution to Swachh Bharat Kosh.	NA	NA
59	Procurement for plantation of 54 plants/trees, by REC CO/ROs/SOs at State power utilities/ urban parks, nearby areas etc.	NA	NA
60	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.	NA	NA
61	REC-Integrity Club under REC Corporate Social Responsibility.	NA	NA
62	Adopting a slum for ensuring cleanliness of the slum-drinking water, sanitation, toilets, IEC campaigning, etc. under Swachhta Action Plan (SAP).	500	100%
63	Developmental work in the villages of Arrah (and Jagdishpur), Barhara & Koilwar blocks in Bhojpur.	2,000	100%
64	Organising month-long Sports Talent Identification and Training camps in Balasore.	10,000	80%

**NA here means not ascertainable.*

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 the Fair practices code and also the grievances received under the same. For the financial year 2023-24, no complaints were received under the Fair Practices Code. The Fair Practices Code of REC can be accessed at https://recindia.nic.in/policies

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

3. **Number of consumer complaints in respect of the following:**

	FY 2023-24			FY 2022-23		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	Nil	Nil	NA	Nil	Nil	NA
Advertising	Nil	Nil	NA	Nil	Nil	NA
Cyber-security	Nil	Nil	NA	Nil	Nil	NA
Delivery of essential services	Nil	Nil	NA	Nil	Nil	NA
Restrictive Trade Practices	Nil	Nil	NA	Nil	Nil	NA
Unfair Trade Practices	Nil	Nil	NA	Nil	Nil	NA
Other	1	1	Complaint filed in District Consumer Disputes Redressal Commission, Sirsa. REC's reply has been filed.	1	Nil	The said matter was disposed as the same was withdrawn by consumer.

4. **Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

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:**

Yes, the policy is available on the website of the Company at https://recindia.nic.in/

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:**

IT Division engaged Cert-In empaneled Security Agency to carry out various Cyber Security Audits of REC's ICT Infrastructure.

7. **Provide the following information relating to data breaches:**

a. Number of instances of data breaches: Nil

b. Percentage of data breaches involving personally identifiable information of customers: Nil

c. Impact, if any, of the data breaches: Nil

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 and infrastructure & logistics 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 related information for customers is available on the Company's website at https://recindia.nic.in Details of our business profile can be accessed at https://recindia.nic.in

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 Senior Chief Program Manager (Sr. CPM)/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/Sr. CPMs/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

   REC had developed DISCOM Consumer Service Rating based on four key dimensions (operational reliability; connection and other services; metering, billing, collection linked services; fault rectification and grievance redressal) which are central to enhancing level of consumer services. This will enable the DISCOMs to introspect their performance across various service parameters, undertake a comparative performance assessment with peer DISCOMs and take corrective measures. The Key objectives for the Consumer Service Index are:

   - To create a minimum set of parameters related to quality and reliability of electricity supply and consumer service.
   - Track performance of DISCOMs across these aspects over a period of time.
   - Develop a spirit of healthy competition amongst DISCOMs to enhance consumer experience.
   - Nudge the DISCOMs to assess the gap areas, share best practices and promote *inter-se* learning.

   Further, REC has an in-house training institute 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 programs including on electrical safety, techno commercial improvement of DISCOMs performance, sustainability of power utilities etc.

   In order to promote innovation and technology practices in the distribution sector, REC put in place a framework to enable Artificial Intelligence / Machine Learning Use cases in power distribution. Pilot projects are being supported through IITs and Technology Service Providers.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services:**

   REC has implemented the 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 of all its financial products offered are made to its borrowers/customers and to its investors through the corporate website at https://recindia.nic.in Also, during the loan approval process, we undertake declaration regarding knowing of full details of the type of loan applied.

   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/policies

   The Corporation continuously conducts customer satisfaction surveys to seek feedback from its borrowers at various stages of the loan transaction such as at the time of the loan application, approval, disbursement and closure. This feedback is used to improve systems, processes and enable better focus on training and development of staff.

For and on behalf of the Board of Directors

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

Place: Gurugram
Date: June 29, 2024

ANNEXURE TO BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

<table>
<tr><td rowspan="12">P1</td><td colspan="2">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: -</td></tr>
<tr><td>Name of the Policy</td><td>Weblink</td></tr>
<tr><td>Internal Guidelines on Corporate Governance</td><td>https://recindia.nic.in/policies</td></tr>
<tr><td>Policy for Prevention of Fraud</td><td>https://recindia.nic.in/policies</td></tr>
<tr><td>Whistle Blower Policy</td><td>https://recindia.nic.in/policies</td></tr>
<tr><td>Code of Business Conduct and Ethics</td><td>https://recindia.nic.in/policies</td></tr>
<tr><td>Fair Practices Code</td><td>https://recindia.nic.in/policies</td></tr>
<tr><td>Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions</td><td>https://recindia.nic.in/policies</td></tr>
<tr><td>Code of Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons and their Immediate Relatives and for Fair Disclosure</td><td>https://recindia.nic.in/policies</td></tr>
<tr><td>Policy on ‘fit & proper’ criteria of Directors</td><td>https://recindia.nic.in/policies</td></tr>
<tr><td>REC ESG policy</td><td>https://recindia.nic.in/policies</td></tr>
<tr><td colspan="2">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.</td></tr>
<tr><td>P2</td><td colspan="2">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://recindia.nic.in/financial-products
Further, CSR Policy of the Company is available at https://recindia.nic.in/policies
REC also has a Sustainable procurement policy outlining ESG guidelines and human rights requirements for suppliers. The policy is available at https://recindia.nic.in/</td></tr>
<tr><td>P3</td><td colspan="2">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.
Our ESG policy is available at https://recindia.nic.in/</td></tr>
<tr><td>P4</td><td colspan="2">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.
Our stakeholder engagement policy and stakeholder grievance redressal policy are available at links
https://recindia.nic.in/
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/policies</td></tr>
<tr><td>P5</td><td colspan="2">Businesses should respect and promote human rights
REC strives to safeguard and uphold human rights in all ways possible. REC’s human rights policy is available at https://recindia.nic.in/
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 to avoid discrimination on any grounds. The said Code is available at https://recindia.nic.in/policies</td></tr>
<tr><td>P6</td><td colspan="2">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://recindia.nic.in/
Our ESG policy is available at https://recindia.nic.in/</td></tr>
<tr><td>P7</td><td colspan="2">Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
REC plays an active and responsible role in matters concerning public & regulatory policy. Further, REC’s interactions with public at large can be followed through its various social media handles. Our responsible advocacy policy is available at https://recindia.nic.in/</td></tr>
<tr><td>P8</td><td colspan="2">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://recindia.nic.in/, equal opportunity policy for its employees (available on REC intranet), attractive lending rates for green-energy projects https://recindia.nic.in/ and also CSR policy https://recindia.nic.in/policies</td></tr>
<tr><td>P9</td><td colspan="2">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://recindia.nic.in/policies
Our Data privacy policy is available at https://recindia.nic.in/</td></tr>
</table>

All policies & processes are reviewed by the Board of Directors/senior management from time to time.

INDEPENDENT REASONABLE ASSURANCE REPORT ON THE DISCLOSURES MADE UNDER BRSR (9) CORE ATTRIBUTES IN THE BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT FOR THE FINANCIAL YEAR 2023-24 OF REC LIMITED

To,
The Board of Directors
REC Limited
Plot No. I-4, Sector 29, Near IFFCO Chowk Metro Station,
Gurugram, Haryana 122001

Introduction

We have been engaged by REC Limited ("the Company") for the purpose of providing an independent assurance of the Company's disclosures under the BRSR Core Attributes in the Business Responsibility and Sustainability Report ("BRSR"), as notified by BRSR Core – Framework for Assurance and ESG Disclosures for value chain SEBI vide Circular Dated July 12, 2023 ("SEBI BRSR Core Circular"), for the reporting period April 1, 2023 to March 31, 2024 ("FY 2023-24").

Management and Our Responsibility

The Company's management is responsible for collating, analyzing, authenticating and disclosing the data and other required information in the BRSR and for ensuring the integrity and accuracy of the disclosures so that they are free from any material misstatement or omission. The management is also responsible for providing complete access to the data and other information on which it has relied while preparing the BRSR.

Our responsibility is to perform necessary procedures and obtain the requisite evidence to express a reasonable assurance on the disclosures made in respect of the BRSR Core Attributes, as provided in the SEBI BRSR Core Circular, in the Company's BRSR for financial year 2023-24.

Scope and boundary

Scope

The scope of our engagement includes an independent reasonable level of assurance of following BRSR Core Attributes as provided in the SEBI BRSR Core Circular for financial year 2023-24:

Sl. No.	Attribute	Principle	Key Performance Indicator
1	Greenhouse gas footprint	Principle 6, Question 7	• Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) • Total Scope 2 emissions (Break-up of the GHG (CO2e) into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) • GHG Emission Intensity (Scope 1+2)
2	Water footprint	Principle 6, Question 3	• Total water consumption in Mn Lt or KL • Water consumption intensity in Mn Lt or KL/ Rupee adjusted for PPP • Water consumption intensity in Mn Lt/ Product or Service
		Principle 6, Question 4	Water discharge by destination and levels of Treatment in Mn or KL
3	Energy footprint	Principle 6, Question 1	• Total energy consumed in Joules or Multiples • % of energy consumed from renewable sources • Energy intensity in %age terms • Energy intensity in joules or multiples/ Rupee adjusted for PPP • Energy intensity in Joules or multiples/ Product or Service
4	Waste Management	Principle 6, Question 9	• Details related to waste generated by the entity (category wise) • Waste intensity • Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations • For each category of waste generated, total waste disposed by nature of disposal method
5	Enhancing Employee Wellbeing and Safety	Principle 3, Question 1(c)	Cost spent on the measures towards the well-being of employees and workers (including permanent and other than permanent)
		Principle 3, Question 11	Details of safety-related incidents
6	Enabling Gender Diversity in Business	Principle 5, Question 3(b)	Gross wages paid to females as % of total wages paid by the entity
		Principle 5, Question 7	Complaints on POSH
7	Enabling Inclusive Development	Principle 8, Question 4	Input material sourced from MSMEs/ small Producers and from within India as % of total purchases
		Principle 8, Question 5	Job creation in smaller towns/Wages paid to persons employed in smaller towns (permanent or non-permanent /on contract) as % of total wage cost
8	Fairness in Engaging with Customers and Suppliers	Principle 9, Question 7	Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events
		Principle 1, Question 8	Number of days of accounts payable
9	Open-ness of business	Principle 1, Question 9	• Concentration of purchases & sales done with trading houses, dealers and related parties • Loans, advances & investments with related parties

Assurance Methodology

As part of the assurance process, we have relied upon the following:

Frameworks

i. BRSR Reporting Guidelines issued by SEBI vide Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023.

ii. SEBI BRSR Core Assurance Circular.

iii. Greenhouse Gas Protocol methodology.

Methodology

As part of the assurance process, we have undertaken the following steps:

i. Reviewed the disclosures under BRSR (9) Core Attributes, encompassing the framework for assurance consisting of a set of Key Performance Indicators (KPIs) under (9) ESG attributes.

ii. Reviewed the data, documents and other information basis which calculation and reporting have been made.

iii. Interviewed relevant personnel of management responsible for Sustainability, Environmental Social Governance (ESG) and the consultant and their team for understanding the process of collecting, collating and reporting the data.

iv. Checked the consolidation for various offices to ensure the completeness of data being reported.

v. Conducted on-site audits for data testing and to assess the uniformity in reporting processes. This included assessing records and performing testing including recalculation of sample data.

vi. Assessed the appropriateness of various assumptions, estimations and materiality thresholds used by the Company.

vii. Wherever required, we have performed a sample-based review of data and information.

Our Opinion

Based on the information and documents provided to us, procedures we have performed and the evidence we have obtained, we are of the view that the BRSR Core Attributes, as disclosed in the Company’s BRSR for financial year 2023-24 have been reported in accordance with the requirements outlined in the SEBI BRSR Core Assurance Circular.

Statement of Independence

As per the SEBI BRSR Core Assurance Circular, the assurance providers shall ensure that the provider or any of its associates do not sell its products or provide any non-audit / non-assurance related service, including consulting services, to the listed entity or its group entities. Based on the information available, we were not involved with the Company or its group entities in any non-audit assignments during the financial year 2023-24, which would lead to a conflict of interest.

Restriction on use or distribution

This assurance statement, including the conclusion, has been prepared solely at the request of the Company to meet the statutory obligations in respect to disclosures made in the BRSR for financial year 2023-24. Our report should not be used for any other purpose or by any other person other than the addressee without our prior written consent. We neither accept nor assume any duty of care or liability for any other purpose or to any other party to whom our report is shown or into whose hands it may come without our prior consent in writing.

Limitations

Our performance under this assurance engagement is subject to the following limitations:

i. Based on the agreed scope with the Company, the boundary of reasonable assurance covers the operations of the Company and its subsidiary across all offices. Further, the assurance is being made only for the disclosures made under BRSR Core Attributes for financial year 2023-24.

ii. During the assurance engagement, we have relied on the data and information provided by the Company. We have assumed that the Company has provided us with complete and authentic data and other information necessary for the performance of the assurance. In some cases, the Company has relied on third-party data sources, we have not verified the authenticity of the data source.

iii. The absence of a significant body of established standards on which to evaluate and measure non-financial information allows for different but acceptable measurement techniques, which can affect comparability between entities.

iv. Preparation of BRSR is the responsibility of the Company. We have not been involved in evaluating or assessing any financial data/performance of the Company. We have solely relied upon the Company's audited financial reports for the correctness of the financial data.

v. The assurance considers an uncertainty of ±5% based on the materiality threshold for estimation/measurement errors and omissions pursuant to the GHG Protocol.

vi. The assurance does not cover the Company's statements that express opinions, claims, beliefs, aspirations, expectations, aims, or future intentions of any kind, if any.

vii. The assurance does not include a review of legal compliance regarding the disclosures made with respect to the BRSR Core Attribute.

For Corporate Professionals
Sd/-
(Pavan Kumar Vijay)
Founder & Partner

Sd/-
(Sukriti Kashyap)
Senior Associate- Sustainability Solutions and ESG Services

Place: New Delhi
Date: July 18, 2024

INTEGRATED REPORTING

ANNEXURE-IV TO BOARD'S REPORT

Integrated Reporting (IR) is a concise communication about an organization's strategy, governance, performance and prospects within the context of its external environment. IR framework aims to illustrate how the organization creates value over the short, medium and long term by providing insights into the resources and relationships it utilizes. Integrated reporting enhances transparency and accountability by offering a comprehensive view of the value created by the organization, extending beyond financial capital to include contributions to the economic, social and environmental systems. REC has voluntarily prepared this report based on the International Integrated Reporting Council (IIRC) framework. This framework relies on disclosures through six capitals, guiding businesses in long-term decision-making and planning.

The Company is a Non-Banking Financial Company (NBFC), categorized as Infrastructure Finance Company (IFC). REC provides a wide range of financial services in the power sector, including generation, transmission and distribution for both renewable and conventional energy sources, serving both public and private sectors. Further, REC has extended its lending and forayed into Infrastructure & Logistics sectors as under:

REC also serves as a nodal agency and project implementation/ management agency for various Government programmes of national importance.

REC is a Government Company under the administrative control of Ministry of Power (MoP), Government of India. Since the financial year 2018-19, the Company's majority equity stake is held by Power Finance Corporation Limited (PFC), Central Public Sector Enterprise (CPSE) under the aegis of MoP. REC's annual targets are set by way of a Memorandum of Understanding (MoU) entered with PFC (earlier with MoP) and are evaluated through a mechanism set by the Department of Public Enterprises (DPE) and the administrative ministry. The performance of the Company in terms of MoU signed under the guidelines of the DPE, Government of India for the financial year 2023-24 is expected to be rated as "Excellent", subject to final evaluation by DPE. For the financial year 2022-23, the company has been rated "Excellent".

REC's governance framework adheres to the statutory requirements of applicable laws and regulations, with the exception of a shortfall of Independent Directors, which has been explained in the Report on Corporate Governance. However, as on March 31, 2024 the Company was in compliance with the said requirement. Being a NBFC, the Company also complies with various directives issued by the Reserve Bank of India (RBI). REC's Internal Guidelines on Corporate Governance, which codify its governance philosophy and framework, can be accessed at https://recindia.nic.in/policies

REC aims to increase the share of its clean energy portfolio to approximately 30% of its loan book by March, 2030 and this goal will be achieved through investment across six capitals i.e Financial Capital, Manufactured Capital, Intellectual Capital, Social & Relationship Capital, Human Capital and Natural Capital, each of which is detailed below:

Financial Capital

Financial Capital, in respect of REC, refers to the pool of funds available for use in its services, i.e. lending to power and Infrastructure & Logistics Sector and to stay relevant to our customers while remaining focused on creating value for all our stakeholders.

The financial highlights for the financial year 2023-24 is as under:

Due to nature of Company's business, borrowings constitute the primary source of funds comprising Institutional Bonds, Foreign Currency Borrowings, FCNR (B) Loans, Capital Gain Bonds, Tax Free Bonds, Infra Bonds, Commercial Paper and loans from banks, financial institutions and multilateral agencies. Raising funds at competitive rates is fundamental to the profitability of the financing business and REC has consistently procured funds at competitive rates. The overall weighted average annualized cost of funds for the outstanding borrowing as on March 31, 2024, was 7.13%. Further, the rating details are as under:

Particulars	Credit Rating
Domestic Long-term Borrowings	CRISIL AAA, ICRA AAA, CARE AAA, IND AAA
Domestic Long Term Principal Protected Market Linked Debentures	CRISIL PP-MLD AAA, ICRA PP-MLD AAA
Domestic Perpetual Bonds	CRISIL AAA, CARE AAA
Domestic Short term Borowings	CRISIL A1+, ICRA A1+, CARE A1+, IND A1+
International Long-term Issuer Rating	BBB- (Fitch), Baa3 (Moody's), BBB+ (Japan Credit Rating Agency)
During the year, the credit rating on domestic perpetual bonds has been upgraded from CARE AA+ to CARE AAA.	

As on March 31, 2024, REC's loan portfolio was categorized as under:

- 29% into generation projects
- 8% into renewable energy projects
- 9% into transmission projects
- 10% into infra & logistics
- 42% into distribution projects
- 2% in STL/RBPF

The deployment of these resources is done primarily in the form of loans sanctioned by the Company towards various projects of power and Infrastructure & Logistics sector.

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 overall development of country. REC has maintained its profitability and is also consistently paying dividend to its shareholders in compliance with DIPAM guidelines on Capital Restructuring.

Manufactured Capital

Being a NBFC, REC does not own any manufacturing facilities. However, the Company is a pioneering institution in the field of financing to power sector. Since it had forayed into infra & logistics sector, the Company has sanctioned ₹40,568.92 crore towards various Infrastructure and Logistics projects. Power being a critical input for industrial activity, services sector as well as day-to-day life of common man, REC's contribution remain very crucial in the development of power infrastructure across the country.

Considering nature of business, REC's asset utilization is primarily limited to IT and communication infrastructure, as well as office supplies. Additionally, all material requirements are procured in accordance with the Company's Procurement Guidelines, through the Government e-Marketplace portal.

The Company uses revamped Business ERP solutions containing advanced features and the ERP system is continuously improving as per requirements of the Company. The ERP hardware is migrated to private cloud environment at REC Datacenter. The Company has upgraded its network and security devices to support operational requirements. 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. NIC e-office solution brought in major transformation in working of the Company, improved efficiency, transparency and as a step towards greener initiative of paperless environment. Also, centralized scanning solution has been implemented to digitalized physical records. Further, REC has put in place latest cyber security solutions to identify anomalous activities in the REC work environment.

Intellectual Capital

The Company has deployed a number of in-house systems as part of its IT requirements, 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 training institute i.e. REC Institute of Power Management and Training (RECIPMT), 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.

During the financial year 2023-24, RECIPMT has imparted 17,093 training man days for 5,731 personnel through Classroom and Webinar (Online) mode.

Human Capital

Human capital encompasses the competencies, capabilities and talent of the organisation's employees, alongwith their commitment and motivation, which significantly impact their ability to fulfill their roles effectively.

Human Resource plays a vital role in engaging professional workforce in the Organization. Hiring and retaining talent is a foundation of high-performing company which is essential for the growth of a Company. REC has professionally qualified, experienced and skilled workforce, fostered by a congenial culture and supportive environment that not only motivates but also retains its human capital. The Company maintains a robust system for effective human resource management aimed at enhancing productivity. Employees are indoctrinated in the organization's mission and policy framework from the outset, with ongoing emphasis on skill sharpening and business acumen through diverse training and development programs. REC fosters a diverse workforce, promoting gender parity and empowering its women employees through various initiatives and policies, cultivating a conducive work environment for professional and personal growth. Emphasis on work-life balance is evident through welfare-oriented policies, including regular health checkups and talks on preventive health issues, supplemented by a well-equipped gymnasium at the corporate office. The Company actively encourages employee participation in sports, cultural and literary events to foster their overall development. Further the company has hired 125 employees during the financial year 2023-24.

Enhancing human capital significantly hinges on improving the quality of life at various work locations, which is achieved through the provision of top-notch infrastructure for employees and their families. REC prioritizes this aspect and ensures that employees have access to premier facilities. Additionally, construction of the proposed township for employees of the company in Gurugram was inaugurated in the financial year 2023-24.

Social and Relationship Capital

Social and Relationship capital encompasses an organization's interactions and connections with external stakeholder groups, including clients, investors, suppliers, communities, Government and Regulators.

REC being a financial institution, dedicated to the comprehensive development of India's power sector and the nation as a whole. REC has also expanded its footprint into the Infrastructure and Logistics sectors as well. Being a nodal agency of the Government of India's Revamped Distribution Sector Scheme (RDSS) and other schemes, the Company shall continue to be a reliable partner of the Government of India in achieving national goals of the power sector.

Imparting vocational training to youth on garment manufacturing and enterpreneurship

REC is also supporting various social causes through its CSR arm i.e. REC Foundation. During the financial year 2023-24, REC spent more than ₹255 crore towards various CSR projects, including distribution of aids & assistive devices to persons with disabilities; Procurement & installation of Medical Equipment, sanitary napkin vending machines, deployment of Mobile Medical Units; Construction of multi-storeyed waiting lounge for patients and their attendants at AIIMS-New Delhi; Renovation and upgradation of Auditorium; Providing free of cost medical support to economically weaker sections for surgeries of children diagnosed with Congenital Heart Disease; Providing education support for children of Ex-Servicemen, martyrs and their widows and construction of classrooms in Secondary & Higher Secondary Schools.

REC is committed to promote boxing, badminton, athletics and other sports by providing opportunities for athletes to train under internationally renowned coaches, with access to technical, scientific and psychological support as well as exposure to international competitions.

Further, REC is promoting Integrity Club in Schools to inculcate moral values into the minds of young children so that they grow up to become socially and morally responsible citizens of the country and also to develop them to fight against the menace of Corruption in India.

Natural Capital

Natural Capital comprises all the natural resources utilized by an organization's operations and conversely, impacted by them.

REC is committed to environmental protection by Maximum utilisation of natural resources and minimum wastage of natural resources. As a leading financing organization in power sector, REC has consistently enhanced its renewable energy portfolio. During the financial year 2023-24, *inter-alia* the Company has sanctioned loans aggregating to ₹1,36,516.17 crore towards 82 renewable energy projects, with total installed generation capacity of 17,465 MW.

REC has prepared Environmental Social Impact Analysis (ESIA) report under Official Development Assistance - KfW-III which applies to financing renewable energy projects. This report serves as a roadmap for REC to address environmental and social issues in financing renewable power projects.

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 2023-24, REC has sanctioned 28 nos. of loans towards Generation Projects (other than Hydro Projects) including implementation of pollution control equipment, coal mining projects, procurement of coal etc. and has sanctioned total loan assistance of ₹67,112.15 crore.

REC's ESG policy framework includes environmental impact considerations in its operational, financial and risk management decision-making processes. Further, to promote financing for clean energy, appropriate conditions related to Environmental, Health, Safety and Social (EHSS) aspects are incorporated into the loan agreement/sanction/documents.

REC Corporate Office Building located in Gurugram has designed and constructed by using energy efficient façade to lower HVAC load requirement in the building in order to conserve energy. Further, the energy efficient equipments and LED lights are being used in the building to conserve energy. Further, in order to utilize alternate source of energy, 979 kWp solar plant has been installed at top of the building (supported by solar pergola structure) to cater REC office load requirement by using clean and renewable source of energy. During the financial year 2023-24, the solar plant has generated 13.50 lakh units of electricity.

REC's Corporate Office Building is zero liquid discharge building designed to use waste water drained after Reverse Osmosis, Solar cleaning, Toilets, floor washing & water bodies etc. in HVAC / Chillers. Further, Building is designed to use water treated through STP, for Horticulture purpose. The Office building has also EV charging facility for its employee's vehicles and it is transitioning the transport fleet of cars and other vechicles with EV. Further, the energy efficient equipments and LED lights are being used in the building to conserve energy.

REC World Headquarters, Gurugram (Corporate Office)

For and on behalf of the Board of Directors

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

Place: Gurugram
Date: July 27, 2024

ANNEXURE-V TO BOARD'S REPORT

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2024

Pursuant to Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

To
The Members
REC LIMITED
Regd. Office Address: Core 4, SCOPE Complex,
7, Lodi Road, New Delhi-110003

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **REC LIMITED (CIN: L40101DL1969GOI005095) (hereinafter called 'the Company' or 'REC')**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024 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, 2024 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'), as applicable: -

(a) The Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015;

(b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;

(c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. **(Not Applicable to the Company during the Review period)**

(f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

(g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not Applicable to the Company during the Review period)**

(h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not Applicable to the Company during the Review period)**

(i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and **(Not Applicable to the Company during the Review period)**

(j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

(vi) Compliances/ processes/ systems under other specific applicable Laws (as applicable to the industry) to the Company are being relied on the basis of periodic certificates under internal Compliance system submitted to the Board of Directors of the Company.

We have also examined compliance with the following:

(i) Secretarial Standards, as amended from time to time, issued by the Institute of Company Secretaries of India, as applicable.

(ii) Listing Agreement entered between the Company and the Stock Exchanges i.e. National Stock Exchange of India Limited ("NSE") & BSE Limited ("BSE") pursuant to the requirement of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.

(iii) Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises.

(iv) Reserve Bank of India Act, 1934 and rules, regulations, guidelines and directions issued by RBI, from time to time, for the Infrastructure Finance Company (IFC), Non-Banking Finance Company (NBFC).

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

In pursuance to the proviso to the Regulation 17(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 3.1.4 of the DPE Guidelines on Corporate Governance for Central Public Sector Enterprises, the number of Independent Directors on the Board, headed by an Executive Chairman, were less than fifty percent of Board Members during the period from April 01, 2023 to January 31, 2024.

We further report that the Board of Directors of the Company is constituted as per provisions of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all Directors to schedule the Board Meetings. Agenda and detailed notes on Agenda were also adequately sent 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 from Directors.

All the decisions made in the Board/Committee meeting(s) were carried out with the consent of requisite Directors/ Members present during the meeting and dissent, if any, have been duly recorded/ incorporated in the respective Minutes, wherever applicable.

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 the National Stock Exchange of India Limited and BSE Limited have levied monetary fines for non-compliance under Regulation 17(1) of ₹21,53,500/- each (for the quarters ended March, June, September and December 2023). The Company has submitted waiver request against imposed & outstanding fines vide their letter dated March 01, 2024 to the stock exchanges that REC being a Government Company, the power to appoint Directors on its Board vests with the President of India acting through the Administrative Ministry i.e. Ministry of Power (MoP) and thereby the Company has no control in the appointment of Directors on its Board. Further, the Company has informed that NSE & BSE vide its communication dated May 3, 2024 & June 25, 2024 respectively, waived off all the fines imposed and outstanding on the Company pertaining till quarter ended March 31, 2024. Further, an advisory has been issued by the Stock Exchanges (BSE and NSE) to the Company regarding compliance of SEBI (LODR) Regulations, 2015, with respect to Related Party Transactions.

We further report that during the audit period, following specific events/actions took place having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.:

i. Pursuant to Section 180(1)(c) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the consent of the shareholders was taken for increasing the overall borrowing limit of the Company in Indian Rupees from ₹4,50,000 crore to ₹6,00,000 crore and in any foreign currency equivalent from USD 16 billion to USD 20 billion and 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 capital of the Company and its free reserves, provided that the total amount borrowed and outstanding at any point of time shall not exceed above approved borrowing limit of the Company.

ii. Pursuant to Section 180(1)(a) of the Companies Act, 2013 and rules made thereunder, consent of the shareholders was taken to create charge, hypothecation, mortgage on any movable and/or immovable properties/assets of the Company whosesoever 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 ₹6,00,000 Crore (Rupees Six Lakh Crore only) in Indian Rupees and in any foreign currency equivalent to USD 20 billion (US Dollars Twenty Billion only) for the purpose of business of the Company or otherwise as per the requirements of the Act.

iii. Pursuant to Section 42 of the Companies Act, 2013 and rules made thereunder, other applicable laws, receipt of 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, consent of the shareholders was taken to raise funds through private placement of unsecured/ secured non-convertible bonds/debentures upto ₹1,05,000 crore during a period of one year from the date of passing of the resolution i.e. September 6, 2023, 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 in domestic and/or one or more international markets) including the exercise of a green-shoe option (within the overall limit of ₹1,05,000 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.

iv. 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)
(A)	**Long Term Borrowings**	
1.	54 EC Capital Gains Tax Exemption bonds	11,421.00
2.	Institutional Bonds/ Subordinate Bonds	42,447.00
3.	Term Loans from Banks/ FIs	19,500.00
4.	Foreign Currency Borrowings	36,961.00
(B)	**Short term Borrowings**	
5.	FCNR (B) Loan	25,093.00
6.	Loans from Banks (Tenor more than 6 months)	3,600.00
7.	Commercial Papers	7,735.00
	Total Funds Raised during the period	**1,46,757.00**

For Agarwal S. & Associates,
Company Secretaries,
ICSI Unique Code: P2003DE049100
Peer Review Cert. No.: 2725/2022

Sd/-
CS Sachin Agarwal
Partner
FCS No.: 5774
CP No.: 5910
UDIN: F005774F000632389

Place: New Delhi
Date: June 28, 2024

This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.

Annexure A

To
The Members
REC LIMITED
Regd. Office Address: 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 records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records, based on our inspection of records produced before us for Audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in 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 and our report is not covering observations/comments/ weaknesses already pointed out by the other Auditors.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.

5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis and to give our opinion whether Company has proper Board-processes and Compliance-mechanism in place or not.

6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Agarwal S. & Associates,
Company Secretaries,
ICSI Unique Code: P2003DE049100
Peer Review Cert. No.: 2725/2022

Sd/-
CS Sachin Agarwal
Partner
FCS No.: 5774
CP No.: 5910
UDIN: F005774F000632389

Place: New Delhi
Date: June 28, 2024

ANNEXURE-VI TO BOARD'S REPORT

Independent Auditor's Certificate on compliance with the conditions of Corporate Governance

To,
The Members
REC Limited
Core-4, SCOPE Complex, 7 Lodhi Road
New Delhi-110003

1. This certificate is issued in accordance with our terms of engagement letter.

2. We, Kailash Chand Jain & Co. and SCV & Co. LLP, Chartered Accountants, have been appointed as Joint Statutory Auditors of REC Limited for the financial year 2023-24 by Comptroller & Auditor General of India vide letter No./ CA.V/ COY/CENTRAL GOVERNMENT, REC(2)/ 18 DATED 12.09.2023.

3. We have examined the compliance of conditions of Corporate Governance by REC Limited (hereinafter the "Company"), for the year ended 31st March 2024, as specified in regulation17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C and D of schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (the "Listing Regulations") and Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises (the "DPE Guidelines").

Management Responsibility

4. The Compliance of conditions contained of Corporate Governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This Responsibility includes design, implementation and maintenance of internal control and procedures to ensure the compliance conditions of corporate governance stipulates the listing regulations and DPE guidelines.

Auditors Responsibility

5. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

6. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations and DPE Guidelines for the year ended March 31, 2024.

7. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the "ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.

Opinion

9. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para–C and D of Schedule V of the Listing Regulations and Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises (the "DPE Guidelines") during the year ended March 31, 2024 subject to the followings:

   a. The Company has not complied with the provisions of regulation 17(1)(b) of SEBI (LODR) regulations 2015, from April 1, 2023 to January 31, 2024 regarding the requirement of requisite number of Independent Directors.

   b. A post facto approval of Audit Committee was taken in case of a related party transaction entered during the quarter ended June 30, 2023. In this regard, an advisory has been received by the Company from the stock exchanges (BSE and NSE) regarding compliance of Regulation 23(2) of SEBI (LODR) Regulations, 2015.

Other Matter and Restriction on Use

10. This certificate 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.

11. This certificate is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For M/s Kailash Chand Jain & Co.
Chartered Accountants,
ICAI Firm Registration: 112318W

Sd/-
Name : Saurabh Chouhan
Designation: Partner
Membership Number: 167453
UDIN: 24167453BKBFYB9975
Date : July 03, 2024

For M/s SCV & Co. LLP.
Chartered Accountants,
ICAI Firm Registration : 000235N/N500089

Sd/-
Name : Abhinav Khosla
Designation : Partner
Membeship Number : 087010
UDIN : 24087010BKBOES7422

ANNEXURE - VII TO BOARD'S REPORT

FORM NO. AOC -2

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

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

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

Name (s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in General meeting as required under first proviso to Section 188
There was no transaction attracting the applicable provisions of sub-section (1) of Section 188 of the Companies Act, 2013, during the period under review.							

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

Name (s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any
There were no material contracts or arrangements or transactions that were entered by the Company with any related party, during the period under review.					

For and on behalf of the Board of Directors

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

Place: Gurugram
Date: July 27, 2024

Annual Report on CSR

1. Brief outline on CSR policy of the Company:

The Company has framed its Corporate Social Responsibility Policy, in consonance with Section 135 of the Companies Act, 2013 and rules made thereunder ("the Act"). REC's CSR policy has been amended from time to time in compliance with amendments in the Companies (Corporate Social Responsibility Policy) Rules. The copy of CSR policy can be accessed from the website of the Company at https://recindia.nic.in/csr-sustainability-policy and REC Foundation (a CSR wing of REC) at https://www.recfoundation.in.

In line with Section 135 of the Act, at least 2% of the average net profits of the Company made during the three immediately preceding financial years is required to be spent in pursuance of Corporate Social Responsibility Policy.

The Company ensures that the CSR projects are carried out in line with activities prescribed under Schedule VII of the Act and guidelines / circulars issued in this regard.

REC undertakes its CSR activities through registered entities including 'REC Foundation', a registered society. The Foundation is governed by Governing Body comprising nominated officials of REC Limited.

CSR Projects:

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).

During the financial year 2023-24, 34 numbers of CSR projects were approved with aggregate outlay of ₹467.84 crore and an amount of ₹255.01 crore (including excess spent of ₹7.70 crore carried forward from previous year) was spent on CSR projects.

During the year, CSR assistance has broadly been channelized to the following major projects:

i. Procurement & installation of Medical Equipment in the District Hospital in Bilaspur, Chattisgarh.

ii. Distribution of aids & assistive devices to persons with disabilities in various Districts / States in the country.

iii. Procurement, installation, maintenance and operation of sanitary napkin vending machines for three years in government residential schools / colleges for women across the country.

iv. Procurement, operation and maintenance of Mobile Medical Units in various districts of across India for improving reach of primary health care services in far reaching areas.

v. Extension of Department of Emergency Medicine and procurement & installation of medical equipment in Medical College in Rajasthan.

vi. Construction of multi-storeyed waiting lounge for patients and their attendants at All India Institute of Medical Sciences, New Delhi.

vii. Renovation and upgradation of Auditorium at Atal Bihari Vajpayee Institute of Medical Sciences & Dr. Ram Manohar Lal Hospital, New Delhi.

Organised a CSR Symposium cum Interaction with Stakeholders for discussing pivotal initiatives aimed at community welfare

Dedicated "REC Gift of Life Cardiac Ward" for cardiac surgery of children under CSR support of REC at Sri Sathya Sai Sanjeevani Hospital, Raipur

viii. Providing free of cost medical support for surgeries of children diagnosed with Congenital Heart Disease hailing from economically weaker sections of society.

ix. Creating Role Model Schools to align with the New Education Policy in schools in 2 States and 2 Union Territories.

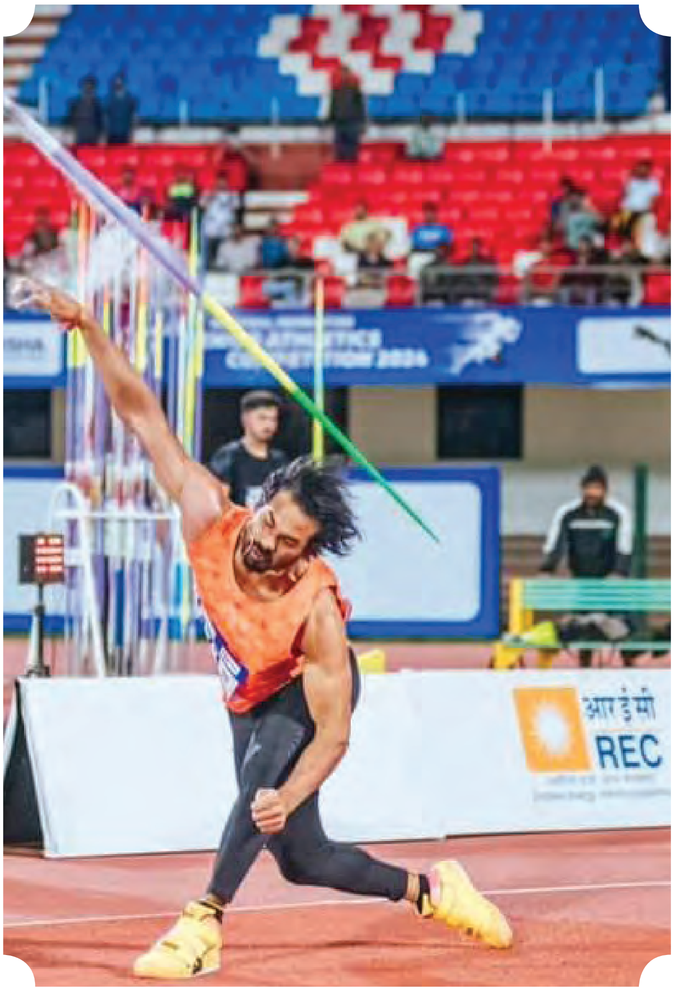
x. Procurement and deployment of e-buses for transportation of students in the campus of Maulana Azad National Institute of Technology, Bhopal.

xi. Promotion of REC-Integrity Club in schools pan India.

xii. Establishment of greenfield school in Malligar Village, Hangal Taluk, Haveri District, Karnataka.

xiii. Construction of classrooms in Secondary & Higher Secondary Schools in Hinganghat, Wardha, Maharashtra.

xiv. Providing education support for children of ex-Servicemen, martyrs and their widows.



Nurturing talent to foster sporting excellence by supporting talent hunt, training camps and Olympic preparations by top Indian athletes

2. Composition of CSR Committee:

In line with the Act and the rules made thereunder, CSR Committee has been constituted. Its composition and meetings details during financial year 2023-24 are as under:

Sl. No.	Name of Director	Designation	Number of meetings of CSR Committee held during the financial year	Number of meetings of CSR Committee attended during the financial year
1.	**Dr. Manoj Manohar Pande** Independent Director	Chairperson	9	9
2.	**Shri Vijay Kumar Singh** Director (Projects)	Member	9	9
3.	**Shri Ajoy Choudhury** Director (Finance)	Member *Upto January 31, 2024*	8	8
4.	**Dr. Durgesh Nandini** Independent Director	Member *w.e.f. March 1, 2024*	1	1

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

The details of the composition of CSR Committee, CSR Policy and CSR projects approved by the Board for the financial year 2023-24 have been made available on the website of the company at the following link: 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 January 22, 2021, of those projects which 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 Nangia & Co. LLP carried out the Impact assessment study. The tables below provide name of projects and key findings of the impact of the projects:

Sl. No.	Project Details	Key findings of the impact of the project
1	₹1.23 crore for procurement and installation of medical equipment to strengthen health care service in B.K. Civil Hospital, Faridabad by District Health & Family Welfare Society (DH & FWS), Faridabad.	a. Provided modern equipment for the Operation Theatre, Radiology, Eye OPD, Gynaecology, Neonatal Intensive Care Unit (NICU) and Dental Department. b. Treated patient especially economically weaker section. c. New equipment at the healthcare facility has improved patient care and diagnostics, boosting patient throughput. d. The optimized diagnostic process has cut cost, reduced wait time and boosted the facility's care capacity.
2	₹4.36 crore for providing job-oriented skill development training to 2000 nos. of beneficiaries belonging to economically weaker section of the society in Aurangabad, Maharashtra by Maharshi Shikshan Prasarak Mandal (MSPM).	a. Soft skill sessions and expert talks during the training contributed to the enhancement of the trainees' skills. b. Training enhanced beneficiaries' living standards and income sources. c. Helped beneficiaries to have secured job opportunities.
3	₹3.71 crore for setting up/establishment of khadi spinning, weaving and garment unit in Varanasi district of Uttar Pradesh by Khadi & Village Industries Commission (KVIC).	a. The project led to the employment of around 500 individuals which helped to reduce unemployment in Varanasi district & nearby area. b. Provided sustainable livelihood to the people of Varanasi district & nearby area. c. Facilitated job opportunities for women, empowering them to financially contribute to their families and community.
4	₹2.57 crore for providing job-oriented skill development training to 1100 nos. unemployed youths belonging to SC / ST / OBC / Women / Minority / EWS / Underprivileged at various location in India by Apparel Training & Design Centre (ATDC).	a. The skill development program led to job creation, economic empowerment and improved beneficiaries' quality of life. b. The training improved the standard of living of the beneficiaries.
5	₹2.50 crore for expanding infrastructure for Swami Sivananda Memorial Institute of Fine Arts & Crafts (SSMI) school in Punjabi Bagh, New Delhi by Swami Sivananda Memorial Institute (SSMI).	a. Fostered a more conducive and engaged learning environment for both teachers and students. b. Infrastructure expansion, surged in the student's enrolment. c. Improvement in teaching methods, increased concentration level and higher participation in extra-curricular activities enhanced the educational environment.
6	₹7.76 crore for installation of 1 MWp Solar Photovoltaic (SPV) System at various location at campus of Madurai Kamaraj University at Madhurai District of Tamil Nadu by Madurai Kamaraj University (MKU), Madhurai.	a. The project has successfully reduced the university's dependency on grid electricity. b. The installation of rooftop solar panels at the university, significantly enhanced the quality of life of students and resulted in substantial cost savings for the institution. c. Reduction in the dependency of non-renewable energy.
7	₹9.99 crore for construction of Sewage Treatment Plant in Advanced Centre for Treatment, Research and Education in Cancer (ACTREC) at Tata Memorial Centre, Kharghar, Navi Mumbai by Tata Memorial Centre (TMC), Navi Mumbai.	a. The project led to a significant reduction in the use of public distribution water at ACTREC. b. Contributed to more sustainable water usage practices at the centre.

Sl. No.	Project Details	Key findings of the impact of the project
8	₹1.46 crore for distribution of 3400 nos. of aids and appliances to especially abled person in 5 locations across the country by Shri Bhagwan Mahaveer Viklang Sahayata Samiti (BMVSS), Jaipur, Rajasthan.	a. Improved quality of life of beneficiaries by enhancing mobility and independence. b. Reduced dependency and improved self-sufficiency among the beneficiaries.
9	₹9.14 crore for construction and renovation of Gandhi Memorial Hospital affiliated to Shyam Shah Medical College, at Rewa district of Madhya Pradesh by Shyam Shah Medical College (SSMC), Rewa, Madhya Pradesh.	a. Provide better healthcare service to the economically weaker section and marginalised communities. b. During the COVID-19 pandemic, the newly constructed psychiatry ward demonstrated its adaptability by converting into a vaccination center. c. Patients with severe psychiatric conditions now receive individualized care in a controlled environment tailored to their specific needs through improved infrastructure of the hospital.
10	₹2.46 crore for procurement, installation & commissioning of Neuro Navigation (cranial + spinal) Machine at Neurosurgery Department in SMS Hospital, Jaipur, by Rajasthan Medicare Relief Society (RMRS), SMS Hospital, Jaipur, Rajasthan.	a. The hospital able to provide treatment to 2-3 patients weekly, amounting to almost 500 patients yearly, with high success rate in surgical procedures. b. Patients are experiencing faster recovery time and it helped to reduce post-operative discomfort. c. Neuro Navigation Machine facilitates personalized treatment plan tailored to individual patient needs, supporting successful outcomes in critical cases.
11	₹5.33 crore for procurement, installation & commissioning of Digital Subtraction Angiography (DSA) Machine in SMS Hospital Jaipur by Rajasthan Medicare Relief Society (RMRS), SMS Hospital, Jaipur, Rajasthan.	a. The high-resolution imaging capabilities of the DSA machine have revolutionized the treatment approach for critical cases. b. Patients now experience significantly shorter recovery periods, enabling them to return to their regular routines much faster. This enhancement in comfort after procedures significantly boosts patient satisfaction and overall well-being. c. Patients previously deemed unsuitable for traditional surgery due to heightened health risks can now benefit from minimally invasive IR treatments made possible by the DSA machine. d. More than 450 patients were benefited from the DSA machine during the financial year 2022-23.
12	₹3.99 crore for construction of Multipurpose Hall cum Indoor Stadium in Somdal village of Ukhrul district, Manipur by Ukhrul District Community Resource Management Society (UDCRMS).	a. Multipurpose Hall cum Indoor Stadium, is optimally used for hosting events and sports activities, thereby fostering increased community involvement. b. Improved quality of life for the people residing in Somdal Village.
13	₹2.07 crore for providing job-oriented skill development training to 1500 nos. of people belonging to SC/ST/OBC/Women/Minority/EWS at various locations of India by Confederation of Indian Industry (CII).	a. The training program has positively influenced the learning journey of the participants and helped them to enhance their knowledge and skills. b. The project has provided employment opportunities to beneficiaries and help to earn their livelihood.
14	₹1.38 crore for job-oriented skill development training to 1000 nos. beneficiaries belonging to economically weaker section of society in Mirzapur Uttar Pradesh by Matrix Society for Social Services (MASS).	a. The training program has instigated a significant transformation in the participants' employment status, with most of them now participating in income-generating activities. b. The training program had a tangible impact on the income of most of the beneficiaries.
15	₹1.80 crore for installation of solar roof-top power panel and micro grids in 5 villages of Gurgaon and Mewat district of Haryana under smart-gram project by Skill Council for Green Jobs (SCGJ), New Delhi.	a. It has led to significant cost savings and reduced dependency on grid electricity, promoting the use of renewable energy.
16	₹3.50 crore for construction and operation of shelter home with wellness facility (60 Seaters) for the care of the elderly at Shey Village, Leh-Ladakh, Jammu & Kashmir by HelpAge India (HAI), New Delhi.	a. Provide healthcare service to the elderly people and therefore enhancing the overall well-being. b. Project has alleviated feelings of isolation and encouraged social engagement, thereby fostering meaningful relationships and providing emotional support.

Sl. No.	Project Details	Key findings of the impact of the project
17	₹4.18 crore for strengthening cancer screening and basic cancer care services in 14 Districts of Bihar by Tata Memorial Cancer Hospital (TMCH), Bihar.	a. The program was effective in disseminating crucial information to the participants. b. It has successfully encouraged a large proportion of the participants to take proactive steps towards their health.
18	₹2.18 crore for procurement, installation and commissioning of 32 Slice CT Scan Machine at New District Hospital, Yadgiri, Karnataka by Arogya Raksha Samithi District Hospital (ARSDH), Yadgiri.	a. It has enhanced hospital's workflow which resulted in a substantial rise in the daily patient treatment count, varying from 17 to 25 patients per day. b. The CT Scan machine has improved the hospital's efficiency and capacity. c. The rise in patient throughput has potentially led to shorter waiting periods for procedures.
19	₹3.34 crore for installation of 245 kW SPV system and LED lights at various locations at Sambalpur University Campus in Sambalpur, Odisha by Sambalpur University (SU), Odisha.	a. There has been a 25% - 30% reduction in the energy bill equates to considerable annual savings. b. LED lights decrease the carbon footprint, thereby promoting environmental sustainability.
20	₹1.21 crore for developing of rural areas of 3 districts of Rajasthan by deepening of wells, renovation & construction of check dams and organizing medical camps by Vanvasi Kalayan Parishad (RVKP), Udaipur.	a. The availability of water for household and agricultural purposes increased significantly. b. A beneficiary noted an annual saving of INR 2000 because of no longer needing to clear soil from the well. This suggests that the project has not only enhanced water accessibility but also led to financial savings. c. There has been a significant increase in crop production like wheat, maize, masur, channa, kapas (cotton) and other vegetables.
21	₹5.19 crore for 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 at Champa, Chhattisgarh, Faizabad, Uttar Pradesh and Vadathorasalur, Tamil Nadu by The Leprosy Mission Trust India (LMTI), New Delhi.	a. The hospital has experienced a rise in the number of patients, utilizing in-patient services, improved patient facilities and a surge in admissions. b. Infrastructure enhancement, such as the refurbishment of existing structures and the enlargement of operating rooms, have markedly boosted the hospital's capacity to deliver high-quality healthcare services.
22	₹1.43 crore for procurement, installation & commissioning of Blood Bank Equipment/Items at Indian Red Cross Society, Warangal district of Telangana by Indian Red Cross Society (IRCS).	a. The addition of the new equipment has largely expanded the storage capacity of blood bank. b. The technological advancement have significantly enhanced the operational efficiency and safety of the blood bank.
23	₹1.01 crore for 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 by Society for Advancement of Villagers Empowerment and Rehabilitation of All (SAVERA).	a. The initiative has successfully enhanced water quality and improve well-being of teachers & students in educational institutions. b. The Reverse Osmosis (RO) installation project appears to have positively influenced the awareness of students and staff about Water, Sanitation and Hygiene (WASH).
24	₹15.16 crore for construction of building in SVNIRTAR to establish the Institute as a 'Centre of Excellence for Deformity Correction' in Swami Vivekanand National Institute of Rehabilitation Training and Research (SVNIRTAR), Cuttack, Odisha by Swami Vivekanand National Institute of Rehabilitation Training and Research (SVNIRTAR).	a. The unveiling of the new annex building has resulted in a significant reduction in the patient waitlist. The average daily patient registration has subsequently increased to more than 250. b. This expansion has not only resolved previous issues but also enhanced the hospital's ability to provide healthcare services promptly. c. This capability has significantly enhanced many patients' quality of life.
25	₹2.91 crore for construction of compound walls and providing gates in 24 nos. of Government Schools in Mahbubnagar District of Telangana by District Magistrate(DM), Mahbubnagar.	a. Helped to significantly improved the safety of students in the school. b. The schools have successfully implemented measures to prevent street dogs and other animals, which were earlier safety hazards and sources of disruption. The decrease in unsanctioned entry by locals has resulted in cleaner school premises, thereby fostering a more suitable learning environment. c. The addition of new compound walls and gates has enhanced the school's aesthetic appeal.

The detailed impact assessment report is available at https://recindia.nic.in/impact-assessment-reports

The table below provides the ratings for 25 projects on different parameters namely (i) Relevance (ii) Efficiency (iii) Effectiveness (iv) Impact and (v) Sustainability. Last column provides summation of all parameters. Each project has been assessed on the above key parameter and further categorised into Satisfactory & Un-satisfactory level based on weighted average scores on a 6-point scale:

85-100% → Extremely Satisfactory (ES)
70-84% → Satisfactory (S)
55-69% → Moderately Satisfactory (MS)
40-54% → Marginally Satisfactory (MS)
20-39% → Un-Satisfactory (US)
< 20% → Extremely Un-Satisfactory (EUS)

Sl. No.	Implementing Agency	Relevance	Efficiency	Effectiveness	Impact	Sustainability	Overall
1	DH & FWS	ES	ES	ES	ES	ES	ES
2	MSPM	ES	S	MS	ES	ES	S
3	KVIC	S	ES	ES	S	ES	ES
4	ATDC	ES	ES	ES	S	S	ES
5	SSMI	ES	S	ES	ES	ES	ES
6	MKU	ES	ES	ES	ES	ES	ES
7	TMC	ES	S	ES	ES	ES	ES
8	BMVSS	MS	S	ES	S	S	ES
9	SSMC	ES	MS	ES	ES	ES	ES
10	RMRS - Neuro	ES	ES	ES	ES	MS	ES
11	RMRS - SMS	ES	S	ES	ES	ES	ES
12	UDCRMS	MS	S	ES	ES	S	ES
13	CII	S	S	ES	ES	S	S
14	MASS	ES	S	ES	ES	ES	ES
15	SCGJ	MS	S	MS	S	S	S
16	HAI	MS	S	ES	ES	ES	S
17	TMCH	MS	S	ES	ES	ES	S
18	ARSDH	S	S	ES	ES	ES	ES
19	Sambalpur University	S	S	ES	S	ES	ES
20	RVKP	S	S	ES	S	ES	S
21	TLMTI	ES	ES	ES	ES	ES	S
22	IRCS	S	ES	ES	S	ES	S
23	SAVERA	MS	S	ES	S	S	S
24	SVNIRTAR	S	S	ES	ES	ES	ES
25	DM, Mahbubnagar	MS	ES	ES	S	ES	S

Construction of kitchen and dining hall with R.O. plant through CSR Assistance of REC in 12 Government high schools in YSR District, Kadapa, Andhra Pradesh

Renovation of Community Toilet Complex through CSR Assistance of REC at Faridabad, Haryana

5. CSR allocation for the financial year 2023-24: (₹in crore)

(a) Average net profit of the company as per section 135(5)	:	₹12,493.09
(b) Two percent of average net profit of the company as per section 135(5)	:	₹249.86
(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years	:	Nil
(d) Amount required to be set-off for the financial year, if any	:	₹7.70
(e) Total CSR obligation for the financial year [(b)+(c)-(d)]	:	₹242.16

6. CSR expenditure during the financial year 2023-24: (₹in crore)

(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) as detailed in Annexure-A	:	₹239.22
(b) Amount spent in administrative overheads	:	₹7.96
(c) Amount spent on Impact Assessment	:	₹0.13
(d) Total amount spent for the financial year [(a)+(b)+(c)]	:	₹247.31

(e) 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
₹247.31	Nil	NA	Nil	NA	NA

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

Sl. No.	Particulars	Amount (₹in crore)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per section 135(5)	₹249.86
(ii)	Total amount spent for the financial year (including adjustment of carried forward surplus of ₹7.70 crore from the previous year)	₹255.01
(iii)	Excess amount spent for the financial year [(ii)-(i)]	₹5.15
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	₹5.15

7. Details of Unspent Corporate Social Responsibility 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	
1	FY2020-21	Nil	Nil	Nil	Nil	Nil	Nil
2	FY2021-22	Nil	Nil	Nil	Nil	Nil	Nil
3	FY2022-23	Nil	Nil	Nil	Nil	Nil	Nil

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year : Nil.

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) : The Company has fully spent its CSR Budget for the financial year 2023-24.

Sd/-
(Vijay Kumar Singh)
Director (Projects)
DIN : 02772733

Sd/-
(Dr. Manoj Manohar Pande)
Independent Director and
Chairperson of CSR Committee
DIN : 09388430

Place : New Delhi
Date : July 27, 2024

Annexure-A: Details of CSR expenditure during the financial year 2023-24

Sl. No.	Name of the Projects	Item from the list of activities in Schedule VII of the Act	Local Area (Yes/No)	Location of the project	
				District	State
1	2	3	4	5(a)	5(b)
1	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	Alwar	Rajasthan
2	Improving Screening for Cervical Cancer through Empowering Communities	Health care	NA	Barabanki	Uttar Pradesh
3	To reduce the prevalence of Gender-Based Violence (GBV) in the urben slums	Health care	NA	Mysore and Bareilly	Karnataka and UP
4	Modernization and Digitization of Psychiatric Rehabilitation Services	Health care	NA	Bengaluru	Karnataka
5	Up-gradation of the District Hospital, Mon by procurement of the medical equipment to strengthen health care services at District Hospital	Health care	NA	Mon	Nagaland
6	Construction / extension of staff quarter for medical department and Modular prefabricated housing (quarter) for teachers	Health care	NA	Kiphire	Nagaland
7	Survey and repair of 12,347 toilets constructed during 2014-15 under Swachh Vidyalaya Abhiyan (SVA) by REC	Health care	NA	Various districts	Uttar Pradesh, Bihar, Rajasthan, Telangana and Madhya Pradesh
8	Repair/rectification of toilets constructed by REC under SVA in two tranches; Tranche-2 being of 1,681 toilets	Health care	NA	Various districts	Uttar Pradesh, Bihar, Rajasthan, Telangana and Madhya Pradesh
9	Distribution of aids & assistive devices to approx. 9,000 persons with disabilities by conducting camps in 25 locations in various districts in the country	Health care	NA	PAN India	PAN India
10	Provide 4,300 nos. of aids and appliances to specially-abled persons	Health care	NA	Sonitpur, Vaishali, Bilaspur, Bokaro, Chandrapur, Dausa, Etah, Thoothukudi	Assam, Bihar, Chhattisgarh, Jharkhand, Maharashtra, Rajasthan, Uttar Pradesh and Tamil Nadu
11	Procurement of 15 nos. of ambulances to be run in tribal areas	Health care	NA	Anuppur, Barwani, Betul, Dhar, Harda, Khandwa, Khargaone, Seoni, Shahdol, Siddhi, Vidisha	Madhya Pradesh
12	Transformation of health & school education by providing nursing training, infrastructure support in district hospital, strengthen hospital staff to improve maternal & child health care, procurement of generators, infrastructure development in government school building, teacher training etc.	Health care	NA	Kiphire	Nagaland
13	Procurement & installation of Medical Equipment	Health care	NA	Bilaspur	Chhattisgarh
14	Procurement, operation and maintenance of 10 nos. of mobile health clinics for primary health care services for a period of three years	Health care	NA	Bhojpur	Bihar
15	Construction of 12 kms road from Yaingangpokpi to Laikoiching	Health care	NA	Ukhrul	Manipur

Amount spent for the Project (₹in crore)	Mode of Implementation-Direct (Yes/No)	Mode of Implementation-Through Implementing Agency	
		Implememting/ Nodal Agency	CSR Registration No.
6	7	8	
0.15	No	SAPNA	CSR00000235
0.14	No	Progressive Foundation	CSR00013216
0.90	No	Public Health Research Institute of India (PHRII), Mysore & REC Foundation	CSR00011722
0.09	No	Psychiatric Rehabilitation Services department (PRS) of National Institute of Mental Health and Neurosciences (NIMHANS)	CSR00006218
0.32	No	Deputy Commissioner, Mon	CSR00006825
0.80	No	Deputy Commissioner, Kiphire	NA
1.00	No	Bharat Sevashram Sangha (BSS)	CSR00000812
11.85	No	Bharat Sevashram Sangha (BSS)	CSR00000812
1.09	No	Artificial Limbs Manufacturing Corporation of India (ALIMCO)	CSR00000532
1.38	No	Shri Bhagwan Mahaveer Viklang Sahayata Samiti (BMVSS)	CSR00001480
0.26	No	Parivaar Education Society (PES)	CSR00000052
1.35	No	Deputy Commissioner, Kiphire	NA
3.87	No	Civil Surgeon, Bilaspur	CSR00005901
3.11	No	Doctors For You	CSR00000608
1.55	No	North Eastern Region Community Resource Management Society (NERCRMS)	CSR00040556

Sl. No.	Name of the Projects	Item from the list of activities in Schedule VII of the Act	Local Area (Yes/No)	Location of the project	
				District	State
1	2	3	4	5(a)	5(b)
16	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	Muzaffarpur	Bihar
17	Installation of various Medical equipment's at Kamptee Cantt Board Hospital	Health care	NA	Nagpur	Maharashtra
18	Procurement of Blood Bank equipment for separating the blood components	Health care	NA	Krishna	Andhra Pradesh
19	Renovation of Central Sterile Supply Department (CSSD) unit of AIIMS, Delhi and procurement of new medical equipment	Health care	NA	New Delhi	New Delhi
20	Construction of 200 bedded rest room (Vishram Sadan at SKMCH) for patient's attendants in Sri Krishna Medical College & Hospital	Health care	NA	Muzaffarpur	Bihar
21	Construction of Kitchen, dining hall & store room and installation of Reverse Osmosis water treatment plant in 12 nos. of Government high schools	Health care	NA	Kadapa	Andhra Pradesh
22	Extension of Department of Emergency Medicine and procurement & installation of medical equipment in SMS Medical College	Health care	NA	Jaipur	Rajasthan
23	Healing Little Hearts-an REC initiative to provide free of cost medical support to 1,000 children with Congenital Heart Disease (CHD)	Health care	NA	Chhattisgarh, Haryana, Maharashtra	Chhattisgarh, Haryana, Maharashtra
24	Procurement, operation and maintenance of 2 nos. of mobile medical units for primary health care services in Gadchiroli for a period of three years	Health care	NA	Gadchiroli	Maharashtra
25	Distribution of aids & assistive devices to persons with disabilities (25 camps) in various Districts / States in the country	Health care	NA	PAN India	PAN India
26	Construction of REC waiting lounge "AIIMS - REC Ashraya"	Health care	NA	New Delhi	New Delhi
27	Improvement of health services and renovation & construction in Primary Health Centre, Primary Sub Health Centre, Community Health Centre and District Hospital	Health care	NA	Mamit	Mizoram
28	Renovation and Enhancement of Auditorium at ABVIMS & Dr. RML Hospital	Health care	NA	New Delhi	New Delhi
29	Contribution to Swachh Bharat Kosh	Health care	NA	PAN India	PAN India
30	Adopting a slum for ensuring cleanliness of the slum-drinking water, sanitation, toilets, IEC campaigning, etc. under Swachhta Action Plan (SAP)	Health care	NA	At CO and 19 RO, REC Limited	PAN India
31	REC-Integrity Club under REC Corporate Social Responsibility	Health care	NA	PAN India	PAN India
32	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	PAN India	PAN India
33	Contribution to PM CARES Fund	PM CARES	NA	PAN India	PAN India
34	Contribution to PM CARES Fund	PM CARES	NA	PAN India	PAN India

Amount spent for the Project (₹in crore)	Mode of Implementation-Direct (Yes/No)	Mode of Implementation-Through implementing Agency	
		Implememting/ Nodal Agency	CSR Registration No.
6	7	8	
3.24	No	DC Muzaffarpur / TCIL	NA
0.45	No	Cantonment Board Kamptee (Cantt board), Nagpur, Maharashtra	CSR00018641
0.03	No	District Hospital, Machilipatnam	NA
(0.24)	No	All India Institute of Medical Sciences, New Delhi	CSR00028135
6.52	No	DC, Muzaffarpur	NA
1.25	No	District Collector, Kadapa	NA
1.82	No	Rajasthan Medicare Relief Society, SMS	CSR00009060
10.50	No	Sri Sathya Sai Health and Education Trust (SSSHET)	CSR00001048
0.26	No	CA & FO, Gadchiroli	CSR00041612
2.23	No	Artificial Limbs Manufacturing Corporation of India (ALIMCO)	CSR00000532
5.93	No	All India Institute of Medical Sciences, New Delhi	CSR00028135
1.52	No	Deputy Commissioner, Mamit	NA
3.18	No	ABVIMS & RML Hospital	CSR00061565
3.00	Yes	Government of India	NA
(0.02)	Yes	Respective CPM, RO & Admin Division, REC Limited	CSR00005016
0.00	Yes	REC Foundation	CSR00005016
(0.11)	Yes	REC Volunteers/ Power utilities/ Local administration/ Police	CSR00005016
50.00	Yes	Government of India	NA
35.00	Yes	Government of India	NA

Sl. No.	Name of the Projects	Item from the list of activities in Schedule VII of the Act	Local Area (Yes/No)	Location of the project	
				District	State
1	2	3	4	5(a)	5(b)
35	Providing job-oriented Skill development training to 360 nos. of beneficiaries belonging to SC/ST/OBC/ Women/ EWS etc.	Education	NA	Chhatarpur	Madhya Pradesh
36	Construction of "REC Girls Hostel" (G+2) at Kohima Science College	Education	NA	Kohima	Nagaland
37	Providing 1,000 school benches made from recyclable plastic waste in 27 government schools and conducting awareness programme in 50 schools towards climate change & sustainability for a period of 12 months	Education	NA	Gurugram	Haryana
38	Construction of auditorium in Government Higher Secondary School	Education	NA	Kannur	Kerala
39	Construction of hostel building for ST/ vulnerable/ weaker section of the society	Education	NA	Rajsamand	Rajasthan
40	Providing skill development training and distribution of equipment kit for self-employment to 500 nos. of women belonging to economically weaker section	Education	NA	Aurangabad	Maharashtra
41	Construction of 2 hostel tower (G+8) with furniture, fixtures, landscaping, external lighting & approach road for post graduate students and installation of grid connected 100kWp roof top Solar PV Panel under School of Medical Research and Technology (SMART on IIT)	Education	NA	Kanpur	Uttar Pradesh
42	Assistance for construction of residential building (G+2) for 150 tribal girls and providing support for studies, food and other basic necessities to 11 Seva Kutirs comprising approx. 1,541 children	Education	NA	Khandwa	Madhya Pradesh
43	Free distribution of seeds (Rabi season) to farmers residing in drought prone area	Education	NA	Aurangabad	Maharashtra
44	Learn and Earn- A REC Foundation Initiative to impart bachelor's degrees to 300 youths in garment manufacturing and entrepreneurship, over the period of three years	Education	NA	PAN India	PAN India
45	Construction of three classrooms, dining hall and a digital classroom in Zila Parishad High School	Education	NA	Palnadu	Andhra Pradesh
46	Providing holistic education & rehabilitation services for children with visual impairment by providing teaching aids, infrastructural development etc.	Education	NA	New Delhi	New Delhi
47	Construction of compound walls and providing gates in 24 nos. of government schools	Education	NA	Mahbubnagar	Andhra Pradesh
48	Operation of innovative mobile school for imparting free education to 462 children of migrant construction labourers	Education	NA	Gurugram & Hardoi	Haryana & Uttar Pradesh
49	Strengthening of education infrastructure cum training component for improving the quality of education	Education	NA	Chamba	Himachal Pradesh
50	Assistance for creating "REC Foundation-Rupantar Role Model Schools" to align with the New Education Policy in 100 schools	Education	NA	In Various Location of J&K, Assam and Chhatisgarh	J&K, Assam and Chhatisgarh

Amount spent for the Project (₹in crore)	Mode of Implementation-Direct (Yes/No)	Mode of Implementation-Through implementing Agency	
		Implememting/ Nodal Agency	CSR Registration No.
6	7	8	
0.23	No	Indian Institute for Higher Education and Research Trust (IIHERT)	CSR00003571
1.06	No	Investment & Development Authority of Nagaland	CSR00024598
0.75	No	DRIIV Foundation	CSR00021129
(0.01)	No	District Panchayat, Kannur	NA
0.26	No	Rajasthan Vanvasi Kalyan Parishad (RVKP)	CSR00008067
0.28	No	Rajureshwar Ganesh Bahudeshiya Sevabhavi Sanstha (RGBSS)	CSR00001405
4.00	No	IIT, Kanpur	CSR00004774
(0.08)	No	Parivaar Education Society	CSR00009060
0.66	No	National Cooperative Consumers Federation of India (NCCF)	NA
1.34	No	The Apparel Training and Design Centre (ATDC)	CSR00000938
0.19	No	Connect to Andhra	CSR0000366
(0.03)	No	National Association for the Blind, R K Puram campus, New Delhi	NA
0	No	District Magistrate, Mahbubnagar	NA
0.13	No	All India Citizens Alliance for Progress & Development (AICAPD)	CSR00002627
0.33	No	DC Chamba	NA
1.00	No	Sri Aurobindo Society	CSR00000200

Sl. No.	Name of the Projects	Item from the list of activities in Schedule VII of the Act	Local Area (Yes/No)	Location of the project	
				District	State
1	2	3	4	5(a)	5(b)
51	Setting up 1,650 nos. of Solar Street Lights in rural and tribal areas	Environment sustainbility	NA	Nashik	Maharashtra
52	Setting up of 500 of solar street lighting system (12 Watt) with remote monitoring system (RMS) and 5 year comprehensive AMC	Environment sustainbility	NA	Bilaspur	Himachal Pradesh
53	Contribution to Clean Ganga Fund	Environment sustainbility	NA	PAN India	PAN India
54	Procurement for plantation of 54 plants/trees, by REC CO/ROs/SOs at State power utilities/ urban parks, nearby areas etc.	Environment sustainbility	NA	PAN India	PAN India
55	Contribution of ₹20 crore over the period of 3 years i.e ₹6.66 crore per year to the corpus of Gujarat Foundation for Entrepreneurial Excellence's (GFEE) incubators	Incubators	NA	NA	Gujarat
56	Rural Development Works like construction of community hall, PCC Road, Conduits, Yatri Shed, installation of LED Lights, RO Plants etc.	Rural development	NA	Bhojpur	Bihar
57	Construction of Community Hall	Rural development	NA	Senapati	Manipur
58	Farmer-Centric Integrated Watershed Management for Improving Rural Livelihood	Rural development	NA	Mahboobnagar & Anantapur	Andhra Pradesh and Telangana
59	Construction of two multipurpose community hall	Rural development	NA	Krishna	Andhra Pradesh
60	Construction of admin offices & hospital below the Saraswarti plaza, infrastructural development in between Saraswarti Edge & temple street and restoration & developmental work of various kund	Rural development	NA	Kedarnath	Uttarakhand
61	Developmental work in the villages	Rural development	NA	Bhojpur	Bihar
62	Construction of one indoor badminton court in Govt. Nagarjuna P.G. College of Science	Sports	NA	Raipur	Chhattisgarh
63	Broad basing of Sports and promotion of excellence in sports in India	Sports	NA	PAN India	PAN India
64	Organising month-long Sports Talent Identification and Training camps	Sports	NA	Balasore	Odisha
65	Contribution towards Armed Forces Flag Day Fund (AFFD Fund) for providing education grant for children of Ex-Servicemen (ESM), Martyrs and their Widows	Benefits of Armed Forces	NA	PAN India	PAN India
Total disbursement in CSR projects					
Impact assessment cost					
Admin expenditure during the financial year 2023-24					
Total CSR expenditure during the financial year 2023-24					

Amount spent for the Project (₹in crore)	Mode of Implementation-Direct (Yes/No)	Mode of Implementation-Through implementing Agency	
		Implememting/ Nodal Agency	CSR Registration No.
6	7	8	
0.64	No	DC Nasik & REIL	NA
0.29	No	Himurja	CSR00020953
20.00	No	Government of India	NA
0.25	Yes	REC Foundation	CSR00005016
6.66	No	Gujarat Foundation for Enterpreneurial Excellence's (GFEE)	CSR00018338
0.40	No	NHPC Limited (NHPC), New Delhi	NA
1.11	No	District Rural Development Agency, Manipur	CSR00031715
0.35	No	International Crop Research Institute for the semi-arid Tropics (ICRISAT), Patancheru, Telangana	NA
0.31	No	Connect to Andhra	CSR0000366
11.32	No	Shri Kedarnath Utthan Charitable Trust (SKUCT)	CSR00009855
0.05	No	REC Foundation	CSR00005016
0.25	No	GNPG College of Science, Raipur, Chhattisgarh	CSR00048721
21.00	No	National Sports Development Fund (NSDF), Ministry of Youth Affairs & Sports (MYAS), Government of India	CSR00016457
0.57	Yes	REC Foundation	CSR00005016
13.50	No	Kendriya Sainik Board	CSR00011199
239.22			
0.13			
7.96			
247.31			

ANNEXURE-IX TO BOARD'S REPORT

Details of Debenture Trustees appointed by the Company for different Bond Series as on March 31, 2024

In terms of Regulation 53 of SEBI (LODR) Regulations, 2015

Sl. No.	Name of Debenture Trustee	Contact Details	ISIN	Series no.
1	IDBI Trusteeship Services Limited Universal Insurance Building, Ground Floor, Sir PM Road, Fort, Mumbai - 400001	Shri Sumit Panjabi Phone: +91-22-40807178 Email: sumit@idbitrustee.com Website: www.idbitrustee.com	INE020B08427	94
			INE020B08443	95-II
			INE020B07IZ5	123-III-10 yrs
			INE020B08880	128
			INE020B08898	129
			INE020B08906	130
			INE020B08914	131
2	Beacon Trusteeship Limited 7A & B, Siddhivinayak Chambers, Gandhi Nagar, Opp. MIG Cricket Club, Bandra (East), Mumbai-400051	Shri Kaustubh Kulkarni Phone: +91-22-26558759 Email: compliance@beacontrustee.co.in Website: www.beacontrustee.co.in	INE020B08BA1	162
			INE020B08BB9	163
			INE020B08BG8	168
			INE020B08BH6	169
			INE020B08BP9	175
			INE020B08BQ7	176
			INE020B08BS3	178
			INE020B08BV7	180-A
			INE020B08BU9	180-B
			INE020B08BW5	182
			INE020B08BX3	183
			INE020B08EN8	184-A
			INE020B08CF8	186-B
			INE020B08CI2	188-B
			INE020B08CJ0	189
			INE020B08CK8	190-A
			INE020B08CM4	191-B
			INE020B08CP7	192
			INE020B08CU7	197
			INE020B08CW3	198-B
			INE020B08CX1	199
			INE020B08CZ6	201-A
			INE020B08DA7	201-B
			INE020B08DB5	202-A
			INE020B08DE9	203-A
			INE020B08DF6	203-B
			INE020B08DG4	204-A
			INE020B08DH2	204-B
			INE020B08DK6	205-B
			INE020B08DL4	206-PDI
			INE020B08DM2	207

Secured / Unsecured	Redemption date	Coupon Rate	Listed at		Registrar & Transfer Agent
			NSE	BSE	
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: https://www.beetalfinancial.com/
Unsecured	14-Jul-2025	8.75%	Yes	No	
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: https://www.kfintech.com/
Unsecured	21-Dec-2024	8.57%	Yes	Yes	
Unsecured	23-Jan-2025	8.23%	Yes	Yes	
Unsecured	6-Feb-2025	8.27%	Yes	Yes	
Unsecured	21-Feb-2025	8.35%	Yes	Yes	
Unsecured	9-Aug-2028	8.55%	Yes	Yes	
Unsecured	25-Aug-2028	8.63%	Yes	Yes	
Unsecured	29-Nov-2028	8.56%	Yes	Yes	
Unsecured	7-Dec-2028	8.37%	Yes	Yes	
Unsecured	28-Mar-2029	8.97%	Yes	Yes	
Unsecured	16-Apr-2029	8.85%	Yes	Yes	
Unsecured	14-May-2029	8.80%	Yes	Yes	
Unsecured	25-Jun-2024	8.10%	Yes	Yes	
Unsecured	25-Jun-2029	8.30%	Yes	Yes	
Unsecured	22-Aug-2034	8.18%	Yes	Yes	
Unsecured	16-Sep-2034	8.29%	Yes	Yes	
Unsecured	26-Sep-2029	8.25%	Yes	Yes	
Unsecured	26-Nov-2024	7.40%	Yes	Yes	
Unsecured	31-Mar-2030	7.89%	Yes	Yes	
Unsecured	31-Mar-2030	7.92%	Yes	Yes	
Unsecured	20-Mar-2025	6.88%	Yes	Yes	
Unsecured	30-Sep-2024	6.99%	Yes	Yes	
Unsecured	28-Feb-2030	7.50%	Yes	Yes	
Unsecured	11-May-2030	7.55%	Yes	Yes	
Unsecured	21-May-2030	7.79%	Yes	Yes	
Unsecured	15-Jun-2030	7.96%	Yes	Yes	
Unsecured	31-Mar-2025	5.90%	Yes	Yes	
Unsecured	31-Mar-2031	6.90%	Yes	Yes	
Unsecured	30-Sep-2030	7.25%	Yes	Yes	
Unsecured	20-Dec-2030	6.80%	Yes	Yes	
Unsecured	20-Dec-2025	5.85%	Yes	Yes	
Unsecured	31-Jan-2031	6.90%	Yes	Yes	
Unsecured	31-Dec-2025	5.81%	Yes	Yes	
Unsecured	31-Jan-2026	5.94%	Yes	Yes	
Unsecured	Not Applicable*	7.97%	Yes	Yes	
Unsecured	31-Jan-2036	7.02%	Yes	Yes	

Sl. No.	Name of Debenture Trustee	Contact Details	ISIN	Series no.
			INE020B08DO8	208
			INE020B08DR1	210
			INE020B08DT7	211
			INE020B08DU5	212
			INE020B08DV3	213
			INE020B08DW1	214-A
			INE020B08DX9	214-B
			INE020B08DX9	214-B(Reissue)
			INE020B08DZ4	215
			INE020B08EA5	216-A
			INE020B08EB3	216-B
			INE020B08EC1	217
			INE020B08ED9	218-A
			INE020B08EE7	218-B
			INE020B08EF4	219
			INE020B08EH0	220-A
			INE020B08EG2	220-B
			INE020B08EI8	221
			INE020B08EJ6	222-PDI
			INE020B08CI2	188-B (Reissue)
			INE020B08DV3	213 (Reissue)
			INE020B08EL2	223-A
			INE020B08EK4	223-B
			INE020B08EM0	225
			INE020B08EO6	226 - PDI
			INE020B08EP3	227-A
			INE020B08EQ1	227-B
			INE020B08ES7	228-A
			INE020B08ER9	228-B
			INE020B08ET5	229-A
			INE020B08EU3	229-B
			INE020B08EW9	230-A
			INE020B08EV1	230-B
			INE020B08EX7	231-A
			INE020B08EY5	231-B
			INE020B08BC7	GOI-IV
			INE020B08BE3	GOI-V
			INE020B08BJ2	GOI-VI
			INE020B08BL8	GOI-VII
			INE020B08BO2	GOI-VIII
			INE020B08CO0	GOI-IX
			INE020B08CR3	GOI-X
			INE020B08CS1	GOI-XI
			INE020B08DI0	GOI-XII
			INE020B08DN0	GOI-XIII
			INE020B08DQ3	GOI-XIV
3	Vistra ITCL (India) Limited The IL&FS Financial Centre G Block, Plot C-22, BKC, Bandra East, Mumbai-400051	ITCL Comliance Officer, Phone: - +91-22-26593644, Email: itclcomplianceofficer@vistra.com Website: www.vistraitcl.com	INE020B08724 INE020B08732	Infra Bonds Series-II (2011-12)

Secured / Unsecured	Redemption date	Coupon Rate	Listed at		Registrar & Transfer Agent
			NSE	BSE	
Unsecured	15-Mar-2036	7.40%	Yes	Yes	
Unsecured	20-Jun-2024	5.74%	Yes	Yes	
Unsecured	31-Oct-2031	6.23%	Yes	Yes	
Unsecured	31-Oct-2024	Floating (7.62%)	Yes	Yes	
Unsecured	20-Mar-2032	6.92%	Yes	Yes	
Unsecured	28-Feb-2026	7.32%	Yes	Yes	
Unsecured	28-Feb-2033	7.50%	Yes	Yes	
Unsecured	28-Feb-2033	7.50%	Yes	Yes	
Unsecured	30-Nov-2037	7.65%	Yes	Yes	
Unsecured	31-Mar-2028	7.55%	Yes	Yes	
Unsecured	30-Nov-2037	7.67%	Yes	Yes	
Unsecured	31-Mar-2033	7.53%	Yes	Yes	
Unsecured	30-Jun-2026	7.56%	Yes	Yes	
Unsecured	31-Jan-2033	7.69%	Yes	Yes	
Unsecured	28-Feb-2026	7.60%	Yes	Yes	
Unsecured	31-Mar-2028	7.77%	Yes	Yes	
Unsecured	31-Mar-2033	7.69%	Yes	Yes	
Unsecured	31-Jul-2026	7.51%	Yes	Yes	
Unsecured	Not Applicable*	7.98%	Yes	Yes	
Unsecured	31-Mar-2030	7.89%	Yes	Yes	
Unsecured	20-Mar-2032	6.92%	Yes	Yes	
Unsecured	30-Apr-2026	7.44%	Yes	Yes	
Unsecured	30-Jun-2028	7.46%	Yes	Yes	
Unsecured	30-Jun-2026	7.64%	Yes	Yes	
Unsecured	Not Applicable*	8.03%	Yes	Yes	
Unsecured	30-Sep-2026	7.77%	Yes	Yes	
Unsecured	31-Oct-2033	7.71%	Yes	Yes	
Unsecured	30-May-2026	7.80%	Yes	Yes	
Unsecured	30-Nov-2033	7.71%	Yes	Yes	
Unsecured	29-Nov-2025	7.79%	Yes	Yes	
Unsecured	30-Nov-2038	7.67%	Yes	Yes	
Unsecured	26-Feb-2027	7.71%	Yes	Yes	
Unsecured	31-Jan-2034	7.64%	Yes	Yes	
Unsecured	30-Apr-2027	7.64%	Yes	Yes	
Unsecured	28-Feb-2034	7.47%	Yes	Yes	
Unsecured	28-Sep-2028	8.70%	Yes	Yes	
Unsecured	15-Nov-2028	8.54%	Yes	Yes	
Unsecured	22-Jan-2029	8.80%	Yes	Yes	
Unsecured	8-Mar-2029	8.60%	Yes	Yes	
Unsecured	25-Mar-2029	8.30%	Yes	Yes	
Unsecured	2-Mar-2030	7.14%	Yes	Yes	
Unsecured	26-Mar-2030	8.25%	Yes	Yes	
Unsecured	31-Mar-2030	7.20%	Yes	Yes	
Unsecured	7-Jan-2031	6.45%	Yes	Yes	
Unsecured	28-Jan-2031	6.63%	Yes	Yes	
Unsecured	26-Mar-2031	6.50%	Yes	Yes	
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: https://www.beetalfinancial.com/

Sl. No.	Name of Debenture Trustee	Contact Details	ISIN	Series no.
			INE020B07GH7	2011-12 Public Issue Tranche-1
4	SBICAP Trustee Company Limited Mistry Bhavan, 4th Floor, 122, Dinshaw Vachha Road, Churchgate, Mumbai - 400020	Shri Ardhendu Mukhopadyay Phone: +91-22-4302 5566 Email: corporate@sbicaptrustee.com Website: www.sbicaptrustee.com	INE020B07GV8	2012-13 Private Placement
			INE020B07GX4	2012-13 Public Issue Tranche-1
			INE020B07GZ9	2012-13 Public Issue Tranche-2
			INE020B07HN3	2013-14 Private Placement-1
			INE020B07HP8	2013-14 Public Issue Tranche-1
			INE020B07HS2	2013-14 Public Issue Tranche-1
			INE020B07HQ6	2013-14 Public Issue Tranche-1
			INE020B07HT0	2013-14 Public Issue Tranche-1
			INE020B07HV6	2013-14 Private Placement-2
			INE020B07ID2	2013-14 Public Issue Tranche-2
			INE020B07IG5	2013-14 Public Issue Tranche-2
			INE020B07IE0	2013-14 Public Issue Tranche-2
			INE020B07IH3	2013-14 Public Issue Tranche-2
			INE020B07J07	2015-16 Private Placement
			INE020B07JP4	2015-16 Public Issue Tranche-1
			INE020B07JQ2	2015-16 Public Issue Tranche-1
			INE020B07JR0	2015-16 Public Issue Tranche-1
			INE020B07JS8	2015-16 Public Issue Tranche-1
			INE020B07JT6	2015-16 Public Issue Tranche-1
			INE020B07JU4	2015-16 Public Issue Tranche-1
			INE020B07LG9	54EC Series XIII (2019-20)
			INE020B07LH7	54EC Series XIII (2019-20)
			INE020B07LI5	54EC Series XIII (2019-20)
			INE020B07LJ3	54EC Series XIII (2019-20)
			INE020B07LK1	54EC Series XIII (2019-20)
			INE020B07LL9	54EC Series XIII (2019-20)
			INE020B07LM7	54EC Series XIII (2019-20)
			INE020B07LN5	54EC Series XIII (2019-20)
			INE020B07LO3	54EC Series XIII (2019-20)
			INE020B07LP0	54EC Series XIII (2019-20)
			INE020B07LQ8	54EC Series XIII (2019-20)
			INE020B07LR6	54EC Series XIII (2019-20)
			INE020B07LS4	54EC Series XIV (2020-21)
			INE020B07LT2	54EC Series XIV (2020-21)
			INE020B07LU0	54EC Series XIV (2020-21)
			INE020B07LV8	54EC Series XIV (2020-21)
			INE020B07LW6	54EC Series XIV (2020-21)
			INE020B07LX4	54EC Series XIV (2020-21)
			INE020B07LY2	54EC Series XIV (2020-21)
			INE020B07LZ9	54EC Series XIV (2020-21)
			INE020B07MA0	54EC Series XIV (2020-21)
			INE020B07MB8	54EC Series XIV (2020-21)
			INE020B07MC6	54EC Series XIV (2020-21)

Secured / Unsecured	Redemption date	Coupon Rate	Listed at NSE	Listed at BSE	Registrar & Transfer Agent
Secured	29-Mar-2027	8.12% / 8.32%	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: https://www.kfintech.com/
Secured	22-Nov-2027	7.38%	Yes	Yes	
Secured	19-Dec-2027	7.38% / 7.88%	Yes	Yes	
Secured	25-Mar-2028	7.04% / 7.54%	Yes	Yes	
Secured	29-Aug-2028	8.46%	Yes	Yes	
Secured	24-Sep-2028	8.46%	Yes	Yes	
Secured	24-Sep-2028	8.46% / 8.71%	Yes	Yes	
Secured	24-Sep-2033	8.37%	Yes	Yes	
Secured	24-Sep-2033	8.37% / 8.62%	Yes	Yes	
Secured	11-Oct-2028	8.54%	Yes	Yes	
Secured	24-Mar-2029	8.63%	Yes	Yes	
Secured	24-Mar-2029	8.63% / 8.88%	Yes	Yes	
Secured	24-Mar-2034	8.61%	Yes	Yes	
Secured	24-Mar-2034	8.61% / 8.86%	Yes	Yes	
Secured	23-Jul-2025	7.17%	Yes	Yes	
Secured	5-Nov-2025	6.89%	No	Yes	
Secured	5-Nov-2025	6.89% / 7.14%	No	Yes	
Secured	5-Nov-2030	7.09%	No	Yes	
Secured	5-Nov-2030	7.09% / 7.34%	No	Yes	
Secured	5-Nov-2035	7.18%	No	Yes	
Secured	5-Nov-2035	7.18% / 7.43%	No	Yes	
Secured	30-Apr-2024	5.75%	No	No	
Secured	31-May-2024	5.75%	No	No	
Secured	30-Jun-2024	5.75%	No	No	
Secured	31-Jul-2024	5.75%	No	No	
Secured	31-Aug-2024	5.75%	No	No	
Secured	30-Sep-2024	5.75%	No	No	
Secured	31-Oct-2024	5.75%	No	No	
Secured	30-Nov-2024	5.75%	No	No	
Secured	31-Dec-2024	5.75%	No	No	
Secured	31-Jan-2025	5.75%	No	No	
Secured	28-Feb-2025	5.75%	No	No	
Secured	31-Mar-2025	5.75%	No	No	
Secured	30-Apr-2025	5.75%	No	No	
Secured	31-May-2025	5.75%	No	No	
Secured	30-Jun-2025	5.75%	No	No	
Secured	31-Jul-2025	5.75%	No	No	
Secured	31-Aug-2025	5.00%	No	No	
Secured	30-Sep-2025	5.00%	No	No	
Secured	31-Oct-2025	5.00%	No	No	
Secured	30-Nov-2025	5.00%	No	No	
Secured	31-Dec-2025	5.00%	No	No	
Secured	31-Jan-2026	5.00%	No	No	
Secured	28-Feb-2026	5.00%	No	No	

Sl. No.	Name of Debenture Trustee	Contact Details	ISIN	Series no.
			INE020B07MD4	54EC Series XIV (2020-21)
			INE020B07ME2	54EC Series XV (2021-22)
			INE020B07MF9	54EC Series XV (2021-22)
			INE020B07MG7	54EC Series XV (2021-22)
			INE020B07MH5	54EC Series XV (2021-22)
			INE020B07MI3	54EC Series XV (2021-22)
			INE020B07MJ1	54EC Series XV (2021-22)
			INE020B07MK9	54EC Series XV (2021-22)
			INE020B07ML7	54EC Series XV (2021-22)
			INE020B07MM5	54EC Series XV (2021-22)
			INE020B07MN3	54EC Series XV (2021-22)
			INE020B07MO1	54EC Series XV (2021-22)
			INE020B07MP8	54EC Series XV (2021-22)
			INE020B07MQ6	54EC Series XVI (2022-23)
			INE020B07MR4	54EC Series XVI (2022-23)
			INE020B07MS2	54EC Series XVI (2022-23)
			INE020B07MT0	54EC Series XVI (2022-23)
			INE020B07MU8	54EC Series XVI (2022-23)
			INE020B07MV6	54EC Series XVI (2022-23)
			INE020B07MW4	54EC Series XVI (2022-23)
			INE020B07MX2	54EC Series XVI (2022-23)
			INE020B07MY0	54EC Series XVI (2022-23)
			INE020B07MZ7	54EC Series XVI (2022-23)
			INE020B07NA8	54EC Series XVI (2022-23)
			INE020B07NB6	54EC Series XVI (2022-23)
			INE020B07NC4	54EC Series XVII (2023-24)
			INE020B07NK7	54EC Series XVII (2023-24)
			INE020B07NL5	54EC Series XVII (2023-24)
			INE020B07NJ9	54EC Series XVII (2023-24)
			INE020B07NG5	54EC Series XVII (2023-24)
			INE020B07NI1	54EC Series XVII (2023-24)
			INE020B07NH3	54EC Series XVII (2023-24)
			INE020B07NF7	54EC Series XVII (2023-24)
			INE020B07ND2	54EC Series XVII (2023-24)
			INE020B07NE0	54EC Series XVII (2023-24)
			INE020B07NN1	54EC Series XVII (2023-24)
			INE020B07NM3	54EC Series XVII (2023-24)
			INE020B08930	133
			INE020B08963	136
			INE020B08AA3	140
			INE020B08AC9	142
			INE020B08AH8	147
			INE020B08AQ9	156
			INE020B08AX5	GOI-I
			INE020B08AY3	GOI-II
			INE020B08AZ0	GOI-III

** Perpertual Debt Instruments*

Place: Gurugram
Date: July 27, 2024

Secured / Unsecured	Redemption date	Coupon Rate	Listed at		Registrar & Transfer Agent
			NSE	BSE	
Secured	31-Mar-2026	5.00%	No	No	
Secured	30-Apr-2026	5.00%	No	No	
Secured	31-May-2026	5.00%	No	No	
Secured	30-Jun-2026	5.00%	No	No	
Secured	31-Jul-2026	5.00%	No	No	
Secured	31-Aug-2026	5.00%	No	No	
Secured	30-Sep-2026	5.00%	No	No	
Secured	31-Oct-2026	5.00%	No	No	
Secured	30-Nov-2026	5.00%	No	No	
Secured	31-Dec-2026	5.00%	No	No	
Secured	31-Jan-2027	5.00%	No	No	
Secured	28-Feb-2027	5.00%	No	No	
Secured	31-Mar-2027	5.00%	No	No	
Secured	30-Apr-2027	5.00%	No	No	
Secured	31-May-2027	5.00%	No	No	
Secured	30-Jun-2027	5.00%	No	No	
Secured	31-Jul-2027	5.00%	No	No	
Secured	31-Aug-2027	5.00%	No	No	
Secured	30-Sep-2027	5.00%	No	No	
Secured	31-Oct-2027	5.00%	No	No	
Secured	30-Nov-2027	5.00%	No	No	
Secured	31-Dec-2027	5.00%	No	No	
Secured	31-Jan-2028	5.00%	No	No	
Secured	29-Feb-2028	5.00%	No	No	
Secured	31-Mar-2028	5.00%	No	No	
Secured	30-Apr-2028	5.25%	No	No	
Secured	31-May-2028	5.25%	No	No	
Secured	30-Jun-2028	5.25%	No	No	
Secured	31-Jul-2028	5.25%	No	No	
Secured	31-Aug-2028	5.25%	No	No	
Secured	30-Sep-2028	5.25%	No	No	
Secured	31-Oct-2028	5.25%	No	No	
Secured	30-Nov-2028	5.25%	No	No	
Secured	31-Dec-2028	5.25%	No	No	
Secured	31-Jan-2029	5.25%	No	No	
Secured	28-Feb-2029	5.25%	No	No	
Secured	31-Mar-2029	5.25%	No	No	
Unsecured	10-Apr-2025	8.30%	Yes	Yes	
Unsecured	7-Oct-2025	8.11%	Yes	Yes	
Unsecured	7-Nov-2026	7.52%	Yes	Yes	
Unsecured	30-Dec-2026	7.54%	Yes	Yes	
Unsecured	12-Mar-2027	7.95%	Yes	Yes	
Unsecured	10-Dec-2027	7.70%	Yes	Yes	
Unsecured	21-Mar-2028	8.09%	Yes	Yes	
Unsecured	24-Mar-2028	8.01%	Yes	Yes	
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)

Balance Sheet as at 31st March 2024

(₹ in Crores)

S. No.	Particulars	Note No.	As at 31-03-2024	As at 31-03-2023
	ASSETS			
(1)	**Financial Assets**			
(a)	Cash and cash equivalents	**6**	46.26	39.00
(b)	Bank balances other than (a) above	**7**	2,452.44	1,948.34
(c)	Derivative financial instruments	**8**	12,482.02	8,981.61
(d)	Loans	**9**	4,99,192.05	4,22,083.91
(e)	Investments	**10**	5,320.31	3,137.98
(f)	Other financial assets	**11**	24,424.52	24,400.28
	Total - Financial Assets (1)		**5,43,917.60**	**4 ,60,591.12**
(2)	**Non-Financial Assets**			
(a)	Current tax assets (net)	**12**	294.42	295.78
(b)	Deferred tax assets (net)	**13**	2,485.46	3,276.99
(c)	Property, Plant & Equipment	**14**	630.21	638.91
(d)	Capital Work-in-Progress	**14**	23.59	2.72
(e)	Other Intangible Assets	**14**	0.52	1.62
(f)	Other non-financial assets	**15**	88.54	69.65
	Total - Non-Financial Assets (2)		**3,522.74**	**4,285.67**
(3)	**Assets classified as held for sale**	**16**	0.05	0.34
	Total ASSETS (1+2+3)		**5,47,440.39**	**4,64,877.13**
	LIABILITIES AND EQUITY			
	LIABILITIES			
(1)	**Financial Liabilities**			
(a)	Derivative financial instruments	**8**	759.70	976.95
(b)	Debt Securities	**17**	2,66,109.92	2,36,948.99
(c)	Borrowings (other than debt securities)	**18**	1,72,092.05	1,37,114.13
(d)	Subordinated Liabilities	**19**	7,412.21	6,773.30
(e)	Other financial liabilities	**20**	31,840.66	25,174.58
	Total - Financial Liabilities (1)		**4,78,214.54**	**4,06,987.95**
(2)	**Non-Financial Liabilities**			
(a)	Current tax liabilities (net)	**21**	66.51	-
(b)	Provisions	**22**	136.57	110.94
(c)	Other non-financial liabilities	**23**	239.62	98.57
	Total - Non-Financial Liabilities (2)		**442.70**	**209.51**
(3)	**EQUITY**			
(a)	Equity Share Capital	**24**	2,633.22	2,633.22
(b)	Instruments Entirely Equity In Nature	**25**	558.40	558.40
(c)	Other equity	**26**	65,591.53	54,488.05
	Total - Equity (3)		**68,783.15**	**57,679.67**
	Total - LIABILITIES AND EQUITY (1+2+3)		**5,47,440.39**	**4,64,877.13**
	Company Overview and Material 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

Vijay Kumar Singh
Director (Projects)
DIN - 02772733

Vivek Kumar Dewangan
Chairman & Managing Director
DIN - 01377212

In terms of our Audit Report of even date

For Kailash Chand Jain & Co.
Chartered Accountants,
Firm Reg. No. : 112318W

Saurabh Chouhan
Partner
Membership Number : 167453

For SCV & Co. LLP.
Chartered Accountants,
Firm Reg. No. : 000235N/N500089

Abhinav Khosla
Partner
Membership Number : 087010

Place : Mumbai
Date : 30th April 2024

Statement of Profit and Loss for the year ended 31st March 2024

(₹ in Crores)

S. No.	Particulars	Note No.	Year ended 31-03-2024	Year ended 31-03-2023
	Revenue from Operations			
(i)	Interest Income	**27**	46,410.11	38,836.24
(ii)	Dividend Income	**28**	25.68	39.34
(iii)	Fees and Commission Income	**29**	236.03	287.17
(iv)	Net gain/ (loss) on fair value changes	**34**	474.48	45.31
I.	**Total Revenue from Operations (i to iii)**		**47,146.30**	**39,208.06**
II.	**Other Income**	**30**	67.85	44.67
III.	**Total Income (I+II)**		**47,214.15**	**39,252.73**
	Expenses			
(i)	Finance Costs	**31**	29,949.27	23,737.66
(ii)	Net translation/ transaction exchange loss	**32**	166.57	1,114.04
(iii)	Fees and commission Expense	**33**	24.26	16.29
(iv)	Impairment on financial instruments	**35**	(1,358.39)	114.91
(v)	Employee Benefits Expenses	**36**	213.84	181.63
(vi)	Depreciation and amortization	**37**	23.72	24.09
(vii)	Corporate Social Responsibility Expenses	**38**	249.86	202.65
(viii)	Other Expenses	**39**	164.38	122.69
IV.	**Total Expenses (i to viii)**		**29,433.51**	**25,513.96**
V.	**Profit before Tax (III-IV)**		**17,780.64**	**13,738.77**
VI.	**Tax Expense**	**40**		
(i)	Current Tax			
	- Current Year		3,293.00	2,668.58
	- Earlier Years		2.09	(147.29)
(ii)	Deferred Tax		466.34	162.84
	Total Tax Expense (i+ii)		**3,761.43**	**2,684.13**
VII.	**Profit for the year**		**14,019.21**	**11,054.64**
	Other comprehensive Income/(Loss)			
(i)	**Items that will not be reclassified to profit or loss**			
(a)	Re-measurement gains/(losses) on defined benefit plans		(0.99)	(5.99)
	- Tax impact on above		0.25	1.51
(b)	Changes in Fair Value of Equity Instruments measured at Fair Value through Other Comprehensive Income (FVOCI)		96.34	(58.16)
	- Tax impact on above		(4.86)	(0.32)
	Sub-Total (i)		**90.74**	**(62.96)**
(ii)	**Items that will be reclassified to profit or loss**			
(a)	Effective portion of gains and loss on hedging instruments in cash flow hedges		(3,269.97)	542.33
	- Tax impact on above		822.99	(136.49)
(b)	Cost of hedging reserve		4,544.19	(1,755.82)
	- Tax impact on above		(1,143.68)	441.90
	Sub-Total (ii)		**953.53**	**(908.08)**
VIII.	**Other comprehensive Income/(Loss) for the year (i+ii)**		**1,044.27**	**(971.04)**
IX.	**Total comprehensive Income for the year (VII+VIII)**		**15,063.48**	**10,083.60**
X.	**Basic & Diluted Earnings per Equity Share of ₹ 10 each (in ₹)**	**41**		
(1)	For continuing operations		53.11	41.85
(2)	For discontinued operations		-	-
(3)	For continuing and discontinued operations		53.11	41.85
	Company Overview and Material 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

Vijay Kumar Singh
Director (Projects)
DIN - 02772733

Vivek Kumar Dewangan
Chairman & Managing Director
DIN - 01377212

In terms of our Audit Report of even date

For Kailash Chand Jain & Co.
Chartered Accountants,
Firm Reg. No. : 112318W

Saurabh Chouhan
Partner
Membership Number : 167453

For SCV & Co. LLP.
Chartered Accountants,
Firm Reg. No. : 000235N/N500089

Abhinav Khosla
Partner
Membership Number : 087010

Place : Mumbai
Date : 30th April 2024

Statement of Cash Flows for the year ended 31st March 2024

(₹ in Crores)

	Particulars	Year ended 31-03-2024		Year ended 31-03-2023	
A.	**Cash Flow from Operating Activities :**				
	Net Profit before Tax	17,780.64		13,738.77	
	Adjustments for:				
1.	Loss/ (Gain) on derecognition of Property, Plant and Equipment (net)	5.56		6.64	
2.	Loss/ (Gain) on derecognition of Assets held for sale (net)	(1.32)		(4.08)	
3.	Depreciation & Amortization	23.72		24.09	
4.	Impairment losses on Financial Instruments	(1,358.39)		114.91	
5.	Loss/ (Gain) on Fair Value Changes (net)	(471.88)		(43.76)	
6.	Effective Interest Rate (EIR) in respect of Loan Assets and Borrowings	(34.51)		(15.58)	
7.	Interest on Commercial Paper	135.64		-	
8.	Unrealised Foreign Exchange Translation Loss/ (Gain)	(993.07)		963.93	
9.	Interest on Investments	(42.65)		(39.53)	
	Operating Profit/ (Loss) before Changes in Operating Assets & Liabilities	**15,043.74**		**14,745.39**	
	Inflow / (Outflow) on account of :				
1.	Loan Assets	(75,017.32)		(50,424.82)	
2.	Derivatives	(343.67)		790.33	
3.	Other Financial and Non- Financial Assets	(1,544.16)		193.95	
4.	Other Financial and Non- Financial Liabilities & Provisions	7,194.23		(151.53)	
	Cash flow from Operations	**(54,667.18)**		**(34,846.68)**	
1.	Income Tax Paid (including TDS)	(3,218.04)		(2,734.77)	
2.	Income Tax refund	-		99.79	
	Net Cash Flow from Operating Activities		**(57,885.22)**		**(37,481.66)**
B.	**Cash Flow from Investing Activities**				
1.	Sale of Property, Plant & Equipment	0.07		0.02	
2.	Sale of assets held for sale	1.61		4.60	
3.	Investment in Property, Plant & Equipment (incl. CWIP & Capital Advances)	(32.81)		(17.62)	
4.	Investment in Intangible Assets (including intangible assets under development & Capital Advances)	-		(0.01)	
5.	Finance Costs Capitalised	(0.53)		(0.03)	
6.	Sale/ (Investment) in Equity Shares	67.39		10.13	
7.	Redemption/ (Investment) in High Quality Liquid Assets (HQLAs) (net)	(997.94)		(457.82)	
8.	Redemption/ (Investment) in Debt Securities other than HQLAs (net)	(912.98)		(343.14)	
	Net Cash Flow from Investing Activities		**(1,875.19)**		**(803.87)**
C.	**Cash Flow from Financing Activities**				
1.	Issue/ (Redemption) of Rupee Debt Securities (net)	27,473.52		14,823.67	
2.	Issue/ (Redemption) of Commercial Paper (net)	(135.64)		-	
3.	Raising/ (Repayments) of Rupee Term Loans/ WCDL from Banks/ FIs (net)	3,640.02		14,808.94	
4.	Raising/ (Repayments) of Foreign Currency Debt Securities and Borrowings (net)	30,921.49		11,643.52	
5.	Expenses on issue of Bonus Equity Shares	-		(0.71)	
6.	Raising/ (Redemption) of Subordinated Liabilities (net)	590.00		-	
7.	Coupon payment on Perpetual Debt Instruments entirely equity in nature	(44.50)		(44.50)	
8.	Payment of Dividend on Equity Shares	(2,857.05)		(3,120.37)	
9.	Repayment towards Lease Liability	(0.02)		(0.01)	
	Net Cash flow from Financing Activities		**59,587.82**		**38,110.54**
	Net Increase/ (Decrease) in Cash & Cash Equivalents		**(172.59)**		**(174.99)**

(₹ in Crores)

Particulars	Year ended 31-03-2024		Year ended 31-03-2023	
Cash & Cash Equivalents as at the beginning of the Year		**(48.59)**		**126.40**
Cash & Cash Equivalents as at the end of the Year		**(221.18)**		**(48.59)**

During the year, the Company has received Dividend of ₹25.68 crore (previous year ₹39.34 crore). Further, during the year, the Company has paid an amount of ₹247.30 crore (previous year ₹209.95 crore) towards Corporate Social Responsibility.

Components of Cash & Cash Equivalents as at end of the year are:

(₹ in Crores)

Particulars	As at 31-03-2024	As at 31-03-2023
- Cash on Hand (including imprest)	0.02	-
- Balances with Banks	46.24	31.31
- Short-term Deposits with Scheduled Banks	-	7.69
- Bank Overdraft	(267.44)	(87.59)
Total Cash & Cash Equivalents	**(221.18)**	**(48.59)**

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	IndAS Adjustments	
Year ended 31-03-2024						
Rupee Debt Securities	2,04,258.45	27,473.52	1,541.71	-	(11.22)	2,33,262.46
Commercial Paper	-	(135.64)	-	-	135.64	-
Rupee Term Loans/ WCDL / Overdrafts	76,422.96	3,819.87	(74.45)	-	-	80,168.38
Foreign Currency Debt Securities & other Borrowings	93,381.71	30,921.49	162.66	528.18	(222.91)	1,24,771.13
Subordinated Liabilities	6,773.30	590.00	24.27	-	24.64	7,412.21
Total	**3,80,836.42**	**62,669.24**	**1,654.19**	**528.18**	**(73.85)**	**4,45,614.18**
Year ended 31-03-2023						
Rupee Debt Securities	1,89,606.42	14,823.67	(33.08)	-	(138.56)	2,04,258.45
Commercial Paper	-	-	-	-	-	-
Rupee Term Loans/ WCDL/ Overdrafts	61,460.56	14,896.53	65.87	-	-	76,422.96
Foreign Currency Debt Securities & other Borrowings	75,218.18	11,643.52	199.88	6,328.39	(8.26)	93,381.71
Subordinated Liabilities	6,816.47	-	(0.01)	-	(43.16)	6,773.30
Total	**3,33,101.63**	**41,363.72**	**232.66**	**6,328.39**	**(189.98)**	**3,80,836.42**

** 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

Vijay Kumar Singh
Director (Projects)
DIN - 02772733

Vivek Kumar Dewangan
Chairman & Managing Director
DIN - 01377212

In terms of our Audit Report of even date

For Kailash Chand Jain & Co.
Chartered Accountants,
Firm Reg. No. : 112318W

Saurabh Chouhan
Partner
Membership Number : 167453

For SCV & Co. LLP.
Chartered Accountants,
Firm Reg. No. : 000235N/N500089

Abhinav Khosla
Partner
Membership Number : 087010

Place : Mumbai
Date : 30th April 2024

Standalone Statement of Changes in Equity for the year ended 31st March 2024

A. Equity share capital

(₹ in Crores)

Particulars	As at 31-03-2024	As at 31-03-2023
Balance at the beginning of the year	**2,633.22**	**1,974.92**
Changes in equity share capital during the year*	-	658.30
Balance at the end of the year	**2,633.22**	**2,633.22**

Refer note 24 for detail

** During the last FY 2022-23, the Company has issued 65,83,06,000 equity shares of ₹ 10 each as fully paid-up bonus shares in the ratio of 1 (One) equity share for every 3 (Three) equity share outstanding on the record date i.e. 18th August 2022.*

B. Instruments entirely equity in nature

(₹ in Crores)

Particulars	As at 31-03-2024	As at 31-03-2023
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 25 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	Statutory Reserve u/s 45-IC of Reserve Bank of India Act, 1934	Securities Premium Account	Foreign Currency Monetary Item Translation Difference Account	General Reserve	Retained Earnings				
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**
Profit for the year							11,054.64				11,054.64
Remeasurement of Defined Benefit Plans (net of taxes)							(4.48)				(4.48)
Recognition through Other Comprehensive Income (net of taxes)								(58.48)	405.84	(1,313.92)	(966.56)
Total Comprehensive Income for the year	-	-	-	-	-	-	**11,050.16**	**(58.48)**	**405.84**	**(1,313.92)**	**10,083.60**

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	Statutory Reserve u/s 45-IC of Reserve Bank of India Act, 1934	Securities Premium Account	Foreign Currency Monetary Item Translation Difference Account	General Reserve	Retained Earnings				
Transferred to/ (from) Retained Earnings	2,674.96	-	2,211.15			-	(4,886.11)				-
Transferred to General Reserve		(196.82)				196.82	-				-
Reclassification of gain/ (loss) on sale/ extinguishment of FVOCI equity instrument (net of taxes)							5.01	(5.01)			-
Foreign Currency Translation gain/ (loss) on long term monetary items during the year					(487.03)						(487.03)
Amortisation during the year					251.88						251.88
Coupon payment on Instrument Entirely Equity in Nature (Perpetual Debt Instruments) (Net of Taxes)							(33.30)				(33.30)
Sub-Total	**2,674.96**	**(196.82)**	**2,211.15**	**-**	**(235.15)**	**196.82**	**(4,914.40)**	**(5.01)**	**-**	**-**	**(268.45)**
Utilised for issue of Bonus Equity Shares				(658.30)			-				(658.30)
Expenses incurred on issue of Bonus Equity Shares				(0.71)							(0.71)
Dividends							(3,120.37)				(3,120.37)
Sub-total-Transaction with owners	**-**	**-**	**-**	**(659.01)**	**-**	**-**	**(3,120.37)**	**-**	**-**	**-**	**(3,779.38)**
Balance as at 31st March 2023	**24,977.89**	**-**	**8,025.15**	**1,577.53**	**(790.44)**	**11,978.44**	**9,930.77**	**(101.47)**	**600.05**	**(1,709.87)**	**54,488.05**

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	Statutory Reserve u/s 45-IC of Reserve Bank of India Act, 1934	Securities Premium Account	Foreign Currency Monetary Item Translation Difference Account	General Reserve	Retained Earnings				
Balance as at 31st March 2023	**24,977.89**	**-**	**8,025.15**	**1,577.53**	**(790.44)**	**11,978.44**	**9,930.77**	**(101.47)**	**600.05**	**(1,709.87)**	**54,488.05**
Profit for the year							14,019.21				14,019.21
Remeasurement of Defined Benefit Plans (net of taxes)							(0.74)				(0.74)
"Recognition through Other Comprehensive Income (net of taxes)"								91.48	(2,446.98)	3,400.51	1,045.01
Total Comprehensive Income for the year	-	-	-	-	-	-	**14,018.47**	**91.48**	**(2,446.98)**	**3,400.51**	**15,063.48**
Transferred to/ (from) Retained Earnings	3,066.94	687.76	2,803.84			-	(6,558.54)				-
Transferred to General Reserve	-	-				-	-				-
Reclassification of gain/ (loss) on sale/ extinguishment of FVOCI equity instrument (net of taxes)							48.00	(48.00)			-
Foreign Currency Translation gain/ (loss) on long term monetary items during the year					(85.73)						(85.73)
Amortisation during the year					201.03						201.03

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	Statutory Reserve u/s 45-IC of Reserve Bank of India Act, 1934	Securities Premium Account	Foreign Currency Monetary Item Translation Difference Account	General Reserve	Retained Earnings				
Coupon payment on Instrument Entirely Equity in Nature (Perpetual Debt Instruments) (Net of Taxes)							(33.30)				(33.30)
Sub-total	**3,066.94**	**687.76**	**2,803.84**	**-**	**115.30**	**-**	**(6,543.84)**	**(48.00)**	**-**	**-**	**82.00**
Dividends							(4,042.00)				(4,042.00)
Sub-total-Transaction with owners	**-**	**-**	**-**	**-**	**-**	**-**	**(4,042.00)**	**-**	**-**	**-**	**(4,042.00)**
Balance as at 31st March 2024	**28,044.83**	**687.76**	**10,828.99**	**1,577.53**	**(675.14)**	**11,978.44**	**13,363.40**	**(57.99)**	**(1,846.93)**	**1,690.64**	**65,591.53**

Refer Note No. 26.1 for details regarding drawdown/ transfers from Reserves

Accompanying Notes to Financial Statements **1 to 67**

J.S. Amitabh
ED & Company Secretary

Vijay Kumar Singh
Director (Projects)
DIN - 02772733

Vivek Kumar Dewangan
Chairman & Managing Director
DIN - 01377212

In terms of our Audit Report of even date

For Kailash Chand Jain & Co.
Chartered Accountants,
Firm Reg. No. : 112318W

Saurabh Chouhan
Partner
Membership Number : 167453

For SCV & Co. LLP.
Chartered Accountants,
Firm Reg. No. : 000235N/N500089

Abhinav Khosla
Partner
Membership Number : 087010

Place : Mumbai
Date : 30th April 2024

Notes to Accounts

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 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 of India Enterprise 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). Being an NBFC, the company is regulated by Reserve Bank of India.

The company has been accorded with the status of a 'Maharatna' Central Public Sector Enterprise by the Department of Public Enterprises, under the Ministry of Finance.

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. During FY 2022-23, REC has also diversified into the Non-Power Infrastructure sector comprising Roads & Expressways, Metro Rail, Airports, IT Communication, Social and Commercial Infrastructure (Educational Institution, Hospitals), Ports and Electro-Mechanical (E&M) works in respect of various other sectors like Steel, Refinery, etc.

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 including those issued by RBI.

The financial statements for the year ended 31st March 2024 were authorized and approved by the Board of Directors on 30th April 2024.

3. Material Accounting Policies

The material 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.

As a matter of prudence, income on credit impaired loan assets is recognised as and when received or on accrual basis when expected realisation is higher than the loan amount outstanding.

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 the basis of the services rendered and amount of fee sanctioned by the Ministry of Power.

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.

Notes to Accounts

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 year 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 year 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 amortized.

Land also includes land treated as a Right of Use asset under lease agreement earlier classified as finance lease and is amortized 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 Rs. 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.'

3.7 Intangible assets

Recognition and initial measurement

Intangible assets are 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.

Notes to Accounts

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 Lease accounting:

Right-of-use asset and related lease liability in connection with all former operating leases are recognised except for those identified as short-term or low-value lease.

An assessment at contract inception is made 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 contract is assessed for 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
- 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
- right to direct the use of the identified asset throughout the period of use and right to direct 'how and for what purpose' the asset is used throughout the period of use.

At lease commencement date, a right-of-use asset and a lease liability is recognized 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, 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 right-of-use assets are depreciated 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 right-of-use asset is also assessed for impairment when such indicators exist.

At the commencement date, the lease liability is measured 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 Company'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.

3.9 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.

3.10 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 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.

Notes to Accounts

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.

Impairment allowance (expected credit loss) 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 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.

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

Notes to Accounts

- 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 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.

Notes to Accounts

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 up to Rs. 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.

Defined benefit plan

The Company has an obligation towards gratuity, Post Retirement Medical Facility (PRMF), Provident Fund (PF) 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,

Notes to Accounts

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 trequired 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 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 material 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 material to the fair value measurement is directly or indirectly observable
- Level 3 **-** Valuation techniques for which the lowest level input that is material 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 material 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 material 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. Further, MCA has not issued any new Ind-AS applicable to the company.

5. Material 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. The estimates and underlying assumptions are based on historical experience & other relevant factors and are reviewed on an ongoing basis. Actual results may differ from these estimates.

Changes in accounting estimates- Such changes, if any, are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision & future periods if it affects both current & future periods.

Material 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 - As a matter of prudence, income on credit impaired loan assets is recognised as and when received or on accrual basis when expected realisation is higher than the loan amount outstanding.

Material estimates

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

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 materially 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 – Material 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)

Notes to Accounts

6. Cash and Cash Equivalents

(₹ in Crores)

Particulars	As at 31-03-2024	As at 31-03-2023
Cash on Hand (including imprest)	0.02	-
Balances with Banks		
in current accounts	46.24	31.31
deposits with original maturity of 3 months or less	-	7.69
Total	**46.26**	**39.00**

7 Bank Balances (other than Cash and Cash Equivalents)

(₹ in Crores)

Particulars	As at 31-03-2024	As at 31-03-2023
Earmarked Balances with Banks		
For unpaid dividends	1,192.72	6.79
For Government funds for onward disbursement as grant	13.64	24.22
Earmarked Term Deposits		
Deposits in Compliance of Court Order	0.67	0.62
Term Deposit- Debenture Redemption Reserves	-	196.35
Balances with banks not available for use pending allotment of 54EC Capital Gain Tax Exemption Bonds	**1,245.41**	**1,720.36**
Total	**2,452.44**	**1,948.34**

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 2024 (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 47 for Risk Management Disclosures in respect of the derivatives.

Part I

(₹ in Crores)

	Particulars	As at 31-03-2024			As at 31-03-2023		
		Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
(i)	**Currency Derivatives**						
	- Currency swaps	3,126.52	43.34	38.13	3,083.13	47.50	58.13
	- Others						
	- Call Spread	-	-	-	2,055.42	208.14	-
	- Seagull Options	1,21,107.24	11,070.97	411.82	80,362.47	8,007.42	87.89
	Sub-total (i)	**1,24,233.76**	**11,114.31**	**449.95**	**85,501.02**	**8,263.06**	**146.02**
(ii)	**Interest Rate Derivatives**						
	- Forward Rate Agreements and Interest Rate Swaps	72,128.13	1,367.71	309.75	46,278.27	718.55	300.82
	Sub-total (ii)	**72,128.13**	**1,367.71**	**309.75**	**46,278.27**	**718.55**	**300.82**
(iii)	**Other derivatives**						
	- Reverse cross currency swaps	-	-	-	4,947.00	-	530.11
	Total - Derivative Financial Instruments (i+ii+iii)	**1,96,361.89**	**12,482.02**	**759.70**	**1,36,726.29**	**8,981.61**	**976.95**

Notes to Accounts

Part II

Included in Part I are derivatives held for hedging and risk management purposes as below:

(₹ in Crores)

Particulars		**As at 31-03-2024**			**As at 31-03-2023**		
		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	15,950.70	-	297.73	15,950.70	10.32	289.34
	Sub-total (i)	**15,950.70**	**-**	**297.73**	**15,950.70**	**10.32**	**289.34**
(ii)	**Cash Flow Hedging**						
	- Currency Derivatives						
	- Currency Swaps	3,126.52	43.34	38.13	3,083.13	38.85	-
	- Others						
	- Call Spread	-	-	-	2,055.42	208.14	-
	- Seagull Options	1,21,107.24	11,070.96	411.82	80,362.47	7,979.02	85.76
	- Interest Rate Derivatives						
	- Forward Rate Agreements and Interest Rate Swaps	49,477.43	905.30	12.02	23,627.57	337.69	11.48
	Sub-total (ii)	**1,73,711.19**	**12,019.60**	**461.97**	**1,09,128.59**	**8,563.70**	**97.24**
(iii)	**Undesignated Derivatives**	**6,700.00**	**462.42**	**-**	**11,647.00**	**407.59**	**590.37**
	Total - Derivative Financial Instruments (i+ii+iii)	**1,96,361.89**	**12,482.02**	**759.70**	**1,36,726.29**	**8,981.61**	**976.95**

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 31-03-2024**		**As at 31-03-2023**	
		Principal O/s	**Amortised Cost**	**Principal O/s**	**Amortised Cost**
(A)	**Loans**				
(i)	Term Loans	4,62,090.27	4,63,975.61	4,08,463.40	4,09,638.42
(ii)	Working Capital Term Loans	47,280.68	47,596.96	26,548.39	26,709.24
	Total (A) - Gross Loans	**5,09,370.95**	**5,11,572.57**	**4,35,011.79**	**4,36,347.66**
	Less: Impairment loss allowance	(12,380.52)	(12,380.52)	(14,263.75)	(14,263.75)
	Total (A) - Net Loans	**4,96,990.43**	**4,99,192.05**	**4,20,748.04**	**4,22,083.91**
(B)	**Security Details**				
(i)	Secured by tangible assets	2,47,650.53	2,48,205.98	2,42,310.94	2,42,633.17
(ii)	Covered by Government Guarantees	2,24,500.49	2,25,967.86	1,72,069.58	1,73,004.21
(iii)	Unsecured	37,219.92	37,398.72	20,631.27	20,710.28
	Total (B) - Gross Loans	**5,09,370.95**	**5,11,572.57**	**4,35,011.79**	**4,36,347.66**
	Less: Impairment loss allowance	(12,380.52)	(12,380.52)	(14,263.75)	(14,263.75)
	Total (B) - Net Loans	**4,96,990.43**	**4,99,192.05**	**4,20,748.04**	**4,22,083.91**

Notes to Accounts

(₹ in Crores)

Particulars		As at 31-03-2024		As at 31-03-2023	
		Principal O/s	Amortised Cost	Principal O/s	Amortised Cost
(C)(I)	**Loans in India**				
(i)	Public Sector	4,54,647.08	4,56,894.28	3,93,225.23	3,94,571.78
(ii)	Private Sector	54,723.87	54,678.29	41,786.56	41,775.88
	Total (C)(I) - Gross Loans	**5,09,370.95**	**5,11,572.57**	**4,35,011.79**	**4,36,347.66**
	Less: Impairment loss allowance	(12,380.52)	(12,380.52)	(14,263.75)	(14,263.75)
	Total (C)(I) - Net Loans	**4,96,990.43**	**4,99,192.05**	**4,20,748.04**	**4,22,083.91**
(C)(II)	**Loans outside India**				
	Less: Impairment loss allowance	-	-		-
	Total (C)(II) - Net Loans	**-**	**-**	**-**	**-**
	Total (C)(I) and (C)(II)	**4,96,990.43**	**4,99,192.05**	**4,20,748.04**	**4,22,083.91**

9.1 Reconciliation between the figures reported under Ind-AS and contractual amounts outstanding in respect of Loans:

(₹ in Crores)

Particulars	As at 31-03-2024	As at 31-03-2023
Net Loans	**4,99,192.05**	**4,22,083.91**
Less: Interest accrued and due on Loans classified under the same head as per Ind-AS	(300.36)	(60.23)
Less: Interest accrued and not due on Loans classified under the same head as per Ind-AS	(2,201.98)	(1,436.81)
Add: Allowance for Expected Credit Loss (ECL) netted off as per Ind-AS	12,380.52	14,263.75
Add: Ind-AS Adjustments in respect of fees based income at Effective Interest Rate (EIR)	300.72	161.17
Gross Loans	**5,09,370.95**	**4,35,011.79**

9.2 Movement of Impairment Loss Allowance in respect of Loans:

(₹ in Crores)

Particulars	As at 31-03-2024	As at 31-03-2023
Opening Balance	**14,263.75**	**14,704.66**
Add: Impairment loss allowance provided during the year (Refer Note 35)	(1,383.21)	110.17
Less: Allowance utilised towards write-off of loans	(500.02)	(551.08)
Closing Balance	**12,380.52**	**14,263.75**

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 ₹500.02 crores (Previous year ₹551.08 crores). The details of write-offs are as below:

(i) During the current year

(a) Pursuant to Restructuring Agreement executed on 21st December 2023 in respect of Dans Energy Private Limited under RBI Circular "Prudential Framework for Resolution of Stressed Assets" dated 07-06-2019, the company has received entire outstanding of ₹366.88 crores after appropriating the recoveries of ₹415.99 crores (Term Loan of ₹415.99 crores and Optionally convertible debentures Nil) with corresponding reversal of ECL of ₹40.17 crores.

(b) Pursuant to the Resolution Plan approved under IBC proceedings executed on 10th August 2023 in respect of Meenakshi Energy Private Limited, the company has written off an amount of ₹ 499.61 crore after appropriating recoveries of ₹211.23 crores (Cash of ₹ 50.90 crore and Non-Convertible Debentures (NCD) of ₹160.33 crore) with corresponding reversal of ECL of ₹488.42 crores.

(c) Pursuant to the One Time Settlement executed on 20th November 2023 in respect of Classic Global Limited, the company has written off an amount of ₹0.41 crore after appropriating cash recoveries of ₹2.50 crores with corresponding reversal of ECL of ₹2.91 crores.

Notes to Accounts

(ii) During the previous year

(a) Pursuant to the Resolution Plan approved under IBC proceedings executed on 5th September 2022 in respect of Jhabua Power Limited, the Company has written off an amount of ₹10.41 crores after appropriating recoveries of ₹310.63 crores (Cash ₹77.41 crore, Non-Convertible Debentures of ₹51.48 crore and Equity of ₹181.74 crore) with corresponding reversal of ECL of ₹197.09 crores.

(b) Pursuant to the Resolution Plan approved under IBC proceedings executed on 16th September 2022 in respect of South East U.P. Power Transmission Company Limited, the company has recovered the entire outstanding loan of ₹922.09 crores and ₹ 132.91 crores overdue interest after appropriating cash recoveries of ₹ 1,055.00 crores with corresponding reversal of ECL of ₹461.05 crores.

(c) Pursuant to the Resolution Plan approved under IBC proceedings executed on 27th December 2022 in respect of Ind Barath Energy (Utkal) Limited, the Company has written off an amount of ₹536.16 crores after appropriating equity & cash recoveries totalling to ₹240.84 crores with corresponding reversal of ECL of ₹624.01 crores.

(d) Pursuant to the One Time Settlement executed on 2nd December 2022 in respect of ATN International Limited, the Company has written off an amount of ₹3.45 crores after appropriating total recoveries of ₹6.00 crores (of which ₹4.15 crores received in FY 2023-24) with corresponding reversal of ECL of ₹9.45 crores.

(e) Pursuant to the One Time Settlement executed on 2nd December 2022 in respect of Silicon Valley infotech Limited, the Company has written off an amount of ₹ 1.06 crore after appropriating total recoveries of ₹1.85 crores (of which ₹1.35 crores to be received in FY 2023-24) with corresponding reversal of ECL of ₹2.91 crores.

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 31-03-2024		As at 31-03-2023	
	%	Amount	%	Amount
Gross Loan Book		5,09,370.95		4,35,011.79
Loan Assets for which balance confirmations have been received from borrowers	94%	4,76,725.31	93%	4,06,179.64
Loan Assets for which balance confirmations are yet to be received from borrowers of which,	6%	32,645.64	7%	28,832.15
Loans secured by tangible assets	47%	15,457.53	54%	15,630.88
Loans covered by Government Guarantee/ Loans to Government	34%	11,149.39	25%	7,065.14
Unsecured loans	19%	6,038.73	21%	6,136.12

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= 5+6)**
As at 31st March, 2024							
Government Securities	1,624.08	-	-	-	**1,624.08**	-	**1,624.08**
Debt Securities	2,144.09	-	1,065.03	-	**3,209.12**	-	**3,209.12**
Equity Instruments	-	410.64	76.37		**487.01**	0.10	**487.11**

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			
Preference Shares	28.72	-	-	-	**28.72**	-	**28.72**
Others	-	-	-		**-**	-	**-**
Total - Gross (A)	**3,796.89**	**410.64**	**1,141.40**	**-**	**5,348.93**	**0.10**	**5,349.03**
Investments outside India	-	-	-	-	**-**	-	**-**
Investments in India	3,796.89	410.64	1,141.40	-	**5,348.93**	0.10	**5,349.03**
Total - Gross (B)	**3,796.89**	**410.64**	**1,141.40**	**-**	**5,348.93**	**0.10**	**5,349.03**
Total Investments	3,796.89	410.64	1,141.40	-	**5,348.93**	0.10	**5,349.03**
Less: impairment loss allowance (C)	(28.72)	-	-	-	**(28.72)**	-	**(28.72)**
Total - Net (D=A-C)	**3,768.17**	**410.64**	**1,141.40**	**-**	**5,320.21**	**0.10**	**5,320.31**
As at 31st March, 2023							
Government Securities	1,431.74	-	-	-	**1,431.74**	-	**1,431.74**
Debt Securities	734.78	-	562.34	-	**1,297.12**	-	**1,297.12**
Equity Instruments	-	381.71	27.31		**409.02**	0.10	**409.12**
Preference Shares	28.72	-	-	-	**28.72**	-	**28.72**
Others	-	-	-	-	**-**	-	**-**
Total - Gross (A)	**2,195.24**	**381.71**	**589.65**	**-**	**3,166.60**	**0.10**	**3,166.70**
Investments outside India	-	-	-	-	**-**	-	**-**
Investments in India	2,195.24	381.71	589.65	-	**3,166.60**	0.10	**3,166.70**
Total - Gross (B)	**2,195.24**	**381.71**	**589.65**	**-**	**3,166.60**	**0.10**	**3,166.70**
Total Investments	2,195.24	381.71	589.65	-	**3,166.60**	0.10	**3,166.70**
Less: impairment loss allowance (C)	**(28.72)**	**-**	**-**	**-**	**(28.72)**	**-**	**(28.72)**
Total - Net (D=A-C)	**2,166.52**	**381.71**	**589.65**	**-**	**3,137.88**	**0.10**	**3,137.98**

10.1 Details of investments

(₹ in Crores)

Particulars	Investment measured at	As at 31-03-2024		As at 31-03-2023	
		Number	Amount	Number	Amount
(A) Total - Central/ State Government Securities- Quoted (HQLAs)*	**Amortised Cost**	**15,86,33,000**	**1,624.08**	**13,97,12,800**	**1,431.74**
(B) Debt Securities					
(i) **Corporate Bonds- Quoted (HQLAs)***			**1,436.83**		**629.04**
- 9.95% Uttar Pradesh Power Corporation Limited (UPPCL)	Amortised Cost	3,700	373.32	3,000	300.00
- 9.62% Andhra Pradesh State Beverages Corporation Limited (APSBCL)	Amortised Cost	1,235	127.86	-	-
- 9.70% Uttar Pradesh Power Corporation Limited (UPPCL)	Amortised Cost	550	56.85	-	-
- 8.49% Green Bonds of Kerala InfrastructureInvestment Fund Board (KIIFB)	Amortised Cost	4,998	49.98	-	-
- 9.10% Domestic Bonds Series II of Kerala Infrastructure Investment Fund Board (KIIFB)	Amortised Cost	49,994	500.56	-	-
- 8% Bonds of Mahanagar Telephone Nigam Limited (MTNL)	Amortised Cost	1,000	102.98	1,000	102.97

Notes to Accounts

(₹ in Crores)

Particulars	Investment measured at	As at 31-03-2024		As at 31-03-2023	
		Number	Amount	Number	Amount
- 7.05% Bonds of Mahanagar Telephone Nigam Limited	Amortised Cost	850	88.09	850	88.12
- 6.65% Bonds of Food Corporation of India	Amortised Cost	200	20.61	200	20.61
- 7.19% Bonds of THDC India Limited	Amortised Cost	250	26.30	250	26.31
- 8.69% Bonds of Damodar Valley Corporation	Amortised Cost	200	21.06	200	21.35
- 7.30% Bonds of Power Grid Corporation of India Limited	Amortised Cost	200	21.98	200	22.22
- 5.78% Bonds of Chennai Petroleum Corporation Limited	Amortised Cost	150	15.62	150	15.62
- 6.11% Bonds of Bharat Petroleum Corporation Limited	Amortised Cost	100	10.47	100	10.49
- 7.30% Bonds of NMDC Steel Limited	Amortised Cost	200	21.15	200	21.35
(ii) Debt Securities (other than HQLAs)					
- 10% Non- Convertible Debentures of GMR Goa International Airport Limited (GGIAL) - Quoted	Amortised Cost	49,488	493.20	-	-
- 7.99% Perpetual Bonds of Canara Bank- Quoted	Fair value through profit or loss	200	208.49	200	208.47
- 9.50% Perpetual Bonds of UCO Bank- Quoted	Fair value through profit or loss	228	228.80	228	228.79
- 8.55% Perpetual Bonds of Punjab National Bank- Quoted	Fair value through profit or loss	500	510.65	-	-
- 3% Optionally convertible debentures - Series B of Essar Power Transmission Co. Limited- Unquoted	Fair value through profit or loss	15,22,63,003	81.30	16,54,03,256	86.85
- 3% Optionally convertible debentures- Series B of Essar Power Transmission Co. Limited- Unquoted	Fair value through profit or loss	6,70,35,820	35.79	7,28,21,001	38.23
- Optionally convertible debentures- Series C of Essar Power Transmission Co. Limited- Unquoted **	Fair value through profit or loss	1,86,35,162	-	1,86,35,162	-
- 0% Non- Convertible Debentures (NCDs) of Ferro Alloys Corporation Limited- Unquoted	Amortised Cost	-	-	2,55,19,173	56.40
- 0% Non- Convertible Debentures (NCDs) of Meenakshi Energy Limited- Unquoted	Amortised Cost	2,50,95,356	169.01	-	-
- 8.50% Non- Convertible Debentures (NCDs) of Jhabua Power Limited- Unquoted	Amortised Cost	45,04,532	45.05	49,33,536	49.34
- 0.01% Optionally Convertible Debentures (OCD) Series A of R.K.M PowerGen Private Limited- Unquoted **	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 Limited- Unquoted **	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- Unquoted **	Fair value through profit or loss	1,04,74,150	-	1,04,74,150	-
- 0.01% Optionally Convertible Debentures (OCD) of Dans Energy Private Limited- Unquoted **	Fair value through profit or loss	2,13,75,000	-	-	-
Total (B) - Debt Securities (i+ii)			**3,209.12**		**1,297.12**
(C) Equity Instruments					
(i) Subsidiary (Refer note 10.2)					
- REC Power Development and Consultancy Limited - Unquoted	Others (At Cost)	85,500	0.10	85,500	0.10
Total - Subsidiary			**0.10**		**0.10**

Notes to Accounts

(₹ in Crores)

Particulars	Investment measured at	As at 31-03-2024		As at 31-03-2023	
		Number	Amount	Number	Amount
(ii) Others					
- NHPC Limited- Quoted	Fair value through other comprehensive income	1,04,69,555	93.91	1,63,51,580	65.73
- HUDCO Limited- Quoted	Fair value through other comprehensive income	-	-	3,47,429	1.50
- Energy Efficiency Services Limited- Unquoted	Fair value through other comprehensive income	21,81,00,000	136.50	21,81,00,000	140.43
- Universal Commodity Exchange Limited- Unquoted	Fair value through other comprehensive income	1,60,00,000	-	1,60,00,000	-
- Jhabua Power Limited- Unquoted	Fair value through other comprehensive income	2,78,85,211	177.72	2,78,85,211	173.42
- Ind Barath Energy (Utkal) Limited- Unquoted	Fair value through other comprehensive income	127	2.51	127	0.63
- Rattan India Power Limited- Quoted	Fair value through profit or loss	9,25,68,105	76.37	9,25,68,105	27.31
- R.K.M PowerGen Private Limited- Unquoted **	Fair value through profit or loss	18,17,90,667	-	18,17,90,667	-
Total - Others			**487.01**		**409.02**
Total (C) - Equity Instruments (i+ii)			**487.11**		**409.12**
(D) Preference Shares - Unquoted					
- Redeemable, issued by Rattan India Power Limited	Amortised cost	2,87,20,978	28.72	2,87,20,978	28.72
- Optionally Convertible, issued by Rattan India Power Limited	Fair value through profit or loss	4,33,03,616	-	4,33,03,616	-
Total (D) - Preference Shares			**28.72**		**28.72**
(E) Total - Others			**-**		**-**
Total Investments (F= A to E)			**5,349.03**		**3,166.70**
Less: impairment loss allowance (G)			(28.72)		(28.72)
Total - Net (H=F-G)			**5,320.31**		**3,137.98**

Refer note 51.1 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

(₹ in Crores)

Name of the company	Principal place of business / Country of Incorporation	Proportion of ownership interest as at	
		31-03-2024	31-03-2023
Subsidiary :			
REC Power Development and Consultancy Limited	India	100.00%	100.00%

The investments in subsidiary are measured at cost in accordance with the provisions of Ind AS 27 'Separate Financial Statements'.

Notes to Accounts

10.3 Movement of Impairment Loss Allowance in respect of Investments:

(₹ in Crores)

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
Opening Balance	**(28.72)**	**(28.72)**
Add: Impairment loss allowance	-	-
Less: Allowance utilised towards write-off of Investments	-	-
Closing Balance	**(28.72)**	**(28.72)**

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) <u>During the current year:</u>

(a) Pursuant to Restructuring Agreement in respect of Dans Energy Private Limited , the company has been alloted 2,13,75,000 no. of 0.01% Optionally-Convertible Debentures (OCDs) having face value of ₹100/- each.

b) Pursuant to the Resolution Plan approved under IBC proceedings in respect of Meenakshi Energy Private Limited, the company has been alloted 2,50,95,356 no. of 0% Non-Convertible Debentures (NCDs) having face value of ₹100/- each.

(ii) <u>During the previous year:</u>

(a) Pursuant to the Resolution Plan approved under IBC proceedings in respect of Jhabua Power Limited, the company has been allotted 2,78,85,211 no. of equity shares having face value of ₹10/- each and 51,48,038 no. of 8.50% Non-Convertible Debentures having face value of ₹100/- each.

(b) Pursuant to the Resolution Plan approved under IBC proceedings in respect of Ind Barath Energy (Utkal) Limited, the company has been allotted 127 no. of equity shares having face value of ₹ 10/- each
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 operation comprise of only one business segment i.e. providing financial assistance to power, logistic and infrastructure sector. Thus, in order to isolate Standalone Statement of Profit and 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 2023-24			FY 2022-23		
	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-ecognition
NHPC Limited	58,82,025	60.94	48.14	24,91,604	10.13	4.70
HUDCO Limited	3,47,429	6.45	4.37	-	-	-

During the FY 23-24, the Company has sold 58,82,025 equity shares of NHPC Limited (previous year 24,91,604 numbers) and entire 3,47,429 no. of equity shares of HUDCO Limited (previous year Nil) considering the market scenerio for a consideration of ₹ 60.94 crores (previous year ₹ 10.13 crores) and ₹ 6.45 crores (previous year Nil) respectively 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.

10.6 The Board of Directors of the Company have approved Incorporation of a Wholly-Owned Subsidiary (WOS) for dealing in permissible activities as a Finance Company in International Financial Service Centre (IFSC), Gujarat International Finance Tec-City ("GIFT"), Gandhinagar, Gujarat, subject to receipt of approval from the Reserve Bank of India (RBI). The Finance Company will be deemed as a non-resident entity under extant FEMA regulations and will be goverened by unified regulator i.e International Financial Services Centres Authority (IFSCA). The Company has made an application to the Reserve Bank of India on February 8, 2024 seeking "No-Objection Certificate" (NOC) to set up such entity.

Notes to Accounts

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 31-03-2024	As at 31-03-2023
(A)	**Loans to Employees** (Refer Note 11.1)	57.99	44.56
(B)	**Advances to Employees**	0.89	0.49
(C)	**Loans & Advances to Holding/ Subsidiary**	7.47	10.24
(D)	**Security Deposits**	1.44	1.03
(E)	**Recoverable from Government of India**		
	- Towards GoI Fully Serviced Bonds (Refer Note 20.5)	24,319.40	24,318.29
(F)	**Other amounts recoverable**	104.63	120.39
	Less: Impairment Loss allowance (Refer Note 11.2)	(67.30)	(94.72)
	Other Amounts Recoverable (Net)	**37.33**	**25.67**
	Total (A to F)	**24,424.52**	**24,400.28**

11.1 Details of Loans to Employees (Considered Good)

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 31-03-2024	As at 31-03-2023
(A)	**Secured Loans**		
	- To Key Managerial Personnel	0.06	0.12
	- To employees other than Key Managerial Personnel	37.38	28.28
	Sub-total (A)	**37.44**	**28.40**
(B)	**Unsecured Loans**		
	- To Key Managerial Personnel	0.24	0.10
	- To employees other than Key Managerial Personnel	20.31	16.06
	Sub-total (B)	**20.55**	**16.16**
	Total (A+B)	57.99	44.56

The figures above include interest accrued on such loans amounting to ₹ 10.3 crores (Previous year ₹ 9.27 crores).

11.2 Movement of impairment loss allowance on other amounts recoverable

(₹ in Crores)

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
Opening balance	**94.72**	**90.68**
Add: Created during the year	8.68	9.77
Less: Reversed/ Adjusted during the year	(36.10)	(5.73)
Closing balance	**67.30**	**94.72**

12 Current tax assets (net)

(₹ in Crores)

Particulars	As at 31-03-2024	As at 31-03-2023
Advance Income-tax & TDS	289.47	2,946.71
Provision for Income Tax	-	(2,655.88)
Sub-Total	**289.47**	**290.83**
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)	**294.42**	**295.78**

Notes to Accounts

13 Deferred tax assets (net)

(₹ in Crores)

Particulars	As at 31-03-2024	As at 31-03-2023
Deferred Tax Assets (Net)	**2,485.46**	**3,276.99**

13.1 Significant components of net deferred tax assets and liabilities for the year ended 31st March 2024 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	3,346.46	(514.99)	-	-	2,831.47
Provision for Earned Leave	6.92	1.50	-	-	8.42
Provision for Medical Leave	5.19	0.23	-		5.42
Fair Valuation of Investments	14.49	(11.66)	(4.50)	-	(1.67)
Fair Valuation of Derivatives	446.46	35.48	(320.69)	-	161.25
Total Deferred Tax Assets	**3,819.52**	**(489.44)**	**(325.19)**	**-**	**3,004.89**
Deferred Tax Liabilities					
Depreciation and Amortisation	26.93	6.03	-	-	32.96
Unamortised Foreign Currency Exchange Fluctuations	218.30	(30.87)	-	-	187.43
Financial assets and liabilities measured at amortised cost	232.11	11.25	-	-	243.36
Fair valuation of Debt Securities	65.19	(9.51)	-	-	55.68
Total Deferred Tax Liabilities	**542.53**	**(23.10)**	**-**	**-**	**519.43**
Total Deferred Tax Assets (Net)	**3,276.99**	**(466.34)**	**(325.19)**	**-**	**2,485.46**

Significant components of net deferred tax assets and liabilities for the year ended 31st March 2023 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	3,457.90	(111.44)	-	-	3,346.46
Provision for Earned Leave	6.34	0.58	-	-	6.92
Provision for Medical Leave	5.41	(0.22)	-	-	5.19
Fair Valuation of Investments	8.41	6.40	(0.32)	-	14.49
Fair Valuation of Derivatives	65.07	75.98	305.41	-	446.46
Total Deferred Tax Assets	**3,543.13**	**(28.70)**	**305.09**	**-**	**3,819.52**
Deferred Tax Liabilities					
Depreciation and Amortisation	12.93	14.00	-	-	26.93
Unamortised Foreign Currency Exchange Fluctuations	151.05	67.25			218.30
Financial assets and liabilities measured at amortised cost	216.24	15.87			232.11
Fair valuation of Debt Securities	28.17	37.02			65.19
Total Deferred Tax Liabilities	**408.39**	**134.14**	**-**	**-**	**542.53**
Total Deferred Tax Assets (Net)	**3,134.74**	**(162.84)**	**305.09**	**-**	**3,276.99**

Notes to Accounts

14. 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 31.03.2022	**110.39**	**1.59**	**430.83**	**19.90**	**67.41**	**24.06**	**23.38**	**0.40**	**677.96**	**6.07**	**-**	**14.66**
Additions	-	-	26.07	0.20	3.63	5.45	7.76	0.14	43.25	22.69	-	0.01
Borrowings Cost Capitalised										0.03		
Disposals	-	-	-	0.04	3.69	5.53	6.35	-	15.61	26.07	-	-
As at 31.03.2023	**110.39**	**1.59**	**456.90**	**20.06**	**67.35**	**23.98**	**24.79**	**0.54**	**705.60**	**2.72**	**-**	**14.67**
As at 31.03.2023	**110.39**	**1.59**	**456.90**	**20.06**	**67.35**	**23.98**	**24.79**	**0.54**	**705.60**	**2.72**	**-**	**14.67**
Additions	-	-	-	0.39	2.61	8.49	7.89	0.18	19.56	20.34	-	-
Borrowings Cost Capitalised									-	0.53		
Disposals/ Adjustments	-	-	-	-	3.01	2.85	6.52	0.01	12.39	-	-	0.01
As at 31.03.2024	**110.39**	**1.59**	**456.90**	**20.45**	**66.95**	**29.62**	**26.16**	**0.71**	**712.77**	**23.59**	**-**	**14.66**
Accumulated depreciation/ amortisation												
As at 31.03.2022	**-**	**0.37**	**13.51**	**0.95**	**10.64**	16.81	11.64	0.37	54.29	-	-	10.41
Charge for the year	-	0.02	7.10	1.28	6.04	3.52	3.47	0.02	21.45	-	-	2.64
Adjustment for disposals	-	-	-	-	1.28	**4.06**	**3.70**	**0.01**	**9.05**	**-**	**-**	**-**
As at 31.03.2023	**-**	**0.39**	**20.61**	**2.23**	**15.40**	**16.27**	**11.41**	**0.38**	**66.69**	**-**	**-**	**13.05**
As at 31.03.2023	**-**	**0.39**	**20.61**	**2.23**	**15.40**	**16.27**	**11.41**	**0.38**	**66.69**	**-**	**-**	**13.05**
Charge for the year	-	0.02	7.21	1.29	6.09	4.29	3.68	0.04	22.62	-	-	1.10
Adjustment for disposals	-	-	-	-	1.50	1.85	3.40	-	6.75	-	-	0.01
As at 31.03.2024	**-**	**0.41**	**27.82**	**3.52**	**19.99**	**18.71**	**11.69**	**0.42**	**82.56**	**-**	**-**	**14.14**
Net block as at 31.03.2023	**110.39**	**1.20**	**436.29**	**17.83**	**51.95**	**7.71**	**13.38**	**0.16**	**638.91**	**2.72**	**-**	**1.62**
Net block as at 31.03.2024	**110.39**	**1.18**	**429.08**	**16.93**	**46.96**	**10.91**	**14.47**	**0.29**	**630.21**	**23.59**	**-**	**0.52**

Notes to Accounts

14.1 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 2024

(₹ 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	1.89	Land & Development officer under Ministry of Urban Development, New Delhi	No	1990	Pending formalities from Land & Development Officer, office space allotted to the company at SCOPE Complex has not been registered in the name of the Company.

(b) As at 31st March 2023

(₹ 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	1.95	Land & Development officer under Ministry of Urban Development, New Delhi	No	1990	Pending formalities from Land & Development Officer, office space allotted to the company at SCOPE Complex has not been registered in the name of the Company.

14.2 As on 31st March 2024, 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 2024	As at 31st March 2023
Gross Carrying Value	3.48	3.48
Net Carrying Value	2.31	2.36

14.3 Capital Work in Progress (CWIP)

CWIP ageing schedule

(₹ in Crores)

Particulars	As at 31st March 2024					As at 31st March 2023				
	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										
- REC Township at Gurugram	20.87	1.24	0.08	1.40	23.59	1.24	0.08	-	1.40	2.72
Total	**20.87**	**1.24**	**0.08**	**1.40**	**23.59**	**1.24**	**0.08**	**-**	**1.40**	**2.72**

There are no capital work in progress as on the reporting year where activity has been suspended.

Notes to Accounts

(b) CWIP completion schedule

(₹ in Crores)

Particulars	As at 31st March 2024					As at 31st March 2023				
	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 Township at Gurugram	-	23.59	-	-	23.59	-	-	2.72	-	2.72
Total	**-**	**23.59**	**-**	**-**	**23.59**	**-**	**-**	**2.72**	**-**	**2.72**

14.4 There has been no revaluation of Property, Plant & Equipment and Intangible Assets during the year (previous year Nil).

14.5 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.

14.6 While the Company has not made any specific borrowings for construction of a qualifying asset, the Company has capitalised an amount of ₹0.53 crores (previous year ₹0.03 crores) borrowing costs on account of general borrowings at an average rate of borrowings of 7.28% (previous year 7.00%) for the Company in terms of Ind AS 23 'Borrowing Costs'.

14.7 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)

15 Other non-financial assets

(₹ in Crores)

Particulars		As at 31-03-2024	As at 31-03-2023
	Unsecured, considered good		
(A)	Capital Advances	0.17	7.26
(B)	Other Advances	7.97	4.50
(C)	Balances with Government Authorities	37.47	26.11
(D)	Pre-Spent Corporate Social Responsibility (CSR) Expenses	5.15	7.70
(E)	Prepaid Expenses	21.96	13.23
(F)	Deferred Employee Benefits	15.81	10.84
(G)	Other Assets	0.01	0.01
	Total (A to G)	**88.54**	**69.65**

16 Assets Classified as Held for Sale

(₹ in Crores)

Particulars	As at 31-03-2024	As at 31-03-2023
Assets Classified as Held for Sale-Building	0.05	0.34
Total	**0.05**	**0.34**

Assets held for sale as on 31.03.2024 includes Rs. 0.01 crore under litigation pending the outcome, the asset cannot be re-auctioned (previous year nil).

16.1 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 ₹0.29 crores (previous year ₹0.52 crores), classified under "Assets classified as held for sale" as required under Ind-AS 105. Such sale has resulted in gain of ₹1.32 crores during the current year (previous year ₹4.08 crores) (refer note 30). Further, residential building units with carrying value ₹0.05 crores (previous year ₹0.34 crores) classified under "Assets classified as held for sale" are pending for disposal as at 31st March 2024. The process for their disposal is expected to be completed during the year 2024-25 through e-auction process.

Notes to Accounts

17 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 31.03.2024		As at 31.03.2023	
		Face Value	Amortised Cost	Face Value	Amortised Cost
(A)	**Secured Long-Term Debt Securities**				
(i)	Institutional Bonds	1,955.00	2,052.46	1,955.00	2,029.81
(ii)	54EC Capital Gain Tax Exemption Bonds	41,110.80	42,535.71	35,866.55	37,124.32
(iii)	Tax Free Bonds	8,998.71	9,326.50	10,307.08	10,671.07
(iv)	Bond Application Money pending allotment	1,245.41	1,244.57	1,720.36	1,719.42
	Sub-total (A)	**53,309.92**	**55,159.24**	**49,848.99**	**51,544.62**
(B)	**Unsecured Long-Term Debt Securities**				
(i)	Institutional Bonds	1,72,275.29	1,78,093.90	1,48,262.70	1,52,705.20
(ii)	Infrastructure Bonds	3.96	9.32	3.96	8.63
(iii)	Foreign Currency Bonds	32,963.75	32,847.46	32,886.78	32,690.54
	Sub-total (B)	**2,05,243.00**	**2,10,950.68**	**1,81,153.44**	**1,85,404.37**
(C)	**Unsecured Short-Term Debt Securities**				
(i)	Commercial Paper	-	-	-	-
	Sub-total (C)	**-**	**-**	**-**	**-**
	Total - Debt Securities (A+B+C)	**2,58,552.92**	**2,66,109.92**	**2,31,002.43**	**2,36,948.99**
	Debt Securities issued in/ outside India				
(i)	Debt Securities in India	2,25,589.17	2,33,262.46	1,98,115.65	2,04,258.45
(ii)	Debt Securities outside India	32,963.75	32,847.46	32,886.78	32,690.54
	Total - Debt Securities	**2,58,552.92**	**2,66,109.92**	**2,31,002.43**	**2,36,948.99**

Refer Note No. 19.2 for reconciliation between the figure represented in Face Value and Amortised Cost

17.1 Details of Secured Long-Term Debt Securities - *Refer Note 18.6 for details of the security*

(i) Institutional Bonds

(₹ in Crores)

Particulars	As at 31.03.2024		As at 31.03.2023	
	Face Value	Amortised Cost	Face Value	Amortised Cost
123-IIIB Series - 9.34% Redeemable at par on 23.08.2024	1,955.00	2,052.46	1,955.00	2,029.81
Total - Institutional Bonds	**1,955.00**	**2,052.46**	**1,955.00**	**2,029.81**

(ii) 54EC Capital Gain Tax Exemption Bonds

(₹ in Crores)

Particulars	As at 31.03.2024		As at 31.03.2023	
	Face Value	Amortised Cost	Face Value	Amortised Cost
Series XII (2018-19) - 5.75% Redeemable at par during financial year 2023-24	-	-	6,651.31	6,938.31
Series XIII (2019-20) - 5.75% Redeemable at par during financial year 2024-25	6,157.82	6,422.49	6,157.82	6,419.74
Series XIV (2020-21) - 5.75% and 5% Redeemable at par during financial year 2025-26	5,312.07	5,515.87	5,312.07	5,513.14

Notes to Accounts

(₹ in Crores)

Particulars	As at 31.03.2024		As at 31.03.2023	
	Face Value	Amortised Cost	Face Value	Amortised Cost
Series XV (2021-22) - 5% Redeemable at par during financial year 2026-27	7,312.80	7,580.06	7,312.80	7,576.90
Series XVI (2022-23) - 5% Redeemable at par during financial year 2027-28	12,152.39	12,594.18	10,432.55	10,676.23
Series XVII (2023-24) - 5.25% Redeemable at par during financial year 2028-29	10,175.72	10,423.11	-	-
Total - 54EC Capital Gain Tax Exemption Bonds	**41,110.80**	**42,535.71**	**35,866.55**	**37,124.32**

(iii) Tax Free Bonds

(₹ in Crores)

Particulars	As at 31.03.2024		As at 31.03.2023	
	Face Value	Amortised Cost	Face Value	Amortised Cost
Series 2015-16 Series 5A	300.00	306.50	300.00	306.39
7.17% payable annually Redeemable at par on 23.07.2025				
Series 2011-12	2,160.33	2,289.60	2,160.33	2,288.71
Redeemable at par. Bonds amounting to ₹2,160.33 crores are redeemable on 27.03.2027 with interest rates varying from 8.12% to 8.32% payable annually				
Series 2012-13 Series 2A & 2B	245.00	251.22	245.00	251.12
Redeemable at par. Bonds amounting to ₹245.00 crores are redeemable on 22.11.2027 with interest rates of 7.38% payable annually				
Series 2012-13 Tranche 1	852.04	872.59	852.04	872.22
Redeemable at par. Bonds amounting to ₹852.04 crores are redeemable on 20.12.2027 with interest rates varying from 7.38% to 7.88% payable annually				
Series 2012-13 Tranche 2	49.71	50.88	49.71	50.86
Redeemable at par. Bonds amounting to ₹49.71 crores are redeemable on 27.03.2028 with interest rates varying from 7.04% to 7.54% payable annually				
Series 2013-14 Series 3A & 3B	1,141.00	1,195.48	1,350.00	1,413.90
Redeemable at par. Bonds amounting to ₹1,141.00 crores are redeemable on 29.08.2028 with interest rates of 8.46% payable annually				
Series 2013-14 Series 4A & 4B	45.00	46.72	150.00	155.54
Redeemable at par. Bonds amounting to ₹45.00 crores are redeemable on 11.10.2028 with interest rates of 8.54% payable annually				
Series 2013-14 Tranche 1	2,865.55	2,940.91	3,440.60	3,530.10
Redeemable at par. Bonds amounting to ₹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 8.37% to 8.71% payable annually				
Series 2013-14 Tranche 2	640.08	657.37	1,059.40	1,087.25
Redeemable at par. Bonds amounting to ₹530.42 crores are redeemable on 23.03.2029 and ₹109.66 crores are redeemable on 24.03.2034 with interest rates varying from 8.61% to 8.88% payable annually				

Notes to Accounts

(₹ in Crores)

Particulars	As at 31.03.2024		As at 31.03.2023	
	Face Value	Amortised Cost	Face Value	Amortised Cost
Series 2015-16 Tranche 1	700.00	715.24	700.00	714.98
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	**8,998.71**	**9,326.50**	**10,307.08**	**10,671.07**

(iv) Bond Application Money Pending Allotment

(₹ in Crores)

Particulars	As at 31.03.2024		As at 31.03.2023	
	Face Value	Amortised Cost	Face Value	Amortised Cost
54EC Capital Gain Tax Exemption Bonds *5% Redeemable at par after 5 years from the deemed date of allotment*	1,245.41	1,244.57	1,720.36	1,719.42
Total - Bond Application Money Pending Allotment	**1,245.41**	**1,244.57**	**1,720.36**	**1,719.42**

17.2 Details of Unsecured Long-Term Debt Securities

(i) Institutional Bonds

(₹ in Crores)

Particulars	As at 31.03.2024		As at 31.03.2023	
	Face Value	Amortised Cost	Face Value	Amortised Cost
114th Series - 8.82% Redeemed on 12.04.2023	-	-	4,300.00	4,667.81
195th Series - 6.92% Redeemed on 22.04.2023	-	-	2,985.00	3,179.66
191A Series - 6.80% Redeemed on 30.06.2023	-	-	1,100.00	1,106.52
200th Series PP-MLD - 5.36% Redeemed on 30.06.2023*	-	-	500.00	573.12
184B Series STRPP-D - 7.55% Redeemed on 26.09.2023**	-	-	300.00	311.59
202B Series - 5.69% Redeemed on 30.09.2023	-	-	2,474.00	2,544.42
205A Series - 4.99 % Redeemed on 31.01.2024	-	-	2,135.00	2,151.85
209th Series - 5.79 % Redeemed on 20.03.2024	-	-	1,550.00	1,552.48
210th Series - 5.74 % Redeemable at par on 20.06.2024	4,000.00	4,179.33	4,000.00	4,178.81
180A Series - 8.10% Redeemable at par on 25.06.2024	1,018.00	1,080.60	1,018.00	1,077.71
191B Series - 6.99% Redeemable at par on 30.09.2024	1,100.00	1,106.69	1,100.00	1,106.58
212th Series - Floating (linked to T-Bill) Redeemable at par on 31.10.2024	2,500.00	2,579.54	2,500.00	2,573.36
186B Series - 7.40% Redeemable at par on 26.11.2024	1,500.00	1,538.41	1,500.00	1,538.06
128th Series - 8.57% Redeemable at par on 21.12.2024	2,250.00	2,419.44	2,250.00	2,418.06
129th Series - 8.23% Redeemable at par on 23.01.2025	1,925.00	2,064.19	1,925.00	2,063.05
130th Series - 8.27% Redeemable at par on 06.02.2025	2,325.00	2,493.92	2,325.00	2,492.55
131st Series - 8.35% Redeemable at par on 21.02.2025	2,285.00	2,304.78	2,285.00	2,304.28
190A Series - 6.88% Redeemable at par on 20.03.2025	2,500.00	2,515.30	2,500.00	2,514.67
201A Series - 5.90% Redeemable at par on 31.03.2025	900.00	935.51	900.00	935.42
133rd Series - 8.30% Redeemable at par on 10.04.2025	2,396.00	2,454.39	2,396.00	2,453.74
94th Series - 8.75% Redeemable at par on 09.06.2025	1,250.00	1,339.30	1,250.00	1,339.00

Notes to Accounts

(₹ in Crores)

Particulars	As at 31.03.2024		As at 31.03.2023	
	Face Value	Amortised Cost	Face Value	Amortised Cost
95-II Series - 8.75% Redeemable at par on 14.07.2025	1,800.00	1,913.92	1,800.00	1,913.49
136th Series - 8.11% Redeemable at par on 07.10.2025	2,585.00	2,672.18	2,585.00	2,671.58
229A Series - 7.79% Redeemable at par on 29.11.2025	1,033.00	1,057.19	-	-
203B Series - 5.85% Redeemable at par on 20.12.2025	2,777.00	2,821.52	2,777.00	2,821.05
204B Series - 5.81% Redeemable at par on 31.12.2025	2,082.00	2,111.81	2,082.00	2,111.49
205B Series - 5.94 % Redeemable at par on 31.01.2026	2,000.00	2,010.05	2,000.00	2,014.64
214A Series - 7.32% Redeemable at par on 28.02.2026	500.00	503.26	500.00	503.15
219 series - 7.60 % Redeemable at par on 28.02.2026	3,148.70	3,170.07	3,148.70	3,186.42
220B series - 7.69 % Redeemable at par on 31.03.2033 with Put option exercisable on 31.03.2026	1,600.10	1,728.53	1,600.10	1,605.47
223A series - 7.44% Redeemable at par on 30.04.2026	3,000.00	3,177.84	-	-
228A Series - 7.80% Redeemable at par on 30.05.2026	1,679.00	1,723.22	-	-
218A series - 7.56 % Redeemable at par on 30.06.2026	3,000.00	3,170.45	3,000.00	3,048.29
225th series - 7.64% Redeemable at par on 30.06.2026	2,210.00	2,314.55	-	-
221 series - 7.51% Redeemable at par on 31.07.2026	2,848.00	2,990.53	-	-
227A Series - 7.77% Redeemable at par on 30.09.2026	2,670.00	2,750.77	-	-
211th Series - 6.23% Redeemable at par on 31.10.2031 with Put/ Call option exercisable on 31.10.2026	1,200.00	1,230.74	1,200.00	1,230.57
140th Series - 7.52% Redeemable at par on 07.11.2026	2,100.00	2,153.26	2,100.00	2,161.97
142nd Series - 7.54% Redeemable at par on 30.12.2026	3,000.00	3,023.86	3,000.00	3,025.73
230-A Series- 7.71% Redeemable at par on 26-02-2027	1,000.00	1,015.57	-	-
147th Series - 7.95% Redeemable at par on 12.03.2027	2,745.00	2,721.28	2,745.00	2,717.93
Series-231-A- 7.64% Redeemable at par on 30-04-2027	2,875.00	2,896.70	-	
156th Series - 7.70% Redeemable at par on 10.12.2027	3,533.00	3,615.03	3,533.00	3,614.40
216A series - 7.55 % Redeemable at par on 31.03.2028	1,701.50	1,829.71	1,701.50	1,701.13
220A series - 7.77 % Redeemable at par on 31.03.2028	2,000.00	2,162.07	2,000.00	2,006.58
223B series - 7.46% Redeemable at par on 30.06.2028	2,993.60	3,170.48	-	-
162nd Series - 8.55% Redeemable at par on 09.08.2028	2,500.00	2,637.66	2,500.00	2,637.42
163rd Series - 8.63% Redeemable at par on 25.08.2028	2,500.00	2,628.32	2,500.00	2,628.04
168th Series - 8.56% Redeemable at par on 29.11.2028	2,552.40	2,626.17	2,552.40	2,625.73
169th Series - 8.37% Redeemable at par on 07.12.2028	2,554.00	2,621.46	2,554.00	2,621.02
176th Series - 8.85% Redeemable at par on 16.04.2029	1,600.70	1,735.93	1,600.70	1,735.82
178th Series - 8.80% Redeemable at par on 14.05.2029	1,097.00	1,172.67	1,097.00	1,171.24
180B Series - 8.30% Redeemable at par on 25.06.2029	2,070.90	2,176.90	2,070.90	2,173.02
184A Series - 8.25% Partly Paid Debentures Redeemable at par on 26.09.2029	1,451.00	1,512.37	1,160.80	1,209.72
192nd Series - 7.50% Redeemable at par on 28.02.2030	2,382.00	2,396.62	2,382.00	2,396.48
188B Series - 7.89% Redeemable at par on 31.03.2030	3,100.00	3,368.55	1,100.00	1,100.10
189th Series - 7.92% Redeemable at par on 31.03.2030	3,054.90	3,296.98	3,054.90	3,054.97
197th Series - 7.55% Redeemable at par on 11.05.2030	3,740.00	3,990.27	3,740.00	3,990.03

Notes to Accounts

(₹ in Crores)

Particulars	As at 31.03.2024		As at 31.03.2023	
	Face Value	Amortised Cost	Face Value	Amortised Cost
198B Series - 7.79% Redeemable at par on 21.05.2030	1,569.00	1,673.94	1,569.00	1,673.83
202A Series - 7.25% Redeemable at par on 30.09.2030	3,500.00	3,627.41	3,500.00	3,627.05
203A Series - 6.80% Redeemable at par on 20.12.2030	5,000.00	5,094.78	5,000.00	5,094.07
204A Series - 6.90% Redeemable at par on 31.01.2031	2,500.00	2,528.21	2,500.00	2,527.79
201B Series - 6.90% Redeemable at par on 31.03.2031	1,300.00	1,359.90	1,300.00	1,359.80
213th Series - 6.92% Redeemable at par on 20.03.2032	3,380.00	3,329.95	1,380.00	1,382.88
218B series - 7.69 % Redeemable at par on 31.01.2033	2,004.40	2,029.20	2,004.40	2,036.80
214B Series - 7.50% Redeemable at par on 28.02.2033	4,947.60	4,948.08	4,947.60	4,944.67
217th series - 7.53 % Redeemable at par on 31.03.2033	500.00	548.48	500.00	510.86
227B Series - 7.71% Redeemable at par on 31.10.2033	2,818.70	2,901.21	-	-
228B Series - 7.71% Redeemable at par on 30.11.2033	2,899.69	2,974.14	-	-
230-B Series -7.64% Redeemable at par on 31-01-2034	3,000.00	3,045.87	-	-
Series-231-B- 7.47% Redeemable at par on 28-02-2034	2,500.00	2,517.73	-	-
182nd Series - 8.18% Redeemable at par on 22.08.2034	5,063.00	5,315.13	5,063.00	5,314.68
183rd Series - 8.29% Redeemable at par on 16.09.2034	3,028.00	3,163.58	3,028.00	3,163.26
207th Series - 7.02 % Redeemable at par on 31.01.2036	4,589.90	4,642.55	4,589.90	4,641.76
208th Series - 7.40 % Redeemable at par on 15.03.2036	3,613.80	3,625.52	3,613.80	3,625.49
215th series - 7.65 % Redeemable in 5 equal tranches on 30.11.2033, 30.11.2034, 30.11.2035, 30.11.2036 and 30.11.2037	3,889.00	3,988.60	3,889.00	3,992.12
216B series - 7.67 % Redeemable at par on 30.11.2037	2,000.00	2,051.06	2,000.00	2,049.92
229B Series - 7.67% Redeemable at par on 30.11.2038	3,539.40	3,618.67	-	-
Total - Institutional Bonds	**1,72,275.29**	**1,78,093.90**	**1,48,262.70**	**1,52,705.20**

** PP-MLD- Principal Protected Market Linked Debentures*
*** STRPP- Separately Transferable Redeemable Principal Parts*

(ii) Infrastructure Bonds

(₹ in Crores)

Particulars	As at 31.03.2024		As at 31.03.2023	
	Face Value	Amortised Cost	Face Value	Amortised Cost
Series-II (2011-12) - Redeemable at par	3.96	9.32	3.96	8.63
Total - Infrastructure Bonds	**3.96**	**9.32**	**3.96**	**8.63**

Details of Infrastructure Bonds issued are as under :

Series II (2011-12) allotted on 15.02.2012

(₹ in Crores)

Rate of Interest	As at 31.03.2024	Asat 31.03.2023	Redemption Details
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**	**3.96**	

Amounts have been shown at face value

Notes to Accounts

(iii) Foreign Currency Bonds

(₹ in Crores)

Particulars	As at 31.03.2024		As at 31.03.2023	
	Face Value	Amortised Cost	Face Value	Amortised Cost
4.75% US $500 Mn Bonds - Redeemed on 19.05.2023	-	-	4,110.85	4,181.61
5.250% US $700 Mn Bonds - Redeemed on 13.11.2023	-	-	5,755.18	5,858.35
3.375% US $650 Mn Bonds - Redeemable at par on 25.07.2024	5,419.30	5,450.24	5,344.10	5,366.61
3.50% US $500 Mn Bonds - Redeemable at par on 12.12.2024	4,168.70	4,210.34	4,110.85	4,148.36
2.25% US $500 Mn Bonds - Redeemable at par on 01.09.2026	4,168.70	4,168.48	4,110.85	4,107.36
2.75% US $400 Mn Bonds - Redeemable at par on 13.01.2027	3,334.96	3,350.67	3,288.68	3,302.69
3.875% US $450 Mn Green Bonds - Redeemable at par on 07.07.2027	3,751.83	3,547.96	3,699.76	3,425.80
4.625% US $300 Mn Bonds - Redeemable at par on 22.03.2028	2,501.22	2,366.73	2,466.51	2,299.76
5.625% US $750 Mn Bonds - Redeemable at par on 11.04.2028	6,253.04	6,406.68	-	-
1.76% JPY 31000 Mn Bonds - Redeemable at par on 19.01.2029	1,707.79	1,712.28	-	-
1.41% JPY 27400 Mn Bonds - Redeemable at par on 19.04.2029	1,509.47	1,484.82	-	-
2.20% JPY 2700 Mn Bonds - Redeemable at par on 19.01.2034	148.74	149.26	-	-
Total - Foreign Currency Bonds	**32,963.75**	**32,847.46**	**32,886.78**	**32,690.54**

Global Medium Term Note (GMTN) Programme

The Company has a Global Medium Term Note (GMTN) Programme of USD 10 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 31-03-2024	For the year ended 31-03-2023
Funds raised during the year under GMTN Programme	USD 1.17 Billion	Nil
Cumulative amount raised under GMTN Programme	USD 5.57 Billion	USD 4.4 Billion
Outstanding amount out of funds raised under GMTN Programme	USD 3.97 Billion	USD 4.0 Billion

The amounts raised during the year have been utilized for the stated objects in the Offering Circular. 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. Further, there has not been any breach of financial covenants under the Loan Agreements as on the Balance Sheet date.

18 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 31.03.2024		As at 31.03.2023	
		Principal O/s	Amortised Cost	Principal O/s	Amortised Cost
(A)	**Unsecured Long-Term Borrowings**				
(i)	Term Loans from Banks	50,612.28	50,620.49	56,298.20	56,402.09
(ii)	Term Loans from Financial Institutions	8,050.00	8,072.29	6,000.00	6,000.64
(iii)	Term Loan in Foreign Currency	67,205.64	66,772.38	45,553.26	45,263.52
(iv)	Term Loans from Government of India (NSSF)	10,000.00	10,325.12	10,000.00	10,325.12

Notes to Accounts

(₹ in Crores)

Particulars		As at 31.03.2024		As at 31.03.2023	
		Principal O/s	Amortised Cost	Principal O/s	Amortised Cost
(v)	Lease Liability	-	-	0.02	0.02
	Sub-total (A)	**1,35,867.92**	**1,35,790.28**	**1,17,851.48**	**1,17,991.39**
(B)	**Unsecured Short-Term Borrowings**				
(i)	FCNR (B) Loans	25,138.67	25,151.29	15,424.22	15,427.63
(ii)	Short Term Loans/ Loans repayable on demand from Banks	10,875.94	10,883.04	3,600.00	3,607.52
(iii)	Overdrafts/ Cash Credit repayable on demand from Banks	267.44	267.44	87.59	87.59
	Sub-total (B)	**36,282.05**	**36,301.77**	**19,111.81**	**19,122.74**
	Total - Borrowings (other than Debt Securities) (A to B)	**1,72,149.97**	**1,72,092.05**	**1,36,963.29**	**1,37,114.13**
	Borrowings (other than Debt Securities) in/ outside India				
(i)	Borrowings in India	1,04,944.33	1,05,319.67	91,410.03	91,850.61
(ii)	Borrowings outside India	67,205.64	66,772.38	45,553.26	45,263.52
	Total - Borrowings (other than Debt Securities)	**1,72,149.97**	**1,72,092.05**	**1,36,963.29**	**1,37,114.13**

Please refer Note No. 19.2 for reconciliation between the figure represented in Face Value and Amortised Cost

18.1 Details of Unsecured Long-term Borrowings

(i) Term Loans from Banks

(₹ in Crores)

Particulars	As at 31.03.2024		As at 31.03.2023	
	Principal O/s	Amortised Cost	Principal O/s	Amortised Cost
- Karnataka Bank	499.98	499.98	499.99	499.99
₹499.98 crores repayable on 15.05.2025				
- Punjab & Sind Bank	499.91	499.91	700.00	700.00
₹499.91 crores repayable on 09.12.2025				
- Jammu & Kashmir Bank	299.94	300.01	299.95	299.95
₹299.94 crores repayable on 28.10.2026				
- Karur Vysya Bank	-	-	250.00	250.05
₹250 crores repaid on 25.10.2023				
- Deutsche Bank	500.00	500.22	1,000.00	1,000.22
₹500 crores repayable on 15.06.2027				
- South Indian Bank	499.89	500.00	500.00	500.00
₹299.93 crores repayable on 08.11.2026 and Particulars 199.96 crores repayable on 04.08.2027				
- HDFC Bank	17,850.00	17,853.86	16,350.00	16,449.77
₹850 crore repayable on 17.11.2026, ₹2,000 crore repayable on 31.03.2027, ₹2,000 crore repayable on 07.09.2027, ₹ 2,500 crore repayable on 29.12.2027, ₹2,500 crore repayable on 27.02.2028, ₹1,000 crore repayable on 27.06.2028 ,₹1,500 crore repayable on 29.06.2028, ₹4,000 crore repayable on 30.09.2028, and ₹1,500 crore repayable on 28.12.2028.				
- Indian Bank	-	-	1,500.00	1,500.00

Notes to Accounts

(₹ in Crores)

Particulars	As at 31.03.2024		As at 31.03.2023	
	Principal O/s	Amortised Cost	Principal O/s	Amortised Cost
₹500 crores repaid on 02.06.2023, ₹500 crores repaid on 30.09.2023 and ₹500 crores repaid on 23.02.2024				
- Bank of Baroda	4,749.92	4,750.97	5,000.00	5,001.08
₹4,749.92 crores repayable in 6 annual instalments starting from 30.09.2024 and final instalment due on 29.09.2029				
- ICICI Bank	5,533.00	5,534.17	4,000.00	4,000.85
₹4,000 crores repayable on 23.01.2030 and ₹1,533 crores repayable on 15.05.2028.				
- HSBC Bank	-	-	3,402.49	3,403.23
₹750 crores repaid on 21.08.2023, ₹1,900 crores repaid on 20.09.2023 and ₹ 753 crores repaid on 30.09.2023.				
- Bank of India	-	-	1,499.87	1,500.18
₹749.87 crores repaid on 13.06.2023 and ₹750 crores repaid on 17.08.2023.				
- Union Bank of India	3,999.42	4,000.27	2,999.68	3,000.33
₹1,999.42 crore Loan repayable in 5 annual instalments of ₹400 crore each starting from 31.03.2027 and final installment on 31.03.2031 and ₹ 1,000 crore repayable on 04.01.2026, ₹500 crore Loan repayable on 29.09.2028 and ₹500 crore loan repayable on 05.11.2028.				
- State Bank of India	7,750.94	7,750.94	10,900.26	10,900.26
₹2,139.92 crore repayable in 3 semi-annual instalments & last instalment payable on 15.07.2025, ₹3,899.84 crore repayable in structured instalments & last instalment payable on 29.10.2031 and ₹1,711.18 crore repayable on 12.12.2027				
- Punjab National Bank	7,529.29	7,530.17	4,995.97	4,996.19
₹1,329.99 crore repayable in 2 annual instalments & last installment due on 31.08.2025, ₹1,999.66 crore repayable on 11.11.2026, ₹999.66 crore repayable in 4 equal annual installments starting from 29.03.2028 and last installment of ₹200 crore on 29.12.2031, ₹1,199.99 crore repayable on 03.11.2028, ₹1,999.99 crore repayable on 26.12.2028				
- Central Bank	899.99	899.99	2,399.99	2,399.99
₹ 499.99 crore repayable in 7 annual instalments starting from 28.03.2026 and final instalment on 28.03.2032 and ₹ 400 crore repayable on 17.11.2025				
Total - Unsecured Term Loans from Banks	**50,612.28**	**50,620.49**	**56,298.20**	**56,402.09**

(ii) Term Loans from Others - Financial Institutions

(₹ in Crores)

Particulars	As at 31.03.2024		As at 31.03.2023	
	Principal O/s	Amortised Cost	Principal O/s	Amortised Cost
Indian Infrastructure Finance Company Ltd. (IIFCL)	**4,550.00**	**4,549.46**	**5,500.00**	**5,500.53**
₹750 crore repayable on 29.03.2026, ₹1,000 crore repayable on 09.08.2026, ₹500 crore repayable on 29.07.2027, ₹800 crore repayable on 30.06.2028 and ₹1,500 crore repayable on 11.12.2028				
National Bank for Financing Infrastructure and Development (NaBFID)	3,500.00	3,522.83	500.00	500.11

Notes to Accounts

(₹ in Crores)

Particulars	As at 31.03.2024		As at 31.03.2023	
	Principal O/s	Amortised Cost	Principal O/s	Amortised Cost
₹3,500 crore repayable in 7 equal annual installment starting from 31.03.2027 and last installment on 31.03.2033				
	8,050.00	**8,072.29**	**6,000.00**	**6,000.64**

(iii) Foreign Currency Borrowings

(₹ in Crores)

Particulars	As at 31.03.2024		As at 31.03.2023	
	Principal O/s	Amortised Cost	Principal O/s	Amortised Cost
(1) ODA Loans - Guaranteed by Government of India				
1.86% KfW-III Loan - Repayable in equal half-yearly instalments of €5.26 Mn, last instalment falling due on 30.06.2024	47.49	47.72	141.51	142.17
Sub-Total (1)	**47.49**	**47.72**	**141.51**	**142.17**
(2) ODA Loans - Without Government Guarantee				
KfW-IV Loan - Repayable in equal half-yearly instalments of €12.00 Mn till 15.11.2030, next instalment falling due on 15.05.2024	1,400.68	1,432.92	1,578.56	1,609.90
KfW-V Loan - Repayable in equal half-yearly instalments of $ 8.921 Mn till 15.05.2034, first instalment falling due on 15.05.2025	1,026.78	1,050.41	-	-
Sub-Total (2)	**2,427.46**	**2,483.33**	**1,578.56**	**1,609.90**
(3) Bilateral/ Syndicated Loans				
¥ 10,327.12 Mn - Repaid on 08.08.2023	-	-	638.22	635.36
US $250 Mn - Repaid on 29.08.2023	-	-	2,055.42	2,064.76
US $250 Mn - Repaid on 27.03.2024	-	-	2,055.42	2,036.56
US $150 Mn - $75 Mn repaid on 29.03.2024 and $75 Mn repayable on 14.05.2024	625.30	625.00	1,233.25	1,224.65
US $100 Mn - Repayable on 01.07.2024	833.74	847.51	822.17	830.83
SG $72.07 Mn - Repayable on on 30.03.2025	444.93	442.68	445.48	440.55
US $75 Mn - Repayable on 30.03.2025	625.30	620.58	616.63	606.46
¥ 10,519 Mn - Repayable on 25.09.2025	579.49	575.93	650.07	643.21
US $170 Mn - $100 Mn repayable on 26.03.2025 and $ 70 Mn repayable on 06.10.2025	1,417.36	1,421.43	1,397.69	1,400.67
US $425 Mn - Repayable on 16.03.2026	3,543.39	3,528.67	3,494.22	3,467.48
US $600 Mn - Repayable on 25.08.2026	5,002.43	4,991.65	4,933.01	4,899.73
US $75 Mn - Repayable on 07.10.2026	625.30	640.98	616.63	626.45
US $1175 Mn - Repayable on 29.12.2026	9,796.43	9,680.47	9,660.49	9,500.21
¥ 37,506.63 Mn - Repayable on 03.03.2027	2,066.24	2,045.33	2,317.91	2,285.95
US $100 Mn - Repayable on 13.06.2027	833.74	829.15	822.17	815.24
US $200 Mn - Repayable on 28.07.2027	1,667.48	1,671.47	1,644.34	1,640.92
US $150 Mn - Repayable on 13.09.2027	1,250.61	1,242.95	1,233.25	1,221.79
SGD 213.21 Mn - Repayable on 27.10.2027	1,316.19	1,309.63	1,317.80	1,306.89

Notes to Accounts

(₹ in Crores)

Particulars	As at 31.03.2024		As at 31.03.2023	
	Principal O/s	Amortised Cost	Principal O/s	Amortised Cost
€ 254.19 Mn - Repayable on 31.10.2027	2,293.28	2,286.52	2,277.77	2,258.06
€ 349.83 Mn - Repayable on 27.03.2028	3,156.09	3,117.13	3,134.74	3,085.56
¥ 38624.35 Mn - Repayable on 20.04.2028	2,127.82	2,107.82	-	-
JPY 10,495.125 Mn - Repayable on 26.06.2028	578.18	571.55	-	-
US $505 Mn - Repayable on 03.08.2028	4,210.38	4,173.93	-	-
US $645 Mn - Repayable on 31.08.2028	5,377.62	5,305.50	-	-
US $100 Mn - Repayable on 14.09.2028	833.74	822.89	-	-
¥ 68485.2 Bn - Repayable on 21.09.2028	3,772.85	3,694.73	-	-
US $100 Mn - Repayable on 25.09.2028	833.74	818.56	-	-
¥ 14358.5 Mn - Repayable on 09.01.2029	791.01	793.01	-	-
US $100 Mn - Repayable on 06.02.2029	833.74	827.74	-	-
¥ 22101 Mn - Repayable on 15.02.2029	1,217.54	1,199.30	-	-
US $200 Mn - Repayable on 07.03.2029	1,667.48	1,639.25	-	-
¥ 22041 Mn - Repayable on 19.03.2029	1,214.24	1,194.77	-	-
¥ 14847 Mn - Repayable on 21.03.2029	817.92	809.35	-	-
US $225 Mn - Repayable on 27.03.2029	1,875.91	1,836.80	-	-
US $300 Mn - Repayable on 02.06.2030	2,501.22	2,569.05	2,466.51	2,520.12
Sub-Total (3)	**64,730.69**	**64,241.33**	**43,833.19**	**43,511.45**
Total - Foreign Currency Borrowings (1+2+3)	**67,205.64**	**66,772.38**	**45,553.26**	**45,263.52**

(iv) Term Loans from Government of India - National Small Savings Fund (NSSF)

(₹ in Crores)

Particulars	As at 31.03.2024		As at 31.03.2023	
	Principal O/s	Amortised Cost	Principal O/s	Amortised Cost
- Loan from 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 Government	**10,000.00**	**10,325.12**	**10,000.00**	**10,325.12**

18.2 Unsecured Short-Term Borrowings

(i) FCNR (B) Loans

(₹ in Crores)

Particulars	As at 31.03.2024		As at 31.03.2023	
	Principal O/s	Amortised Cost	Principal O/s	Amortised Cost
US$200 Mn - Repaid on 24.05.2023	-	-	1,644.34	1,644.34
US$150 Mn - Repaid on 26.05.2023	-	-	1,233.25	1,233.44
US$200 Mn - Repaid on 03.06.2023	-	-	1,644.34	1,644.58
US$75 Mn - Repaid on 07.06.2023	-	-	616.63	616.63
US$150 Mn - Repaid on 21.06.2023	-	-	1,233.25	1,233.44
US$200 Mn - Repaid on 08.12.2023	-	-	1,644.34	1,644.34

Notes to Accounts

(₹ in Crores)

Particulars	As at 31.03.2024		As at 31.03.2023	
	Principal O/s	Amortised Cost	Principal O/s	Amortised Cost
US$300 Mn - Repaid on 13.12.2023	-	-	2,466.51	2,466.51
US$75 Mn - Repaid on 14.12.2023	-	-	616.63	616.63
US$100 Mn - Repaid on 15.12.2023	-	-	822.17	822.17
US$200 Mn - Repaid on 29.12.2023	-	-	1,644.34	1,644.60
€ 69.77 Mn - Repaid on 16.01.2024	-	-	625.17	627.48
US$150 Mn - Repaid on 15.02.2024	-	-	1,233.25	1,233.47
US$150 Mn - Repayable on 03.04.2024	1,250.61	1,251.45	-	-
US$150 Mn - Repayable on 19.04.2024	1,250.61	1,251.46	-	-
US$150 Mn - Repayable on 19.04.2024	1,250.61	1,251.50	-	-
US$150 Mn - Repayable on 10.05.2024	1,250.61	1,250.82	-	-
US$200 Mn - Repayable on 14.05.2024	1,667.48	1,667.76	-	-
US$150 Mn - Repayable on 16.05.2024	1,250.61	1,250.82	-	-
US$124.85 Mn - Repayable on 24.05.2024	1,040.92	1,041.62	-	-
US$75.15 Mn - Repayable on 24.05.2024	626.55	626.98	-	-
US$75 Mn - Repayable on 07.06.2024	625.30	625.73	-	-
US$44 Mn - Repayable on 12.06.2024	366.85	367.10	-	-
US$125 Mn - Repayable on 05.07.2024	1,042.17	1,042.37	-	-
US$150 Mn - Repayable on 09.08.2024	1,250.61	1,250.85	-	-
US$100 Mn - Repayable on 20.09.2024	833.74	833.90	-	-
US$200 Mn - Repayable on 06.12.2024	1,667.48	1,668.61	-	-
US$250 Mn - Repayable on 12.12.2024	2,084.35	2,085.79	-	-
US$100 Mn - Repayable on 12.12.2024	833.74	834.30	-	-
US$75 Mn - Repayable on 13.12.2024	625.30	625.74	-	-
US$200 Mn - Repayable on 27.12.2024	1,667.48	1,667.80	-	-
¥ 34228.99 Mn - Repayable on 27.12.2024	1,885.68	1,885.96	-	-
US$150 Mn - Repayable on 14.02.2025	1,250.61	1,250.84	-	-
US$70 Mn - Repayable on 14.02.2025	583.62	584.04	-	-
US$100 Mn - Repayable on 18.03.2025	833.74	835.85	-	-
Total - FCNR (B) Loans	**25,138.67**	**25,151.29**	**15,424.22**	**15,427.63**

18.3 Term Loans from banks/ financial institutions/ Government as mentioned in Note No. 18.1 (i), (ii) and (iv) have been raised at interest rates ranging from 7.50% to 8.29% (previous year 5.38% to 8.29%) payable on monthly/quarterly/semi annual rests.

18.4 Foreign Currency Borrowings in Note No. 18.1(iii) have been raised at variable interest rates ranging from a spread of 13 bps to 210 bps (previous year 13 bps to 210 bps) over external benchmarks including Overnight SOFR (Secured Overnight Financing Rate), 3/6 Months' Term SOFR, SORA (Singapore Overnight Rate Average), TONAR (Tokyo Overnight Average Rate), 3/6 Months' EURIBOR (Euro Inter Bank Offered Rate) and Credit Adjustment Spread (CAS) as applicable on transition of loans to new benchmark rates, except for the cases where rate has been mentioned

18.5 The Company has not borrowed any funds from the banks or financial institutions on the basis of security of current assets.

Notes to Accounts

18.6 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 loan assets 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 select loan assets 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 loan assets (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 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 loan assets (other than those that are exclusively charged/ earmarked to lenders / other Trustees) in favour of SBICap Trustee Company Ltd.

The Bond Series XIII, XIV, XV, XVI and XVII of 54EC Capital Gain Tax Exemption Bonds are secured by first pari passu charge on hypothecation of loan assets (other than those that are exclusively charged/ earmarked to lenders / other Trustees) in favour of SBICap Trustee Company Ltd.

Refer Note No. 9 and 14.2 for the carrying value of loan assets and Property, Plant and Equipment (PPE) pledged as security.

18.7 No charges or satisfaction are yet to be registered with Registrar of Companies (ROC) beyond the respective statutory date.

19 Subordinated Liabilities

The Company has categorised all subordinated liabilities at amortised cost in accordance with the requirements of Ind AS 109.

(₹ in Crores)

Particulars		As at 31.03.2024		As at 31.03.2023	
		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	2,668.34
(ii)	**175th Series - Subordinate Tier-II Bonds -** 8.97% Redeemable at par on 28.03.2029	2,151.20	2,091.95	2,151.20	2,079.90
(iii)	**199th Series - Subordinate Tier-II Bonds -** 7.96% Redeemable at par on 15.06.2030	1,999.50	2,041.60	1,999.50	2,025.06
(iv)	**222nd series - Perpetual Tier-I Bonds -** 7.98% with call option on 30.04.2033 and on annual anniversary date thereafter	2,000.00	2,145.28	-	-
v)	**226th series - Perpetual Tier-I Bonds -** 8.03% with call option on 30.09.2033 and on annual anniversary date thereafter	1,090.00	1,133.38	-	-
	Total - Subordinated Liabilities	**7,240.70**	**7,412.21**	**6,650.70**	**6,773.30**
	Subordinated Liabilities in/ outside India				
(i)	Borrowings in India	7,240.70	7,412.21	6,650.70	6,773.30
(ii)	Borrowings outside India	-	-	-	-
	Total - Subordinated Liabilities	**7,240.70**	**7,412.21**	**6,650.70**	**6,773.30**

Refer Note No. 19.2 for reconciliation between the figure represented in Face Value and Amortised Cost

Notes to Accounts

19.1 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 AAA, ICRA PP-MLD AAA
Domestic Perpetual Bonds	CRISIL AAA, CARE AAA
Domestic Short term Borowings	CRISIL A1+, ICRA A1+, CARE A1+, IND A1+
International Long-term Issuer Rating	BBB- (Fitch), Baa3 (Moody's), BBB+ (Japan Credit Rating Agency)

During the year, the credit rating on domestic perpetual bonds has been upgraded from CARE AA+ to CARE AAA

19.2 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 2024				
Total Amount as per Ind-AS	**2,66,109.92**	**1,72,092.05**	**7,412.21**	**4,45,614.18**
Less: Interest accrued on Borrowings classified under the same head as per Ind-AS	(8,264.50)	(766.66)	(321.21)	**(9,352.37)**
Add: Ind-AS Adjustments including EIR	707.50	824.58	149.70	**1,681.78**
Total Borrowings Outstanding	**2,58,552.92**	**1,72,149.97**	**7,240.70**	**4,37,943.59**
As at 31st March 2023				
Total Amount as per Ind-AS	**2,36,948.99**	**1,37,114.13**	**6,773.30**	**3,80,836.42**
Less: Interest accrued on Borrowings classified under the same head as per Ind-AS	(6,730.41)	(670.87)	(296.95)	**(7,698.23)**
Add: Ind-AS Adjustments including EIR	783.85	520.03	174.35	**1,478.23**
Total Borrowings Outstanding	**2,31,002.43**	**1,36,963.29**	**6,650.70**	**3,74,616.42**

19.3 The Company raises funds in different currencies through a mix of term loans from banks/ financial institutions/ Government 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. 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. Further, there has not been any breach of covenant of Debt Securities, Borrowings and Debt Securities issued by the company.

20 Other Financial Liabilities

(₹ in Crores)

Particulars		As at 31-03-2024	As at 31-03-2023
(A)	**Unpaid Dividends (Refer Note 20.1)**	1,192.72	6.79
(B)	**Unpaid Principal & Interest on Bonds (Refer Note 20.1)**		
	- Matured Bonds & Interest Accrued thereon	22.42	25.66
	- Interest on Bonds	10.52	11.17
	Sub-total (B)	**32.94**	**36.83**
(C)	**Advance received towards variation margin**	4,638.80	-
(D)	**Funds Received from Government of India for Disbursement as Subsidy/ Grant (cumulative)**	96,282.52	96,263.30
	Add: Interest on such funds (net of refund)	3.56	3.12
	Less: Disbursed to Beneficiaries (cumulative)	(96,269.71)	(96,238.70)
	Undisbursed Funds to be disbursed as Subsidy/ Grant	16.37	27.72
(E)	**Payables towards Bonds Fully serviced by Government of India**	24,382.40	24,318.29
(F)	**Other Liabilities**	1,577.43	784.95
	Total (A to F)	**31,840.66**	**25,174.58**

Notes to Accounts

20.1 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 2024 is ₹0.58 crores (₹2.68 crores as at 31st March 2023) which has been transferred within the prescribed time limit. Further, Unpaid Dividend also includes an amount of ₹1,184.95 crores (previous year Nil) pertaining to Interim Dividend eclared by the company in March 2024 for which balance has been transfered in earmarked bank account but yet to be paid to the shareholders.

20.2 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 Government 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 ₹ 0.77 crores as at 31st March 2024 (₹ 0.75 crores as at 31st March 2023) 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 31-03-2024	Year ended 31-03-2023
Opening Balance of Interest Subsidy Fund	**0.75**	**0.73**
Add: Interest earned during the year	0.02	0.02
Less: Interest subsidy passed on to the borrower	-	-
Closing Balance of Interest Subsidy Fund	**0.77**	**0.75**

20.3 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".

20.4 The movement in Interest on Subsidy/ Grant is explained as under:

(₹ in Crores)

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
Opening Balance	3.12	3.95
Add: Interest earned during the year	0.65	4.21
Less: Amount refunded to Government during the year	(0.21)	(5.04)
Closing Balance	**3.56**	**3.12**

20.5 For meeting GOI's funding requirement of DDUGJY Scheme, during the year, the Company has raised funds an aggregate amount of ₹ Nil (Previous year Nil) 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 Government of India (Note 11).

Notes to Accounts

Details of the GoI Fully Serviced Bonds raised are as follows:

(₹ in Crores)

Particulars	Coupon Rate	Interest Frequency	Redemption Date	As at 31-03-2024	As at 31-03-2023
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**

21. Current tax liabilities (net)

(₹ in Crores)

Particulars	As at 31-03-2024	As at 31-03-2023
Provision for Income Tax	3,283.85	-
Less: Advance Income-tax & TDS	(3,217.34)	-
Current tax liabilities (Net)	**66.51**	**-**

22. Provisions

(₹ in Crores)

Particulars		As at 31-03-2024	As at 31-03-2023
Provisions for			
(A)	**Employee Benefits**		
	Gratuity	0.13	2.68
	Earned Leave Liability	33.45	27.49
	Medical Leave Liability	21.52	20.61
	Settlement Allowance	2.40	1.76
	Economic Rehabilit ation Scheme	4.92	4.17
	Long Service Award	4.51	2.89
	Incentive	36.55	33.47
	Others	1.07	2.00
	Sub-total (A)	**104.55**	**95.07**
(B)	**Others**		
	Expected Credit Loss on Letters of Comfort	32.02	15.87
	Sub-total (B)	**32.02**	**15.87**
	Total (A+B)	**136.57**	**110.94**

Notes to Accounts

22.1 Movement of Expected Credit Loss provision on Letters of comfort

(₹ in Crores)

Prticulars	As at 31-03-2024	As at 31-03-2023
Opening balance	**15.87**	**20.90**
Add: Created during the year	25.97	5.48
Less: Reversed/ Adjusted during the year	(9.82)	(10.51)
Closing balance	**32.02**	**15.87**

22.2 The Company has maximum credit risk exposure of ₹5,961.13 crores (previous year ₹3,082.47 crores) (net of Impairment Loss Allowances) related to Letters of Comfort issued to the banks, as a financial guarantee on behalf of the borrowers.

23. Other Non-financial Liabilities

(₹ in Crores)

Particulars		As at 31-03-2024	As at 31-03-2023
(A)	Sundry Liabilities Account (Funded Interest Capitalisation)	47.80	2.80
(B)	Unbilled Liability towards Capital Account	48.38	48.38
(C)	Unamortised Fee on Undisbursed Loans	85.38	12.45
(D)	Statutory Dues	58.06	34.94
	Total (A to D)	**239.62**	**98.57**

24. Equity Share Capital

(₹ in Crores)

Particulars	As at 31.03.2024		As at 31.03.2023	
	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	2,63,32,24,000	2,633.22	2,63,32,24,000	2,633.22
Total	**2,63,32,24,000**	**2,633.22**	**2,63,32,24,000**	**2,633.22**

24.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the year

(₹ in Crores)

Particulars	For the year ended 31-03-2024		For the year ended 31-03-2023	
	No. of Shares	Amount	No. of Shares	Amount
Share Capital at the beginning of the year	2,63,32,24,000	2,633.22	1,97,49,18,000	1,974.92
Add: Bonus Shares issued & allotted during the year	-	-	65,83,06,000	658.30
Share Capital at the end of the year	**2,63,32,24,000**	**2,633.22**	**2,63,32,24,000**	**2,633.22**

24.2 Allotment of Bonus Shares during the year and during preceding five years

During current year, no bonus shares were issued by the Company. During previous year, the Company has issued 65,83,06,000 equity shares of ₹10 each as fully paid-up bonus shares in the ratio of 1 (One) equity share for every 3 (Three) equity share outstanding on the record date i.e. 18th August 2022 by capitalising ₹658.30 crores out of the sum standing to the credit of 'Securities Premium Account'. Except this, no Bonus Shares were issued during the preceding five years.

24.3 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.

Notes to Accounts

24.4 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.

24.5 Shareholders holding more than 5% of fully paid-up equity shares as at Balance Sheet date:

Name of the Shareholder	As at 31.03.2024		As at 31.03.2023	
	No. of Shares	Percentage	No. of Shares	Percentage
Power Finance Corporation Limited	1,38,59,93,662	52.63%	1,38,59,93,662	52.63%

24.6 Details of equity shares held by the Holding Company, including the subsidiaries and associates

Name of the Shareholder	As at 31.03.2024		As at 31.03.2023	
	No. of Shares	Percentage	No. of Shares	Percentage
Power Finance Corporation Limited	1,38,59,93,662	52.63%	1,38,59,93,662	52.63%

24.7 Details of equity shares held by the promoters

Name of the Promoter	As at 31.03.2024			As at 31.03.2023		
	No. of Shares	Percentage	% change during the year	No. of Shares	Percentage	% change during the year
The President of India	-	-	-	-	-	-
Power Finance Corporation Limited	1,38,59,93,662	52.63%	-	1,38,59,93,662	52.63%	-

25 Instruments entirely equity in nature

(₹ in Crores)

Particulars	As at 31.03.2024		As at 31.03.2023	
	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**

25.1 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 31-03-2024		For the year ended 31-03-2023	
	Number	Amount	Number	Amount
Balance at the beginning of the year	5,584	558.40	5,584	558.40
Increase/ (Decrease) during the year	-	-	-	-
Balance at the end of the year	**5,584**	**558.40**	**5,584**	**558.40**

25.2 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 31.03.2024		As at 31.03.2023	
	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%

Notes to Accounts

25.3 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.

26. Other Equity

(₹ in Crores)

Particulars		**As at 31.03.2024**	**As at 31.03.2023**
(A)	**Other Reserves**		
(i)	Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961	28,044.83	24,977.89
(ii)	Reserve for Bad and doubtful debts u/s 36(1)(viia) of the Income Tax Act, 1961	687.76	-
(iii)	Statutory Reserve u/s 45-IC of Reserve Bank of India Act, 1934	10,828.99	8,025.15
(iv)	Securities Premium	1,577.53	1,577.53
(v)	Foreign Currency Monetary Item Translation Difference Account	(675.14)	(790.44)
(vi)	General Reserve	11,978.44	11,978.44
(B)	**Retained Earnings**	13,363.40	9,930.77
(C)	**Other Comprehensive Income (OCI)**		
	- Equity Instruments through Other Comprehensive Income	(57.99)	(101.47)
	- Effective Portion of Cash Flow Hedges	(1,846.93)	600.05
	- Cost of Hedging reserve	1,690.64	(1,709.87)
	Total - Other Equity	**65,591.53**	**54,488.05**

Additions and deductions to the components of 'Other Equity' has been disclosed in 'Statement of Changes in Equity'.

26.1 Drawdown/ Transfer from Reserves: 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 2023-24
No amount has been drawn from the reserves during the financial year 2023-24

(ii) During the financial year 2022-23
₹196.82 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.

26.2 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, 2024**	**For the year ended 31st March, 2023**
Balance as at the begining of the year	**24,977.89**	**22,302.93**
Add: Transferred from Retained Earnings	3,066.94	2,674.96
Less: Transferred to General Reserve	-	-
Balance as at the end of the year	**28,044.83**	**24,977.89**

Notes to Accounts

26.3 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, 2024	For the year ended 31st March, 2023
Balance as at the begining of the year	**-**	**196.82**
Add: Transferred from Retained Earnings	687.76	-
Less: Transferred to General Reserve	-	(196.82)
Balance as at the end of the year	**687.76**	-

26.4 Statutory Reserve 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, 2024	For the year ended 31st March, 2023
Balance as at the begining of the year	8,025.15	5,814.00
Add: Transferred from Retained Earnings	2,803.84	2,211.15
Less: Transferred to General Reserve	-	-
Balance as at the end of the year	10,828.99	8,025.15

26.5 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, 2024	For the year ended 31st March, 2023
Balance as at the begining of the year	**1,577.53**	**2,236.54**
Add: Transferred from Retained Earnings	-	-
Less: Transferred to General Reserve	-	-
Less: Utilised for Bonus Issue of Equity Shares	-	(658.30)
Less: Expenses incurred on Bonus Issue of Equity Shares	-	(0.71)
Balance as at the end of the year	**1,577.53**	**1,577.53**

26.6 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.

Notes to Accounts

Detail of Movement during the year:

(₹ in Crores)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Balance as at the begining of the year	**(790.44)**	**(555.29)**
Add: Foreign Currency Translation Gain/ Loss (-) on long term monetary items during the year	(85.73)	(487.03)
Less: Amortisation during the year	201.03	251.88
Balance as at the end of the year	**(675.14)**	**(790.44)**

26.7 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, 2024	For the year ended 31st March, 2023
Balance as at the begining of the year	**11,978.44**	**11,781.62**
Add: Transferred from Retained Earnings	-	-
Add: Transferred from Reserve for Bad & Doubtful Debts u/s 36(1) (viia) of the Income Tax Act, 1961	-	196.82
Balance as at the end of the year	**11,978.44**	**11,978.44**

26.8 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, 2024	For the year ended 31st March, 2023
Balance as at the begining of the year	**(101.47)**	**(37.98)**
Add: Recognition through Other Comprehensive Income (net of taxes)	91.48	(58.48)
Add: Reclassification of gain/ (loss) on sale/ extinguishment of FVOCI equity instrument (net of taxes)	(48.00)	(5.01)
Balance as at the end of the year	**(57.99)**	**(101.47)**

26.9 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, 2024	For the year ended 31st March, 2023
Balance as at the begining of the year	**600.05**	**194.21**
Add: Recognition through Other Comprehensive Income (net of taxes)	(2,446.98)	405.84
Balance as at the end of the year	**(1,846.93)**	**600.05**

Notes to Accounts

26.10 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, 2024	For the year ended 31st March, 2023
Balance as at the begining of the year	**(1,709.87)**	**(395.95)**
Add: Recognition through Other Comprehensive Income (net of taxes)	3,400.51	(1,313.92)
Balance as at the end of the year	**1,690.64**	**(1,709.87)**

26.11 Detail of Movement in Retained Earnings during the year:

(₹ in Crores)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Balance as at the begining of the year	**9,930.77**	**6,915.38**
Add: Profit for the year	14,019.21	11,054.64
Add: Remeasurement of Defined Benefit Plans (net of taxes)	(0.74)	(4.48)
Less: Transferred to General Reserve	-	-
Less: Transferred to Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961	(3,066.94)	(2,674.96)
Less: Transferred to Reserve for Bad and doubtful debts u/s 36(1)(viia) of the Income Tax Act, 1961	(687.76)	-
Less: Transferred to Statutory Reserve u/s 45-IC of Reserve Bank of India Act, 1934	(2,803.84)	(2,211.15)
Add: Reclassification of gain/ (loss) on sale/ extinguishment of FVOCI equity instrument	48.00	5.01
Less: Coupon Payment on Instrument Entirely Equity in Nature (Perpetual Debt Instruments) (Net of Taxes)	(33.30)	(33.30)
Less: Dividend during the year	(4,042.00)	(3,120.37)
Balance as at the end of the year	**13,363.40**	**9,930.77**

26.12 Dividend declared/ proposed by the Company for Equity Shares of ₹ 10/- each

Particulars	For the year ended 31st March, 2024		For the year ended 31st March, 2023	
	Dividend per Equity Share	Dividend Amount	Dividend per Equity Share	Dividend Amount
	(₹)	(₹ in Crores)	(₹)	(₹ in Crores)
No. of Equity Share at the end of the year	2,63,32,24,000		2,63,32,24,000	
Interim Dividend	11.00	2,896.55	8.25	2,172.41
Final/ Proposed Dividend	5.00	987.46	4.35	859.09
Total Dividend	**16.00**	**3,884.01**	**12.60**	**3,031.50**

The Board of Directors at its meeting held on 30th April, 2024 recommended final dividend of ₹5/- per equity share (on face value of ₹10/- each) for the financial year 2023-24, subject to approval of Shareholders in the ensuing Annual General Meeting. The total dividend for the financial year is ₹16/-per equity share (on face value of ₹10/- each).

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.

Notes to Accounts

27 Interest Income

(₹ in Crores)

Particulars		Year ended 31-03-2024			Year ended 31-03-2023		
		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	-	42,941.50	-	-	37,679.56	-
(ii)	Short term financing	-	2,717.24	-	-	680.35	-
	Sub-total (A)	**-**	**45,658.74**	**-**	**-**	**38,359.91**	**-**
(B)	**Interest Income from Investments**						
(i)	Interest from Long Term Investments	-	187.89	69.16	-	152.68	31.69
	Sub-total (B)	**-**	**187.89**	**69.16**	**-**	**152.68**	**31.69**
(C)	**Interest on Deposits with Banks**						
(i)	Interest from Deposits	-	315.22	-	-	111.28	-
	Sub-total (C)	**-**	**315.22**	**-**	**-**	**111.28**	**-**
(D)	**Other Interest Income**						
(i)	Interest on Delayed Payments by Borrowers	-	173.80	-	-	176.76	-
(ii)	Interest from Staff Advances	-	5.06	-	-	3.65	-
(iii)	Interest on Mobilisation Advance	-	0.24	-	-	0.27	-
	Sub-total (D)	**-**	**179.10**	**-**	**-**	**180.68**	**-**
	Total - Interest Income (A to D)	**-**	**46,340.95**	**69.16**	**-**	**38,804.55**	**31.69**

28 Dividend Income

(₹ in Crores)

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
- Dividend from Subsidiary Company	23.40	27.45
- Dividend from Other Investments	2.28	11.89
Total - Dividend Income	**25.68**	**39.34**

28.1 Details of dividend recognised on Other Investments :

(₹ in Crores)

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
Dividend on FVOCI Equity Investments		
- Investments held at the end of the year	1.94	11.81
- Investments derecognized during the year	0.34	0.08
Total	**2.28**	**11.89**

Notes to Accounts

29 Fees and Commission Income

(₹ in Crores)

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
Fees based Income	70.80	117.80
Prepayment Premium	50.74	47.16
Fee/ Other Income for Implementation of Government Schemes	114.49	122.21
Total - Fees and Commission Income	**236.03**	**287.17**

30 Other Income

(₹ in Crores)

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
Net gain/ (loss) on disposal of assets classified as held for sale	1.32	4.08
Rental Income	17.85	17.16
Liabilities/Provision Written Back	21.69	-
Fees from Training Courses	12.33	7.73
Miscellaneous Income	14.66	15.70
Total - Other Income	**67.85**	**44.67**

31 Finance Costs

Finance Costs have been incurred on financial liabilities measured at amortised cost.

(₹ in Crores)

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
(i) Interest on Borrowings		
- Loans from Government of India (NSSF)	822.50	822.50
- Loans from Banks/ Financial Institutions	5,461.62	3,934.76
- External Commercial Borrowings	4,774.11	1,881.41
Sub-Total (i)	**11,058.23**	**6,638.67**
(ii) Interest on Debt Securities		
- Domestic Debt Securities	15,090.00	13,316.68
- Foreign Currency Debt Securities	1,553.60	1,442.43
- Commercial Paper	135.64	-
Sub-Total (i)	**16,779.24**	**14,759.11**
(iii) Interest on Subordinated Liabilities		
- Subordinate Bonds	631.89	551.65
Sub-Total (iii)	**631.89**	**551.65**
(iv) Other Interest Expense		
- Swap Premium	1,368.64	1,784.82
- Interest on Variation Margin	114.70	-
- Interest on Advance Income Tax	1.94	-
- Interest on liability towards employee benefits	(4.84)	3.44
Sub-Total (iv)	**1,480.44**	**1,788.26**
Total - Finance Costs	**29,949.80**	**23,737.69**
Less: Finance Costs Capitalised	(0.53)	(0.03)
Total - Finance Costs (Net)	**29,949.27**	**23,737.66**

Notes to Accounts

32 Net translation/ transaction exchange loss/ (gain)

(₹ in Crores)

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
Net translation/ transaction exchange loss/ (gain)	166.57	1,114.04
Total	**166.57**	**1,114.04**

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 ₹201.03 crores (Previous year ₹251.88 crores).

32.1 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 2024*	83.3739	0.5509	90.2178	61.7319
As at 31st March 2023	82.2169	0.6180	89.6076	61.8074

** as on 28th March 2024 being the last working day.*

33 Fees and commission expense

(₹ in Crores)

Particulars		Year ended 31-03-2024	Year ended 31-03-2023
(i)	Guarantee Fee	1.71	2.92
(ii)	Listing and Trusteeship Fee	0.06	0.05
(iii)	Agency Fees	1.42	1.76
(iv)	Credit Rating Expenses	4.08	3.55
(v)	Other Finance Charges	16.99	8.01
	Total (i to v)	**24.26**	**16.29**

34 Net Gain/ (loss) on Fair Value Changes

(₹ in Crores)

Particulars		Year ended 31-03-2024	Year ended 31-03-2023
(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	425.55	69.21
	- Changes in fair value of Long Term Investments	46.33	(25.45)
	- Changes in fair value of Short-term MF investments	2.60	1.55
	Sub-total (ii)	**474.48**	**45.31**
	Total (A)	**474.48**	**45.31**
	Breakup of Fair Value Changes		
	- Realised	(217.04)	336.35
	- Unrealised	691.52	(291.04)
	Total Net Gain/ (loss) on Fair Value Changes	**474.48**	**45.31**

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

Notes to Accounts

35 Impairment on financial instruments

(₹ in Crores)

Particulars	Year ended 31-03-2024		Year ended 31-03-2023	
	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 *	-	(1,367.07)	-	105.14
(ii) - Others	-	8.68	-	9.77
Total (i+ii)	**-**	**(1,358.39)**	**-**	**114.91**

** includes ₹16.14 crores (Previous year ₹-5.03 crores) towards impairment allowance on Letter of Comfort.*

36 Employee Benefits Expense

(₹ in Crores)

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
- Salaries and Allowances*	132.59	136.33
- Contribution to Provident and Other Funds	32.44	8.20
- Rent towards Residential Accomodation for Employees	6.65	5.31
- Staff Welfare Expenses	42.16	31.79
Total	**213.84**	**181.63**

** includes NIL (previous year ₹20.54 crores) incurred in compliance of order of Ministry of Power regarding regularisation of earlier adopted Pay Scales 1997 in respect of below Board Level Executives at par with other CPSEs.*

37 Depreciation and amortization

(₹ in Crores)

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
- Depreciation on Property, Plant & Equipment	22.62	21.45
- Amortization on Intangible Assets	1.10	2.64
Total	23.72	24.09

38 Corporate Social Responsibility Expenses

(₹ in Crores)

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
- Direct Expenditure	241.77	197.01
- Overheads	8.09	5.64
Total	**249.86**	**202.65**

38.1 Ministry of Corporate Affairs (MCA) has prescribed Companies (Corporate Social Responsibility Policy) Rules, 2014, amended from time to time. 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. Further, companies undertaking impact assessment may book the expenditure towards CSR for that financial year, which shall not exceed two percent of the total CSR expenditure or fifty lakh rupees, whichever is higher.

38.2 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 ₹249.86 crores (previous year ₹202.65 crores)

(b) Amount approved by the Board to be spent during the year is ₹249.86 crores (previous year ₹202.65 crores)

(c) Refer Note no. 53 for related party transactions related to CSR.

Notes to Accounts

(d) Amount required to be spent on CSR activities as per Section 135 (5) of the Companies Act, 2013:

(₹ in Crores)

Particulars		Year ended 31-03-2024	Year ended 31-03-2023
(A)	**Opening Balance - Excess amount spent**	**7.70**	**0.40**
(B)	Amount required to be spent during the year	249.86	202.65
(C)	Amount spent during the year*	247.31	209.95
(D)	**Closing Balance - Excess amount spent** (A-B+C)**	**5.15**	**7.70**

** Excludes amount spent on CSR activities from interest earned on temporarily parked funds by REC Foundation (implementing agency) of ₹ Nil (previous year ₹ 0.98 crores)*
*** eligible to be set-off in the next three succeeding financial years*

38.3 Amount spent during the year:

(₹ in Crores)

Particulars		Year ended 31-03-2024			Year ended 31-03-2023		
		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	67.41	-	67.41	73.59	-	73.59
	Education/ Vocational/ Skill Development	10.09	-	10.09	23.12	-	23.12
	Environmental Sustainability	21.18	-	21.18	23.79	-	23.79
	Sports	21.83	-	21.83	30.50	-	30.50
	Contribution to PM CARES Fund	85.00	-	85.00	50.00	-	50.00
	Others (Rural Development, Benefits of Armed Forces / Incubators)	33.72	-	33.72	3.31	-	3.31
	Impact Assessment	0.13	-	0.13	0.34	-	0.34
	Administrative overheads including training etc.	7.95	-	7.95	5.30	-	5.30
	Total (i+ii)	**247.31**	**-**	**247.31**	**209.95**	**-**	**209.95**

39. Other Expenses

(₹ in Crores)

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
- Travelling and Conveyance	20.51	15.61
- Publicity & Promotion Expenses	31.74	9.87
- Repairs and Maintenance	23.40	21.07
- Rent, taxes and energy costs	5.57	5.80
- Insurance Charges	0.16	0.15
- Communication costs	2.32	2.33
- Printing & stationery	1.62	1.11
- Director's sitting fees	0.49	0.42
- Auditor's fees and expenses	1.76	1.55
- Legal & Professional Charges	11.64	13.62
- Net Loss on Disposal of Property, Plant & Equipment	5.56	6.64
- Training And Conference Expense	13.76	10.80
- Government Scheme Monitoring Expenses	11.88	9.60
- Other Expenditure	33.97	24.12
Total	**164.38**	**122.69**

Notes to Accounts

39.1 Disclosure in respect of Auditors' fees and expenses

(₹ in Crores)

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
Fees paid to statutory auditors :		
- for audit fees	0.68	0.58
- for taxation matters	0.16	0.15
- for company law matters/ limited review fees	0.36	0.35
- for other services	0.38	0.25
- for reimbursement of expenses	0.05	0.11
Sub-total	**1.63**	**1.44**
Non-recoverable tax credit in respect of fees paid to auditors	**0.13**	**0.11**
Total - Auditor's fees and expenses	**1.76**	**1.55**

40. Tax Expense

(₹ in Crores)

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
- Current tax expense	3,293.00	2,668.58
- Current tax expense/ (benefit) pertaining to earlier years	2.09	(147.29)
Sub-total - Current Tax	**3,295.09**	**2,521.29**
- Deferred tax expense/ (credit)	466.34	162.84
Total	**3,761.43**	**2,684.13**

40.1 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 31-03-2024	Year ended 31-03-2023
Profit before Tax	**17,780.64**	**13,738.77**
Statutory income tax rate	**25.168%**	**25.168%**
Expected income tax expense	**4,475.03**	**3,457.77**
Tax effect of income tax adjustments:		
Benefit of deduction u/s 36(1)(viii) of Income Tax Act 1961	(771.89)	(673.23)
Non-allowability of CSR expenses & other adjustments	63.47	51.00
Other non-deductible expenses	(1.30)	5.78
Interest on Advance Income tax disallowed	0.49	-
Non Taxable Income	(6.46)	(9.90)
Tax Expense Earlier Years	2.09	(147.29)
Tax expense	**3,761.43**	**2,684.13**

41. Earnings per Share

(₹ in Crores)

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
Numerator		
Profit for the year from continuing operations as per Statement of Profit and Loss (₹ in Crores)*	13,985.91	11,021.34

Notes to Accounts

(₹ in Crores)

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
Profit for the year from discontinued operations as per Statement of Profit and Loss (₹ in Crores)*	-	-
Profit for the year from continuing and discontinued operations as per Statement of Profit and Loss (₹ in Crores)*	13,985.91	11,021.34
Denominator		
Weighted average Number of equity shares	2,63,32,24,000	2,63,32,24,000
Basic & Diluted Earnings per Share (in ₹ for an equity share of ₹10 each) (for continuing operations)	53.11	41.85
Basic & Diluted Earnings per Share (in ₹ for an equity share of ₹10 each) (for discontinued operations)	-	-
Basic & Diluted Earnings per Share (in ₹ for an equity share of ₹10 each) (for continuing and discontinued operations)	53.11	41.85

** The profit denotes Proft after Tax less coupon expenses (net of taxes) of ₹33.30 crores (Previous year ₹33.30 crores) on Perpetual Debt Instruments entrirely equity in nature.*

42. Contingent Liabilities and Commitments :

42.1 Contingent Liabilities not provided for in respect of:

(₹ in Crores)

Particulars		As at 31.03.2024	As at 31.03.2023
(A)	**Claims against the Company not acknowledged as debts**	0.85	0.78
(B)	**Taxation Demands**		
(i)	- Demands raised by the Income Tax Department	212.84	197.78
(ii)	- Demands against appeals filed by the Income Tax Department against the relief allowed to the Company	0.90	0.90
(iii)	- Demands raised in respect of GST	17.89	17.89
(C)	**Guarantees**	**-**	**7.50**
(D)	**Others**		
(i)	- Arbitration Proceedings through Project Management Consultant (PMC) (counter claim of ₹33.23 crores)	352.94	315.30
(ii)	- Letters of Comfort	5,961.13	3,082.47

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 the company.

The amount referred to in C above is against the Bank Guarantee submitted for participation in bidding process of NTPC Green Energy Limited (subsidiary of NTPC Ltd.)

The amount referred to in D(i) above represent arbitration matters between the contractor and PMC appointed by the company. The claim is being contested by the PMC and company believes that its position will likely be upheld in the arbitration process. The amount includes 12% p.a interest on the claim amount.

42.2 Commitments not provided for in respect of:

(₹ in Crores)

Particulars	As at 31.03.2024	As at 31.03.2023
- Contracts remaining to be executed on capital account		
- Towards Property, Plant & Equipment	94.85	124.73
- Other Commitments		
- CSR Commitments	418.81	252.44

Notes to Accounts

43. 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

44. Implementation of Government of India Schemes

44.1 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 October 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.

44.2 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 November 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 crore including budgetary support of ₹5,302 crore. The scheme has been successfully completed and closed in its sunset year FY 2021-22 i.e. 31.03.2022.

44.3 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.

44.4 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 the FY 2024-25.

ii) Reduction of ACS-ARR gap to zero by the FY 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.

Notes to Accounts

44.5 Rooftop Solar Program (RTS)

PM-Surya Ghar: Muft Bijli Yojana was launched by Government of India on 13.02.2024 for installation of Rooftop Solar (RTS) in one crore households with the financial outlay of ₹ 75,021 crore and the phase-II of RTS will be subsumed under this scheme. The phase-II of Grid connected RTS programme is being implemented under Ministry of New and Renewable Energy (MNRE) for achieving cumulative capacity of 40GW from RTS projects by 2026.

45 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 31-03-2024	As at 31-03-2023
Net debt	4,37,897.33	3,74,577.42
Net Worth	68,783.15	57,679.67
Debt-equity ratio	**6.37**	**6.49**

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 if any and net worth of the Company, subject to the applicable circulars/ guidelines issued by RBI, DIPAM etc. as applicable from time to time.

As per the extant guidelines issued by DIPAM, Government 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.

Other Policies

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 of Conduct for Regulating, Monitoring & Reporting of Trading by Designated Persons & their Immediate Relatives and for Fair Disclosure, Policy for prevention of Fraud, The Code of Business Conduct and Ethics for Board Members and Senior Management, Fair Practices Code, Internal Guidelines on Corporate Governance, Policy on 'fit & proper' criteria of Directors etc.

46 Capital to Risk-weighted Assets Ratio

The Company is complying with the Capital Adequacy requirements as per the master directions/ circulars/ guidelines prescribed by the RBI, amended from time to time. 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		As at 31-03-2024			As at 31-03-2023			% Variance
		Numerator* (₹ in Crores)	Denominator* (₹ in Crores)	%	Numerator* (₹ in Crores)	Denominator* (₹ in Crores)	%	
(i)	CRAR	73,859.00	2,86,046.00	25.82%	63,240.41	2,45,300.73	25.78%	0.15%
(ii)	CRAR - Tier I Capital	66,716.00	2,86,046.00	23.32%	56,023.45	2,45,300.73	22.84%	2.12%
(iii)	CRAR - Tier II Capital	7,143.00	2,86,046.00	2.50%	7,216.96	2,45,300.73	2.94%	-15.12%

The amount of Perpetual Debt Instrument of the Tier-I capital is 0.84% (previous year 1%)

**Numerator being Tier-I & Tier-II capital majorily consists of Equity (Refer Note no. 24, 25 and 26) and Denominator being Risk Weighted Assets majorily represents the weighted sum of company's credit exposure(s) such as Loans (Refer Note no. 9) and Investments (Refer Note no. 10), calculated in line with circular(s) issued by RBI in this regard, from time to time.*

Notes to Accounts

Details of Tier II capital and Perpetual Debt Instruments raised during the year are as under:

(₹ in Crores)

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
Amount of Subordinated Debt raised as Tier-II capital	-	-
Amount of Perpetual Debt Instruments raised as Tier-I capital	3,090.00	-

47 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 systems & processes appropriate for various risk categories, independent risk oversight and periodic monitoring. A Board Level Risk Management Committee (RMC) has also been constituted under the chairmanship of CMD, 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, Bank Balances (other than Cash and Cash Equivalents), Loans, Financial Assets, 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.

RBI vide its Master Direction on Information Technology Governance, Risk, Controls and Assurance Practice has mandated the appointment of Chief Information Security Officer (CISO) vide its direction RBI/2023-24/107 DoS.CO.CSITEG/SEC.7/31.01.015/2023-24 dated November 07, 2023. Accordingly the Company has appointed the CISO w.e.f 16.01.2024 in compliance of the RBI Guidlines.

47.1 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, bank balances (other than cash and cash equivalents), investments, loan assets, trade receivables and other financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

Notes to Accounts

47.1.1 Financial assets that expose the entity to credit risk

(₹ in Crores)

Particulars		As at 31-03-2024	As at 31-03-2023
(i)	**Low credit risk on financial reporting date**		
	Cash and cash equivalents	46.26	39.00
	Bank balances (other than cash and cash equivalents)	2,452.44	1,948.34
	Loans *	4,82,554.12	4,12,304.47
	Investments (excluding equity investments)	4,833.20	2,728.86
	Other financial assets	24,424.52	24,400.28
(ii)	**Moderate credit risk**		
	Loans *	18,999.65	10,913.58
(iii)	**High credit risk**		
	Loans *	13,810.33	14,892.08
	Investments in Preference Share **	28.72	28.72
	Other financial assets	67.30	94.72

** Represents the principal outstanding (along with undisbursed amount towards Letters of Comfort) without deduction for expected credit losses*
*** 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 Balances

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, Government 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.

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 Government Securities, State Development Loans and 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 received various 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.

Other Financial Assets

Other financial assets measured at amortized cost includes loans and advances to employees and subsidiary, security deposits and other amounts recoverable, including from Government of India. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

47.1.2 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.

Notes to Accounts

- **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/ Private Companies, 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 ECL 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 31-03-2024			As at 31-03-2023		
	Gross Carrying Amount	ECL	Net Carrying amount	Gross Carrying Amount	ECL	Net Carrying amount
Cash and cash equivalents	46.26	-	46.26	39.00	-	39.00
Bank balances (other than cash and cash equivalents)	2,452.44	-	2,452.44	1,948.34	-	1,948.34
Investments* (excluding equity investments)	4,861.92	28.72	4,833.20	2,757.58	28.72	2,728.86
Other financial assets **	24,491.82	67.30	24,424.52	24,495.00	94.72	24,400.28

** 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.*

47.1.3 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.

Notes to Accounts

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 State 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.

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 (LoC) 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. However, for State Distribution Companies (DISCOMs), the Company adopts the ratings by the Ministry of Power as and when they are updated

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 using suitable assumptions, including valuation reports carried out by the company, 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) 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.

(H) 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 31-03-2024				As at 31-03-2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing								
Very Good (AAA | AA | A | Government Loan)	2,03,407.58	18,161.39	-	2,21,568.97	1,92,836.82	276.33	-	1,93,113.15
Good (BBB | BB | B)	2,22,710.25	445.30	-	2,23,155.55	1,47,389.05	9,128.03	-	1,56,517.08
Average (C)	56,025.85	-	-	56,025.85	70,282.47	1,345.98	-	71,628.45
Fair (D)	410.44	-	-	410.44	1,796.13	157.74	-	1,953.87
Non- Performing (D)	**-**	**392.96**	**13,810.33**	**14,203.29**	**-**	**5.50**	**14,892.08**	**14,897.58**
Gross Exposure	**4,82,554.12**	**18,999.65**	**13,810.33**	**5,15,364.10**	**4,12,304.47**	**10,913.58**	**14,892.08**	**4,38,110.13**
Loss allowance (including LoC)	2,767.04	191.70	9,453.80	12,412.54	3,521.81	238.30	10,519.51	14,279.62
Net Exposure	**4,79,787.08**	**18,807.95**	**4,356.53**	**5,02,951.56**	**4,08,782.66**	**10,675.28**	**4,372.57**	**4,23,830.51**

Notes to Accounts

(I) 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

(J) 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 2024	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	**4,12,304.47**	**3,521.81**	**10,913.58**	**238.30**	**14,892.08**	**10,519.51**	**4,38,110.13**	**14,279.62**
Transfer to 12 months ECL	9,954.90	(194.96)	(9,954.90)	194.96	-	-	-	-
Transfer to life time ECL not credit impaired	(18,708.02)	(75.05)	19,077.40	191.51	(369.38)	(116.46)	-	-
Transfer to Lifetime ECL credit impaired	-	-	-	-	-	-	-	-
Additional provision due to changes in PD/ LGD	-	(723.10)	-	(426.85)	-	(448.16)	-	(1,598.11)
New Financial assets originated or purchased (including further disbursements in existing assets)	1,66,140.76	916.02	90.95	0.73	-	-	1,66,231.71	916.75
Financial Assets that have been derecognised (including recoveries in existing assets)	(87,137.99)	(677.68)	(1,127.38)	(6.95)	(212.35)	(1.07)	(88,477.72)	(685.70)
Write offs	-	-	-	-	(500.02)	(500.02)	(500.02)	(500.02)
Closing Balance	**4,82,554.12**	**2,767.04**	**18,999.65**	**191.70**	**13,810.33**	**9,453.80**	**5,15,364.10**	**12,412.54**

Notes to Accounts

(₹ in Crores)

For the Year ended 31st March 2023	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	**3,35,876.99**	**2,790.22**	**36,424.23**	**369.61**	**17,159.89**	**11,565.73**	**3,89,461.11**	**14,725.56**
Transfer to 12 months ECL	34,393.77	(353.01)	(34,393.77)	353.01	-	-	-	-
Transfer to life time ECL not credit impaired	(2,798.11)	(11.28)	2,988.10	83.95	(189.99)	(72.67)	-	-
Transfer to Lifetime ECL credit impaired	-	-	-	-	-	-	-	-
Additional provision due to changes in PD/ LGD	-	715.77	-	(673.24)	-	(370.93)	-	(328.40)
New Financial assets originated or purchased (including further disbursements in existing assets)	91,644.92	684.49	6,338.03	118.42	-	-	97,982.95	802.91
Financial Assets that have been derecognised (including recoveries in existing assets)	(46,813.10)	(304.38)	(443.01)	(13.45)	(1,526.74)	(51.54)	(48,782.85)	(369.37)
Write offs	-	-	-	-	(551.08)	(551.08)	(551.08)	(551.08)
Closing Balance	**4,12,304.47**	**3,521.81**	**10,913.58**	**238.30**	**14,892.08**	**10,519.51**	**4,38,110.13**	**14,279.62**

(k) Details of Stage wise Exposure and Impairment Loss Allowance:

(₹ in Crores)

Particulars	As at 31-03-2024				As at 31-03-2023			
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
Total Exposure	**4,82,554.12**	**18,999.65**	**13,810.33**	**5,15,364.10**	**4,12,304.47**	**10,913.58**	**14,892.08**	**4,38,110.13**
Impairment Allowance	2,767.04	191.70	9,453.80	12,412.54	3,521.81	238.30	10,519.51	14,279.63
ECL %	0.57%	1.01%	68.45%	2.41%	0.85%	2.18%	70.64%	3.26%

(L) 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 31-03-2024		As at 31-03-2023	
	Gross Amount	ECL	Gross Amount	ECL
Concentration by industry				
Generation	1,45,871.05	9,871.35	1,69,432.41	11,694.33
Renewables	42,312.34	567.57	30,503.46	306.33
Transcos	48,701.40	47.77	48,332.23	251.72
Discoms	2,19,983.23	1,732.67	1,85,085.13	2,008.12
Power Infrastructure	45,875.48	170.51	1,453.29	5.85
Infrastructure & Logistics	9,727.33	22.61	-	-
Government Loans	2,893.27	0.06	3,303.61	13.27
Total	**5,15,364.10**	**12,412.54**	**4,38,110.13**	**14,279.62**
Concentration by ownership				
State	4,54,702.64	2,598.19	3,93,244.56	3,276.83
Private	60,661.46	9,814.35	44,865.57	11,002.79
Total	**5,15,364.10**	**12,412.54**	**4,38,110.13**	**14,279.62**

Notes to Accounts

(M) Sector-wise Credit-impaired Assets - Percentage of Stage-III Assets to Total Advances in that sector

Particulars	As at 31-03-2024	As at 31-03-2023
Infrastructure Sector	**2.71%**	**3.42%**
- Power	2.71%	3.42%

(N) Movement of Credit-impaired Assets

(₹ in Crores)

Particulars		For the Year ended 31st March 2024	For the Year ended 31st March 2023
(i)	**Gross Credit-impaired Assets to Gross Advances (%)**	2.71%	3.42%
(ii)	**Net Credit-impaired Assets to Gross Advances (%)**	0.86%	1.01%
(iii)	**Net Credit-impaired Assets to Net Advances (%)**	0.88%	1.04%
(iv)	**Movement of Credit-impaired Assets (Gross)**		
(a)	Opening balance	14,892.08	17,159.89
(b)	Additions during the year	-	-
(c)	Reductions during the year	(581.73)	(1716.73)
(d)	Write-off during the year	(500.02)	(551.08)
(e)	Closing balance	13,810.33	14,892.08
(v)	**Movement of Credit-impaired Assets (Net)**		
(a)	Opening balance	4,372.57	5,594.16
(b)	Additions during the year	448.16	370.93
(c)	Reductions during the year	(464.20)	(1,592.52)
(d)	Write-off during the year	-	-
(e)	Closing balance	4,356.53	4,372.57
(vi)	**Movement of provisions for Credit-impaired Assets**		
(a)	Opening balance	10,519.51	11,565.73
(b)	Provisions made during the year	(448.16)	(370.93)
(c)	Write-back of excess provisions	(117.53)	(124.21)
(d)	Provision on assets written off during the year	(500.02)	(551.08)
(e)	Closing balance	9,453.80	10,519.51

(O) 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 3% (previous year 4.77%) and Net NPA to Net Loans would have been 1.16% (previous year 2.41%) as at 31st March 2024.

(P) 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.

(Q) 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.

Notes to Accounts

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.

(R) Policy for sales out of amortised cost business

The Company does not resort to the sale of financial assets, including loan assets, in ordinary course of business.

However, the company may proceed for realization of amount due in respect of credit-impaired assets, as per the regulatory framework in India. As a result, the credit impaired loan may be either restructured/renegotiated or settled as part of IBC proceedings or otherwise and is assessed for derecognition as per the requirements of Ind AS 109 – Financial Instruments.

(S) There are no Accounts with overdues beyond 90 days but not treated as credit impaired (previous year Nil)

(T) There are no reportable cases of loans transferred/ acquired during the FY 2023-24 (previous year Nil) under Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated 24th September 2021.

(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 2024 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	4,75,471.73	4,77,502.34	2,712.85	4,74,789.49	2,470.03	242.82
	Stage 2	18,606.69	18,777.30	149.69	18,627.61	74.43	75.26
Sub-Total (1)		**4,94,078.42**	**4,96,279.64**	**2,862.54**	**4,93,417.10**	**2,544.46**	**318.08**
Non-Performing Assets							
Sub-standard Assets	Stage 1	1,029.43	1,029.73	20.94	1,008.79	102.94	(82.00)
Doubtful Assets							
Up to 1 year	Stage 1	59.81	59.81	1.23	58.58	11.96	(10.73)
1 to 3 years	Stage 3	1,545.70	1,545.70	757.81	787.89	510.56	247.25
	Stage 2	392.16	392.27	41.21	351.06	172.93	(131.72)
More than 3 years	Stage 3	12,262.67	12,262.66	8,694.03	3,568.63	9,039.67	(345.64)
Sub-total for doubtful assets		**14,260.34**	**14,260.44**	**9,494.28**	**4,766.16**	**9,735.12**	**(240.84)**
Loss Assets	Stage 2	0.80	0.80	0.80	-	0.80	-
	Stage 3	1.96	1.96	1.96	-	1.96	-
		2.76	2.76	2.76	-	2.76	-
Sub-Total for NPA (2)		**15,292.53**	**15,292.93**	**9,517.98**	**5,774.95**	**9,840.82**	**(322.84)**
Total Loan Assets		**5,09,370.95**	**5,11,572.57**	**12,380.52**	**4,99,192.05**	**12,385.28**	**(4.76)**
Other items which are in scope of Ind-AS 109 but not covered under current IRACP norms							
- Letter of Comfort*	Stage 1	5,993.15	5,993.15	32.02	5,961.13	-	32.02
Sub-Total (3)		**5,993.15**	**5,993.15**	**32.02**	**5,961.13**	**-**	**32.02**
Total	**Stage 1**	**4,82,554.12**	**4,84,585.03**	**2,767.04**	**4,81,817.99**	**2,584.93**	**182.11**
	Stage 2	**18,999.65**	**19,170.37**	**191.70**	**18,978.67**	**248.16**	**(56.46)**
	Stage 3	**13,810.33**	**13,810.32**	**9,453.80**	**4,356.52**	**9,552.19**	**(98.39)**
	Total	**5,15,364.10**	**5,17,565.72**	**12,412.54**	**5,05,153.18**	**12,385.28**	**27.26**

** Gross carrying amount towards Letter of Comfort (LoC) represents non fund based exposures considered as financial guarantee as per IndAS 109*

Notes to Accounts

(₹ in Crores)

For the Year ended 31st March 2023 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	4,03,366.73	4,04,567.80	3,423.13	4,01,144.67	2,089.93	1333.20
	Stage 2	10,908.08	11,016.14	232.80	10,783.34	43.63	189.17
Sub Total (1)		**4,14,274.81**	**4,15,583.94**	**3,655.93**	**4,11,928.01**	**2,133.56**	**1522.37**
Non-Performing Assets							
Substandard Assets	Stage 1	5,839.39	5,866.14	82.81	5,783.33	583.94	(501.13)
Doubtful Assets							
Up to 1 year	Stage 3	1,512.48	1,512.48	754.15	758.33	350.72	403.43
1 to 3 years	Stage 3	594.27	594.27	452.12	142.14	344.21	107.91
More than 3 years	Stage 3	12,780.46	12,780.46	9,308.37	3,472.09	9,488.51	(180.14)
Sub-total for doubtful assets		**14,887.21**	**14,887.21**	**10,514.64**	**4,372.56**	**10,183.44**	**331.20**
Loss Assets	Stage 2	5.50	5.50	5.50	-	5.50	-
	Stage 3	4.87	4.87	4.87	-	4.87	-
Sub-total for NPA (2)		**20,736.97**	**20,763.72**	**10,607.82**	**10,155.89**	**10,777.75**	**(169.93)**
Total Loan Assets		**4,35,011.78**	**4,36,347.66**	**14,263.75**	**4,22,083.90**	**12,911.31**	**1352.44**
Other items which are in scope of Ind-AS 109 but not covered under current IRACP norms							
- Loan commitments		-	-	-	-	-	-
- Letter of Comfort*	Stage 1	3,098.35	3,098.35	15.87	3,082.48	-	15.87
Sub-Total (3)		**3,098.35**	**3,098.35**	**15.87**	**3,082.48**	**-**	**15.87**
Total	**Stage 1**	**4,12,304.47**	**4,13,532.29**	**3,521.81**	**4,10,010.48**	**2,673.87**	**847.94**
	Stage 2	**10,913.58**	**11,021.64**	**238.30**	**10,783.34**	**49.13**	**189.17**
	Stage 3	**14,892.08**	**14,892.08**	**10,519.51**	**4,372.56**	**10,188.31**	**331.20**
	Total	**4,38,110.13**	**4,39,446.01**	**14,279.62**	**4,25,166.38**	**12,911.31**	**1368.31**

** Gross carrying amount towards Letter of Comfort (LoC) represents non fund based exposures considered as financial guarantee as per IndAS 109.*

(V) There has been no divergence in Asset Classification and Provisioning assessed during last annual inspection conducted by the RBI for the FY 2023-24 vis-à-vis as reported by the company (Nil for FY 2022-23)

47.2 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.

47.2.1 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 2024	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	-	-	391.12	459.10	5,431.49	4,646.73	19,487.39	60,218.77	52,456.46	82,498.11	2,25,589.17
- Interest	-	0.24	201.16	1,182.57	4,371.36	2,362.72	7,915.89	26,486.87	18,680.23	25,792.46	86,993.50
Other Borrowings											
- Principal	567.41	-	1,000.00	1,524.94	8,051.00	1,505.69	914.29	13,638.99	34,712.06	17,891.28	79,805.66
- Interest	309.37	-	183.90	479.74	482.01	1,397.56	2,706.54	10,007.92	6,407.24	1,766.55	23,740.83
Subordinated Liabilities											
- Principal	-	-	-	-	-	-	-	-	2,151.20	5,089.50	7,240.70
- Interest	-	-	160.91	-	186.03	88.49	283.53	1,432.10	1,434.06	1,696.36	5,281.48
Foreign Currency Borrowings											
Debt Securities											
- Principal	-	-	-	-	-	5,419.30	4,168.69	7,503.65	14,213.88	1,658.23	32,963.75
- Interest	-	176.35	-	-	73.15	269.76	427.14	1,368.56	753.32	16.34	3,084.62
Other Borrowings											
- Principal	1,250.61	-	2,501.22	6,561.53	1,039.64	3,960.26	13,436.01	22,894.62	37,367.25	3,333.17	92,344.31
- Interest	11.75	9.81	115.87	170.38	351.10	907.69	1,383.53	4,286.13	1,734.24	284.06	9,254.56
Derivative Liabilities :											
Interest rate derivatives	-	-	-	-	-	31.56	-	100.53	72.96	104.70	309.75
Currency derivatives	8.03	-	38.56	36.65	8.44	153.45	61.40	12.08	93.21	38.13	449.95

Notes to Accounts

(₹ in Crores)

As at 31st March 2023	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	-	4,300.00	2,985.00	-	1,600.00	2,774.00	11,679.49	55,952.14	39,135.88	79,689.14	1,98,115.65
- Interest	-	379.26	361.56	1,110.62	2,715.12	2,347.00	7,051.00	23,022.00	16,309.00	24,176.16	77,471.72
Other Borrowings											
- Principal	4,386.43	-	-	-	3,500.14	666.56	9,451.45	11,820.15	16,672.28	29,488.81	75,985.81
- Interest	395.00	-	150.00	392.00	685.00	1,150.00	2,437.00	8,310.00	5,703.00	3,103.00	22,325.00
Subordinated Liabilities											
- Principal	-	-	-	2,500.00	-	-	-	-	-	4,150.70	6,650.70
- Interest				202.00	164.00		188.00	705.00	705.00	2,646.00	4,610.00
Foreign Currency Borrowings											
Debt Securities											
- Principal	-	-	-	4,110.85	-	-	5,755.18	9,454.94	13,565.81	-	32,886.78
- Interest				252.00	72.00	310.00	536.00	1,116.00	580.00	-	2,866.00
Other Borrowings											
- Principal	-	-	-	3,074.91	3,588.54	2,693.64	12,341.08	7,473.44	27,958.11	3,847.77	60,977.48
- Interest	17.00	21.00	61.00	106.00	503.00	571.00	1,138.00	3,441.00	2,072.00	658.00	8,588.00
Derivative Liabilities :											
Interest rate derivatives	-	-	-	-	-	-	0.60	50.07	71.98	178.16	300.81
Currency derivatives	-	-	-	-	-	60.38	-	-	83.52	-	143.90
Others	-	-	-	-	-	-	-	-	-	-	-
Reverse Cross Currency derivatives	-	-	-	-	-	-	-	104.61	-	427.63	532.24

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 2024											
- Principal	3,582.21	214.74	2,023.71	4,928.26	7,024.12	22,172.19	42,402.16	1,03,565.04	93,801.98	2,17,276.02	**4,96,990.43**
- Interest	1,900.52	54.05	932.74	2,820.67	6,586.41	11,918.26	21,848.61	73,716.25	53,333.52	92,143.18	**2,65,254.20**
As at 31st March 2023											
- Principal	822.91	-	1,707.32	3,878.16	5,350.60	22,097.85	30,180.20	81,757.04	85,313.12	1,89,640.84	**4,20,748.04**
- Interest	1,137.01	-	926.30	2,106.65	6,071.24	10,044.89	18,662.94	63,776.14	47,148.86	76,238.57	**2,26,112.62**

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.

47.2.2 Maturity Pattern of Significant Financial Assets & Liabilities, as prescribed by RBI

(₹ in Crores)

As at 31st March 2024	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	5,409.37	222.11	2,363.18	4,928.26	7,352.45	22,172.19	42,401.51	1,03,557.69	93,798.08	2,16,987.21	**4,99,192.05**
Investments	-	-	-	-	4.52	4.52	104.17	241.48	1,773.07	3,192.55	**5,320.31**
Rupee Borrowings	-	-	-	-	-	-	-	-	-	-	
Debt Securities	-	-	884.86	1,667.72	7,831.36	6,140.16	21,814.25	60,134.86	52,397.78	82,391.47	**2,33,262.46**
Other Borrowings	793.01	-	1,015.31	1,524.94	8,172.84	1,505.61	916.07	13,717.14	34,862.06	17,661.40	**80,168.38**
Subordinated Liabilities	-	-	147.83	-	126.55	44.72	2.11	-	2,089.83	5,001.17	**7,412.21**
Foreign Currency Borrowings	-	-	-	-	-	-	-	-	-	-	
Debt Securities	-	166.10	-	-	44.18	5,526.47	4,166.17	7,491.45	13,823.91	1,629.18	**32,847.46**
Other Borrowings	1,330.43	3.34	2,508.38	6,595.15	1,042.01	4,130.55	13,533.74	22,672.34	36,779.75	3,327.98	**91,923.67**

Notes to Accounts

(₹ in Crores)

As at 31st March 2023	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	822.91	-	1,707.32	3,878.16	6,686.47	22,097.85	30,180.20	81,757.04	85,313.12	1,89,640.84	**4,22,083.91**
Investments					4.73	4.73	36.77	157.38	259.03	2,675.35	**3,137.98**
Rupee Borrowings											
Debt Securities	261.99	4,667.81	3,315.50	831.94	3,488.89	4,136.02	12,997.04	55,891.49	39,047.68	79,620.08	**2,04,258.45**
Other Borrowings	4,620.32	-	-	-	3,703.42	666.56	9,451.45	11,820.15	16,672.28	29,488.81	**76,422.98**
Subordinated Liabilities	2.11	-	-	2,668.34	126.46	-	-	-	-	3,976.40	**6,773.30**
Foreign Currency Borrowings											
Debt Securities	-	-	-	4,297.43	43.56	96.67	5,742.53	9,438.34	13,072.00	-	**32,690.54**
Other Borrowings	129.70	-	2.53	3,106.25	3,658.67	2,688.69	12,311.25	7,409.95	27,542.82	3,841.28	**60,691.15**

Notes to Accounts

47.2.3 Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in Crores)

Particulars	As at 31-03-2024	As at 31-03-2023
Expiring within one year		
- Fixed rate	-	-
- Floating rate	11,813.99	13,364.88
Expiring beyond one year		
- Fixed rate	-	-
- Floating rate	386.44	1,393.58

47.2.4 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 31-03-2024	As at 31-03-2023
Number of significant counterparties*	14	14
Amount (₹ in Crores)	2,12,903.39	1,78,043.46
% of Total Liabilities	44.48%	43.72%

(ii) Top 10 borrowings

	Particulars	Amount (₹ in Crores)	% of Total borrowings
	As at 31-03-2024		
1	Term Loan from HDFC Bank	17,850.00	4.08%
2	54EC- Series XVI (2022-23)	12,152.39	2.77%
3	54EC- Series XVII (2023-24)	10,175.72	2.32%
4	Term Loan from Government of India-National Small Savings Fund (NSSF)	10,000.00	2.28%
5	Foreign Currency Borrowings- US $1175 Mn	9,796.43	2.24%
6	Term Loan from State Bank of India	7,750.94	1.77%
7	Term Loan from Punjab National Bank	7,529.29	1.72%
8	54EC- Series XV (2021-22)	7,312.80	1.67%
9	Foreign Currency Bond - US $ 750 Mn	6,253.04	1.43%
10	54EC- Series XIII (2019-20)	6,157.82	1.41%
	Total	**94,978.43**	**21.69%**
	As at 31-03-2023		
1	Term Loan from HDFC Bank	16,350.00	4.36%
2	Term Loan from State Bank of India	10,900.26	2.91%
3	54EC- Series XVI (2022-23)	10,432.55	2.78%
4	Term Loan from Government of India-National Small Savings Fund (NSSF)	10,000.00	2.67%
5	Foreign Currency Borrowings- US $1175 Mn	9,660.49	2.58%

Notes to Accounts

Particulars		Amount (₹ in Crores)	% of Total borrowings
6	54EC- Series XV (2021-22)	7,312.80	1.95%
6	54EC- Series XII (2018-19)	6,651.31	1.78%
7	54EC- Series XIII (2019-20)	6,157.82	1.64%
9	Tax Free Bonds (2013-14 Series)	6,000.00	1.60%
10	Foreign Currency Bond- US $700 Mn	5,755.18	1.54%
	Total	**89,220.41**	**23.82%**

(iii) Funding Concentration based on significant instrument/ product

Name of significant instrument/ product*		As at 31-03-2024		As at 31-03-2023	
		Amount (₹ in Crores)	% of Total Liabilities	Amount (₹ in Crores)	% of Total Liabilities
1	**Debt Securities**				
	Institutional Bonds	1,74,230.29	36.40%	1,50,217.70	36.89%
	Foreign Currency Bonds	32,963.75	6.89%	32,886.78	8.08%
	54EC Capital Gain Tax Exemption Bonds	42,356.21	8.85%	37,586.91	9.23%
	Tax Free Bonds	8,998.71	1.88%	10,307.08	2.53%
	Sub-Total (1)	**2,58,548.96**	**54.02%**	**2,30,998.47**	**56.73%**
2	**Borrowings (Other than Debt Securities)**				
	Term Loans from Banks	50,612.28	10.57%	56,298.20	13.83%
	Foreign Currency Borrowings	67,205.64	14.04%	45,553.26	11.19%
	FCNR (B) Loans	25,138.67	5.25%	15,424.22	3.79%
	Loans repayable on demand from Banks	10,875.94	2.27%	3,600.00	0.88%
	Term Loans from Government of India (NSSF)	10,000.00	2.09%	10,000.00	2.46%
	Term Loans from Financial Institutions	8,050.00	1.68%	6,000.00	1.47%
	Sub-Total (2)	**1,71,882.53**	**35.90%**	**1,36,875.68**	**33.61%**
3	**Subordinated Liabilities**	**7,240.70**	**1.51%**	**6,650.70**	**1.63%**
	Total (1+2+3)	**4,37,672.19**	**91.43%**	**3,74,524.85**	**91.98%**

** 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 31-03-2024				As at 31-03-2023			
	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	44,305.04	10.12%	9.26%	8.09%	20,286.94	5.42%	4.98%	4.36%

Notes to Accounts

(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.

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 majorily AAA/AA Corporate Bonds. Management is of the view that Company has sufficient liquidity cover to meet its likely future short-term requirements.

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 31 March 2024 is as follows:

HQLA Items	As on 31-03-2024	As on 31-03-2023
	% of Overall	% of Overall
Assets without Haircut	**57.23%**	**72.81%**
- G-Sec and SDLs	57.23%	72.81%
Assets with 15% Haircut	**42.40%**	**27.19%**
- Corporate Bonds	42.40%	27.19%
Assets with 50% Haircut	**0.37%**	**-**
- Corporate Bonds	0.37%	-
Total	**100%**	**100%**

Notes to Accounts

Liquidity Coverage Ratio Disclosure

(₹ in Crores)

Particulars	Quarter ended 31-03-2024		Quarter ended 31-12-2023				Quarter ended 30-09-2023		Quarter ended 30-06-2023		Quarter ended 31-03-2023	
			From 01-10-2023 to 30-11-2023		From 01-12-2023 to 31-12-2023							
	Total Unweighted Value (average)*	Total Weighted Value (average)*	Total Unweighted Value (average)*	Total Weighted Value (average)*	Total Unweighted Value (average)*	Total Weighted Value (average)*	Total Unweighted Value (average)*	Total Weighted Value (average)*	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)	**2,907.45**	**2,762.42**	**2,373.56**	**2,262.52**	**2,542.95**	**2,416.23**	**2,330.25**	**2,229.11**	**2,236.00**	**2,142.10**	**2,110.21**	**2,016.54**
- AA/AAA Corporate Bonds	918.21	773.18	692.33	581.29	796.86	670.14	626.36	525.22	626.00	532.10	624.47	530.80
- G-SEC Bonds/ State Development Loans (SDLs)	1,618.28	1,618.28	1,458.59	1,458.59	1,619.94	1,619.94	1,430.66	1,430.66	1,428.00	1,428.00	1,429.73	1,429.73
- Cash and Cash equivalents	370.96	370.96	222.64	222.64	126.15	126.15	273.23	273.23	182.00	182.00	56.01	56.01
Cash Outflows												
Other contractual funding obligations	10,559.67	12,144.00	10,314.44	11,862.00	7,297.52	8,392.00	9,601.00	11,041.00	9,449.00	10,866.00	6,369.18	7,324.56
Other contingent funding obligations	335.00	385.00	188.33	217.00	358.51	412.00	190.00	219.00	46.00	53.00	295.35	339.65
Total Cash Outflows	**10,894.67**	**12,529.00**	**10,502.77**	**12,079.00**	**7,656.03**	**8,804.00**	**9,791.00**	**11,260.00**	**9,495.00**	**10,919.00**	**6,664.53**	**7,664.21**
Cash Inflows												
Inflows from fully performing exposures	11,800.70	8,851.00	10,108.41	7,581.00	12,486.21	9,365.00	10,559.00	7,919.00	8,212.00	6,159.00	7,305.09	5,478.82
Other cash inflows	10,652.37	7,989.00	10,563.45	7,923.00	10,418.68	7,814.00	11,125.00	8,344.00	11,373.00	8,530.00	9,892.26	7,419.19
Total Cash Inflows (restricted to 75% of Outflows on every observation day)	**22,453.07**	**9,396.75**	**20,671.86**	**9,059.25**	**22,904.89**	**6,603.00**	**21,684.00**	**8,445.00**	**19,585.00**	**8,189.25**	**17,197.34**	**5,748.16**
Total Adjusted Value												
Total HQLA (A)		**2,762.42**		**2,262.52**		**2,416.23**		**2,229.11**		**2,142.10**		**2,016.54**
Total Net Cash Outflows (B)		**3,132.25**		**3,019.75**		**2,201.00**		**2,815.00**		**2,729.75**		**1,916.05**
Liquidity Coverage Ratio (A / B)		**88.19%**		**74.92%**		**109.78%**		**79.19%**		**78.47%**		**105.24%**
% Variance (from previous period)		**1.91%**		**9.29%**		**9.29%**		**0.92%**		**-25.44% ****		**-**

** For average daily observation during the respective quarter has been considered.*

*** The average holding of HQLA for the quarter ended as on 31.03.2023 was 105.24% which was above the regulatory requirement of 70% as on then date. During quarter ended 30.06.2023, the ratio has been at 78.47% due to increase in the net cash outflow though being within the regulatory requirment of 70%.*

Notes to Accounts

47.3 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 2024 is as under:

(Foreign Currency amounts in Millions, INR equivalent in ₹ Crores)

Currency	As at 31-03-2024			As at 31-03-2023		
	Total Exposure	Hedged through Derivatives	Unhedged Exposure	Total Exposure	Hedged through Derivatives	Unhedged Exposure
USD $	11,950.15	11,827.00	123.15	10,012.00	9,012.00	1,000.00
INR Equivalent	99,633.09	98,606.31	1,026.78	82,315.60	74,093.87	8,221.73
JPY ¥	3,34,306.77	3,34,306.77	-	58,352.75	58,352.75	-
INR Equivalent	18,416.96	18,416.96	-	3,606.20	3,606.20	-
EURO €	609.29	604.02	5.26	689.58	673.79	15.79
INR Equivalent	5,496.88	5,449.37	47.51	6,179.19	6,037.68	141.51
SGD $	285.29	285.29	-	285.28	285.28	-
INR Equivalent	1,761.13	1,761.13	-	1,763.27	1,763.27	-
Total	**1,25,308.06**	**1,24,233.77**	**1,074.29**	**93,864.26**	**85,501.02**	**8,363.24**

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 31-03-2024		As at 31-03-2023	
	Favorable	Adverse	Favorable	Adverse
USD/INR	38.42	(38.42)	307.62	(307.62)
JPY/INR	-	-	-	-
EUR/INR	1.78	(1.78)	5.29	(5.29)

** Holding all other variables constant*

47.4 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 LIBOR, EURIBOR, Overnight SOFR, Term SOFR, SORA, TONA, 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.

Notes to Accounts

The table below shows the overall exposure of the Company to the liabilities linked with floating interest rates as at 31st March 2024 is as under:

(Foreign Currency amounts in Millions, INR equivalent in ₹ Crores)

Currency	As at 31-03-2024			As at 31-03-2023		
	Floating Interest Rate Exposure	Hedged through Derivatives	Unhedged Exposure	Floating Interest Rate Exposure	Hedged through Derivatives	Unhedged Exposure
INR Borrowings	**61,162.28**	**-**	**61,162.28**	**62,798.20**	**-**	**62,798.20**
USD $	5,611.15	5,218.00	393.15	5,062.00	1,892.00	3,170.00
INR Equivalent	46,782.38	43,504.51	3,277.87	41,618.19	15,555.43	26,062.76
JPY ¥	2,73,206.75	-	2,73,206.75	58,352.75	10,327.17	48,025.58
INR Equivalent	15,050.96	-	15,050.96	3,606.20	638.22	2,967.98
EURO €	604.02	-	604.02	604.02	-	604.02
INR Equivalent	5,449.37	-	5,449.37	5,412.51	-	5,412.51
SGD $	285.29	72.08	213.21	285.28	72.07	213.21
INR Equivalent	1,761.13	444.93	1,316.20	1,763.27	445.47	1,317.80
Total INR Equivalent	**1,30,206.12**	**43,949.44**	**86,256.68**	**1,15,198.37**	**16,639.12**	**98,559.25**

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 ₹ 15,950.70 crores as on 31st March 2024 (Previous year ₹15,950.70 crores) 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 1/3/6/12/36/30/120 months 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 31-03-2024	As at 31-03-2023
Rupee Loans	4,96,192.74	4,31,992.47

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 31-03-2024		As at 31-03-2023	
	Increase	(Decrease)	Increase	(Decrease)
Floating Rate Loan Liabilities	(322.74)	322.74	(368.77)	368.77
Interest Rate Swaps	(59.68)	59.68	(59.68)	59.68
Floating/ semi-fixed Rate Loan Assets	1,856.55	(1856.55)	1,616.34	(1616.34)

** 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.

47.4.1 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 3/6 Months' USD LIBOR (London Inter Bank Offered Rate), 3/6 Months' EURIBOR (Euro Inter Bank Offered Rate), Overnight SOFR (Secured Overnight Financing Rate), 3/6 Months' Term SOFR, SORA (Singapore Overnight Rate Average), TONAR (Tokyo Overnight Average Rate), SOFR (Secured Overnight Financing Rate) etc. The summary of such borrowings as on March 31, 2024 as per the contracted interest rate benchmark is as below:

Notes to Accounts

Benchmark	As at 31-03-2024		As at 31-03-2023	
	Amount (₹ in Crores)	Amount (USD Mn Equivalent)	Amount (₹ in Crores)	Amount (USD Mn Equivalent)
3M USD LIBOR*	-	-	1,233.26	150.00
6M USD LIBOR*	-	-	29,080.13	3,537.00
3M Term SOFR	3,084.83	370.00	6,988.44	850.00
6M Term SOFR	2,427.46	291.15	822.17	100.00
Overnight SOFR	41,270.08	4,950.00	3,494.22	425.00
3M EURIBOR	2,293.28	275.06	3,595.53	437.32
6M EURIBOR	3,156.10	378.55	3,134.74	381.28
Overnight TONA	15,050.96	1,805.24	3,606.20	438.62
Overnight SORA	1,761.12	211.23	445.48	54.18
Total	**69,043.83**	**8,281.23**	**52,400.17**	**6,373.40**

** 3M USD LIBOR & 6M USD LIBOR have ceased to be published after June 30, 2023 as announced by the UK Financial Conduct Authority (FCA) on March 5, 2024.*

(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 were linked with the LIBOR benchmark rates i.e. 3M USD LIBOR and 6M USD LIBOR which have ceased to be published during the current financial year. The total amount of exposure that was directly affected by the Interest Rate Benchmark Reform (IBOR) as on March 31, 2023 was ₹28,159.29 crores (USD 3.425 Billion) and the nominal amount of the derivative exposure linked with such liabilities and accounted for under hedge accounting was ₹4,110.85 crores (USD 0.500 Billion). As on the Reporting date, there are no borrowings linked with the LIBOR benchmark rates which have ceased to be published.

(ii) Managing the process to transition to alternative benchmark rates

Pursuant to the Interest Rate Benchmark Reform, LIBOR has been replaced with alternative Risk-Free Rates (RFRs). SOFR (Secured Overnight Financing Rate) is the replacement for USD LIBOR, while TONA (Tokyo Overnight Average Rate) has replaced JPY LIBOR. ISDA (International Swaps and Derivatives Association), the globally recognized statutory body governing the global derivative deals, had 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 had adhered to the Fallbacks Protocol under which the fallbacks for the various LIBOR benchmarks automatically became applicable to the existing derivative trades with all counterparties.

With respect to the term loans, REC has already transitioned to the new benchmark rates in discussion with the respective lenders and as on the Reporting date, there are no floating rate borrowings linked with the LIBOR benchmark rates which have ceased to be published.

(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. Accordingly, the change of benchmark rates for the underlying loans and the hedging instruments has not altered the hedge effectiveness as a result of such reform.

47.5 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 and interest rate swaps that exactly match 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.

Notes to Accounts

Impact of Hedge Accounting

(a) Effects of hedge accounting on balance sheet

(₹ in Crores)

As at 31st March 2024 / 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 11,452.00	7,137.02	269.59	Apr 2024 - Nov 2030	1:1	79.66	111.47	(111.47)
	EUR 604.02	679.46	-	Oct 2027- Mar 2028	1:1	85.93	16.20	(16.20)
	SGD 285.29	311.62	93.21	Mar 2025- Oct- 2027	1:1	60.28	(3.51)	3.51
	JPY 3,34,306.79	2,942.85	49.01	Dec 2024 - Jan 2034	1:1	0.58	(872.94)	872.94
- Call Spread	USD -	-	-	Matured during year	1:1		3.68	(3.68)
(ii) Principal only swaps	USD 375.00	43.34	38.13	Mar 2025 - Jun 2030	1:1	75.41	(155.79)	155.79
(iii) Interest rate swaps	USD 5,218.00	834.11	12.02	May 2023 - Mar 2025	1:1	3.12%	1,237.36	(1,237.36)
	USD -	-	-	Matured during year			(0.05)	0.05
	SGD 72.075	18.08	-	Aug 2023	1:1	1.18%	(4.44)	4.44
	INR 55,280.00	53.11	-	May 2023 - Nov 2030	1:1	8.44%	53.11	(53.11)

(₹ in Crores)

As at 31st March 2023 / 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 8,387	6,970.98	2.25	May 2023 - Nov 2030	1:1	76.34	1,594.19	(1,594.19)
	EUR 673.79	403.91	-	Dec 2023- Mar 2028	1:1	86.12	210.89	(210.89)
	SGD 285.29	32.00	83.52	Mar 2025- Oct- 2027	1:1	60.28	(65.66)	65.66
	JPY 58,352.74	572.12	-	Aug 2023 - Mar 2027	1:1	0.61	(52.15)	52.15
- Call Spread	USD 250	208.14	-	March 2024	1:1	57.52	58.14	(58.14)

Notes to Accounts

(₹ in Crores)

As at 31st March 2023 / Type of hedge and risks	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
		Assets	Liabilities					
(ii) Cross Currency Interest Rate swaps	USD 800	85.92	-	May 2023 - Mar 2025	1:1	3.52% and 72.79	98.24	(98.24)
	JPY 10,327.12	-	0.60	Aug 2023	1:1	4.31% and 0.62	(0.33)	0.33
(iii) Principal only swaps	USD 375	38.85	-	Mar 2025 - Jun 2030	1:1	75.41	(35.15)	35.15
(iv) Interest rate swaps	USD 1992	251.77	10.87	May 2023 - Nov 2030	1:1	0.98%	189.27	(189.27)

(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 31-03-2024				
- Currency risk and interest rate risk	385.09	-	(479.51)	Gain/ loss on foreign exchange translation
			(1,166.31)	Finance cost
Year ended 31-03-2023				
- Currency risk and interest rate risk	1,997.43	-	(4,995.73)	Gain/ loss on foreign exchange translation
			(158.91)	Finance cost

(c) Movement in cash flow hedging reserve and cost of hedging reserve

(₹ in Crores)

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
Effective portion of Cash Flow Hedges		
Opening Balance	**600.05**	**194.21**
Changes in intrinsic value of currency derivatives	(2899.59)	5507.71
Changes in fair value of interest rate swaps	1275.44	189.27
Amounts reclassified to profit or loss	(1645.82)	(5154.64)
Deferred tax relating to above (net)	822.99	(136.49)
Closing Balance	**(1,846.93)**	**600.05**
Costs of hedging reserve		
Opening Balance	**(1709.87)**	**(395.95)**
Change in deferred time value of foreign currency option structures	2009.23	(3699.55)
Amortisation of time value	2534.96	1943.73
Deferred tax relating to above (net)	(1143.68)	441.90
Closing Balance	**1,690.64**	**(1,709.87)**

(d) Fair Value Hedges

At 31st March 2024, Company has outstanding interest rate swap agreements of ₹15,950.70 crores (Previous year ₹15,950.70 crores) 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.

Notes to Accounts

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 is as follows:

(₹ in Crores)

Particulars	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
As at 31-03-2024	- Interest rate swap	15,950.70	(221.33)	Derivative financial instruments	57.69
As at 31-03-2023	- Interest rate swap	15,950.70	(279.02)	Derivative financial instruments	(167.10)

** Carrying amount here is exclusive of the interest receivable under such derivative contract as on reporting date.*

The impact of the hedged item on the balance sheet is as follows:

(₹ in Crores)

Particulars	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
As at 31-03-2024	- Subordinated Liabilities	2,091.95	(143.77)	Subordinated Liabilities	34.39
	- Institutional bonds	11,960.91	(77.56)	Debt Securities-Institutional Bonds	23.30
As at 31-03-2023	- Subordinated Liabilities	4,748.24	(178.16)	Subordinated Liabilities	(49.83)
	- Institutional bonds	11,950.08	(100.86)	Debt Securities-Institutional Bonds	(117.27)

The increase in fair value of the interest rate swap of ₹ 57.69 crores (Previous year ₹ (167.10 crores)) has been offset with a similar gain on the respective subordinated liabilities and debt securities.

47.6 Market Risk - Price risk

The Company is exposed to price risks arising from investments in quoted 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 31-03-2024		As at 31-03-2023	
	Increase	(Decrease)	Increase	(Decrease)
Impact on Other Comprehensive Income (OCI)	4.70	(4.70)	3.36	(3.36)
Impact on Profit and Loss account (PL)	3.82	(3.82)	1.37	(1.37)

48 Additional Disclosures in respect of derivatives

48.1 Forward Rate Agreements/ Interest Rate Swaps

(₹ in Crores)

Particulars		As at 31-03-2024	As at 31-03-2023
(i)	The notional principal of swap agreements	72,128.13	46,278.27
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	1,367.71	718.55
(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	1057.96	417.73

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.

Notes to Accounts

48.2 The Company has not entered into any exchange traded Interest Rate (IR) derivatives.

48.3 Quantitative Disclosures

(₹ in Crores)

Particulars		Currency Derivatives *		Interest Rate Derivatives **		Other Derivatives (Reverse cross currency swaps)***	
		As at 31-03-2024	As at 31-03-2023	As at 31-03-2024	As at 31-03-2023	As at 31-03-2024	As at 31-03-2023
(i)	Derivatives (Notional Principal Amount)						
	For hedging	1,24,233.76	85,501.02	72,128.13	46,278.27	-	4,947.00
(ii)	Marked to Market Positions						
a)	Asset (+)	11,114.31	8,263.06	1,367.71	718.55	-	-
b)	Liability (-)	449.95	146.02	309.75	300.82	-	530.11
(iii)	Credit Exposure	9,156.47	6,250.55	973.15	608.40	-	662.05
(iv)	Unhedged Exposures	1,074.29	8,363.24	N.A.	N.A.	N.A.	N.A.

** Includes Full Hedge, Pricipal only Swap and Call Spread and Seagull Options*
*** Includes Interest Rate Derivatives as a strategy of cost reduction*
**** Includes Reverse Cross Currency swap as a strategy of cost reduction*

49 RBI Scale Based Framework (SBR) for NBFCs

RBI has introduced Scale Based Framework (SBR) for NBFCs effective from October 01, 2022, categorising NBFCs in four layers based on their size, activity, and perceived risk. During the current financial year, RBI has issued "Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 on October 19, 2023. The Company being a government company, is categorised as NBFC – Middle Layer and is subject to the guidelines / regulation as mentioned in the Master Direction for Middle Layer.

50 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 and investing is 30% of Tier-I capital in case of a single borrower and 50% in case of a single group of borrowers, respectively.

RBI had exempted REC from applicability of RBI's concentration of credit/investment norms till 31st March, 2022 in respect of Central/State Government entities. During the previous year 2022-23, RBI while not allowing exemption further, advised the Company to adhere to the norms. The Company has taken necessary steps subsequently, such as realigning exposures of some of borrowers, issuing perpetual bonds etc. and as a result, the exposure w.r.t outstanding loans to its borrowers as on date is within the prescribed norms.

50.1 Exposure to Real Estate Sector

The Company has no direct or indirect exposure to real estate sector as at 31st March 2024 (As at 31st March 2023 Nil).

50.2 Exposure to Capital Market

(₹ in Crores)

Particulars		As at 31-03-2024	As at 31-03-2023
(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 (includes investment in optionally convertible preference shares)	604.20	534.20
(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	-	-

Notes to Accounts

Particulars		As at 31-03-2024	As at 31-03-2023
(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	**604.20**	**534.20**

50.3 Sectoral Exposure

(₹ in Crores)

Sectors	As at 31-03-2024					As at 31-03-2023				
	Principal Outstanding (including LoC)	Interest Accrued	Total Exposure at Default (EAD)	Gross NPAs	Percentage of Gross NPAs to EAD	Principal Outstanding (including LoC)	Interest Accrued	Total Exposure at Default (EAD)	Gross NPAs	Percentage of Gross NPAs to EAD
Industry										
Lending to Infrastructure Sector										
- Power	5,05,636.77	2,449.98	5,08,086.75	13,810.33	2.72%	4,38,110.13	1,497.05	4,39,607.18	14,892.08	3.39%
- Infrastructure and Logistic	9,727.33	52.36	9,779.69	-	-	-	-	-	-	-
Total Exposure	**5,15,364.10**	**2,502.34**	**5,17,866.44**	**13,810.33**	**2.67%**	**4,38,110.13**	**1,497.05**	**4,39,607.18**	**14,892.08**	**3.39%**

Exposure for the purpose of above disclosure represents the principal outstanding, interest accrued and outstanding Letters of Comfort (LoC)

50.4 Intra-Group Exposures

(₹ in Crores)

Particulars		As at 31-03-2024	As at 31-03-2023
(i)	**Total amount of intra-group exposures**		
	- Investment in equity shares of Subsidiary company	0.10	0.10
(ii)	Total amount of top 20 intra-group exposures	0.10	0.10
(iii)	Percentage of intra-group exposures to total exposure	-	-

50.5 The company does not have any financing of Parent Company products during the current and previous year.

50.6 Concentration of Advances, Exposures and Credit-impaired Assets

Particulars		As at 31-03-2024	As at 31-03-2023
(i)	**Concentration of Advances**		
	Total Advances to twenty largest borrowers (₹ in Crores)	3,08,299.02	2,67,729.20
	Percentage of Advances to twenty largest borrowers to Total Advances of the Company	60.53%	61.55%
(ii)	**Concentration of Exposures***		
	Total Exposure to twenty largest borrowers (₹ in Crores)	3,10,056.72	2,68,700.56
	Percentage of Exposures to twenty largest borrowers to Total Exposure of the Company on borrowers	59.87%	61.12%
(iii)	**Concentration of Credit-impaired Assets**		
	Total Exposure to the top four Credit-impaired Assets (₹ in Crores)	8,645.97	8,645.97

** Exposure for the purpose of above disclosure represents the principal outstanding, interest accrued and outstanding Letters of Comfort (LoC)*

Notes to Accounts

51 Fair value disclosures

The carrying values of financial instruments measured at amortised cost and fair value by category are as follows::

(₹ in Crores)

	Particulars	Note No.	As at 31-03-2024	As at 31-03-2023
	Financial assets measured at fair value			
	Derivative financial instruments measured at			
(i)	Fair value through other comprehensive income (FVOCI)	8	12,019.60	8,574.02
(ii)	Fair value through profit and loss (FVTPL)	8	462.42	407.59
	Investments* measured at			
(i)	Fair value through other comprehensive income (FVOCI)	10	410.64	381.71
(ii)	Fair value through profit and loss (FVTPL)	10	1,141.40	589.65
	Financial assets measured at amortised cost			
	Cash and cash equivalents	6	46.26	39.00
	Bank balances (other than cash and cash equivalents)	7	2,452.44	1,948.34
	Loan Assets	9	4,99,192.05	4,22,083.91
	Investments *#	10	3,768.17	2,166.52
	Other financial assets	11	24,424.52	24,400.28
	Total		**5,43,917.50**	**4,60,591.02**
	Financial liabilities measured at fair value			
	Derivative financial instruments measured at			
(i)	Fair value through other comprehensive income (FVOCI)	8	759.70	386.58
(ii)	Fair value through profit and loss (FVTPL)	8	-	590.37
	Financial liabilities measured at amortised cost			
	Debt securities	17	2,66,109.92	2,36,948.99
	Borrowings (other than debt securities)	18	1,72,092.05	1,37,114.13
	Subordinated liabilities	19	7,412.21	6,773.30
	Other financial liabilities	20	31,840.66	25,174.58
	Total		**4,78,214.54**	**4,06,987.95**

** Investment in subsidiary are measured at cost as per Ind AS 27, 'Separate financial statements' and hence, not presented here.*
 # Amount includes investment in Redeemable Preference Shares of Rattan India Power Limited net of impairment loss.

51.1 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.

Notes to Accounts

Financial assets and liabilities measured at fair value - recurring fair value measurements

(₹ in Crores)

Particulars	As at 31-03-2024				As at 31-03-2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Investments at FVOCI								
Equity investments*	93.91	-	316.73	410.64	67.23	-	314.48	381.71
Investments at FVTPL								
Equity investments	76.37	-	-	76.37	27.31	-	-	27.31
Perpetual Bonds	-	-	947.94	947.94	-	-	437.26	437.26
Debentures	-	-	117.09	117.09	-	-	125.08	125.08
Preference Shares**	-	-	-	-	-	-	-	-
Assets at FVOCI								
Derivative financial instruments	-	12,019.60	-	12,019.60	-	8,574.02	-	8,574.02
Assets at FVTPL								
Derivative financial instruments	-	462.42	-	462.42	-	407.59	-	407.59
Liability at FVOCI								
Derivative financial instruments	-	759.70	-	759.70	-	386.58	-	386.58
Liability at FVTPL								
Derivative financial instruments	-	-	-	-	-	590.37	-	590.37

** includes investments in Universal Commodity Exchange Ltd of ₹ 16.00 crores, fair valued at Nil*
*** represents investments in Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) of Rattan India Power Limited of ₹ 43.30 crores, fair valued at Nil*

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 of NHPC Limited, HUDCO Limited and Rattan India Power Limited 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 Perpetual Bond - Level 3** - The Company had made investments in perpetual bonds of Canara Bank, UCO Bank and Punjab National Bank which are quoted on NSE/BSE. The Company had checked for active market transactions for these bonds. However, there was no history of any market activity in these bonds held by the Company, and therefore, quoted price for such bonds was not available. The Company had checked for any significant changes in credit rating of the investee banks, and if no change is noted, then, coupon rate is considered for computing the fair value using discounted cash flow method.

(D) **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.

(E) **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 Net Asset Value (NAV) as stated in latest available Financial Statement of the investee company.

(F) **Investment in Unquoted Equity of Jhabua Power Limited (JPL) and Ind Bharat Energy Utkal Limited (IBEUL)- Level 3** - Investment in unquoted equity shares of JPL and IBEUL are classified as Level 3. The company has been alloted equity shares of the borrower companies pursuant to their respective resolution plans. Their respective fair value has been calculated on the basis of Net Asset Value (NAV) as stated in latest available Financial Statement of these investee companies.

(G) **Investment in Unquoted Preference Shares - Level 3** - Investment in unquoted 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.

(H) **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.

Notes to Accounts

(I) **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.

(J) **Investment in Optionally Convertible Debentures of Dans Energy Private Limited - Level 3** - Investment in unquoted Optionally Convertible Debentures (OCDs) of Dans Energy 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.

51.2 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 2024**				
	FVTPL (ii)			**FVOCI (iii)**	**Total**
	Investment in Perpetual Bonds	**Investment in Preference Shares***	**Investment in OCDs**	**Investment in Unquoted Equity Shares**	
Opening Balance	**437.26**	**-**	**125.08**	**314.48**	**876.82**
Received in Loan Settlement *(Refer Note 9.3)*	-	-	-	-	
Investment/ (Settlement)	500.00	-	(18.92)	-	481.08
Transfer in Level 3	-	-	-	-	-
Transfer from Level 3	-	-	-	-	-
Interest income (i)	10.68	2.73	10.93	-	24.34
Fair value changes	-	(2.73)	-	2.25	(0.48)
Closing Balance	**947.94**	**-**	**117.09**	**316.73**	**1,381.76**
Unrealised gain/ (loss) at year-end	**19.94**	**0.00**	**10.94**	**(13.75)**	**17.13**

(₹ in Crores)

Particulars	**For the Year ended 31st March 2023**				
	FVTPL (ii)		**FVOCI (iii)**		**Total**
	Investment in Perpetual Bonds	**Investment in Preference Shares***	**Investment in OCDs**	**Investment in Unquoted Equity Shares**	
Opening Balance	**-**	**-**	**132.55**	**214.74**	**347.29**
Received in Loan Settlement (Refer Note 9.3)	-	-	-	182.36	182.36
Investment/ (Settlement)	428.00	-	(26.66)	-	401.34
Transfer in Level 3	-	-	-	-	-
Transfer from Level 3	-	-	-	-	-
Interest income (i)	9.26	3.24	19.19	-	31.69
Fair value changes	-	(3.24)	-	(82.62)	(85.86)
Closing Balance	**437.26**	**-**	**125.08**	**314.48**	**876.82**
Unrealised gain (loss) at year-end	**9.26**	**-**	**11.46**	**(98.62)**	**(77.90)**

Refer Note No. 10.5 for Investment in equity shares measured at Fair Value through Other Comprehensive Income (FVOCI) derecognised during the year
** represents investments in Reedemable Prefernce Shares' of Rattan India Power Limited of ₹ 43.30 crores, fair valued at Nil*
(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

51.3 There were no transfers between Level 1 and Level 2 during the year

51.4 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 31-03-2024		As at 31-03-2023	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Cash and cash equivalents	46.26	46.26	39.00	39.00
Bank balances (other than cash and cash equivalents)	2,452.44	2,452.44	1,948.34	1,948.34
Loans	4,99,192.05	4,99,309.15	4,22,083.91	4,21,931.84
Investments	3,768.17	3,731.74	2,166.52	2,166.26
Other financial assets	24,424.52	24,424.22	24,400.28	24,397.87
Total	**5,29,883.44**	**5,29,963.82**	**4,50,638.05**	**4,50,483.31**
Financial liabilities				
Debt securities	2,66,109.92	2,62,207.61	2,36,948.99	2,30,605.86
Borrowings (other than debt securities)	1,72,092.05	1,72,017.85	1,37,114.13	1,37,862.23
Subordinated liabilities	7,412.21	7,475.35	6,773.30	6,963.79
Other financial liabilities	31,840.66	31,840.66	25,174.58	25,174.58
Total	**4,77,454.84**	**4,73,541.48**	**4,06,011.00**	**4,00,606.47**

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 cash equivalents, bank balances other than cash and cash equivalents, contract assets 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 2024 was assessed to be insignificant.

Investment in Government 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.

52. 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 2024 (previous year Nil). 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.

53 Related Party Disclosures :

53.1 List of Related Parties

(1) Key Managerial Personnel

Sh. Vivek Kumar Dewangan	Chairman & Managing Director
Sh. Ajoy Choudhury	Director (Finance) (ceased w.e.f. February 1, 2024)
Sh. V.K. Singh	Director (Projects)
Sh. Piyush Singh	Government Nominee Director (ceased w.e.f. August 21, 2023)
Sh. Shashank Misra	Government Nominee Director (appointed w.e.f. August 21, 2023)
Smt. Parminder Chopra	PFC Nominee Director (ceased w.e.f. July 11, 2023)
Sh. Manoj Sharma	PFC Nominee Director (appointed w.e.f. July 11, 2023)
Dr. Gambheer Singh	Part Time Non-Official Independent Director
Dr. Manoj M. Pande	Part Time Non-Official Independent Director
Dr. Durgesh Nandini	Part Time Non-Official Independent Director
Sh. Narayanan Thirupathy	Part Time Non-Official Independent Director
Sh. J.S. Amitabh	Executive Director & Company Secretary

(2) Ultimate Holding Company

Power Finance Corporation Limited

(3) Subsidiary Company

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

(4) Subsidiary Companies of REC Power Development and Consultancy Limited (formerly REC Power Distribution Company Limited)

Chandil Transmission Limited	Jalpura Khurja Power Transmission Limited
Dumka Transmission Limited	Kallam Transco Limited
Mandar Transmission Limited	Rajasthan Part I Power Transmission Limited
Koderma Transmission Limited	Shongtong Power Transmission Limited
Luhri Power Transmission Limited	Khavda IV C Power Transmission Limited
NERES XVI Power Transmission Limited	Khavda IV-E2 Power Transmission Limited
Khavda II-D Transmission Limited	Khavda IVA Power Transmission Limited
KPS1 Transmission Limited	Khavda V-A Power Transmission Limited
Beawar Transmission Limited	Rajasthan IV A Power Transmission Limited
Ramgarh II Transmission Limited	Rajasthan IV C Power Transmission Limited
Bidar Transmission Limited	Rajasthan IV H1 Power Transmission Limited
Sikar Khetri Transmission Limited	Rajasthan IV E Power Transmission Limited
Meerut Shamli Power Transmission Limited	Tumkur-II REZ Power Transmission Limited
Dhule Power Transmission Limited	NERGS-I Power Transmission Limited
Ishanagar Power Transmission Limited	Kankani Power Transmission Limited
Karera Power Transmission Limited	ERES-XXXIX POWER TRANSMISSION LIMITED
Pachora Power Transmission Limited	

Notes to Accounts

(5) Employment Benefit Trusts/ Funds

REC Limited Contributory Provident Fund Trust

REC Gratuity Fund

REC Employees' Superannuation Trust

REC Employees' Benevolent Fund

REC Retired Employees' Medical Trust

(6) Society registered for undertaking CSR Initiatives

REC Foundation

(7) Other Companies in which Key Managerial Personnel are Directors

Samarpan Hospitals Private Limited

(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 (ceased w.e.f. June 1, 2023)
Smt. Parminder Chopra	Chairman & Managing Director (w.e.f. August 14, 2023) and D(F) (till August 13, 2023)
Sh. Rajiv Ranjan Jha	Director (Projects)
Sh. Manoj Sharma	Director (Commercial)
Sh. Ajay Tewari	Government Nominee Director
Adv. Bhaskar Bhattacharya	Part Time Non-Official Independent Director
Smt. Usha Sanjeev Nair	Part Time Non-Official Independent Director
Sh. Prasanna Tantri	Part Time Non-Official Independent Director
Sh. Manish Kumar Agarwal	Company Secretary (appointed w.e.f. May 1, 2023)

(b) Subsidiary Companies of Ultimate Holding Company

PFC Consulting Limited (PFCCL)

PFC Projects Limited (formerly Coastal Karnataka Power Ltd.)

(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

Bijawar-Vidarbha Transmission Limited

Ananthpuram Kurnool Transmission Limited

Chhatarpur Transmission Limited

Siot Transmission Limited

Fatehgarh III Beawar Transmission Limited

Beawar Dausa Transmission Limited

Fatehgarh III Transmission Limited

Bhadla III Transmission Limited

Fatehgarh IV Transmission Limited

Tirwa Transmission Limited

Bikaner III Neemrana II Transmission Limited

Neemrana II Bareilly Transmission Limited

Joda Barbil Transmission Limited

Jewar Transmission Limited

Koppal II Gadag II Transmission Limited

Gola B -Ramgarh B Transmission Limited

Halvad Transmission Limited

Khavda PS1 and 3 Transmission Limited

Paradeep Transmission Limited

Ramakanali B -Panagarh Transmission Limited

Solapur Transmission Limited

Vataman Transmission Limited

Angul Sundargarh Transmission Limited

Barmer I Transmission Limited

Beawar - Mandsaur Transmission Limited

Bhadla-III & Bikaner-III Transmission Limited

Bhuj II Transmission Limited

Jamnagar Transmission Limited

KPS III HVDC Transmission Limited

Pune- III Transmission Limited

Sirohi Transmission Limited

South Olpad Transmission Limited

Notes to Accounts

53.2 Amount due from/ to the related parties :

(₹ in Crores)

Particulars	As at 31-03-2024	As at 31-03-2023
Power Finance Corporation Limited (PFC)		
Other Financial Assets	0.51	3.54
Other Financial Liabilities- Unpaid Dividend	623.70	-
RECPDCL		
Debt Securities	45.44	45.44
Other Financial Assets	6.96	6.70
Other Financial Liabilities	1.16	1.43
Employment Benefit Trusts/ Funds		
Debt Securities	5.70	3.70
Other financial liabilities- GOI Serviced Bonds	29.30	29.30
Provisions	0.13	2.68
Other financial assets	23.55	15.11
Key Managerial Personnel (KMP)		
Debt Securities	0.05	0.05
Staff Loans & Advances	0.30	0.22
Key Managerial Personnel of Ultimate Holding Company (KMP-PFC)		
Debt Securities	0.15	0.17
REC Foundation		
Other Non Financial Assets	1.25	-

53.3 Maximum amount of loans/ advances/ investments outstanding during the year:

(₹ in Crores)

Particulars	As at 31-03-2024	As at 31-03-2023
Power Finance Corporation Limited (PFC)		
Other Financial Assets	3.83	3.54
Other Financial Liabilities- Unpaid Dividend	623.70	-
RECPDCL		
Debt Securities	57.44	57.44
Loans & Advances to Subsidiaries	8.34	6.70
Investment	0.10	0.10
Employment Benefit Trusts/ Funds		
Debt Securities	8.70	8.70
Key Managerial Personnel (KMP)		
Debt Securities	0.16	0.16
Staff Loans & Advances	0.55	0.39
Key Managerial Personnel of Ultimate Holding Company (KMP-PFC)		
Debt Securities	0.17	0.17
REC Foundation		
Other Non Financial Assets	35.47	6.85

Notes to Accounts

53.4 Transactions with the related parties :

(₹ in Crores)

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
Power Finance Corporation Limited (PFC)		
Dividend Paid	1,503.80	1,642.40
Directors' Sitting Fee	0.05	-
Apportionment of Other Expenses	0.29	3.54
Other Administrative Expenses	0.40	-
RECPDCL		
Government funds disbursed	-	0.18
Redemption of the bonds of Company	-	12.00
Apportionment of Employee Benefit and Other Expenses	18.39	18.37
Dividend Income	23.40	27.45
Rental Income	3.89	4.34
Other Income	3.00	2.58
Finance Costs - Interest Paid	3.71	4.51
Other Expenses	2.56	3.54
Employment Benefit Trusts/ Funds		
Contributions made by the Company	21.29	31.25
Redemption of the bonds of Company	-	5.00
Finance Costs - Interest Paid	2.87	3.28
Subscription to the bonds of Company	2.00	-
Key Managerial Personnel (KMP)		
Recovery of Staff Loans & Advances	0.23	0.12
Disbursement of Staff Loans & Advances	0.35	-
Repayment/ Recovery of Debt Securities	-	0.10
Interest Income on Staff Loans	0.03	0.03
Finance Costs - Interest Paid	-	0.06
Employee Benefits Expense - Managerial Remuneration	3.51	2.84
Directors' Sitting Fee	0.40	0.38
Key Managerial Personnel of Ultimate Holding Company (KMP-PFC)		
Finance Cost	0.01	0.01
REC Foundation		
Payment towards Corporate Social Responsibility (CSR) Expenses	243.00	151.95

53.5 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 & advances 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. 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.

Notes to Accounts

53.6 Managerial Remuneration

The details of remuneration to Key Managerial Personnel (KMP) during the year is as below:

(₹ in Crores)

Particulars		Year ended 31-03-2024	Year ended 31-03-2023
(i)	Short-term employee benefits	3.24	2.65
(ii)	Post employment benefits	0.27	0.19
	Total	**3.51**	**2.84**

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.

53.7 Disclosure in respect of entities under the control of the same government (Government related entities)

List of Government related entities

Entities/ Companies in the Group are Central Public Sector Undertaking (CPSU) controlled by Central Government. List of Government related entities with which the Group has done transactions, includes but not limited to:

Bihar Grid Company Ltd

Damodar Valley Corporation

HPCL Rajasthan Refinery Limited

Nabinagar Power Generating Co. Pvt. Ltd.

Neyveli Uttar Pradesh Power Ltd.

NTPC Tamil Nadu Energy Company Ltd.

Patratu Vidut Utpadan Nigam Ltd.

Tusco Limited

SJVN Thermal Pvt. Ltd.

Power Foundation of India

Aggregate transactions with such government related entities are as under:

(₹ in Crores)

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
Disbursement of Loans	5,443.35	3,857.30
Interest income recognised	2,039.94	1,709.48
Other Expenditure- REC's contribution to Power Foundation	5.00	8.00

Aggregate balance outstanding from such government related entities are as under:

(₹ in Crores)

Particulars	As at 31-03-2024	As at 31-03-2023
Loan Assets	25,554.99	20,902.65
Interest Accrued	48.72	12.99

Refer Note No. 11, 18, 20, 31 and 44 in respect of material transactions with the Central Government

The above transactions with the government related entities cover transactions that are significant individually and collectively. The Group has also entered into other transactions such as administrative expenses, expenses on Government Programmes, etc. with other CPSUs. They are insignificant individually & collectively and hence not disclosed. All transactions are carried out on market terms.

Notes to Accounts

53.8 Related Party Transactions where Ultimate Beneficiary is Subsidiary Company i.e. REC Power Development and Consultancy Limited

a) ANVIL Cables Private Limited

(₹ in Crores)

Particulars	As at 31-03-2024	As at 31-03-2023
Sanction of Letter of Undertaking	19.80	-
Sanction of Loan	119.71	-
Disbursement of Loan	83.79	-
Repayment of Loan	18.31	-

b) RS Infra Projects Private Limited

(₹ in Crores)

Particulars	As at 31-03-2024	As at 31-03-2023
Sanction of Loan	57.96	-
Disbursement of Loan	38.67	-
Repayment of Loan	38.67	-

c) Techno Electric & Engineering Company Limited

(₹ in Crores)

Particulars	As at 31-03-2024	As at 31-03-2023
Sanction of Loan	48.06	-

d) Lumino Industries Limited

(₹ in Crores)

Particulars	As at 31-03-2024	As at 31-03-2023
Sanction of Loan	28.37	-

e) Transrail Lighting Limited

(₹ in Crores)

Particulars	As at 31-03-2024	As at 31-03-2023
Sanction of Loan	53.00	-

54 Disclosures in respect of Ind AS 116 'Leases'

During the year ended 31st March, 2024, the expenses relating to short-term leases are ₹ 8.23 crores (previous year ₹6.96 crores). The total cash outflow towards all leases, including Right-of-Use Assets is ₹ 8.25 crores. (previous year ₹ 6.96 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 31-03-2024	Year ended 31-03-2023
Opening Balance	**0.02**	**0.03**
Finance Cost accrued during the year	-	-
Payments made during the year	(0.02)	(0.01)
Closing Balance	**-**	**0.02**

The table below provides details regarding the contractual maturities of undiscounted lease liabilities:

(₹ in Crores)

Particulars	As at 31-03-2024	As at 31-03-2023
Upto 1 year	-	0.02
1-5 years	-	-
More than 5 years	-	-

Notes to Accounts

55 Disclosures for Employee Benefits as required under Ind AS 19 'Employee Benefits':

55.1 Defined Contribution Plans

A. 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 ₹ 18.62 crores (previous year ₹ 13.4 crores) towards defined contribution plans

55.2 Defined Benefit Plans - Post-Employment Benefits

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 declares 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 specified by Employees' Provident Fund Organisation. Any shortfall in the specified interest rate and returns earned on investments of the trust, for payment of interest to members, is to be compensated by the Company. The Company started from the FY 2023-24, treating the contribution to the recognised provident fund trust for its employees, as a Defined Benefit Plan instead of Defined Contribution Plan being followed hitherto. As such, there is no financial impact of it on the profit of the Company. The Company's obligation towards provident fund is determined and provided for on the basis of actuarial valuation as per IND AS 19 on Employee Benefits. The details of the fair value of plan assets and obligations are as under :

Net Defined Benefit (Asset)/ Liability

(₹ in Crores)

Particulars	As at 31-03-2024	As at 31-03-2023
Present value of Defined benefit obligation	297.79	276.16
Fair Value of Plan Assets	298.03	280.99
Net Defined Benefit (Asset)/ Liability	(0.24)	(4.83)

B. 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 31-03-2024	As at 31-03-2023
Present value of Defined benefit obligation	27.31	29.23
Fair Value of Plan Assets	27.18	26.55
Net Defined Benefit (Asset)/ Liability	0.13	2.68

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 31-03-2024	Year ended 31-03-2023	Year ended 31-03-2024	Year ended 31-03-2023	Year ended 31-03-2024	Year ended 31-03-2023
Opening Balance	**29.23**	**30.43**	**26.55**	**30.09**	**2.68**	**0.34**
Included in profit or loss						
Current service Cost	1.08	1.42	-	-	1.08	1.42
Past service cost	-	2.16	-	-	-	2.16

Notes to Accounts

(₹ in Crores)

Particulars	Defined Benefit Obligation		Fair Value of Plan Assets		Net Defined Benefit (Asset)/ Liability	
	Year ended 31-03-2024	Year ended 31-03-2023	Year ended 31-03-2024	Year ended 31-03-2023	Year ended 31-03-2024	Year ended 31-03-2023
Interest cost / income	1.99	2.07	1.94	2.22	0.05	(0.15)
Total amount recognised in profit or loss	**3.07**	**5.65**	**1.94**	**2.22**	**1.13**	**3.43**
Included in OCI						
Re-measurement loss (gain)						
- Actuarial loss (gain) arising from changes in financial assumptions	0.40	0.10	-	-	0.40	0.10
- Actuarial loss (gain) arising from Experience adjustments	(0.89)	(1.09)	-	-	(0.89)	(1.09)
Return on plan assets excluding interest income	-	-	0.51	(0.29)	(0.51)	0.29
Total amount recognised in OCI	**(0.49)**	**(0.99)**	**0.51**	**(0.29)**	**(1.00)**	**(0.70)**
Contribution by employers	-	-	2.68	0.39	(2.68)	(0.39)
Benefits paid	(4.50)	(5.86)	(4.50)	(5.86)	-	-
Closing Balance	**27.31**	**29.23**	**27.18**	**26.55**	**0.13**	**2.68**

C. 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 31-03-2024	As at 31-03-2023
Present value of Defined benefit obligation	171.28	164.67
Fair Value of Plan Assets	194.83	179.78
Net Defined Benefit (Asset)/ Liability	(23.55)	(15.11)

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 31-03-2024	Year ended 31-03-2023	Year ended 31-03-2024"	Year ended 31-03-2023	Year ended 31-03-2024	Year ended 31-03-2023
Opening Balance	**164.67**	**165.51**	**179.78**	**164.80**	**(15.11)**	**0.71**
Included in profit or loss						
Current service Cost	5.10	3.64	-	-	5.10	3.64
Past service cost	-	-	-	-	-	-
Interest cost / income	11.73	11.83	13.14	12.15	(1.41)	(0.32)
Total amount recognised in profit or loss	**16.83**	**15.47**	**13.14**	**12.15**	**3.69**	**3.32**
Included in OCI						
Re-measurement loss (gain)						
- Actuarial loss (gain) arising from changes in financial assumptions	(5.30)	1.45	-	-	(5.30)	1.45

Notes to Accounts

(₹ in Crores)

Particulars	Defined Benefit Obligation		Fair Value of Plan Assets		Net Defined Benefit (Asset)/ Liability	
	Year ended 31-03-2024	Year ended 31-03-2023	Year ended 31-03-2024"	Year ended 31-03-2023	Year ended 31-03-2024	Year ended 31-03-2023
- Actuarial loss (gain) arising from changes in demographic assumptions	-	-	-	-	-	-
- Actuarial loss (gain) arising from Experience adjustments	8.28	(5.71)	-	-	8.28	(5.70)
Return on plan assets excluding interest income	-	-	1.85	2.04	(1.85)	(2.04)
Total amount recognised in OCI	**2.98**	**(4.26)**	**1.85**	**2.04**	**1.13**	**(6.29)**
Contribution by participants	0.06	0.11	0.06	0.10	-	0.01
Contribution by employers	-	-	-	0.69	-	(0.70)
Benefits paid	(13.26)	(12.16)	-	-	(13.26)	(12.16)
Closing Balance	**171.28**	**164.67**	**194.83**	**179.78**	**(23.55)**	**(15.11)**

D. 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 31-03-2024	As at 31-03-2023
Present value of Defined benefit obligation		
- ERS	4.92	4.17

Movement in net defined benefit (asset)/ liability for ERS

(₹ in Crores)

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
Opening Balance	**4.17**	**4.15**
Included in profit or loss		
Current service Cost	0.30	0.25
Interest cost / income	0.28	0.28
Total amount recognised in profit or loss	**0.58**	**0.53**
Included in OCI		
- Actuarial loss (gain) arising from changes in financial assumptions	0.12	0.07
- Actuarial loss (gain) arising from Experience adjustments	0.74	0.33
Total amount recognised in OCI	**0.86**	**0.40**
Benefits paid	(0.69)	(0.91)
Closing Balance	**4.92**	**4.17**

55.2.1 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.

Notes to Accounts

(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.

(v) Employee Turnover/ Withdrawl risk

The present value of the defined benefit plan liability is calculated by reference to the expected withdrawl rate in the future. As such, if the actual withdrawal rate in the future turns out to be more or less than expected then it may result in increase in the plan's liability.

55.2.2 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 31-03-2024	As at 31-03-2023	As at 31-03-2024	As at 31-03-2023
Cash & Cash Equivalents	**0.07**	**0.06**	**3.94**	**0.20**
Quoted Plan Assets				
Equity Instruments	0.99	0.99		
State Government Debt Securities	10.22	10.28	41.63	40.80
Corporate Bonds/ Debentures	9.35	9.35	149.25	138.78
Sub-total - Quoted Plan Assets	**20.56**	**20.62**	**190.88**	**179.58**
Unquoted Plan Assets				
Others - Insurer managed funds & T-bills	6.55	5.87	-	-
Sub-total - Unquoted Plan Assets	**6.55**	**5.87**	**-**	**-**
Total	**27.18**	**26.55**	**194.82**	**179.78**

Actual return on plan assets is ₹ 17.44 crores (previous year ₹ 16.12 crores).

55.2.3 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, 2024 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 (PUCM). The principal assumptions used for actuarial valuations are:-

Particulars	Gratuity		PRMF		ERS	
	Year ended 31-03-2024	Year ended 31-03-2023	Year ended 31-03-2024	Year ended 31-03-2023	Year ended 31-03-2024	Year ended 31-03-2023
Method Used	**PUCM**	**PUCM**	**PUCM**	**PUCM**	**PUCM**	**PUCM**
Discount Rate & Expected Return on Plan Assets, if funded	7.09%	7.31%	7.09%	7.31%	7.09%	7.31%
Future Salary Increase / medical inflation	6.00%	6.00%	5.50%	6.00%	6.00%	6.00%
Expected average remaining working lives of employees (years)	20.07	17.72	20.07	17.72	20.07	17.72

Notes to Accounts

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 Government 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.

55.2.4 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 31-03-2024		As at 31-03-2023	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)				
- Gratuity	(0.89)	0.97	(0.84)	0.91
- PRMS	(9.23)	9.86	(12.10)	12.60
- ERS	(0.20)	0.22	(0.15)	0.17
Salary Escalation Rate (0.50% movement)				
- Gratuity	0.17	(0.17)	0.21	(0.18)
- PRMS	-	-	-	-
- ERS	0.18	(0.16)	0.15	(0.14)
Medical inflation Rate (0.50% movement)				
- PRMS	9.92	(9.06)	11.62	(10.52)
Medical Cost (10% movement)				
- PRMS	17.24	(17.08)	16.89	(16.19)

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.

55.2.5 Expected maturity analysis of the defined benefit plans in future years

(₹ in Crores)

Particulars	Gratuity		PRMF		ERS	
	As at 31-03-2024	As at 31-03-2023	As at 31-03-2024	As at 31-03-2023	As at 31-03-2024	As at 31-03-2023
Less than 1 year	5.15	6.43	15.20	13.98	0.95	1.12
From 1 to 5 years	12.52	16.12	84.88	78.64	2.61	2.33
Beyond 5 years	37.67	35.29	329.93	306.56	5.21	3.11
Total	**55.34**	**57.84**	**430.01**	**399.18**	**8.77**	**6.56**

55.2.6 Expected contribution for the next year

(₹ in Crores)

Particulars	Gratuity		PRMF		ERS	
	Year ended 31-03-2024	Year ended 31-03-2023	Year ended 31-03-2024	Year ended 31-03-2023	Year ended 31-03-2024	Year ended 31-03-2023
Expected contribution	1.48	3.77	-	-	-	-

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 11.78 years (as at 31.03.2023 is 11.18 years).

Notes to Accounts

55.3 Other Long-term Employee Benefits

55.3.1 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 ₹ 8.58 crores (Previous year 4.77 crores) have been made towards these employee benefits and debited to the Statement of Profit and Loss on the basis of actuarial valuation.

55.3.2 Other employee benefits

Expenses towards long service award and settlement allowance amounting to ₹ 2.15 crores (previous year ₹ 0.47 crores) have been debited to the Statement of Profit and Loss on the basis of actuarial valuation.

55.4 Employee benefits including 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.

56 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 Government 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 Government, 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.

57 Modifications in the Material Accounting Policies

Certain accounting policies have been reworded to align with Ind-AS amendments and to bring more clarity in line with Company's Practices. There is no financial impact of such rewording/modifications carried out in the accounting policies.

58 Provisions, Contingencies and Impairment loss allowances debited to Standalone Statement of Profit and Loss

(₹ in Crores)

Particulars		Year ended 31-03-2024	Year ended 31-03-2023
(i)	Impairment Loss Allowance for loans*	(1,367.07)	105.14
(ii)	Impairment Loss Allowance for Investments	-	-
(iii)	Impairment Loss Allowance for Other Receivables	8.68	9.77
(iv)	Provision made for Income Tax	3,761.43	2,684.13

** includes ₹ 16.14 crores (Previous year ₹ -5.03 crores) towards impairment allowance on Letter of Comfort.*

Notes to Accounts

59. The Company's operation comprise of only one business segment - lending to power, logistic and infrastructure sector. Hence, there is no other reportable segement in terms of Indian Accounting Standard (Ind-AS) 108 "Operating Segments". Based on "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker evaluates the Company's performance based on analysis of various factors of one business segment.

59.1 Information about Revenue from major products and services"

(₹ in Crores)

Particulars		Year ended 31-03-2024	Year ended 31-03-2023
(A)	Income from Loan Assets	45,954.08	38,701.63
(B)	Fee for Implementation of Government Schemes	114.49	122.21
(C)	Income from Treasury Operations	572.27	295.65
	Total	**46,640.84**	**39,119.49**

59.2 The Company does not have any reportable geographical segment as the lending operations of the Company are carried out within the country.

59.3 No single borrower has contributed 10% or more to the Company's revenue during the financial year 2023-24 and 2022-23

60 Amounts expected to be recovered/ settled within 12 months and beyond for each line item under asset and liabilities

(₹ in Crores)

Particulars		As at 31-03-2024		As at 31-03-2023	
		Within 12 months	More than 12 months	Within 12 months	More than 12 months
	ASSETS				
(1)	**Financial Assets**				
(a)	Cash and cash equivalents	46.26	-	39.00	-
(b)	Bank balances other than (a) above	2,452.44	-	1,948.34	-
(c)	Derivative financial instruments	1,995.61	10,486.41	2,331.97	6,649.64
(d)	Loans	84,849.07	4,14,342.98	65,372.90	3,56,711.01
(e)	Investments	113.21	5,207.10	46.23	3,091.75
(f)	Other financial assets	270.20	24,154.32	257.00	24,143.28
	Total - Financial Assets (1)	**89,726.79**	**4,54,190.81**	**69,995.44**	**3,90,595.68**
(2)	**Non-Financial Assets**				
(a)	Current tax assets (net)	-	294.42	-	295.78
(b)	Deferred tax assets (net)	-	2,485.46	-	3,276.99
(c)	Investment Property	-	-	-	-
(d)	Property, Plant & Equipment	-	630.21	-	638.91
(e)	Capital Work-in-Progress	-	23.59	-	2.72
(f)	Other Intangible Assets	-	0.52	-	1.62
(g)	Other non-financial assets	88.54	-	62.39	7.26
	Total - Non-Financial Assets (2)	**88.54**	**3,434.20**	**62.39**	**4,223.28**
(3)	**Assets classified as held for sale**	**0.05**	**-**	**0.34**	**-**
	Total ASSETS (1+2+3)	**89,815.38**	**4,57,625.01**	**70,058.17**	**3,94,818.96**
	LIABILITIES				
(1)	**Financial Liabilities**				
(a)	Derivative financial instruments	338.08	421.62	63.11	913.84
(b)	Debt Securities	48,241.27	2,17,868.65	39,879.40	1,97,069.59
(c)	Borrowings (other than debt securities)	43,071.37	1,29,020.68	40,338.84	96,775.29

Notes to Accounts

(₹ in Crores)

Particulars		As at 31-03-2024		As at 31-03-2023	
		Within 12 months	More than 12 months	Within 12 months	More than 12 months
(d)	Subordinated Liabilities	321.21	7,091.00	2,796.90	3,976.40
(e)	Other financial liabilities	7,731.36	24,109.30	1,065.28	24,109.30
	Total - Financial Liabilities (1)	**99,703.29**	**3,78,511.25**	**84,143.53**	**3,22,844.42**
(2)	**Non-Financial Liabilities**				
(a)	Current tax liabilities (net)	66.51	-	-	-
(b)	Provisions	79.57	57.00	60.64	50.30
(c)	Other non-financial liabilities	145.55	94.07	49.21	49.36
	Total - Non-Financial Liabilities (2)	**291.63**	**151.07**	**109.85**	**99.66**
	Total LIABILITIES (1+2)	**99,994.92**	**3,78,662.32**	**84,253.38**	**3,22,944.08**

Previous year figures have been reclassified/ regrouped to conform to the current classification.

61. There are no Off-Balance Sheet SPVs sponsored by the Company, which need to be consolidated as per accounting norms.

62. The Company does not have any Overseas Assets in the form of Joint Ventures/Subsidiaries abroad.

63. The disclosures as required under Master Direction – Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions, 2023 have been made in Note No. 3, 8, 9, 10, 19.1, 25, 26.1, 43, 46, 47.1.3 (M), 47.1.3 (N), 47.1.3 (O), 47.1.3 (P), 47.1.3 (Q), 47.1.3 (R), 47.1.3 (S), 47.1.3 (T), 47.1.3 (U), 47.1.3 (V), 47.2.2, 47.2.4, 47.3, 48, 49, 50, 53, 57, 58, 59, 61, 62, 64, 66.

64. No penalties have been levied on the company by any regulator during the year ended 31st March 2024 (previous year Nil) However, during the year, the Company has received notices from the National Stock Exchange of India Ltd. (NSE) and BSE Ltd. (BSE) imposing a total fine of ₹ 0.43 crores (previous year ₹ 0.43 crores) (inclusive of GST) for non-compliance on the corporate governance requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 regarding the position/ quorum requirements of Board/ Committees, due to inadequate number of Independent Directors.
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. The Company is hopeful of favorable outcome of its request to the Stock Exchanges in line with the earlier waivers of fine by BSE for similar reasons and the communication received from NSE to consider waiver after complying with the requirement.

65. During the year, the company does not have any transactions with the struck off companies as on 31-03-2024 (as on 31-03-2023- five numbers), which are individually not material and thus have not been reported.

66. No complaints have been received by the company from the customers or Offices of Ombudsman during the year ended 31st March 2024 (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

Vijay Kumar Singh
Director (Projects)
DIN - 02772733

Vivek Kumar Dewangan
Chairman & Managing Director
DIN - 01377212

In terms of our Audit Report of even date

For Kailash Chand Jain & Co.
Chartered Accountants,
Firm Reg. No. : 112318W

Saurabh Chouhan
Partner
Membership Number : 167453

For SCV & Co. LLP.
Chartered Accountants,
Firm Reg. No. : 000235N/N500089

Abhinav Khosla
Partner
Membership Number : 087010

Place : Mumbai
Date : 30th April 2024

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 2024
(As prescribed by Reserve Bank of India)

(Particulars set out in Annexure- VIII of RBI's (Non-Banking Financial Company - Scale Based Regulation) Directions dated 19.10.2023, as updated from time to time, in so far as they are applicable to the Company)

(₹ in Crores)

	Particulars	**As at 31.03.2024**		**As at 31.03.2023**	
		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	55,244.21	-	51,646.17	-
	- Unsecured	2,19,135.12	-	1,93,034.32	-
(b)	Term Loans				
	- Unsecured Loans from NSSF	10,325.12	-	10,325.12	-
	- Unsecured Loans from Banks	50,620.49	-	56,402.09	-
	- Unsecured Loans from Financial Institutions	8,072.29	-	6,000.64	-
(c)	Commercial Paper	-	-	-	-
(d)	Other Loans				
	- Foreign Currency Borrowings	67,597.00	-	45,783.55	-
	- FCNR (B) Loans	25,151.29	-	15,427.63	-
	- Overdrafts from Bank	267.44	-	87.59	-
	- Short Term Loans/ Loans Repayable on Demand	10,883.04		3,607.52	
	- Lease Obligations	-		0.02	
	ASSETS SIDE :				
(2)	**Break-up of Loans and Advances including bills receivables**				
(a)	Secured	2,47,650.53		2,42,310.94	
(b)	Unsecured	2,61,720.42		1,92,700.85	
(c)	Less: Impairment loss allowance	(12,380.52)		(14,263.75)	
	Loans and advances (net of provision)	4,96,990.43		4,20,748.04	
(3)	**INVESTMENTS :**				
	Investments carried at Cost/Amortised Cost:				
	Quoted:				
(i)	Shares : Equity	-		-	
(ii)	Debentures and Bonds	1,930.03		629.04	
(iii)	Government Securities	1,624.08		1,431.74	
	Unquoted:				
	(i) Shares : Equity	0.10		0.10	
(ii)	Debentures and Bonds		214.06		105.74

(₹ in Crores)

Particulars		As at 31.03.2024		As at 31.03.2023	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
(iii)	Government Securities		-		-
(iv)	Preference Shares		28.72		28.72
	Less: Impairment Loss allowance		(28.72)		(28.72)
	Unquoted Preference Shares (net of Provision)		-		-
	Investments carried at Fair Value:				
	Quoted:				
(i)	Shares : Equity		170.28		94.54
(ii)	Debentures and Bonds		947.94		437.26
	Unquoted:				
(i)	Shares : Equity		316.73		314.48
(ii)	Debentures and Bonds		117.09		125.08

(4) Borrower Group-wise classification of assets financed in (2) above :

(₹ in Crores)

Particulars		Amount Net of Provisions			
		Secured	Unsecured	Provision	Total
	As at 31.03.2024				
1.	**Related Parties**	**-**	**-**	**-**	**-**
(a)	Subsidiaries	-	-	-	-
(b)	Companies in the same Group	-	-	-	-
(c)	Other related Parties	-	-	-	-
2.	**Other than Related Parties**	**2,47,650.53**	**2,61,720.42**	**(12,380.52)**	**4,96,990.43**
	Total	**2,47,650.53**	**2,61,720.42**	**(12,380.52)**	**4,96,990.43**
	As at 31.03.2023				
1.	**Related Parties**	**-**	**-**		**-**
(a)	Subsidiaries	-	-		-
(b)	Companies in the same Group	-	-		-
(c)	Other related Parties	-	-		-
2.	**Other than Related Parties**	**2,42,310.94**	**1,92,700.85**	**(14,263.75)**	**4,20,748.04**
	Total	**2,42,310.94**	**1,92,700.85**	**(14,263.75)**	**4,20,748.04**

(5) Investor group-wise classification of investments (current and long term) in shares and securities (both quoted and unquoted) :

(₹ in Crores)

Category		As at 31.03.2024		As at 31.03.2023	
		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
2.	**Other than Related Parties**	**5,283.78**	**5,320.21**	**3,137.62**	**3,137.88**
	Total	**5,283.88**	**5,320.31**	**3,137.72**	**3,137.98**

(6) Other Information

(₹ in Crores)

Particulars		As at 31.03.2024	As at 31.03.2023
(i)	**Gross Credit-impaired Assets**		
(a)	Related Parties	-	-
(b)	Other than related Parties	13,810.33	14,892.08
(ii)	**Net Credit-impaired Assets**		
(a)	Related Parties	-	-
(b)	Other than related Parties	4,356.53	4,372.57
(iii)	**Asset acquired in satisfaction of debts**	**394.18**	**233.85**

For and on behalf of the Board

J.S. Amitabh
ED & Company Secretary

Vijay Kumar Singh
Director (Projects)
DIN - 02772733

Vivek Kumar Dewangan
Chairman & Managing Director
DIN - 01377212

In terms of our Audit Report of even date

For Kailash Chand Jain & Co.
Chartered Accountants,
Firm Reg. No. : 112318W

Saurabh Chouhan
Partner
Membership Number : 167453

For SCV & Co. LLP.
Chartered Accountants,
Firm Reg. No. : 000235N/N500089

Abhinav Khosla
Partner
Membership Number : 087010

Place : Mumbai
Date : 30th April 2024

Revised Independent Auditors' Report

To the Members of

REC Limited

Report on the Audit of the Standalone Ind AS Financial Statements

This revised Independent Auditor's Report on Standalone Ind AS Financial Statements of REC Limited is issued in supersession of our earlier Independent Auditor's Report dated 30th April 2024, in compliance of the Comptroller & Auditor General (C&AG) of India's comment dated 06th July 2024 on "key audit matter on Fair Valuation of Derivative Financial Instruments", which does not affect the true & fair view and our opinion on the Standalone Ind AS Financial Statements as expressed earlier in any manner. The revised report is issued adding the aforesaid key audit matter as pointed out by C&AG of India in our earlier Independent Auditors' report. Further, we confirm that none of the figures have undergone any change in the Standalone Ind AS Financial Statements of the Company as at 31st March 2024.

Opinion

We have audited the standalone Ind AS financial statements of REC Limited ("the Company") which comprise the Balance Sheet as at 31st March, 2024, 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 material 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 2024, and its Profit (including other comprehensive income), changes in equity and 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.

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. 47.1.3 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. 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 needs to be changed the same is considered in the financial statements.	**We have applied following audit procedures in this regard** a). Evaluation and testing of the key internal control mechanisms with respect to the loan assets monitoring, assessment of the loan impairment including testing of relevant data quality, and review of the real data entered. b). We have obtained the report of the external agency and verified the criterion/framework with various regulatory updates along with Company's internal guidelines and procedures in respect of the impairment allowance. c). 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. d). Recoveries are verified applying the standard audit procedures to ascertain level of stress. Loan balances are confirmed and quality of the borrower is evaluated and tested with key control parameters. e) Assessment of impairment based upon performance of the loan assets is carried out on the basis of relevant evidence on record provided to us. f) We have discussed with the management wherever underlying weakness is observed and management assessment is carried out in detail in such cases.

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) The Company enters into derivative contracts in accordance with RBI guidelines to mitigate its currency and interest rate risk in accordance with the Company's board approved currency risk management policy. Derivative contracts are either categorised at Fair Value through P&L (FVTPL) or under cash flow hedge (Hedge Accounting). Mark to market gain/loss on derivatives categorised at FVTPL is recognised in Statement of Profit and Loss and that of cash flow hedge is recognised in the Other Comprehensive Income. In view of significance and impact on the financial statements we have considered the fair valuation of the derivative financial instruments 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. b) Verification of fair value of derivative in term of Ind AS 109. c) Evaluation of key internal control over classification of derivative instruments. d) The Company obtains fair value of derivative from the counterparty banks. Our procedure includes evaluation of details of various financial derivative contracts outstanding as on March 31, 2024, and fair value thereon. e) Additionally, we verified the accounting of gain or loss on mark to market basis of derivative contracts in Statement of Profit and Loss and Other Comprehensive Income in case of derivatives contracts under cash flow hedge. f) Reviewed the appropriateness and adequacy of disclosures by the management as required in terms of Ind AS 109.

Information Other than the Standalone Ind AS Financial Statements and Auditor's Report thereon

The Company's 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.

If, based on the work we have performed, we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Management and Those Charged with Governance 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 also 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 standalone Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone Ind AS 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.

Other Matter

The comparative Ind AS financial statements for the year ended 31st March 2023 included in the these Standalone Ind AS financial statements have been jointly audited by S.K. Mittal & Co. Chartered Accountants & O.P. Bagla & Co. LLP Chartered Accountants , whose audit report dated 17th May 2023 expressed unmodified opinion on the comparative standalone Ind AS financial statements. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-A, a statement on the matters specified in paragraph 3 and 4 of the Order.
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 Statement of Cash Flow 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 Companies (Indian Accounting Standards) Rules, 2015 as amended .
   e) The Notification number G.S.R. 463(E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, section 164(2) of the Act

regarding the disqualifications of Directors is not applicable to the Company, since it is a Government Company.

f) With respect to the adequacy of the internal financial controls over financial reporting with respect to standalone Ind AS Financial Statements of the company and operative effectiveness of such controls , refer to our separate report in "Annexure-C";

g) As per 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 company, since it is a Government Company.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 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 42 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 dividend declared and paid by the Company during the year is in accordance with Section 123 of the Companies Act, 2013

(vi) Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rule 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules 2014 on preservation of audit trail as per statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

M/s Kailash Chand Jain & Co.
Chartered Accountants,
ICAI Firm Reg. No. : 112318W

Saurabh Chouhan
Partner
Membership Number : 167453
UDIN : 24167453BKBFYQ7823

M/s SCV & Co. LLP.
Chartered Accountants,
ICAI Firm Reg. No. : 000235N/N500089

Abhinav Khosla
Partner
Membership Number : 087010
UDIN : 24087010BKBOFA3815

Place : Delhi
Date : 16th July 2024

Annexure-A to the Independent Auditor's Report

(Referred to in paragraph 1 to "Report on Other legal and regulatory requirements" of the Independent Auditors' Report of even date to the REC Limited on the Standalone Ind AS Financial Statements for the year ended 31st March 2024)

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, Right-of-use assets and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right of use asset.

(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	Due to Pending formalities from Land & Development Officer. Office building 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, 2024 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. 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 loans and 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) In respect of loans and advances in the nature of loans, the total amount overdue for more than ninety days are as under. The Company takes steps for recovery of the principal and interest as per its defined procedures, which in our opinion are reasonable.

(₹ in Crores)

No. of cases	Principal Amount Overdue	Interest Overdue	Total Overdue	Remarks (if any)
16	8128.48	24841.13	32969.60	-

(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) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, duty of custom, duty of excise, value added tax, sales tax, service tax , cess and other material statutory dues applicable to it to the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and services tax, duty of custom, duty of excise, value added tax, sales tax, service tax, cess and other material statutory dues were outstanding, as on 31st March, 2024 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 on the basis of our examination of the books of account, the dues as at 31[st] March 2024 of income tax, goods and services tax, duty of custom, duty of excise, value added tax and cess which have not been deposited on account of any dispute, are as follows::

(₹ in Crores)

Name of Statute	Nature of Dues	Amount Disputed	Amount paid / refund adjusted (Under Protest)	Net Amount unpaid	Assessment Year to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax and interest	0.30	0.30	-	2008-09	Delhi High Court
Income Tax Act, 1961	Income tax and interest	0.32	0.32	-	2012-13	CIT (Appeals), Delhi
Income Tax Act, 1961	Income tax and interest	0.83	0.83	-	2012-13	Delhi High Court
Income Tax Act, 1961	Income tax and interest	87.68	87.68	-	2018-19	CIT (A), NFAC Delhi
Income Tax Act, 1961	Income tax and interest	87.96	58.74	29.22	2019-20	CIT (A), NFAC Delhi
Income Tax Act, 1961	Income tax and interest	20.13	20.13	-	2020-21	CIT (A), NFAC Delhi
Income Tax Act, 1961	Income tax and interest	1.66	1.66	-	2021-22	CIT (A), NFAC Delhi
Income Tax Act, 1961	TDS	0.03	-	0.03		CPC, TDS (As per TRACES)
Goods and Services Tax Act 2017	Goods and Services Tax Paid	17.89	17.89	-	2017-18	Commissioner (Appeals), CGST Delhi Appeals
Income Tax Act, 1961	Income Tax	15.06	-	15.06	2022-23	Commissioner of Income Tax (Appeals), NFAC Delhi
Goods and Services Tax Act 2017	Goods and Services Tax	0.01	-	0.01	2017-18	Commissioner (Appeals), SGST Delhi Appeals
	Total	**231.87**	**187.55**	**44.32**		

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 and based on audit procedures, we are of the opinion that 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 based on procedures performed by us and on the overall examination of the financial statements of the Company, the funds raised on short-term basis have, prima facie, have not been used during the year for long-term purposes by the Company on overall basis.

(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. We have been informed and based on our audit procedures, we are of the opinion that money raised by the Company by way of debt instruments 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. 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

(a) No fraud by the Company or on the Company has been noticed during the year. However during the year under audit, company has reported one fraud on the company by borrower amounting to Rs. 33.24 Crores to RBI on 26 October 2023. The said Fraud was noticed in FY 2018-19, however due to stay on declaration of fraud by Hon'ble Court and subsequently the stay being vacated, the company has reported the said fraud to RBI.

(b) No report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(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 during 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. We have been informed that there are no unspent amounts towards Corporate Social Responsibility (CSR) on 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 applicble to the standalone Financial Statements, hence no comment is given.

M/s Kailash Chand Jain & Co.
Chartered Accountants,
ICAI Firm Reg. No. : 112318W

Saurabh Chouhan
Partner
Membership Number : 167453
UDIN : 24167453BKBFYQ7823

M/s SCV & Co. LLP.
Chartered Accountants,
ICAI Firm Reg. No. : 000235N/N500089

Abhinav Khosla
Partner
Membership Number : 087010
UDIN : 24087010BKBOFA3815

Place : Delhi
Date : 16th July 2024

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 2024.

Annexure-I

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, including Audit trail feature, to process all the accounting transactions through IT system. All the accounting of the organization at different 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 borrowing obligations.	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 (grants/subsidy) for specific schemes from central/ state agencies. However, the company receives funds from Central Government under various schemes for onward disbursement to different agencies as laid down under respective schemes.	No impact on the standalone Ind AS Financial Statements

M/s Kailash Chand Jain & Co.
Chartered Accountants,
ICAI Firm Reg. No. : 112318W

Saurabh Chouhan
Partner
Membership Number : 167453
UDIN : 24167453BKBFYQ7823

M/s SCV & Co. LLP.
Chartered Accountants,
ICAI Firm Reg. No. : 000235N/N500089

Abhinav Khosla
Partner
Membership Number : 087010
UDIN : 24087010BKBOFA3815

Place : Delhi
Date : 16th July 2024

Annexure-II

Compliance Certificate

We have conducted the audit of annual accounts of **REC Limited** for the year ended 31st March 2024 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 Kailash Chand Jain & Co.
Chartered Accountants,
ICAI Firm Reg. No. : 112318W

Saurabh Chouhan
Partner
Membership Number : 167453
UDIN : 24167453BKBFYQ7823

M/s SCV & Co. LLP.
Chartered Accountants,
ICAI Firm Reg. No. : 000235N/N500089

Abhinav Khosla
Partner
Membership Number : 087010
UDIN : 24087010BKBOFA3815

Place : Delhi
Date : 16th July 2024

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 2024 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 2024, 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.

M/s Kailash Chand Jain & Co.
Chartered Accountants,
ICAI Firm Reg. No. : 112318W

Saurabh Chouhan
Partner
Membership Number : 167453
UDIN : 24167453BKBFYQ7823

M/s SCV & Co. LLP.
Chartered Accountants,
ICAI Firm Reg. No. : 000235N/N500089

Abhinav Khosla
Partner
Membership Number : 087010
UDIN : 24087010BKBOFA3815

Place : Delhi
Date : 16th July 2024

Non-Banking Financial Companies Auditor's Report for the year ended 31st March 2024

To
The Board of Directors,
REC Limited Core-4,
SCOPE Complex, 7, Lodhi Road, New Delhi – 110003

1) This report is issued in accordance with 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.

2) We have audited the accompanying standalone financial statements of REC Limited ("the Company"), which comprise the Standalone Balance Sheet as at 31st March 2024, the Standalone Statement of Profit and Loss and the Standalone Statement of Cash Flows and the Standalone Statement of changes in equity for the year ended on that date, and a summary of the material accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

Management's Responsibility for the Standalone Financial Statements

3) The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the Act) with respect to the preparation of these Standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Companies (Indian Accounting Standards Rules), 2015, as amended. This responsibility also includes maintenance of adequate and design 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

4) The Management is also responsible for compliance with the Reserve Bank of India (hereinafter RBI or Bank) Act, 1934 and other relevant RBI circulars and guidelines applicable to Non-Banking Financial Companies, as amended from time to time, and for providing all the required information to RBI.

Auditors' responsibility

5) Pursuant to the requirements of Non-Banking Financial Companies Auditor's Report (Reserve Bank) directions, 2016 as consolidated in RBI master circular (the "Directions") it is our responsibility to examine the audited book and records of the Company for the year ended 31st March 2024 and our report on the matter specified in the directions to the extent applicable to the Company.

6) We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purpose (Revised 2016) issued by the Institute of Chartered Accountants of India (ICAI) and the Standard on Auditing specified under section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7) We have complied with the relevant applicable requirement of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Servies Engagements. Further our examination did not extend to any other parts and aspects of a legal or Proprietary nature.

Opinion

8) Based on our examination of the audited books and records of the Company for the year ended 31st March 2024 as produced for our examination and the information and explanations given to us, we report that –

a. 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.

b. The company is entitled to continue to hold such registration in terms of its asset/ income pattern as on 31st March 2024.

c. The Company is meeting the requirement of net owned funds applicable to an Infrastructure Finance Company as laid down in Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated 19th October 2023.

d. The Board of Directors of the Company, in its meeting held on 9th March 2023, has passed resolution for non-acceptance of any public deposits for the Financial Year 2023-24.

e. The Company has not accepted any public deposits during the financial year 2023-24.

f. The financial statements of the Company for the year 2023-24 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 does 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 master directions 2023. 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.

g. a) In our opinion, the Capital Adequacy ratio as disclosed in the Return submitted to RBI in Form NBS-7 (DNBS03) 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 (DNBS03 return) as on 31st March 2024 has been filed by company on 20th April 2024 on the basis of the provisional financial results.

M/s Kailash Chand Jain & Co.
Chartered Accountants,
ICAI Firm Registration: 112318W

Name - Saurabh Chouhan
Designation: Partner
Membership Number: 167453
UDIN: 24167453BKBFUG6021

M/s SCV & Co. LLP.
Chartered Accountants,
ICAI Firm Registration:000235N/N500089

Name – Abhinav Khosla
Designation: Partner
Membership Number: 087010
UDIN: 24087010BKBODR2623

Place: Mumbai
Date: 30th April 2024

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 2024

The preparation of financial statements of REC Limited for the year ended 31 March 2024 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 30 April 2024.

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 2024 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. After the audit, comment of C&AG was issued on 06 July 2024 pointing out that the Independent Auditors' Report dated 30 April 2024 has not included the key audit matter on "Fair Valuation of Derivatives Accounting". In compliance of the comment, Statutory Auditors have revised their Audit report on 16 July 2024 in supersession of their earlier Independent Auditors' Report dated 30 April 2024 and have included their comments on fair valuation of Derivative Financial Instruments in their revised Independent Auditors' Report dated 16 July 2024.

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 revised statutory auditors' report under section 143(6)(b) of the Act.

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

(S. Ahlladini Panda)
Director General of Audit (Energy)

Place : New Delhi
Date : 26.07.2024

Consolidated Balance Sheet as at 31st March, 2024

(₹ in Crores)

Sl. No.	Particulars	Note No.	As at 31-03-2024	As at 31-03-2023
	ASSETS			
(1)	**Financial Assets**			
(a)	Cash and cash equivalents	**6**	262.75	48.70
(b)	Bank balances other than (a) above	**7**	2,699.75	2,346.91
(c)	Trade receivables	**8**	153.82	113.00
(d)	Derivative financial instruments	**9**	12,482.02	8,981.61
(e)	Loans	**10**	4,99,192.05	4,22,083.91
(f)	Investments	**11**	5,352.32	3,170.00
(g)	Other financial assets	**12**	24,445.42	24,422.54
	Total - Financial Assets (1)		**5,44,588.13**	**4,61,166.67**
(2)	**Non-Financial Assets**			
(a)	Current tax assets (net)	**13**	309.68	305.95
(b)	Deferred tax assets (net)	**14**	2,500.96	3,307.56
(c)	Property, Plant & Equipment	**15**	630.98	639.17
(d)	Capital Work-in-Progress	**15**	23.59	2.72
(e)	Other Intangible Assets	**15**	0.52	1.63
(f)	Other non-financial assets	**16**	117.03	74.40
	Total - Non-Financial Assets (2)		**3,582.76**	**4,331.43**
(3)	**Assets classified as held for sale**	**17**	20.20	4.65
	Total ASSETS (1+2+3)		**5,48,191.09**	**4,65,502.75**
	LIABILITIES AND EQUITY			
	LIABILITIES			
(1)	**Financial Liabilities**			
(a)	Derivative financial instruments	**9**	759.70	976.95
(b)	Trade Payables			
	(i) total outstanding dues of MSMEs	**18**	-	-
	(ii) total outstanding dues of creditors other than MSMEs	**18**	90.51	41.68
(c)	Debt Securities	**19**	2,66,063.24	2,36,902.33
(d)	Borrowings (other than debt securities)	**20**	1,72,092.05	1,37,114.13
(e)	Subordinated Liabilities	**21**	7,412.21	6,773.30
(f)	Other financial liabilities	**22**	31,959.49	25,345.11
	Total Financial Liabilities (1)		**4,78,377.20**	**4,07,153.50**
(2)	**Non-Financial Liabilities**			
(a)	Current tax liabilities (net)	**23**	66.51	10.65
(b)	Provisions	**24**	137.34	111.62
(c)	Other non-financial liabilities	**25**	259.79	106.45
	Total - Non-Financial Liabilities (2)		**463.64**	**228.72**
(3)	**Liabilities directly associated with assets classified as held for sale**	**17**	**-**	**0.02**
(4)	**EQUITY**			
(a)	Equity Share Capital	**26**	2,633.22	2,633.22
(b)	Instruments Entirely Equity In Nature	**27**	558.40	558.40
(c)	Other equity	**28**	66,158.63	54,928.89
	Total - Equity (4)		**69,350.25**	**58,120.51**
	Total - LIABILITIES AND EQUITY (1+2+3+4)		**5,48,191.09**	**4,65,502.75**
	Company Overview and Material 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

Vijay Kumar Singh
Director (Projects)
DIN - 02772733

Vivek Kumar Dewangan
Chairman & Managing Director
DIN - 01377212

In terms of our Audit Report of even date

For Kailash Chand Jain & Co.
Chartered Accountants,
Firm Reg. No. : 112318W

Saurabh Chouhan
Partner
Membership Number : 167453

For SCV & Co. LLP.
Chartered Accountants,
Firm Reg. No. : 000235N/N500089

Abhinav Khosla
Partner
Membership Number : 087010

Place : Mumbai
Date : 30th April 2024

Consolidated Statement of Profit and Loss for the year ended 31st March 2024

(₹ in Crores)

S. No.	Particulars	Note No.	Year ended 31-03-2024	Year ended 31-03-2023
	Revenue from Operations			
(i)	Interest Income	**29**	46,431.44	38,846.34
(ii)	Dividend Income	**30**	2.28	11.89
(iii)	Fees and Commission Income	**31**	236.03	287.17
(iv)	Net gain/ (loss) on fair value changes	**37**	474.48	45.31
(v)	Sale of services	**32**	360.52	287.55
I.	**Total Revenue from Operations (i to v)**		**47,504.75**	**39,478.26**
II.	Other Income	**33**	66.48	41.90
III.	**Total Income (I+II)**		**47,571.23**	**39,520.16**
	Expenses			
(i)	Finance Costs	**34**	29,947.74	23,733.33
(ii)	Net translation/ transaction exchange loss	**35**	166.57	1,114.04
(iii)	Fees and commission Expense	**36**	24.26	16.29
(iv)	Impairment on financial instruments	**38**	(1379.58)	142.17
(v)	Cost of services rendered	**39**	168.06	54.06
(vi)	Employee Benefits Expenses	**40**	238.03	204.10
(vii)	Depreciation and amortization	**41**	23.99	24.26
(viii)	Corporate Social Responsibility Expenses	**42**	251.78	203.91
(ix)	Other Expenses	**43**	170.44	130.33
IV.	**Total Expenses (i to ix)**		**29,611.29**	**25,622.49**
V.	**Profit before Tax (III-IV)**		**17,959.94**	**13,897.67**
VI.	**Tax Expense**	**44**		
(i)	**Current Tax**			
	- Current Year		3,329.10	2,720.50
	- Earlier Years		3.97	(147.45)
(ii)	Deferred Tax		481.41	157.64
	Total Tax Expense (i+ii)		**3,814.48**	**2,730.69**
VII.	**Profit for the period (V-VI)**		**14,145.46**	**11,166.98**
VIII.	**Other comprehensive Income/(Loss)**			
(i)	**Items that will not be reclassified to profit or loss**			
(a)	Re-measurement gains/(losses) on defined benefit plans		(0.99)	(5.99)
	- Tax impact on above		0.25	1.51
(b)	Changes in Fair Value of FVOCI Equity Instruments		96.34	(58.16)
	- Tax impact on above		(4.86)	(0.32)
	Sub Total (i)		**90.74**	**(62.96)**
(ii)	**Items that will be reclassified to profit or loss**			
(a)	Effective Portion of Cash Flow Hedges		(3269.97)	542.33
	- Tax impact on above		822.99	(136.49)
(b)	Cost of hedging reserve		4,544.19	(1755.82)
	- Tax impact on above		(1143.68)	441.90
(c)	Income tax relating to these items			
	Sub-Total (ii)		**953.53**	**(908.08)**
	Other comprehensive Income/(Loss) for the period (i+ii)		**1,044.27**	**(971.04)**
IX.	**Total comprehensive Income for the period (VII+VIII)**		**15,189.73**	**10,195.94**
X.	**Basic & Diluted Earnings per Equity Share of ₹ 10 each (in ₹)**	**45**		
(1)	For continuing operations		53.59	42.28
(2)	For discontinued operations		-	-
(3)	For continuing and discontinued operations		53.59	42.28
	Company Overview and Material 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

Vijay Kumar Singh
Director (Projects)
DIN - 02772733

Vivek Kumar Dewangan
Chairman & Managing Director
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In terms of our Audit Report of even date

For Kailash Chand Jain & Co.
Chartered Accountants,
Firm Reg. No. : 112318W

Saurabh Chouhan
Partner
Membership Number : 167453

For SCV & Co. LLP.
Chartered Accountants,
Firm Reg. No. : 000235N/N500089

Abhinav Khosla
Partner
Membership Number : 087010

Place : Mumbai
Date : 30th April 2024

Consolidated Statement of Cash Flows for the year ended 31st March 2024

(₹ in Crores)

	Particulars	Year ended 31-03-2024		Year ended 31-03-2023	
A.	**Cash Flow from Operating Activities :**				
	Net Profit before Tax	**17,959.94**		**13,897.67**	
	Adjustments for:				
1.	Loss/ (Gain) on derecognition of Property, Plant and Equipment (net)	5.58		6.65	
2.	Loss/ (Gain) on derecognition of Assets held for sale (net)	(1.32)		(4.08)	
3.	Depreciation & Amortization	23.99		24.26	
4.	Impairment allowance on Assets Classified as Held for Sale	(0.09)		0.03	
5.	Impairment losses on Financial Instruments	(1,379.58)		142.17	
6.	Loss/ (Gain) on Fair Value Changes (net)	(471.88)		(43.76)	
7.	Effective Interest Rate (EIR) in respect of Loan Assets and Borrowings	(34.51)		(15.58)	
8.	Interest on Commercial Paper	135.64		-	
9.	Unrealised Foreign Exchange Translation Loss/ (Gain)	(993.07)		963.93	
10.	Interest on Investments	(42.65)		(39.53)	
	Operating profit before Changes in Operating Assets & Liabilities	**15,202.05**		**14,931.76**	
	Inflow / (Outflow) on account of :				
1.	Loan Assets	(75,017.32)		(50,424.82)	
2.	Derivatives	(343.67)		790.33	
3.	Other Financial and Non- Financial Assets	(1,495.78)		125.99	
4.	Other Financial and Non- Financial Liabilities & Provisions	7,203.83		(108.70)	
	Cash flow from Operations	**(54,450.89)**		**(34,685.44)**	
1.	Income Tax Paid (including TDS)	(3,271.76)		(2,774.13)	
2.	Income Tax refund			99.79	
	Net Cash Flow from Operating Activities		**(57,722.64)**		**(37,359.77)**
B.	**Cash Flow from Investing Activities**				
1.	Sale of Property, Plant & Equipment	0.11		0.02	
2.	Sale of assets held for sale	1.61		4.60	
3.	Investment in Property, Plant & Equipment (incl. CWIP & Capital Advances)	(33.63)		(17.67)	
4.	Investment in Intangible Assets (including intangible assets under development & Capital Advances)	-		(0.01)	
5.	Finance Costs Capitalised	(0.53)		(0.03)	
6.	Sale/ (Investment) in Equity Shares	67.39		10.13	
7.	Redemption/ (Investment) in High Quality Liquid Assets (HQLAs) (net)	(997.94)		(457.82)	
8.	Redemption/ (Investment) in Debt Securities other than HQLAs (net)	(912.98)		(343.44)	
9.	Sale/(Investment) of/in shares of associate companies (Net)	(15.75)		(0.82)	
10.	Maturity/(Investment) of/in Corporate and Term deposits	60.75		(137.91)	
	Net Cash Flow from Investing Activities		**(1830.96)**		**(942.95)**
C.	**Cash Flow from Financing Activities**				
1.	Issue/ (Redemption) of Rupee Debt Securities (net)	27,473.52		14,835.97	
2.	Issue/ (Redemption) of Commercial Paper (net)	(135.64)		-	
3.	Raising/ (Repayments) of Rupee Term Loans/ WCDL from Banks/ FIs (net)	3,640.02		14,808.94	
4.	Raising/ (Repayments) of Foreign Currency Debt Securities and Borrowings (net)	30,921.49		11,643.52	
5.	Expenses on issue of Bonus Equity Shares	-		(0.71)	
6.	Raising/ (Redemption) of Subordinated Liabilities (net)	590.00		-	
7.	Coupon payment on Perpetual Debt Instruments entirely equity in nature	(44.50)		(44.50)	
8.	Payment of Dividend on Equity Shares	(2,857.05)		(3,120.37)	
9.	Repayment towards Lease Liability	(0.02)		(0.01)	

(₹ in Crores)

Particulars	Year ended 31-03-2024		Year ended 31-03-2023	
Net Cash flow from Financing Activities		**59,587.82**		**38,122.84**
Net Increase/Decrease in Cash & Cash Equivalents		**34.21**		**(179.88)**
Cash & Cash Equivalents as at the beginning of the Year		**(38.89)**		**140.99**
Cash & Cash Equivalents as at the end of the Year		**(4.69)**		**(38.89)**

During the year, the Group has received Dividend of ₹ 2.28 crore (previous year ₹ 11.89 crore). Further, during the year, the Group has paid an amount of ₹ 249.42 crore (previous year ₹ 211.13 crore) towards Corporate Social Responsibility.

Components of Cash & Cash Equivalents as at end of the year are:

(₹ in Crores)

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
- Cash on Hand (including imprest)	0.02	0.00
- Balances with Banks	67.65	41.01
- Short-term Deposits with Scheduled Banks	195.08	7.69
- Bank Overdraft	(267.44)	(87.59)
Total Cash & Cash Equivalents	**(4.69)**	**(38.89)**

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 31-03-2024						
Rupee Debt Securities	**2,04,211.79**	27,473.52	1,541.71	-	(11.24)	**2,33,215.78**
Commercial Paper	**-**	(135.64)	-	-	135.64	**-**
Rupee Term Loans/ WCDL	**76,422.96**	3,819.87	(74.45)	-	-	**80,168.38**
Foreign Currency Debt Securities & other Borrowings	**93,381.71**	30,921.49	162.66	528.18	(222.91)	**1,24,771.13**
Subordinated Liabilities	**6,773.30**	590.00	24.27	-	24.64	**7,412.21**
Total	**3,80,789.76**	**62,669.24**	**1,654.19**	**528.18**	**(73.87)**	**4,45,567.50**
Year ended 31-03-2023						
Rupee Debt Securities	**1,89,547.46**	14,835.97	(33.08)	-	(138.56)	**2,04,211.79**
Commercial Paper	**-**	-	-	-	-	**-**
Rupee Term Loans/ WCDL	**61,460.56**	14,896.53	65.87	-	-	**76,422.96**
Foreign Currency Debt Securities & Bonds	**75,218.18**	11,643.52	199.88	6,328.39	(8.26)	**93,381.71**
Subordinated Liabilities	**6,816.47**	-	(0.01)	-	(43.16)	**6,773.30**
Total	**3,33,042.67**	**41,376.02**	**232.66**	**6,328.39**	**(189.98)**	**3,80,789.76**

** 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

Vijay Kumar Singh
Director (Projects)
DIN - 02772733

Vivek Kumar Dewangan
Chairman & Managing Director
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In terms of our Audit Report of even date

For Kailash Chand Jain & Co.
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Abhinav Khosla
Partner
Membership Number : 087010

Place : Mumbai
Date : 30th April 2024

Consolidated Statement of Changes in Equity for the year ended 31st March 2024

A. Equity share capital

(₹ in Crores)

Particulars	As at 31-03-2024	As at 31-03-2023
Balance at the beginning of the period	**2,633.22**	**1,974.92**
Changes in equity share capital during the period*	-	658.30
Balance at the end of the period	**2,633.22**	**2,633.22**

Refer note 26 for detail.

** During the previous period, the Company has issued 65,83,06,000 equity shares of ₹ 10 each as fully paid-up bonus shares in the ratio of 1 (One) equity share for every 3 (Three) equity share outstanding on the record date i.e. 18th August 2022.*

B. Instruments entirely equity in nature

(₹ in Crores)

Particulars	As at 31-03-2024	As at 31-03-2023
Balance at the beginning of the period	**558.40**	**558.40**
Changes in Instruments entirely equity in nature during the period	-	-
Balance at the end of the period	**558.40**	**558.40**

Refer note 27 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	Statutory Reserve 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 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**
Profit for the year	-	-	-	-	-	-	-	11,166.98	-	-	-	-	11,166.98
Remeasurement of Defined Benefit Plans	-	-	-	-	-	-	-	(4.48)	-	-	-	-	(4.48)
Recognition through Other Comprehensive Income (net of taxes)	-	-	-	-	-	-	-	-	-	(58.48)	405.84	(1,313.92)	(966.56)

(₹ 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	Statutory Reserve 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					
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**11,162.50**	**-**	**(58.48)**	**405.84**	**(1,313.92)**	**10,195.94**
Transferred to/ (from) Retained Earnings	2,674.96	-	2,211.15	-	-	-	-	(4,886.11)	-	-	-	-	-
Transferred to General Reserve	-	(196.82)	-	-	-	196.82	-	-	-	-	-	-	-
Reclassification of gain/ (loss) on sale/ extinguishment of FVOCI equity instrument (net of taxes)	-	-	-	-	-	-	-	5.01		(5.01)	-	-	-
Foreign Currency Translation Loss on long term monetary items during the year	-	-	-	-	(487.03)	-	-	-	-	-	-	-	(487.03)
Amortisation during the year	-	-	-	-	251.88	-	-	-	-	-	-	-	251.88
Coupon payment on Instrument Entirely Equity in Nature (Perpetual Debt Instruments) (Net of Taxes)	-	-	-	-	-	-	-	(33.30)	-	-	-	-	(33.30)
Sub-Total	**2,674.96**	**(196.82)**	**2,211.15**	**-**	**(235.15)**	**196.82**	**-**	**(4,914.40)**	**-**	**(5.01)**	**-**	**-**	**(268.45)**
Utilised for issue of Bonus Equity Shares	-	-	-	(658.30)	-	-	-	-	-	-	-	-	(658.30)
Expenses incurred on issue of Bonus Equity Shares	-	-	-	(0.71)	-	-	-	-	-	-	-	-	(0.71)
Dividends	-	-	-	-	-	-	-	(3,120.37)	-	-	-	-	(3,120.37)
Sub-total-Transaction with owners	**-**	**-**	**-**	**(659.01)**	**-**	**-**	**-**	**(3,120.37)**	**-**	**-**	**-**	**-**	**(3,779.38)**
Balance as at 31st March 2023	**24,977.89**	**-**	**8,025.15**	**1,577.53**	**(790.44)**	**12,036.27**	**-**	**10,313.78**	**-**	**(101.47)**	**600.05**	**(1,709.87)**	**54,928.89**

(₹ 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	Statutory Reserve 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 2023	**24,977.89**	**-**	**8,025.15**	**1,577.53**	**(790.44)**	**12,036.27**	**-**	**10,313.78**	**-**	**(101.47)**	**600.05**	**(1,709.87)**	**54,928.89**
Profit for the year	-	-	-	-	-	-	-	**14,145.46**	-	-	-	-	14,145.46
Remeasurement of Defined Benefit Plans	-	-	-	-	-	-	-	(0.74)	-	-	-	-	(0.74)
Recognition through Other Comprehensive Income (net of taxes)	-	-	-	-	-	-	-	-	-	91.48	(2,446.98)	3,400.51	1,045.01
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**14,144.72**	**-**	**91.48**	**(2,446.98)**	**3,400.51**	**15,189.73**
Transferred to/ (from) Retained Earnings	3,066.94	687.76	2,803.84	-	-	-	-	(6,558.54)	-	-	-	-	-
Reclassification of gain/ (loss) on sale/ extinguishment of FVOCI equity instrument (net of taxes)	-	-	-	-	-	-	-	48.00	-	(48.00)	-	-	-
Foreign Currency Translation Loss on long term monetary items during the year	-	-	-	-	(85.73)	-	-	-	-	-	-	-	(85.73)
Amortisation during the year	-	-	-	-	201.03	-	-	-	-	-	-	-	201.03
Coupon payment on Instrument Entirely Equity in Nature (Perpetual Debt Instruments) (Net of Taxes)	-	-	-	-	-	-	-	(33.30)	-	-	-	-	(33.30)
Sub-total	**3,066.94**	**687.76**	**2,803.84**	**-**	**115.30**	**-**	**-**	**(6,543.84)**	**-**	**(48.00)**	**-**	**-**	**82.00**

(₹ 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	Statutory Reserve 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					
Dividends	-	-	-	-	-	-	-	(4,042.00)	-	-	-	-	(4,042.00)
Sub-Total- Transaction with owners	-	-	-	-	**-**	**-**	**-**	**(4,042.00)**	**-**	**-**	**-**	**-**	**(4,042.00)**
Balance as at 31st March 2024	**28,044.83**	**687.76**	**10,828.99**	**1,577.53**	**(675.14)**	**12,036.27**	**-**	**13,872.66**	**-**	**(57.99)**	**(1,846.93)**	**1,690.64**	**66,158.63**

Refer Note No. 28.1 for details regarding drawdown/ tranfers from Reserve.

Accompanying Notes to Financial Statements **1 to 73**

For and on behalf of the Board

J.S. Amitabh
ED & Company Secretary

Vijay Kumar Singh
Director (Projects)
DIN - 02772733

Vivek Kumar Dewangan
Chairman & Managing Director
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Abhinav Khosla
Partner
Membership Number : 087010

Place : Mumbai
Date : 30th April 2024

Consolidated Notes to Accounts

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 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 of India Enterprise 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). Being an NBFC, the company is regulated by Reserve Bank of India.

The company has been accorded with the status of a 'Maharatna' Central Public Sector Enterprise by the Department of Public Enterprises, under the Ministry of Finance.

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. During FY 2022-23, REC has also diversified into the Non-Power Infrastructure sector comprising Roads & Expressways, Metro Rail, Airports, IT Communication, Social and Commercial Infrastructure (Educational Institution, Hospitals), Ports and Electro-Mechanical (E&M) works in respect of various other sectors like Steel, Refinery, etc.

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 including those issued by RBI.

The consolidated financial statements for the year ended 31st March 2024 were authorized and approved by the Board of Directors on 30th April 2024.

3. Material Accounting Policies

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

3.1 Basis of consolidation

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 (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.

As a matter of prudence, income on credit impaired loan assets is recognised as and when received or on accrual basis when expected realisation is higher than the loan amount outstanding.

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 the basis of the services rendered and amount of fee sanctioned by the Ministry of Power.

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 year 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 year 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.

Consolidated Notes to Accounts

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 1st 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 amortized.

Land also includes land treated as a Right of Use asset under lease agreement earlier classified as finance lease and is amortized 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 are 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 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 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 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.

Impairment Allowance (expected credit loss) 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 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.

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.

Consolidated Notes to Accounts

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.

3.13 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 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.

3.14 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.

3.15 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.

3.16 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.

3.17 Prepaid Expenses

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

3.18 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.

3.19 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), Provident Fund (PF) 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 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.

3.20 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.

3.21 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 material 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 material to the fair value measurement is directly or indirectly observable
- **Level 3** - Valuation techniques for which the lowest level input that is material 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 material to the fair value measurement as a whole) at the end of each reporting period.

3.22 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.

3.23 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 material 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.

3.24 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. Further, MCA has not issued any new Ind-AS applicable to the company.

5. Material 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. The estimates and underlying assumptions are based on historical experience & other relevant factors and are reviewed on an ongoing basis. Actual results may differ from these estimates.

Changes in accounting estimates- Such changes, if any, are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision & future periods if it affects both current & future periods.

Material 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.

Consolidated Notes to Accounts

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 - As a matter of prudence, income on credit impaired loan assets is recognised as and when received or on accrual basis when expected realisation is higher than the loan amount outstanding.

Material estimates

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

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 materially 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 – Material 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 31-03-2024	As at 31-03-2023
- Cash on Hand (including imprest)	0.02	-
- Balances with Banks		
- in current accounts	67.65	41.01
- deposits with original maturity of 3 months or less	195.08	7.69
Total	**262.75**	**48.70**

7. Bank Balances (other than Cash and Cash Equivalents)

(₹ in Crores)

Particulars	As at 31-03-2024	As at 31-03-2023
- Earmarked Balances with Banks		
- For unpaid dividends	1,192.72	6.79
- For Government funds for onward disbursement as grant	69.55	170.63
- Earmarked Term Deposits		
- Deposits in Compliance of Court Order	0.67	0.62
- Term Deposit- Debenture Redemption Reserves	-	196.35
- Balances with banks not available for use pending allotment of 54EC Capital Gain Tax Exemption Bonds	1,245.41	1,720.36
- Other Term deposits	191.40	252.16
Total	**2,699.75**	**2,346.91**
- Term Deposits with remaining maturity more than 3 months but less than 12 months	168.39	181.30
- Term Deposits with original maturity more than 12 months	23.01	70.86

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 2024 (Previous year Nil).

8. Trade Receivables

(₹ in Crores)

Particulars		As at 31-03-2024	As at 31-03-2023
(A)	Unsecured, Considered good	115.13	128.73
	Less: Allowance for Expected Credit Loss	(8.83)	(25.67)
		106.30	**103.06**
(B)	Trade receivables which have significant increse in credit risk	58.90	37.62
	Less: Allowance for Expected Credit Loss	(16.58)	(28.07)
		42.32	**9.55**
(C)	Credit impaired receivables	39.46	56.35
	Less: Allowance for Expected Credit Loss	(34.26)	(55.96)
		5.20	**0.39**
	Total Trade Receivables (A+B+C)	**153.82**	**113.00**

Consolidated Notes to Accounts

8.1. Trade Receivables ageing schedule

(₹ in Crores)

Particulars		Outstanding as at 31st March 2024					
		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	85.37	29.76	-	-	-	115.13
	- which have significant increase in credit risk	-	-	50.10	8.80	-	58.90
	- credit impaired	-	-	-	-	39.46	39.46
	Sub- total (i)	**85.37**	**29.76**	**50.10**	**8.80**	**39.46**	**213.49**
(ii)	**- Disputed Trade receivables**						
	- considered good	-	-	-	-	-	-
	- which have significant increase in credit risk	-	-	-	-	-	-
	- credit impaired	-	-	-	-	-	-
	Sub- total (ii)	**-**	-	**-**	**-**	**-**	**-**
	Total (i+ii)	**85.37**	**29.76**	**50.10**	**8.80**	**39.46**	**213.49**

(₹ in Crores)

Particulars		Outstanding as at 31st March 2023					
		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	97.52	31.21	-	-	-	128.73
	- which have significant increase in credit risk	-	-	21.32	16.30	-	37.62
	- credit impaired	-	-	-	-	56.35	56.35
	Sub- total (i)	**97.52**	**31.21**	**21.32**	**16.30**	**56.35**	**222.70**
(ii)	**- Disputed Trade receivables**						
	- considered good	-	-	-	-	-	-
	- which have significant increase in credit risk	-	-	-	-	-	-
	- credit impaired	-	-	-	-	-	-
	Sub- total (ii)	**-**	-	**-**	**-**	**-**	**-**
	Total (i+ii)	**97.52**	**31.21**	**21.32**	**16.30**	**56.35**	**222.70**

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 51 for Risk Management Disclosures in respect of the derivatives.

Consolidated Notes to Accounts

Part I

(₹ in Crores)

Particulars		As at 31-03-2024			As at 31-03-2023		
		Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
(i)	**Currency Derivatives**						
	- Currency swaps	3,126.52	43.34	38.13	3,083.13	47.50	58.13
	- Others						
	- Call Spread	-	-	-	2,055.42	208.14	-
	- Seagull Options	1,21,107.24	11,070.97	411.82	80,362.47	8,007.42	87.89
	Sub-total (i)	**1,24,233.76**	**11,114.31**	**449.95**	**85,501.02**	**8,263.06**	**146.02**
(ii)	**Interest Rate Derivatives**						
	- Forward Rate Agreements and Interest Rate Swaps	72,128.13	1,367.71	309.75	46,278.27	718.55	300.82
	Sub-total (ii)	**72,128.13**	**1,367.71**	**309.75**	**46,278.27**	**718.55**	**300.82**
(iii)	**Other derivatives**						
	- Reverse cross currency swaps	-	-	-	4,947.00	-	530.11
	Total - Derivative Financial Instruments (i + ii+iii)	**1,96,361.89**	**12,482.02**	**759.70**	**1,36,726.29**	**8,981.61**	**976.95**

Part II

Included in Part I are derivatives held for hedging and risk management purposes as below:

(₹ in Crores)

Particulars		As at 31-03-2024			As at 31-03-2023		
		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	15,950.70	-	297.73	15,950.70	10.32	289.34
	Sub-total (i)	**15,950.70**	**-**	**297.73**	**15,950.70**	**10.32**	**289.34**
(ii)	**Cash Flow Hedging**						
	- Currency Derivatives						
	- Currency Swaps	3,126.52	43.34	38.13	3,083.13	38.85	-
	- Others						
	- Call Spread	-	-	-	2,055.42	208.14	-
	- Seagull Options	1,21,107.24	11,070.96	411.82	80,362.47	7,979.02	85.76
	- Interest Rate Derivatives						
	- Forward Rate Agreements and Interest Rate Swaps	49,477.43	905.30	12.02	23,627.57	337.69	11.48
	Sub-total (ii)	**1,73,711.19**	**12,019.60**	**461.97**	**1,09,128.59**	**8,563.70**	**97.24**
(iii)	Undesignated Derivatives	6,700.00	462.42	-	11,647.00	407.59	590.37
	Total - Derivative Financial Instruments (i+ii+iii)	**1,96,361.89**	**12,482.02**	**759.70**	**1,36,726.29**	**8,981.61**	**976.95**

Consolidated Notes to Accounts

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.

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 31-03-2024		As at 31-03-2023	
		Principal O/s	Amortised Cost	Principal O/s	Amortised Cost
(A)	**Loans**				
(i)	Term Loans	4,62,090.27	4,63,975.61	4,08,463.40	4,09,638.42
(ii)	Working Capital Term Loans	47,280.68	47,596.96	26,548.39	26,709.24
	Total (A) - Gross Loans	**5,09,370.95**	**5,11,572.57**	**4,35,011.79**	**4,36,347.66**
	Less: Impairment loss allowance	(12,380.52)	(12,380.52)	(14,263.75)	(14,263.75)
	Total (A) - Net Loans	**4,96,990.43**	**4,99,192.05**	**4,20,748.04**	**4,22,083.91**
(B)	**Security Details**				
(i)	Secured by tangible assets	2,47,650.53	2,48,205.98	2,42,310.94	2,42,633.17
(ii)	Covered by Government Guarantees	2,24,500.49	2,25,967.86	1,72,069.58	1,73,004.21
(iii)	Unsecured	37,219.92	37,398.72	20,631.27	20,710.28
	Total (B) - Gross Loans	**5,09,370.95**	**5,11,572.57**	**4,35,011.79**	**4,36,347.66**
	Less: Impairment loss allowance	(12,380.52)	(12,380.52)	(14,263.75)	(14,263.75)
	Total (B) - Net Loans	**4,96,990.43**	**4,99,192.05**	**4,20,748.04**	**4,22,083.91**
(C)(I)	**Loans in India**				
(i)	Public Sector	4,54,647.08	4,56,894.28	3,93,225.23	3,94,571.78
(ii)	Private Sector	54,723.87	54,678.29	41,786.56	41,775.88
	Total (C)(I) - Gross Loans	**5,09,370.95**	**5,11,572.57**	**4,35,011.79**	**4,36,347.66**
	Less: Impairment loss allowance	(12,380.52)	(12,380.52)	(14,263.75)	(14,263.75)
	Total (C)(I) - Net Loans	**4,96,990.43**	**4,99,192.05**	**4,20,748.04**	**4,22,083.91**
(C)(II)	**Loans outside India**	-	-	-	-
	Less: Impairment loss allowance	-	-	-	-
	Total (C)(II) - Net Loans	**-**	**-**	**-**	**-**
	Total (C)(I) and (C)(II)	**4,96,990.43**	**4,99,192.05**	**4,20,748.04**	**4,22,083.91**

10.1 Reconciliation between the figures reported under Ind-AS and contractual amounts outstanding in respect of Loans:

(₹ in Crores)

Particulars	As at 31-03-2024	As at 31-03-2023
Net Loans	**4,99,192.05**	**4,22,083.91**
Less: Interest accrued and due on Loans classified under the same head as per Ind-AS	(300.36)	(60.23)
Less: Interest accrued and not due on Loans classified under the same head as per Ind-AS	(2,201.98)	(1,436.81)
Add: Allowance for Expected Credit Loss (ECL) netted off as per Ind-AS	12,380.52	14,263.75
Add: Ind-AS Adjustments in respect of fees based income at Effective Interest Rate (EIR)	300.72	161.17
Gross Loans	**5,09,370.95**	**4,35,011.79**

Consolidated Notes to Accounts

10.2 Movement of Impairment Loss Allowance in respect of Loans

(₹ in Crores)

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
Opening Balance	**14,263.75**	**14,704.66**
Add: Impairment loss allowance provided during the year (Refer Note 38)	(1,383.21)	110.17
Less: Allowance utilised towards write-off of loans	(500.02)	(551.08)
Closing Balance	**12,380.52**	**14,263.75**

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 ₹500.02 crores (Previous year ₹551.08 crores). The details of write-offs are as below:

(i) During the current year

(a) Pursuant to Restructuring Agreement executed on 21st December 2023 in respect of Dans Energy Private Limited under RBI Circular "Prudential Framework for Resolution of Stressed Assets" dated 07-06-2019, the company has received entire outstanding of ₹366.88 crores after appropriating the recoveries of ₹415.99 crores (Term Loan of ₹415.99 crores and Optionally convertible debentures Nil) with corresponding reversal of ECL of ₹40.17 crores.

(b) Pursuant to the Resolution Plan approved under IBC proceedings executed on 10th August 2023 in respect of Meenakshi Energy Private Limited, the company has written off an amount of ₹499.61 crore after appropriating recoveries of ₹211.23 crores (Cash of ₹50.90 crore and Non-Convertible Debentures (NCD) of ₹160.33 crore) with corresponding reversal of ECL of ₹488.42 crores.

(c) Pursuant to the One Time Settlement executed on 20th November 2023 in respect of Classic Global Limited, the company has written off an amount of ₹0.41 crores after appropriating cash recoveries of ₹2.50 crores with corresponding reversal of ECL of ₹2.91 crores.

(ii) During the previous year

(a) Pursuant to the Resolution Plan approved under IBC proceedings executed on 5th September 2022 in respect of Jhabua Power Limited, the Company has written off an amount of ₹10.41 crores after appropriating recoveries of ₹310.63 crores (Cash₹77.41 crore, Non-Convertible Debentures of ₹51.48 crore and Equity of ₹181.74 crore) with corresponding reversal of ECL of ₹197.09 crores.

(b) Pursuant to the Resolution Plan approved under IBC proceedings executed on 16th September 2022 in respect of South East U.P. Power Transmission Company Limited, the company has recovered the entire outstanding loan of ₹922.09 crores and ₹132.91 crores overdue interest after appropriating cash recoveries of ₹1,055.00 crores with corresponding reversal of ECL of ₹461.05 crores.

(c) Pursuant to the Resolution Plan approved under IBC proceedings executed on 27th December 2022 in respect of Ind Barath Energy (Utkal) Limited, the Company has written off an amount of ₹536.16 crores after appropriating equity & cash recoveries totalling to ₹240.84 crores with corresponding reversal of ECL of ₹624.01 crores.

(d) Pursuant to the One Time Settlement executed on 2nd December 2022 in respect of ATN International Limited, the Company has written off an amount of ₹3.45 crores after appropriating total recoveries of ₹6.00 crores (of which ₹4.15 crores received in FY 2023-24) with corresponding reversal of ECL of ₹9.45 crores.

(e) Pursuant to the One Time Settlement executed on 2nd December 2022 in respect of Silicon Valley infotech Limited, the Company has written off an amount of ₹1.06 crore after appropriating total recoveries of ₹1.85 crores (of which ₹1.35 crores to be received in FY 2023-24) with corresponding reversal of ECL of ₹2.91 crores.

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 31-03-2024		As at 31-03-2023	
	%	Amount	%	Amount
Gross Loan Book of the Company		5,09,370.95		4,35,011.79
Loan Assets for which balance confirmations have been received from borrowers	94%	4,76,725.31	93%	4,06,179.64

Consolidated Notes to Accounts

(₹ in Crores)

Particulars	As at 31-03-2024		As at 31-03-2023	
	%	Amount	%	Amount
Loan Assets for which balance confirmations is yet to be received from borrowers of which,	6%	32,645.64	7%	28,832.15
Loans secured by tangible assets	47%	15,457.53	54%	15,630.88
Loans covered by Government Guarantee/ Loans to Government	34%	11,149.39	25%	7,065.14
Unsecured loans	19%	6,038.73	21%	6,136.12

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

(₹ 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= 5+6)
As at 31st March, 2024							
Government Securities	1,624.08	-	-	-	**1,624.08**	-	**1,624.08**
Debt Securities	2,176.20	-	1,065.03	-	**3,241.23**	-	**3,241.23**
Equity Instruments	-	410.64	76.37	-	**487.01**	-	**487.01**
Preference Shares	28.72	-	-	-	**28.72**	-	**28.72**
Total - Gross (A)	**3,829.00**	**410.64**	**1,141.40**	**-**	**5,381.04**	**-**	**5,381.04**
Investments outside India	-	-	-	-	-	-	-
Investments in India	3,829.00	410.64	1,141.40	-	5,381.04	-	5,381.04
Total - Gross (B)	**3,829.00**	**410.64**	**1,141.40**	**-**	**5,381.04**	**-**	**5,381.04**
Total Investments	3,829.00	410.64	1,141.40	-	5,381.04	-	5,381.04
Less: impairment loss allowance (C)	(28.72)	-	-	-	(28.72)	-	(28.72)
Total - Net (D=A-C)	**3,800.28**	**410.64**	**1,141.40**	**-**	**5,352.32**	**-**	**5,352.32**
As at 31st March, 2023							
Government Securities	1,431.74	-	-	-	**1,431.74**	-	**1,431.74**
Debt Securities	766.90	-	562.34	-	**1,329.24**	-	**1,329.24**
Equity Instruments	-	381.71	27.31	-	**409.02**	-	**409.02**
Preference Shares	28.72	-	-	-	**28.72**	-	**28.72**
Total - Gross (A)	**2,227.36**	**381.71**	**589.65**	**-**	**3,198.72**	**-**	**3,198.72**

Consolidated 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= 5+6)
Investments outside India	-	-	-	-	-	-	-
Investments in India	2,227.36	381.71	589.65	-	3,198.72	-	3,198.72
Total - Gross (B)	**2,227.36**	**381.71**	**589.65**	**-**	**3,198.72**	**-**	**3,198.72**
Total Investments	2,227.36	381.71	589.65	-	3,198.72	-	3,198.72
Less: impairment loss allowance (C)	(28.72)	-	-	-	(28.72)	-	(28.72)
Total - Net (D=A-C)	**2,198.64**	**381.71**	**589.65**	**-**	**3,170.00**	**-**	**3,170.00**

11.1 Details of investments

(₹ in Crores)

Particulars	Investment measured at	As at 31-03-2024		As at 31-03-2023	
		Number	Amount	Number	Amount
(A) Total - Central/ State Government Securities- Quoted (HQLAs)*	Amortised Cost	15,86,33,000	**1,624.08**	13,97,12,800	**1,431.74**
(B) Debt Securities					
(i) Corporate Bonds- Quoted (HQLAs)*					
- 9.95% Uttar Pardesh Power Corporation Limited (UPPCL)	Amortised Cost	3,700	373.32	3,000	300.00
- 9.62% Andhra Pradesh State Beverages Corporation Limited (APSBCL)	Amortised Cost	1,235	127.86	-	-
- 9.70% Uttar Pradesh Power Corporation Limited (UPPCL)	Amortised Cost	550	56.85	-	-
- 8.49% Green Bonds of Kerala Infrastructure Investment Fund Board (KIIFB)- Quoted	Amortised Cost	4,998	49.98	-	-
- 9.10% Domestic Bonds Series II of Kerala Infrastructure Investment Fund Board (KIIFB)- Quoted	Amortised Cost	49,994	500.56	-	-
- 8% Bonds of Mahanagar Telephone Nigam Limited (MTNL)	Amortised Cost	1,000	102.98	1,000	102.97
- 7.05% Bonds of Mahanagar Telephone Nigam Limited	Amortised Cost	850	88.09	850	88.12
- 6.65% Bonds of Food Corporation of India	Amortised Cost	200	20.61	200	20.61
- 7.19% Bonds of THDC India Limited	Amortised Cost	250	26.30	250	26.31
- 8.69% Bonds of Damodar Valley Corporation	Amortised Cost	200	21.06	200	21.35
- 7.30% Bonds of Power Grid Corporation of India Limited	Amortised Cost	200	21.98	200	22.22
- 5.78% Bonds of Chennai Petroleum Corporation Limited	Amortised Cost	150	15.62	150	15.62

Consolidated Notes to Accounts

(₹ in Crores)

Particulars	Investment measured at	As at 31-03-2024		As at 31-03-2023	
		Number	Amount	Number	Amount
- 6.11% Bonds of Bharat Petroleum Corporation Limited	Amortised Cost	100	10.47	100	10.49
- 7.30% Bonds of NMDC Steel Limited	Amortised Cost	200	21.15	200	21.35
(ii) Debt Securities (other than HQLAs)					
- 10% Non-Convertible Debentures of GMR Goa International Airport Limited (GGIAL) - Quoted	Amortised Cost	49,488	493.20	-	-
- 7.99% Perpetual Bonds of Canara Bank- Quoted	Fair value through profit or loss	200	208.49	200	208.47
- 9.50% Perpetual Bonds of UCO Bank- Quoted	Fair value through profit or loss	228	228.80	228	228.79
- 8.55% Perpetual Bonds of Punjab National Bank- Quoted	Fair value through profit or loss	500	510.65	-	-
- 3% Optionally convertible debentures- Series A of Essar Power Transmission Co. Limited-Unquoted	Fair value through profit or loss	15,22,63,003	81.30	16,54,03,256	86.85
- 3% Optionally convertible debentures- Series B of Essar Power Transmission Co. Limited-Unquoted	Fair value through profit or loss	6,70,35,820	35.79	7,28,21,001	38.23
- Optionally convertible debentures- Series C of Essar Power Transmission Co. Limited-Unquoted **	Fair value through profit or loss	1,86,35,162	-	1,86,35,162	-
- 0% Non- Convertible Debentures (NCDs) of Ferro Alloys Corporation Limited- Unquoted	Amortised Cost	-	-	2,55,19,173	56.40
- 0% Non- Convertible Debentures (NCDs) of Meenakshi Energy Limited- Unquoted	Amortised Cost	2,50,95,356	169.01	-	-
- 8.50% Non- Convertible Debentures (NCDs) of Jhabua Power Limited- Unquoted	Amortised Cost	45,04,532	45.05	49,33,536	49.34
- 0.01% Optionally Convertible Debentures (OCD) Series A of R.K.M PowerGen Private Limited-Unquoted **	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 Limited-Unquoted **	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-Unquoted **	Fair value through profit or loss	1,04,74,150	-	1,04,74,150	-
- 0.01% Optionally Convertible Debentures (OCD) of Dans Energy Private Limited- Unquoted **	Fair value through profit or loss	2,13,75,000	-	-	-

Consolidated Notes to Accounts

(₹ in Crores)

Particulars	Investment measured at	As at 31-03-2024		As at 31-03-2023	
		Number	Amount	Number	Amount
- 7.39% Tax Free 15 years Secured Redeemable Non Convertible Bonds of Housing and Urban Development Corporation(HUDCO)	Amortised Cost	86,798	8.82	86,798	8.81
- 7.35% Tax Free Bonds of National Highway Authority of India Ltd. (NHAI)	Amortised Cost	42,855	4.60	42,855	4.60
- 7.39% Tax Free of National Highway Authority of India Ltd. (NHAI)	Amortised Cost	35,463	3.68	35,463	3.68
- 7.49% Tax Free Bonds of Indian Renewable Energy Development Agency (IREDA)	Amortised Cost	61,308	6.21	61,308	6.22
- 7.35% Tax Free Bonds of Indian Railway Finance Corporation (IRFC)	Amortised Cost	22,338	2.31	22,338	2.31
- 7.35% Tax Free Bonds of National Bank for Agriculture and Rural Development (NABARD)	Amortised Cost	14,028	1.40	14,028	1.41
- 8.76% Tax Free Bonds of Housing and Urban Development Corporation (HUDCO)	Amortised Cost	50,000	5.09	50,000	5.09
Total (B) - Debt Securities (i+ii)			**3,241.23**		**1,329.24**
(C) Equity Instruments			-		-
(i) Total - Subsidiary					
(ii) Others					
- NHPC Limited- Quoted	Fair value through other comprehensive income	1,04,69,555	93.91	1,63,51,580	65.73
- HUDCO Limited- Quoted	Fair value through other comprehensive income	-	-	3,47,429	1.50
- Energy Efficiency Services Limited- Unquoted	Fair value through other comprehensive income	21,81,00,000	136.50	21,81,00,000	140.43
- Universal Commodity Exchange Limited- Unquoted	Fair value through other comprehensive income	1,60,00,000	-	1,60,00,000	-
- Jhabua Power Limited	Fair value through other comprehensive income	2,78,85,211	177.72	2,78,85,211	173.42
- Ind Barath Energy (Utkal) Limited	Fair value through other comprehensive income	127	2.51	127	0.63
- Rattan India Power Limited- Quoted	Fair value through profit or loss	9,25,68,105	76.37	9,25,68,105	27.31

Consolidated Notes to Accounts

(₹ in Crores)

Particulars	Investment measured at	As at 31-03-2024		As at 31-03-2023	
		Number	Amount	Number	Amount
- R.K.M PowerGen Private Limited- Unquoted **	Fair value through profit or loss	18,17,90,667	-	18,17,90,667	-
Total - Others			**487.01**		**409.02**
Total (C)- Equity Instruments (i+ii)			**487.01**		**409.02**
Preference Shares - Unquoted					
- Redeemable, issued by Rattan India Power Limited	Amortised cost	2,87,20,978	28.72	2,87,20,978	28.72
- Optionally Convertible, issued by Rattan India Power Limited	Fair value through profit or loss	4,33,03,616	-	4,33,03,616	-
(D) Total - Preference Shares			**28.72**		**28.72**
Others					
(E) Total - Others			**-**		**-**
Total Investments (F= A to E)			**5,381.04**		**3,198.72**
Less: impairment loss allowance (G)			(28.72)		(28.72)
Total - Net (H=F-G)			**5,352.32**		**3,170.00**

Refer note 55.1 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 Movement of Impairment Loss Allowance in respect of Investments:

(₹ in Crores)

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
Opening Balance	**28.72**	**28.72**
Add: Impairment loss allowance	-	-
Less: Allowance utilised towards write-off of Investments	-	-
Closing Balance	**28.72**	**28.72**

11.3 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) **<u>During the current year:</u>**

(a) Pursuant to Restructuring Agreement in respect of Dans Energy Private Limited , the company has been alloted 2,13,75,000 no. of 0.01% Optionally-Convertible Debentures (OCDs) having face value of ₹100/- each.

(b) Pursuant to the Resolution Plan approved under IBC proceedings in respect of Meenakshi Energy Private Limited, the company has been alloted 2,50,95,356 no. of 0% Non-Convertible Debentures (NCDs) having face value of ₹100/- each.

(ii) **<u>During the previous year:</u>**

(a) Pursuant to the Resolution Plan approved under IBC proceedings in respect of Jhabua Power Limited, the company has been allotted 2,78,85,211 no. of equity shares having face value of ₹10/- each and 51,48,038 no. of 8.50% Non-Convertible Debentures having face value of ₹100/- each.

(b) Pursuant to the Resolution Plan approved under IBC proceedings in respect of Ind Barath Energy (Utkal) Limited, the company has been allotted 127 no. of equity shares having face value of ₹10/- each.

Refer note 10.3 for further details.

11.4 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 operation comprise of only one business segment i.e. providing financial assistance to power, logistic and infrastructure sector. Thus, in order to isolate Standalone Statement of Profit and 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).

Consolidated Notes to Accounts

Details of FVOCI investments derecognised during the year:

(₹ in Crores)

Name of the company	FY 2023-24			FY 2022-23		
	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	58,82,025	60.94	48.14	24,91,604	10.13	4.70
HUDCO Limited	3,47,429	6.45	4.37	0.00	0.00	0.00

During the FY 23-24, the Company has sold 58,82,025 equity shares of NHPC Limited (previous year 24,91,604 numbers) and entire 3,47,429 no. of equity shares of HUDCO Limited (previous year Nil) considering the market scenerio for a consideration of ₹60.94 crores (previous year ₹10.13 crores) and ₹6.45 crores (previous year Nil) respectively 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.

11.5 The Board of Directors of the Company have approved Incorporation of a Wholly-Owned Subsidiary (WOS) for dealing in permissible activities as a Finance Company in International Financial Service Centre (IFSC), Gujarat International Finance Tec-City ("GIFT"), Gandhinagar, Gujarat, subject to receipt of approval from the Reserve Bank of India (RBI). The Finance Company will be deemed as a non-resident entity under extant FEMA regulations and will be goverened by unified regulator i.e International Financial Services Centres Authority (IFSCA). The Company has made an application to the Reserve Bank of India on February 8, 2024 seeking "No-Objection Certificate" (NOC) to set up such entity.

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 31-03-2024	As at 31-03-2023
(A) Loans to Employees (Refer Note no 12.1)	57.99	44.56
(B) Advances to Employees	0.90	0.49
(C) Loans & Advances to Holding/ Subsidiary	0.51	3.54
(D) Security Deposits	1.55	1.52
(E) Recoverable from Government of India		
Towards GoI Fully Serviced Bonds (Refer Note No. 22.5)	24,319.40	24,318.29
(F) Other amounts recoverable	132.86	149.35
Less: Impairment Loss allowance (Refer Note No. 12.2)	(67.79)	(95.21)
Other Amounts Recoverable (Net)	**65.07**	**54.14**
Total (A to F)	**24,445.42**	**24,422.54**

12.1 Details of Loans to Employees (Considered Good)

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 31-03-2024	As at 31-03-2023
(A) Secured Loans		
- To Key Managerial Personnel	0.06	0.12
- To employees Other than Key Managerial Personnel	37.38	28.28
Sub-total (A)	**37.44**	**28.40**
(B) Unsecured Loans		
- To Key Managerial Personnel	0.24	0.10

Consolidated Notes to Accounts

(₹ in Crores)

Particulars	As at 31-03-2024	As at 31-03-2023
- To employees Other than Key Managerial Personnel	20.31	16.06
Sub-total (B)	**20.55**	**16.16**
Total (A+B)	**57.99**	**44.56**

The figures above include interest accrued on such loans amounting to ₹ 10.3 crores (Previous year ₹ 9.27 crores).

12.2 Movement of impairment loss allowance on other financial assets

(₹ in Crores)

Particulars	As at 31-03-2024	As at 31-03-2023
Opening balance	95.21	91.17
Add: Created during the year	8.68	9.77
Less: Reversed/ Adjusted during the year	(36.10)	(5.73)
Closing balance	**67.79**	**95.21**

13. Current tax assets (net)

(₹ in Crores)

Particulars	As at 31-03-2024	As at 31-03-2023
Advance Income-tax & TDS	305.47	2,956.82
Less: Provision for Income Tax	(0.80)	(2,655.88)
Sub-Total (1)	**304.67**	**300.94**
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)	**309.68**	**305.95**

14. Deferred tax assets (net)

(₹ in Crores)

Particulars	As at 31-03-2024	As at 31-03-2023
Deferred tax assets (net)	**2,500.96**	**3,307.56**

14.1 Significant components of net deferred tax assets and liabilities for the year ended 31st March 2024 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	3,376.59	(529.97)	-	-	2,846.62
Provision for Earned Leave	6.80	1.71	-	-	8.51
Provision for Medical Leave	5.19	0.23	-	-	5.42
Provision for Other Expenses	0.12	(0.19)	-	-	(0.07)
Fair Valuation of Invetments	14.49	(11.66)	(4.50)	-	(1.67)
Fair Valuation of Derivatives	446.46	35.48	(320.69)	-	161.25
Total Deferred Tax Assets	**3,849.65**	**(504.40)**	**(325.19)**	**-**	**3,020.06**

Consolidated Notes to Accounts

(₹ in Crores)

Particulars	Opening balance	Recognised in Profit or Loss	Recognised in OCI	Others	Closing balance
Deferred Tax Liabilities					
Depreciation and Amortisation	26.49	6.14	-	-	32.63
Unamortised Foreign Currency Exchange Fluctuations	218.30	(30.87)	-	-	187.43
Financial assets and liabilities measured at amortised cost	232.11	11.25	-	-	243.36
Fair valuaton of Debt Securities	65.19	(9.51)	-	-	55.68
Total Deferred Tax Liabilities	**542.09**	**(22.99)**	**-**	**-**	**519.10**
Total Deferred Tax Assets (Net)	**3,307.56**	**(481.41)**	**(325.19)**	**-**	**2,500.96**

Significant components of net deferred tax assets and liabilities for the year ended 31st March 2023 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	3,481.30	(104.71)	-	-	3,376.59
Provision for Earned Leave	6.63	0.17	-	-	6.80
Provision for Medical Leave	5.41	(0.22)	-	-	5.19
Fair Valuation of Investments	8.41	6.40	(0.32)	-	14.49
Provision for Other Expenses	1.22	(1.10)	-	-	0.12
Fair Valuation of Derivatives	65.07	75.98	305.41	-	446.46
Right of Use asset (Net of lease liability)	-	-	-	-	-
Total Deferred Tax Assets	**3,568.04**	**(23.48)**	**305.09**	**-**	**3,849.65**
Deferred Tax Liabilities					
Depreciation and Amortisation	12.46	14.03	-	-	26.49
Unamortised Foreign Currency Exchange Fluctuations	151.05	67.25	-	-	218.30
Financial assets and liabilities measured at amortised cost	216.24	15.87	-	-	232.11
Fair valuaton of Debt Securities	28.17	37.02	-	-	65.19
Total Deferred Tax Liabilities	**407.92**	**134.17**	**-**	**-**	**542.09**
Total Deferred Tax Assets (Net)	**3,160.12**	**(157.66)**	**305.09**	**-**	**3,307.56**

Consolidated 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 31.03.2022	**110.39**	**1.59**	**430.83**	**19.90**	**67.75**	**26.71**	**24.15**	**0.40**	**681.72**	**6.07**	**-**	**14.81**
Additions	-	-	26.07	0.20	3.64	5.49	7.76	0.14	43.30	22.69	-	0.01
Borrowings Cost Capitalised	-	-	-	-	-	-	-	-	-	0.03	-	-
Disposals	-	-	-	0.04	3.70	5.62	6.39	-	15.75	26.07	-	0.10
As at 31.03.2023	**110.39**	**1.59**	**456.90**	**20.06**	**67.69**	**26.58**	**25.52**	**0.54**	**709.27**	**2.72**	**-**	**14.72**
As at 31.03.2023	**110.39**	**1.59**	**456.90**	**20.06**	**67.69**	**26.58**	**25.52**	**0.54**	**709.27**	**2.72**	**-**	**14.72**
Additions	-	-	-	0.39	2.68	9.19	7.95	0.18	20.39	20.34	-	-
Borrowings Cost Capitalised	-	-	-	-	-	-	-	-	-	0.53	-	-
Disposals/ Adjustments	-	-	-	-	3.10	3.60	6.73	0.01	13.44	-	-	0.01
As at 31.03.2024	**110.39**	**1.59**	**456.90**	**20.45**	**67.27**	**32.17**	**26.74**	**0.71**	**716.22**	**23.59**	**-**	**14.71**
Accumulated depreciation/ amortisation												
As at 31.03.2022	**-**	**0.37**	**13.51**	**0.95**	**10.94**	**19.23**	**12.32**	**0.37**	**57.69**	**-**	**-**	**10.53**
Charge for the year	-	0.02	7.10	1.28	6.05	3.62	3.51	0.02	21.60	-	-	2.66
Adjustment for disposals	-	-	-	-	1.28	4.15	3.75	0.01	9.19	-	-	0.10
As at 31.03.2023	**-**	**0.39**	**20.61**	**2.23**	**15.71**	**18.70**	**12.08**	**0.38**	**70.10**	**-**	**-**	**13.09**
As at 31.03.2023	**-**	**0.39**	**20.61**	**2.23**	**15.71**	**18.70**	**12.08**	**0.38**	**70.10**	**-**	**-**	**13.09**
Charge for the year	-	0.02	7.21	1.29	6.13	4.49	3.70	0.04	22.88	-	-	1.11
Adjustment for disposals	-	-	-	-	1.59	2.55	3.60	-	7.74	-	-	0.01
As at 31.03.2024	**-**	**0.41**	**27.82**	**3.52**	**20.25**	**20.64**	**12.18**	**0.42**	**85.24**	**-**	**-**	**14.19**
Net block as at 31.03.2023	**110.39**	**1.20**	**436.29**	**17.83**	**51.98**	**7.88**	**13.44**	**0.16**	**639.17**	**2.72**	**-**	**1.63**
Net block as at 31.03.2024	**110.39**	**1.18**	**429.08**	**16.93**	**47.02**	**11.53**	**14.56**	**0.29**	**630.98**	**23.59**	**-**	**0.52**

Consolidated Notes to Accounts

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 2024

(₹ 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	1.89	Land & Development officer under Ministry of Urban Development, New Delhi	No	1990	Pending formalities from Land & Development Officer, office space allotted to the company at SCOPE Complex has not been registered in the name of the Company.

(B) As at 31st March 2023

(₹ 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	1.95	Land & Development officer under Ministry of Urban Development, New Delhi	No	1990	Pending formalities from Land & Development Officer, office space allotted to the company at SCOPE Complex has not been registered in the name of the Company.

15.2 As on 31st March 2024, 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 31-03-2024	As at 31-03-2023
Gross Carrying Value	3.48	3.48
Net Carrying Value	2.31	2.36

15.3 Capital Work in Progress (CWIP)

(a) CWIP ageing schedule

(₹ in Crores)

Particulars	As at 31-03-2024					As at 31-03-2023				
	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										
- REC World Headquarter at Gurugram	-	-	-	-	-	-	-	-	-	-
- REC Township at Gurugram	20.87	1.24	0.08	1.40	23.59	1.24	0.08	-	1.40	2.72
Total	**20.87**	**1.24**	**0.08**	**1.40**	**23.59**	**1.24**	**0.08**	**-**	**1.40**	**2.72**

There are no capital work in progress as on the reporting year where activity has been suspended.

Consolidated Notes to Accounts

(b) CWIP completion schedule

(₹ in Crores)

Particulars	As at 31-03-2024					As at 31-03-2023				
	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	-	-	-	-	-	-	-	-	-	-
- REC Township at Gurugram	-	23.59	-	-	23.59	-	-	2.72	-	2.72
Total	**-**	**23.59**	**-**	**-**	**23.59**	**-**	**-**	**2.72**	**-**	**2.72**

15.4 There has been no revaluation of Property, Plant & Equipment and Intangible Assets during the year (previous year Nil).

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.

15.6 While the Company has not made any specific borrowings for construction of a qualifying asset, the Company has capitalised an amount of ₹0.53 crores (previous year ₹0.03 crores) borrowing costs on account of general borrowings at an average rate of borrowings of 7.28% (previous year 7.00%) for the Company in terms of Ind AS 23 'Borrowing Costs'.

15.7 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)

16. Other non-financial assets

(₹ in Crores)

Particulars		As at 31-03-2024	As at 31-03-2023
	Unsecured, considered good		
(A)	Capital Advances	0.17	7.26
(B)	Other Advances	31.33	4.50
(C)	Balances with Government Authorities	42.36	30.81
(D)	Pre-Spent Corporate Social Responsibility (CSR) Expenses	5.34	7.70
(E)	Prepaid Expenses	22.01	13.28
(F)	Deferred Employee Cost	15.81	10.84
(G)	Other Assets	0.01	0.01
	Total (A to G)	**117.03**	**74.40**

17. Assets classified as held for sale

(₹ in Crores)

Particulars		As at 31-03-2024	As at 31-03-2023
(A)	**Disposal Group**		
	(i) Investment in associates	0.90	0.65
	(ii) Loans to associates	19.25	13.39
	(iii) Provision for impairment on assets classified as held for sale	-	(9.73)
	Sub-Total (i+ii+iii)	**20.15**	**4.31**

Consolidated Notes to Accounts

(₹ in Crores)

Particulars		As at 31-03-2024	As at 31-03-2023
(B)	Assets Classified as Held for Sale-Building	0.05	0.34
	Total (B)	**0.05**	**0.34**
	Grand Total (A+B)	**20.20**	**4.65**
	Liabilities directly associated with assets classified as held for sale		
(C)	Payable to associates	-	0.02
	Total (C)	**-**	**0.02**
	Net Assets held for sale (A+B-C)	**20.20**	**4.63**

Assets held for sale as on 31.03.2024 includes ₹ 0.01 crore under litigation pending the outcome, the asset cannot be re-auctioned (previous year nil).

17.1 Investments in associates

(₹ in Crores)

Particulars	As at 31-03-2024	As at 31-03-2023
Investments in Equity Instruments of associates (fully paid up)		
equity shares of ₹ 10/- each		
Chandil Transmission Limited	-	0.05
Dumka Transmission Limited	-	0.05
Koderma Transmission Limited	-	**0.05**
Mandar Transmission Limited	-	0.05
Bidar Transmission Limited	-	**0.05**
Beawar Transmission Limited	-	**0.05**
Khavda II-D Transmission Limited	-	**0.05**
KPS1 Transmission Limited	-	**0.05**
Ramgarh II Transmission Limited	-	**0.05**
Sikar Khetri Transmission Limited	-	**0.05**
Luhri Power Transmission Limited	0.05	**0.05**
Meerut Shamli Power Transmission Limited	0.05	**0.05**
NERES XVI Power Transmission Limited	0.05	**0.05**
Jalpura Khurja Power Transmission Limited	0.05	**-**
Rajasthan Part 1 Power Transmission Limited	0.05	**-**
Shongtong Power Transmission Limited	0.05	
Kallam Transco Limited	0.05	
Khavda IV C Power Limited	0.05	
Khavda IVA Power Limited	0.05	
Khavda IV-E2 Power Limited	0.05	
Khavda V A Power Limited	0.05	
Rajasthan IV A Power Limited	0.05	
Rajasthan IV C Power Limited	0.05	
Rajasthan IV E Power Limited	0.05	
Rajasthan IV H1 Power Limited	0.05	
Kankani Power Transmission Limited	0.05	
NERGS-I Power Transmission Limited	0.05	
Tumkur-II REZ Power Transmission Limited	0.05	
Total	**0.90**	**0.65**

Consolidated Notes to Accounts

17.2 Loans to associates

(₹ in Crores)

Particulars	As at 31-03-2024	As at 31-03-2023
Chandil Transmission Limited	-	2.54
Dumka Transmission Limited	-	2.48
Mandar Transmission Limited	-	2.23
Koderma Transmission Limited	-	2.28
Receivable from SPV-Under Incorporation	0.05	-
Bidar Transmission Limited	-	0.10
Sikar Khetri Transmission Limited	-	0.67
KPS1 Transmission Limited	-	0.58
Ramgarh II Transmission Limited	-	0.70
Beawar Transmission Limited	-	0.71
Meerut Shamli Power Transmission Limited	1.85	0.43
NERES XVI Power Transmission Limited	0.91	0.19
Luhri Power Transmission Limited	1.07	0.48
Jalpura Khurja Power Transmission Limited	3.83	-
Rajasthan Part 1 Power Transmission Limited	0.67	-
Shongtong Power Transmission Ltd.	0.56	
Khavda IV A Power Transmission Limited	0.54	
Khavda IV C Power Transmission Limited	0.41	
Khavda IV E2 Power Transmission Limited	0.33	
Khavda V-A Power Transmission Limited	0.43	
Rajasthan IVA Power Transmission Limited	0.41	
Rajasthan IVC Power Transmission Limited	0.34	
Rajasthan IV E Power Transmission Limited	0.38	
Rajasthan IV H1 Power Transmsision Limited	0.51	
Kallam Transo Limited	6.41	
NERGS-1 Power Transmission Limited	0.35	
Tumkur-II REZ Power Transmission Limited	0.20	
Kankani Power Transmission Limited	-	
Total	**19.25**	**13.39**

17.3 Provision for impairment on assets classified as held for sale

(₹ in Crores)

Particulars	As at 31-03-2024	As at 31-03-2023
Chandil Transmission Limited	-	2.59
Dumka Transmission Limited	-	2.53
Mandar Transmission Limited	-	2.28
Koderma Transmission Limited	-	2.33
Total	**-**	**9.73**

Consolidated Notes to Accounts

17.4 Liabilities directly associated with assests classified as held for sale

(₹ in Crores)

Particulars	As at 31-03-2024	As at 31-03-2023
Bidar Transmission Limited	-	-
Khavda II-D Transmission Limited	-	0.02
Total	**-**	**0.02**

17.5 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'.

17.6 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 ₹0.29 crores (previous year ₹0.52 crores), classified under "Assets classified as held for sale" as required under Ind-AS 105. Such sale has resulted in gain of ₹1.32 crores during the current year (previous year ₹4.08 crores) (refer note 30).

Further, residential building units with carrying value ₹0.05 crores (previous year 0.34 crores) classified under "Assets classified as held for sale" are pending for disposal as at 31st March 2024. The process for their disposal is expected to be completed during the year 2024-25 through e-auction process.

18. Trade Payables

(₹ in Crores)

Particulars	As at 31-03-2024	As at 31-03-2023
Trade Payables		
Total outstanding dues of MSMEs	-	-
Total outstanding dues of creditors other than MSMEs	90.51	41.68
Total	**90.51**	**41.68**

18.1 Trade Payables ageing schedule

(₹ in Crores)

Particulars		Outstanding as at 31st March 2024				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	**MSME**					
	- Disputed	-	-	-	-	-
	- Others	-	-	-	-	-
	Sub-total (i)	**-**	**-**	**-**	**-**	**-**
(ii)	**Other than MSME**					
	- Disputed	-	-	-	-	-
	- Others	74.20	12.84	3.45	0.02	90.51
	Sub-total (ii)	**74.20**	**12.84**	**3.45**	**0.02**	**90.51**
	Total (i+ii)	**74.20**	**12.84**	**3.45**	**0.02**	**90.51**

(₹ in Crores)

Particulars		Outstanding as at 31st March 2023				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	**MSME**					
	- Disputed	-	-	-	-	-
	- Others	-	-	-	-	-
	Sub-total (i)	**-**	**-**	**-**	**-**	**-**
(ii)	**Other than MSME**					
	- Disputed	-	-	-	-	-
	- Others	16.31	12.64	0.33	12.40	41.68
	Sub-total (ii)	**16.31**	**12.64**	**0.33**	**12.40**	**41.68**
	Total (i+ii)	**16.31**	**12.64**	**0.33**	**12.40**	**41.68**

Consolidated Notes to Accounts

19. 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 31-03-2024		As at 31-03-2023	
		Face Value	Amortised Cost	Face Value	Amortised Cost
(A)	**Secured Long-Term Debt Securities**				
(i)	Institutional Bonds	1,955.00	2,052.46	1,955.00	2,029.81
(ii)	54EC Capital Gain Tax Exemption Bonds	41,110.80	42,535.71	35,866.55	37,124.32
(iii)	Tax Free Bonds	8,953.27	9,279.82	10,261.64	10,624.41
(iv)	Bond Application Money pending allotment	1,245.41	1,244.57	1,720.36	1,719.42
	Sub-total (A)	**53,264.48**	**55,112.56**	**49,803.55**	**51,497.96**
(B)	**Unsecured Long-Term Debt Securities**				
(i)	Institutional Bonds	1,72,275.29	1,78,093.90	1,48,262.70	1,52,705.20
(ii)	Infrastructure Bonds	3.96	9.32	3.96	8.63
(iii)	Foreign Currency Bonds	32,963.75	32,847.46	32,886.78	32,690.54
	Sub-total (B)	**2,05,243.00**	**2,10,950.68**	**1,81,153.44**	**1,85,404.37**
(C)	**Unsecured Short-Term Debt Securities**				
(i)	Commercial Paper	-	-	-	-
	Sub-total (C)	-	-	-	-
	Total - Debt Securities (A+B+C)	**2,58,507.48**	**2,66,063.24**	**2,30,956.99**	**2,36,902.33**
	Debt Securities issued in/ outside India				
(i)	Debt Securities in India	**2,25,543.73**	**2,33,215.78**	**1,98,070.21**	**2,04,211.79**
(ii)	Debt Securities outside India	**32,963.75**	**32,847.46**	**32,886.78**	**32,690.54**
	Total - Debt Securities	**2,58,507.48**	**2,66,063.24**	**2,30,956.99**	**2,36,902.33**

Refer Note No 21.2 for reconciliation between the figure represented in Face Value and Amorised Cost.

19.1 Details of Secured Long-Term Debt Securities - *Refer Note 20.6 for details of the security*

(i) Institutional Bonds

(₹ in Crores)

Particulars	As at 31-03-2024		As at 31-03-2023	
	Face Value	Amortised Cost	Face Value	Amortised Cost
123-IIIB Series - 9.34% Redeemable at par on 23.08.2024	1,955.00	2,052.46	1,955.00	2,029.81
Total - Institutional Bonds	**1,955.00**	**2,052.46**	**1,955.00**	**2,029.81**

(ii) 54EC Capital Gain Tax Exemption Bonds

(₹ in Crores)

Particulars	As at 31-03-2024		As at 31-03-2023	
	Face Value	Amortised Cost	Face Value	Amortised Cost
Series XII (2018-19) - 5.75% Redeemable at par during financial year 2023-24	-	-	6,651.31	6,938.31
Series XIII (2019-20) - 5.75% Redeemable at par during financial year 2024-25	6,157.82	6,422.49	6,157.82	6,419.74
Series XIV (2020-21) - 5.75% and 5% Redeemable at par during financial year 2025-26	5,312.07	5,515.87	5,312.07	5,513.14

Consolidated Notes to Accounts

(₹ in Crores)

Particulars	As at 31-03-2024		As at 31-03-2023	
	Face Value	Amortised Cost	Face Value	Amortised Cost
Series XV (2021-22) - 5% Redeemable at par during financial year 2026-27	7,312.80	7,580.06	7,312.80	7,576.90
Series XVI (2022-23) - 5% Redeemable at par during financial year 2027-28	12,152.39	12,594.18	10,432.55	10,676.23
Series XVII (2023-24) - 5.25% Redeemable at par during financial year 2028-29	10,175.72	10,423.11	-	-
Total - 54EC Capital Gain Tax Exemption Bonds	**41,110.80**	**42,535.71**	**35,866.55**	**37,124.32**

(iii) Tax Free Bonds

(₹ in Crores)

Particulars	As at 31-03-2024		As at 31-03-2023	
	Face Value	Amortised Cost	Face Value	Amortised Cost
Series 2015-16 Series 5A	300.00	306.50	300.00	306.39
7.17% payable annually Redeemable at par on 23.07.2025				
Series 2011-12	2,160.33	2,289.60	2,160.33	2,288.71
Redeemable at par. Bonds amounting to ₹2,160.33 crores are redeemable on 27.03.2027 with interest rates varying from 8.12% to 8.32% payable annually				
Series 2012-13 Series 2A & 2B	245.00	251.22	245.00	251.12
Redeemable at par. Bonds amounting to ₹ 245.00 crores are redeemable on 22.11.2027 with interest rates of 7.38%payable annually				
Series 2012-13 Tranche 1	842.04	862.34	842.04	861.98
Redeemable at par. Bonds amounting to ₹852.04 crores are redeemable on 20.12.2027 with interest rates varying from 7.38% to 7.88% payable annually				
Series 2012-13 Tranche 2	49.71	50.88	49.71	50.86
Redeemable at par. Bonds amounting to ₹49.71 crores are redeemable on 27.03.2028 with interest rates varying from 7.04% to 7.54% payable annually				
Series 2013-14 Series 3A & 3B	1,141.00	1,195.48	1,350.00	1,413.90
Redeemable at par. Bonds amounting to ₹1,141.00 crores are redeemable on 29.08.2028 with interest rates of 8.46% payable annually				
Series 2013-14 Series 4A & 4B	45.00	46.72	150.00	155.54
Redeemable at par. Bonds amounting to ₹45.00 crores are redeemable on 11.10.2028 with interest rates of 8.54% payable annually				
Series 2013-14 Tranche 1	2,835.55	2,910.06	3,410.60	3,499.26
Redeemable at par. Bonds amounting to ₹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 8.37% to 8.71% payable annually				

Consolidated Notes to Accounts

(₹ in Crores)

Particulars	As at 31-03-2024		As at 31-03-2023	
	Face Value	Amortised Cost	Face Value	Amortised Cost
Series 2013-14 Tranche 2	638.08	655.31	1,057.40	1,085.19
Redeemable at par. Bonds amounting to ₹530.42 crores are redeemable on 23.03.2029 and ₹109.66 crores are redeemable on 24.03.2034 with interest rates varying from 8.61% to 8.88% payable annually				
Series 2015-16 Tranche 1	696.56	711.72	696.56	711.46
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	**8,953.27**	**9,279.82**	**10,261.64**	**10,624.41**

(iv) Bond Application Money Pending Allotment

(₹ in Crores)

Particulars	As at 31-03-2024		As at 31-03-2023	
	Face Value	Amortised Cost	Face Value	Amortised Cost
54EC Capital Gain Tax Exemption Bonds *5% Redeemable at par after 5 years from the deemed date of allotment*	1,245.41	1,244.57	1,720.36	1,719.42
Total - Bond Application Money Pending Allotment	**1,245.41**	**1,244.57**	**1,720.36**	**1,719.42**

19.2 Details of Unsecured Long-Term Debt Securities

(1) Institutional Bonds

(₹ in Crores)

Particulars	As at 31-03-2024		As at 31-03-2023	
	Face Value	Amortised Cost	Face Value	Amortised Cost
114th Series - 8.82% Redeemed on 12.04.2023	-	-	4,300.00	4,667.81
195th Series - 6.92% Redeemed on 22.04.2023	-	-	2,985.00	3,179.66
191A Series - 6.80% Redeemed on 30.06.2023	-	-	1,100.00	1,106.52
200th Series PP-MLD - 5.36% Redeemed on 30.06.2023*	-	-	500.00	573.12
184B Series STRPP-D - 7.55% Redeemed on 26.09.2023**	-	-	300.00	311.59
202B Series - 5.69% Redeemed on 30.09.2023	-	-	2,474.00	2,544.42
205A Series - 4.99 % Redeemed on 31.01.2024	-	-	2,135.00	2,151.85
209th Series - 5.79 % Redeemed on 20.03.2024	-	-	1,550.00	1,552.48
210th Series - 5.74 % Redeemable at par on 20.06.2024	4,000.00	4,179.33	4,000.00	4,178.81
180A Series - 8.10% Redeemable at par on 25.06.2024	1,018.00	1,080.60	1,018.00	1,077.71
191B Series - 6.99% Redeemable at par on 30.09.2024	1,100.00	1,106.69	1,100.00	1,106.58
212th Series - Floating (linked to T-Bill) Redeemable at par on 31.10.2024	2,500.00	2,579.54	2,500.00	2,573.36
186B Series - 7.40% Redeemable at par on 26.11.2024	1,500.00	1,538.41	1,500.00	1,538.06
128th Series - 8.57% Redeemable at par on 21.12.2024	2,250.00	2,419.44	2,250.00	2,418.06

Consolidated Notes to Accounts

(₹ in Crores)

Particulars	As at 31-03-2024		As at 31-03-2023	
	Face Value	Amortised Cost	Face Value	Amortised Cost
129th Series - 8.23% Redeemable at par on 23.01.2025	1,925.00	2,064.19	1,925.00	2,063.05
130th Series - 8.27% Redeemable at par on 06.02.2025	2,325.00	2,493.92	2,325.00	2,492.55
131st Series - 8.35% Redeemable at par on 21.02.2025	2,285.00	2,304.78	2,285.00	2,304.28
190A Series - 6.88% Redeemable at par on 20.03.2025	2,500.00	2,515.30	2,500.00	2,514.67
201A Series - 5.90% Redeemable at par on 31.03.2025	900.00	935.51	900.00	935.42
133rd Series - 8.30% Redeemable at par on 10.04.2025	2,396.00	2,454.39	2,396.00	2,453.74
94th Series - 8.75% Redeemable at par on 09.06.2025	1,250.00	1,339.30	1,250.00	1,339.00
95-II Series - 8.75% Redeemable at par on 14.07.2025	1,800.00	1,913.92	1,800.00	1,913.49
136th Series - 8.11% Redeemable at par on 07.10.2025	2,585.00	2,672.18	2,585.00	2,671.58
229A Series - 7.79% Redeemable at par on 29.11.2025	1,033.00	1,057.19	-	-
203B Series - 5.85% Redeemable at par on 20.12.2025	2,777.00	2,821.52	2,777.00	2,821.05
204B Series - 5.81% Redeemable at par on 31.12.2025	2,082.00	2,111.81	2,082.00	2,111.49
205B Series - 5.94 % Redeemable at par on 31.01.2026	2,000.00	2,010.05	2,000.00	2,014.64
214A Series - 7.32% Redeemable at par on 28.02.2026	500.00	503.26	500.00	503.15
219 series - 7.60 % Redeemable at par on 28.02.2026	3,148.70	3,170.07	3,148.70	3,186.42
220B series - 7.69 % Redeemable at par on 31.03.2033 with Put option exercisable on 31.03.2026	1,600.10	1,728.53	1,600.10	1,605.47
223A series - 7.44% Redeemable at par on 30.04.2026	3,000.00	3,177.84	-	-
228A Series - 7.80% Redeemable at par on 30.05.2026	1,679.00	1,723.22	-	-
218A series - 7.56 % Redeemable at par on 30.06.2026	3,000.00	3,170.45	3,000.00	3,048.29
225th series - 7.64% Redeemable at par on 30.06.2026	2,210.00	2,314.55	-	-
221 series - 7.51% Redeemable at par on 31.07.2026	2,848.00	2,990.53	-	-
227A Series - 7.77% Redeemable at par on 30.09.2026	2,670.00	2,750.77	-	-
211th Series - 6.23% Redeemable at par on 31.10.2031 with Put/ Call option exercisable on 31.10.2026	1,200.00	1,230.74	1,200.00	1,230.57
140th Series - 7.52% Redeemable at par on 07.11.2026	2,100.00	2,153.26	2,100.00	2,161.97
142nd Series - 7.54% Redeemable at par on 30.12.2026	3,000.00	3,023.86	3,000.00	3,025.73
230-A Series- 7.71% Redeemable at par on 26-02-2027	1,000.00	1,015.57	-	-
147th Series - 7.95% Redeemable at par on 12.03.2027	2,745.00	2,721.28	2,745.00	2,717.93
Series-231-A- 7.64% Redeemable at par on 30-04-2027	2,875.00	2,896.70	-	-
156th Series - 7.70% Redeemable at par on 10.12.2027	3,533.00	3,615.03	3,533.00	3,614.40
216A series - 7.55 % Redeemable at par on 31.03.2028	1,701.50	1,829.71	1,701.50	1,701.13
220A series - 7.77 % Redeemable at par on 31.03.2028	2,000.00	2,162.07	2,000.00	2,006.58
223B series - 7.46% Redeemable at par on 30.06.2028	2,993.60	3,170.48	-	-
162nd Series - 8.55% Redeemable at par on 09.08.2028	2,500.00	2,637.66	2,500.00	2,637.42
163rd Series - 8.63% Redeemable at par on 25.08.2028	2,500.00	2,628.32	2,500.00	2,628.04
168th Series - 8.56% Redeemable at par on 29.11.2028	2,552.40	2,626.17	2,552.40	2,625.73
169th Series - 8.37% Redeemable at par on 07.12.2028	2,554.00	2,621.46	2,554.00	2,621.02
176th Series - 8.85% Redeemable at par on 16.04.2029	1,600.70	1,735.93	1,600.70	1,735.82

Consolidated Notes to Accounts

(₹ in Crores)

Particulars	As at 31-03-2024		As at 31-03-2023	
	Face Value	Amortised Cost	Face Value	Amortised Cost
178th Series - 8.80% Redeemable at par on 14.05.2029	1,097.00	1,172.67	1,097.00	1,171.24
180B Series - 8.30% Redeemable at par on 25.06.2029	2,070.90	2,176.90	2,070.90	2,173.02
184A Series - 8.25% Partly Paid Debentures Redeemable at par on 26.09.2029	1,451.00	1,512.37	1,160.80	1,209.72
192nd Series - 7.50% Redeemable at par on 28.02.2030	2,382.00	2,396.62	2,382.00	2,396.48
188B Series - 7.89% Redeemable at par on 31.03.2030	3,100.00	3,368.55	1,100.00	1,100.10
189th Series - 7.92% Redeemable at par on 31.03.2030	3,054.90	3,296.98	3,054.90	3,054.97
197th Series - 7.55% Redeemable at par on 11.05.2030	3,740.00	3,990.27	3,740.00	3,990.03
198B Series - 7.79% Redeemable at par on 21.05.2030	1,569.00	1,673.94	1,569.00	1,673.83
202A Series - 7.25% Redeemable at par on 30.09.2030	3,500.00	3,627.41	3,500.00	3,627.05
203A Series - 6.80% Redeemable at par on 20.12.2030	5,000.00	5,094.78	5,000.00	5,094.07
204A Series - 6.90% Redeemable at par on 31.01.2031	2,500.00	2,528.21	2,500.00	2,527.79
201B Series - 6.90% Redeemable at par on 31.03.2031	1,300.00	1,359.90	1,300.00	1,359.80
213th Series - 6.92% Redeemable at par on 20.03.2032	3,380.00	3,329.95	1,380.00	1,382.88
218B series - 7.69 % Redeemable at par on 31.01.2033	2,004.40	2,029.20	2,004.40	2,036.80
214B Series - 7.50% Redeemable at par on 28.02.2033	4,947.60	4,948.08	4,947.60	4,944.67
217th series - 7.53 % Redeemable at par on 31.03.2033	500.00	548.48	500.00	510.86
227B Series - 7.71% Redeemable at par on 31.10.2033	2,818.70	2,901.21	-	-
228B Series - 7.71% Redeemable at par on 30.11.2033	2,899.69	2,974.14	-	-
230-B Series -7.64% Redeemable at par on 31-01-2034	3,000.00	3,045.87	-	-
Series-231-B- 7.47% Redeemable at par on 28-02-2034	2,500.00	2,517.73	-	-
182nd Series - 8.18% Redeemable at par on 22.08.2034	5,063.00	5,315.13	5,063.00	5,314.68
183rd Series - 8.29% Redeemable at par on 16.09.2034	3,028.00	3,163.58	3,028.00	3,163.26
207th Series - 7.02 % Redeemable at par on 31.01.2036	4,589.90	4,642.55	4,589.90	4,641.76
208th Series - 7.40 % Redeemable at par on 15.03.2036	3,613.80	3,625.52	3,613.80	3,625.49
215th series - 7.65 % Redeemable in 5 equal tranches on 30.11.2033, 30.11.2034, 30.11.2035, 30.11.2036 and 30.11.2037	3,889.00	3,988.60	3,889.00	3,992.12
216B series - 7.67 % Redeemable at par on 30.11.2037	2,000.00	2,051.06	2,000.00	2,049.92
229B Series - 7.67% Redeemable at par on 30.11.2038	3,539.40	3,618.67	-	-
Total - Institutional Bonds	**1,72,275.29**	**1,78,093.90**	**1,48,262.70**	**1,52,705.20**

** PP-MLD- Principal Protected Market Linked Debentures*

*** STRPP- Separately Transferable Redeemable Principal Parts*

(ii) Infrastructure Bonds

(₹ in Crores)

Particulars	As at 31-03-2024		As at 31-03-2023	
	Face Value	Amortised Cost	Face Value	Amortised Cost
Series-II (2011-12) - Redeemable at par	3.96	9.32	3.96	8.63
Total - Infrastructure Bonds	**3.96**	**9.32**	**3.96**	**8.63**

Consolidated 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 31-03-2024	As at 31-03-2023	Redemption Details
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**	**3.96**	

Amounts have been shown at face value

(iii) Foreign Currency Bonds

(₹ in Crores)

Particulars	As at 31-03-2024		As at 31-03-2023	
	Face Value	Amortised Cost	Face Value	Amortised Cost
4.75% US $500 Mn Bonds - Redeemed on 19.05.2023	-	-	4,110.85	4,181.61
5.250% US $700 Mn Bonds - Redeemed on 13.11.2023	-	-	5,755.18	5,858.35
3.375% US $650 Mn Bonds - Redeemable at par on 25.07.2024	5,419.30	5,450.24	5,344.10	5,366.61
3.50% US $500 Mn Bonds - Redeemable at par on 12.12.2024	4,168.70	4,210.34	4,110.85	4,148.36
2.25% US $500 Mn Bonds - Redeemable at par on 01.09.2026	4,168.70	4,168.48	4,110.85	4,107.36
2.75% US $400 Mn Bonds - Redeemable at par on 13.01.2027	3,334.96	3,350.67	3,288.68	3,302.69
3.875% US $450 Mn Green Bonds - Redeemable at par on 07.07.2027	3,751.83	3,547.96	3,699.76	3,425.80
4.625% US $300 Mn Bonds - Redeemable at par on 22.03.2028	2,501.22	2,366.73	2,466.51	2,299.76
5.625% US $750 Mn Bonds - Redeemable at par on 11.04.2028	6,253.04	6,406.68	-	-
1.76% JPY 31000 Mn Bonds - Redeemable at par on 19.01.2029	1,707.79	1,712.28	-	-
1.41% JPY 27400 Mn Bonds - Redeemable at par on 19.04.2029	1,509.47	1,484.82	-	-
2.20% JPY 2700 Mn Bonds - Redeemable at par on 19.01.2034	148.74	149.26	-	-
Total - Foreign Currency Bonds	**32,963.75**	**32,847.46**	**32,886.78**	**32,690.54**

Global Medium Term Note (GMTN) Programme

The Company has a Global Medium Term Note (GMTN) Programme of USD 10 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 31-03-2024	For the year ended 31-03-2023
Funds raised during the year under GMTN Programme	USD 1.17 Billion	Nil
Cumulative amount raised under GMTN Programme	USD 5.57 Billion	USD 4.4 Billion
Outstanding amount out of funds raised under GMTN Programme	USD 3.97 Billion	USD 4.0 Billion

The amounts raised during the year have been utilized for the stated objects in the Offering Circular. 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. Further, there has not been any breach of financial covenants under the Loan Agreements as on the Balance Sheet date.

Consolidated Notes to Accounts

20. 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 31-03-2024		As at 31-03-2023	
		Principal O/s	Amortised Cost	Principal O/s	Amortised Cost
(A)	**Unsecured Long-Term Borrowings**				
(i)	Term Loans from Banks	50,612.28	50,620.49	56,298.20	56,402.09
(ii)	Term Loans from Financial Institutions	8,050.00	8,072.29	6,000.00	6,000.64
(iii)	Term Loan in Foreign Currency	67,205.64	66,772.38	45,553.26	45,263.52
(iv)	Term Loans from Government of India (NSSF)	10,000.00	10,325.12	10,000.00	10,325.12
(v)	Lease Liability	-	-	0.02	0.02
	Sub-total (A)	**1,35,867.92**	**1,35,790.28**	**1,17,851.48**	**1,17,991.39**
(B)	**Unsecured Short-Term Borrowings**				
(i)	FCNR (B) Loans	25,138.67	25,151.29	15,424.22	**15,427.63**
(ii)	Short Term Loans/ Loans repayable on demand from Banks	10,875.94	10,883.04	3,600.00	**3,607.52**
(iii)	Overdrafts/ Cash Credit repayable on demand from Banks	267.44	267.44	87.59	87.59
	Sub-total (B)	**36,282.05**	**36,301.77**	**19,111.81**	**19,122.74**
	Total - Borrowings (other than Debt Securities) (A to B)	**1,72,149.97**	**1,72,092.05**	**1,36,963.29**	**1,37,114.13**
	Borrowings (other than Debt Securities) in/ outside India				
(i)	Borrowings in India	1,04,944.33	1,05,319.67	91,410.03	91,850.61
(ii)	Borrowings outside India	67,205.64	66,772.38	45,553.26	45,263.52
	Total - Borrowings (other than Debt Securities)	**1,72,149.97**	**1,72,092.05**	**1,36,963.29**	**1,37,114.13**

Please refer Note No. 21.2 for reconciliation between the figure represented in Face Value and Amortised Cost

20.1 Details of Unsecured Long-term Borrowings

(i) Terms Loans from Banks

(₹ in Crores)

Particulars	As at 31-03-2024		As at 31-03-2023	
	Principal O/s	Amortised Cost	Principal O/s	Amortised Cost
- Karnataka Bank	499.98	499.98	499.99	499.99
₹499.98 crores repayable on 15.05.2025				
- Punjab & Sind Bank	499.91	499.91	700.00	700.00
₹499.91 crores repayable on 09.12.2025				
- Jammu & Kashmir Bank	299.94	300.01	299.95	299.95
₹299.94 crores repayable on 28.10.2026				
- Karur Vysya Bank	-	-	250.00	250.05
₹250 crores repaid on 25.10.2023				
- Deutsche Bank	500.00	500.22	1,000.00	1,000.22
₹500 crores repayable on 15.06.2027				
- South Indian Bank	499.89	500.00	500.00	500.00

Consolidated Notes to Accounts

(₹ in Crores)

Particulars	As at 31-03-2024		As at 31-03-2023	
	Principal O/s	Amortised Cost	Principal O/s	Amortised Cost
₹299.93 crores repayable on 08.11.2026 and ₹199.96 crores repayable on 04.08.2027			-	-
- HDFC Bank	17,850.00	17,853.86	16,350.00	16,449.77
₹850 crore repayable on 17.11.2026, ₹2,000 crore repayable on 31.03.2027, ₹2,000 crore repayable on 07.09.2027, ₹2,500 crore repayable on 29.12.2027, ₹2,500 crore repayable on 27.02.2028, ₹1,000 crore repayable on 27.06.2028 , ₹1,500 crore repayable on 29.06.2028, ₹4,000 crore repayable on 30.09.2028, and ₹1,500 crore repayable on 28.12.2028.				
- Indian Bank	-	-	1,500.00	1,500.00
₹500 crores repaid on 02.06.2023, ₹500 crores repaid on 30.09.2023 and ₹500 crores repaid on 23.02.2024				
- Bank of Baroda	4,749.92	4,750.97	5,000.00	5,001.08
₹4,749.92 crores repayable in 6 annual instalments starting from 30.09.2024 and final instalment due on 29.09.2029				
- ICICI Bank	5,533.00	5,534.17	4,000.00	4,000.85
₹4,000 crores repayable on 23.01.2030 and ₹1,533 crores repayable on 15.05.2028.				
- HSBC Bank	-	-	3,402.49	3,403.23
₹750 crores repaid on 21.08.2023, ₹1,900 crores repaid on 20.09.2023 and ₹753 crores repaid on 30.09.2023.				
- Bank of India	-	-	1,499.87	1,500.18
₹749.87 crores repaid on 13.06.2023 and ₹750 crores repaid on 17.08.2023.				
- Union Bank of India	3,999.42	4,000.27	2,999.68	3,000.33
₹1,999.42 crore Loan repayable in 5 annual instalments of ₹400 crore each starting from 31.03.2027 and final installment on 31.03.2031 and ₹ 1,000 crore repayable on 04.01.2026, ₹500 crore Loan repayable on 29.09.2028 and ₹500 crore loan repayable on 05.11.2028.				
- State Bank of India	7,750.94	7,750.94	10,900.26	10,900.26
₹2,139.92 crore repayable in 3 semi-annual instalments & last instalment payable on 15.07.2025, ₹3,899.84 crore repayable in structured instalments & last instalment payable on 29.10.2031 and ₹1,711.18 crore repayable on 12.12.2027				
- Punjab National Bank	7,529.29	7,530.17	4,995.97	4,996.19
₹1,329.99 crore repayable in 2 annual instalments & last installment due on 31.08.2025 , ₹1,999.66 crore repayable on 11.11.2026, ₹999.66 crore repayable in 4 equal annual installments starting from 29.03.2028 and last installment of ₹200 crore on 29.12.2031, ₹1,199.99 crore repayable on 03.11.2028, ₹1,999.99 crore repayable on 26.12.2028				
- Central Bank	899.99	899.99	2,399.99	2,399.99
₹499.99 crore repayable in 7 annual instalments starting from 28.03.2026 and final instalment on 28.03.2032 and ₹400 crore repayable on 17.11.2025				
Total - Unsecured Term Loans from Banks	**50,612.28**	**50,620.49**	**56,298.20**	**56,402.09**

Consolidated Notes to Accounts

(ii) Term Loans from Others - Financial Institutions

(₹ in Crores)

Particulars	As at 31-03-2024		As at 31-03-2023	
	Principal O/s	Amortised Cost	Principal O/s	Amortised Cost
- Indian Infrastructure Finance Company Ltd. (IIFCL)	4,550.00	4,549.46	5,500.00	5,500.53
₹750 crore repayable on 29.03.2026, ₹1,000 crore repayable on 09.08.2026, ₹500 crore repayable on 29.07.2027,₹800 crore repayable on 30.06.2028 and ₹1,500 crore repayable on 11.12.2028				
- National Bank for Financing Infrastructure and Development (NaBFID)	3,500.00	3,522.83	500.00	500.11
₹3,500 crore repayable in 7 equal annual installment starting from 31.03.2027 and last installment on 31.03.2033				
Total - Term Loans from Others - Financial Institutions	**8,050.00**	**8,072.29**	**6,000.00**	**6,000.64**

(iii) Foreign Currency Borrowings

(₹ in Crores)

	Particulars	As at 31-03-2024		As at 31-03-2023	
		Principal O/s	Amortised Cost	Principal O/s	Amortised Cost
(1)	**ODA Loans - Guaranteed by Government of India**				
	1.86% KfW-III Loan - Repayable in equal half-yearly instalments of €5.26 Mn, last instalment falling due on 30.06.2024	47.49	47.72	141.51	142.17
	Sub-Total (1)	**47.49**	**47.72**	**141.51**	**142.17**
(2)	**ODA Loans - Without Government Guarantee**				
	KfW-IV Loan - Repayable in equal half-yearly instalments of €12.00 Mn till 15.11.2030, next instalment falling due on 15.05.2024	1,400.68	1,432.92	1,578.56	1,609.90
	KfW-V Loan - Repayable in equal half-yearly instalments of $ 8.921 Mn till 15.05.2034, first instalment falling due on 15.05.2025	1,026.78	1,050.41	-	-
	Sub-Total (2)	**2,427.46**	**2,483.33**	**1,578.56**	**1,609.90**
(3)	**Bilateral/ Syndicated Loans**				
	¥ 10,327.12 Mn - Repaid on 08.08.2023	-	-	638.22	635.36
	US $250 Mn - Repaid on 29.08.2023	-	-	2,055.42	2,064.76
	US $250 Mn - Repaid on 27.03.2024	-	-	2,055.42	2,036.56
	US $150 Mn - $75 Mn repaid on 29.03.2024 and $75 Mn repayable on 14.05.2024	625.30	625.00	1,233.25	1,224.65
	US $100 Mn - Repayable on 01.07.2024	833.74	847.51	822.17	830.83
	SG $72.07 Mn - Repayable on on 30.03.2025	444.93	442.68	445.48	440.55
	US $75 Mn - Repayable on 30.03.2025	625.30	620.58	616.63	606.46
	¥ 10,519 Mn - Repayable on 25.09.2025	579.49	575.93	650.07	643.21

Consolidated Notes to Accounts

(₹ in Crores)

Particulars	As at 31-03-2024		As at 31-03-2023	
	Principal O/s	Amortised Cost	Principal O/s	Amortised Cost
US $170 Mn - $100 Mn repayable on 26.03.2025 and $ 70 Mn repayable on 06.10.2025	1,417.36	1,421.43	1,397.69	1,400.67
US $425 Mn - Repayable on 16.03.2026	3,543.39	3,528.67	3,494.22	3,467.48
US $600 Mn - Repayable on 25.08.2026	5,002.43	4,991.65	4,933.01	4,899.73
US $75 Mn - Repayable on 07.10.2026	625.30	640.98	616.63	626.45
US $1175 Mn - Repayable on 29.12.2026	9,796.43	9,680.47	9,660.49	9,500.21
¥ 37,506.63 Mn - Repayable on 03.03.2027	2,066.24	2,045.33	2,317.91	2,285.95
US $100 Mn - Repayable on 13.06.2027	833.74	829.15	822.17	815.24
US $200 Mn - Repayable on 28.07.2027	1,667.48	1,671.47	1,644.34	1,640.92
US $150 Mn - Repayable on 13.09.2027	1,250.61	1,242.95	1,233.25	1,221.79
SGD 213.21 Mn - Repayable on 27.10.2027	1,316.19	1,309.63	1,317.80	1,306.89
€ 254.19 Mn - Repayable on 31.10.2027	2,293.28	2,286.52	2,277.77	2,258.06
€ 349.83 Mn - Repayable on 27.03.2028	3,156.09	3,117.13	3,134.74	3,085.56
¥ 38624.35 Mn - Repayable on 20.04.2028	2,127.82	2,107.82	-	-
JPY 10,495.125 Mn - Repayable on 26.06.2028	578.18	571.55	-	-
US $505 Mn - Repayable on 03.08.2028	4,210.38	4,173.93	-	-
US $645 Mn - Repayable on 31.08.2028	5,377.62	5,305.50	-	-
US $100 Mn - Repayable on 14.09.2028	833.74	822.89	-	-
¥ 68485.2 Bn - Repayable on 21.09.2028	3,772.85	3,694.73	-	-
US $100 Mn - Repayable on 25.09.2028	833.74	818.56	-	-
¥ 14358.5 Mn - Repayable on 09.01.2029	791.01	793.01	-	-
US $100 Mn - Repayable on 06.02.2029	833.74	827.74	-	-
¥ 22101 Mn - Repayable on 15.02.2029	1,217.54	1,199.30	-	-
US $200 Mn - Repayable on 07.03.2029	1,667.48	1,639.25	-	-
¥ 22041 Mn - Repayable on 19.03.2029	1,214.24	1,194.77	-	-
¥ 14847 Mn - Repayable on 21.03.2029	817.92	809.35	-	-
US $225 Mn - Repayable on 27.03.2029	1,875.91	1,836.80	-	-
US $300 Mn - Repayable on 02.06.2030	2,501.22	2,569.05	2,466.51	2,520.12
Sub-Total (3)	**64,730.69**	**64,241.33**	**43,833.19**	**43,511.45**
Total - Foreign Currency Borrowings (1+2+3)	**67,205.64**	**66,772.38**	**45,553.26**	**45,263.52**

Consolidated Notes to Accounts

(iv) Term Loans from Government of India - National Small Savings Fund (NSSF)

(₹ in Crores)

Particulars	As at 31-03-2024		As at 31-03-2023	
	Principal O/s	Amortised Cost	Principal O/s	Amortised Cost
- Loan from 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 Government	**10,000.00**	**10,325.12**	**10,000.00**	**10,325.12**

20.2 Unsecured Short-Term Borrowings

(i) FCNR (B) Loans

(₹ in Crores)

Particulars	As at 31-03-2024		As at 31-03-2023	
	Principal O/s	Amortised Cost	Principal O/s	Amortised Cost
US$200 Mn - Repaid on 24.05.2023	-	-	1,644.34	1,644.34
US$150 Mn - Repaid on 26.05.2023	-	-	1,233.25	1,233.44
US$200 Mn - Repaid on 03.06.2023	-	-	1,644.34	1,644.58
US$75 Mn - Repaid on 07.06.2023	-	-	616.63	616.63
US$150 Mn - Repaid on 21.06.2023	-	-	1,233.25	1,233.44
US$200 Mn - Repaid on 08.12.2023	-	-	1,644.34	1,644.34
US$300 Mn - Repaid on 13.12.2023	-	-	2,466.51	2,466.51
US$75 Mn - Repaid on 14.12.2023	-	-	616.63	616.63
US$100 Mn - Repaid on 15.12.2023	-	-	822.17	822.17
US$200 Mn - Repaid on 29.12.2023	-	-	1,644.34	1,644.60
€ 69.77 Mn - Repaid on 16.01.2024	-	-	625.17	627.48
US$150 Mn - Repaid on 15.02.2024	-	-	1,233.25	1,233.47
US$150 Mn - Repayable on 03.04.2024	1,250.61	1,251.45	-	-
US$150 Mn - Repayable on 19.04.2024	1,250.61	1,251.46	-	-
US$150 Mn - Repayable on 19.04.2024	1,250.61	1,251.50	-	-
US$150 Mn - Repayable on 10.05.2024	1,250.61	1,250.82	-	-
US$200 Mn - Repayable on 14.05.2024	1,667.48	1,667.76	-	-
US$150 Mn - Repayable on 16.05.2024	1,250.61	1,250.82	-	-
US$124.85 Mn - Repayable on 24.05.2024	1,040.92	1,041.62	-	-
US$75.15 Mn - Repayable on 24.05.2024	626.55	626.98	-	-
US$75 Mn - Repayable on 07.06.2024	625.30	625.73	-	-
US$44 Mn - Repayable on 12.06.2024	366.85	367.10	-	-
US$125 Mn - Repayable on 05.07.2024	1,042.17	1,042.37	-	-
US$150 Mn - Repayable on 09.08.2024	1,250.61	1,250.85	-	-
US$100 Mn - Repayable on 20.09.2024	833.74	833.90	-	-
US$200 Mn - Repayable on 06.12.2024	1,667.48	1,668.61	-	-
US$250 Mn - Repayable on 12.12.2024	2,084.35	2,085.79	-	-
US$100 Mn - Repayable on 12.12.2024	833.74	834.30	-	-

Consolidated Notes to Accounts

Particulars	As at 31-03-2024		As at 31-03-2023	
	Principal O/s	Amortised Cost	Principal O/s	Amortised Cost
US$75 Mn - Repayable on 13.12.2024	625.30	625.74	-	-
US$200 Mn - Repayable on 27.12.2024	1,667.48	1,667.80	-	-
¥ 34228.99 Mn - Repayable on 27.12.2024	1,885.68	1,885.96	-	-
US$150 Mn - Repayable on 14.02.2025	1,250.61	1,250.84	-	-
US$70 Mn - Repayable on 14.02.2025	583.62	584.04	-	-
US$100 Mn - Repayable on 18.03.2025	833.74	835.85	-	-
Total - FCNR (B) Loans	**25,138.67**	**25,151.29**	**15,424.22**	**15,427.63**

20.3 Term Loans from banks/ financial institutions/ Govt. as mentioned in Note No. 20.1 (i), (ii) and (iv) have been raised at interest rates ranging from 7.50% to 8.29% (previous year 5.38% to 8.29%) payable on monthly/quarterly/semi annual rests.

20.4 Foreign Currency Borrowings in Note No. 20.1(iii) have been raised at variable interest rates ranging from a spread of 13 bps to 210 bps (previous year 13 bps to 210) bps over external benchmarks including Overnight SOFR (Secured Overnight Financing Rate), 3/6 Months' Term SOFR, SORA (Singapore Overnight Rate Average), TONAR (Tokyo Overnight Average Rate), 3/6 Months' EURIBOR (Euro Inter Bank Offered Rate) and Credit Adjustment Spread (CAS) as applicable on transition of loans to new benchmark rates, except for the cases where rate has been mentioned.

20.5 The Company has not borrowed any funds from the banks or financial institutions on the basis of security of current assets.

20.6 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 loan assets 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 select loan assets 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 loan assets (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 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 loan assets (other than those that are exclusively charged/ earmarked to lenders / other Trustees) in favour of SBICap Trustee Company Ltd.

The Bond Series XIII, XIV, XV, XVI and XVII of 54EC Capital Gain Tax Exemption Bonds are secured by first pari passu charge on hypothecation of loan assets (other than those that are exclusively charged/ earmarked to lenders / other Trustees) in favour of SBICap Trustee Company Ltd.

Refer Note No. 10 and 15.2 for the carrying value of receivables and Property, Plant and Equipment (PPE) pledged as security.

20.7 No charges or satisfaction are yet to be registered with Registrar of Companies (ROC) beyond the respective statutory date.

21. Subordinated Liabilities

The Company has categorised all subordinated liabilities at amortised cost in accordance with the requirements of Ind AS 109.

(₹ in Crores)

Particulars		As at 31-03-2024		As at 31-03-2023	
		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	2,668.34
(ii)	175th Series - Subordinate Tier-II Bonds - 8.97% Redeemable at par on 28.03.2029	2,151.20	2,091.95	2,151.20	2,079.90

Consolidated Notes to Accounts

(₹ in Crores)

Particulars		As at 31-03-2024		As at 31-03-2023	
		Face Value	Amortised Cost	Face Value	Amortised Cost
(iii)	199th Series - Subordinate Tier-II Bonds - 7.96% Redeemable at par on 15.06.2030	1,999.50	2,041.60	1,999.50	2,025.06
(iv)	222nd series - Perpetual Tier-I Bonds - 7.98% with call option on 30.04.2033 and on annual anniversary date thereafter	2,000.00	2,145.28	-	-
(v)	226th series - Perpetual Tier-I Bonds - 8.03% with call option on 30.09.2033 and on annual anniversary date thereafter	1,090.00	1,133.38	-	-
	Total - Subordinated Liabilities	**7,240.70**	**7,412.21**	**6,650.70**	**6,773.30**
	Subordinated Liabilities in/ outside India				
(i)	Borrowings in India	7,240.70	7,412.21	6,650.70	6,773.30
(ii)	Borrowings outside India	-	-	-	-
	Total - Subordinated Liabilities	**7,240.70**	**7,412.21**	**6,650.70**	**6,773.30**

Refer Note No. 21.2 for reconciliation between the figure represented in Face Value and Amortised Cost

21.1 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 AAA, ICRA PP-MLD AAA
Domestic Perpetual Bonds	CRISIL AAA, CARE AAA
Domestic Short term Borowings	CRISIL A1+, ICRA A1+, CARE A1+, IND A1+
International Long-term Issuer Rating	BBB- (Fitch), Baa3 (Moody's), BBB+ (Japan Credit Rating Agency)

During the year, the credit rating on domestic perpetual bonds has been upgraded from CARE AA+ to CARE AAA

21.2 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 2024				
Total Amount as per Ind-AS	**2,66,063.24**	**1,72,092.05**	**7,412.21**	**4,45,567.50**
Less: Interest accrued on Borrowings classified under the same head as per Ind-AS	(8,263.26)	(766.66)	(321.21)	(9,351.13)
Add: Ind-AS Adjustments including EIR	707.50	824.58	149.70	1,681.78
Total Borrowings Outstanding	**2,58,507.48**	**1,72,149.97**	**7,240.70**	**4,37,898.15**
As at 31st March 2023				
Total Amount as per Ind-AS	**2,36,902.33**	**1,37,114.13**	**6,773.30**	**3,80,789.76**
Less: Interest accrued on Borrowings classified under the same head as per Ind-AS	(6,729.19)	(670.87)	(296.95)	(7,697.01)
Add: Ind-AS Adjustments including EIR	783.85	520.03	174.35	1,478.23
Total Borrowings Outstanding	**2,30,956.99**	**1,36,963.29**	**6,650.70**	**3,74,570.98**

21.3 The Company raises funds in different currencies through a mix of term loans from banks/ financial institutions/ Government 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. 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. Further, there has not been any breach of covenant of Debt Securities, Borrowings and Debt Securities issued by the company.

Consolidated Notes to Accounts

22. Other Financial Liabilities

(₹ in Crores)

Particulars		As at 31-03-2024	As at 31-03-2023
(A)	**Unpaid Dividends** (Refer Note 22.1)	1,192.72	6.79
(B)	**Unpaid Principal & Interest on Bonds** (Refer Note 22.1)		
	- Matured Bonds & Interest Accrued thereon	22.42	25.66
	- Interest on Bonds	10.52	11.17
	Sub-total (B)	**32.94**	**36.83**
(C)	**Advance received towards variation margin**	4,638.80	-
(D)	**Funds Received from Government of India for Disbursement as Subsidy/ Grant (cumulative)**	98,759.76	98,232.51
	Add: Interest on such funds (net of refund)	31.68	24.17
	Less: Disbursed to Beneficiaries (cumulative)	(98,717.49)	(98,095.33)
	Undisbursed Funds to be disbursed as Subsidy/ Grant	73.95	161.35
(E)	**Payables towards Bonds Fully serviced by Government of India**	24,382.40	24,318.29
(F)	Other Liabilities	1,638.68	821.85
	Total (A to F)	**31,959.49**	**25,345.11**

22.1 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 2024 is ₹0.58 crores (₹2.68 crores as at 31st March 2023) which has been transferred within the prescribed time limit.

Further, Unpaid Dividend also includes an amount of ₹1,184.95 crores (previous year Nil) pertaining to Interim Dividend declared by the company in March 2024 for which balance has been transfered in earmarked bank account but yet to be paid to the shareholders.

22.2 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 Government 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 ₹0.77 crores as at 31st March 2024 (₹0.75 crores as at 31st March 2023) 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 31-03-2024	Year ended 31-03-2023
Opening Balance of Interest Subsidy Fund	0.75	0.73
Add: Interest earned during the year	0.02	0.02
Less: Interest subsidy passed on to the borrower	-	-
Closing Balance of Interest Subsidy Fund	**0.77**	**0.75**

22.3 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

22.4 The movement in Interest on Subsidy/ Grant is explained as under:

(₹ in Crores)

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
Opening Balance	24.17	20.87
Add: Interest earned/Adjustment during the year	9.93	16.65
Less: Amount refunded to Government/Adjusted during the year	(2.42)	(13.35)
Closing Balance	**31.68**	**24.17**

22.5 For meeting GOI's funding requirement of DDUGJY Scheme, during the year, the Company has raised funds an aggregate amount of ₹ Nil (Previous year Nil) 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 Government 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 31-03-2024	As at 31-03-2023
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**

23. Current tax liabilities (net)

(₹ in Crores)

Particulars	As at 31-03-2024	As at 31-03-2023
Provision for Income Tax	3,283.85	51.92
Less: Advance Income-tax & TDS	(3,217.34)	(41.27)
Current tax liabilities (Net)	**66.51**	**10.65**

24. Provisions

(₹ in Crores)

Particulars	As at 31-03-2024	As at 31-03-2023
Provisions for		
(A) Employee Benefits		
Gratuity	0.13	2.68

Consolidated Notes to Accounts

(₹ in Crores)

Particulars	As at 31-03-2024	As at 31-03-2023
Earned Leave Liability	33.81	27.75
Medical Leave Liability	21.52	20.61
Settlement Allowance	2.40	1.76
Economic Rehabilitation Scheme	4.92	4.17
Long Service Award	4.51	2.89
Incentive	36.96	33.89
Others	1.07	2.00
Sub-total (A)	**105.32**	**95.75**
(B) Others		
Expected Credit Loss on Letters of Comfort	32.02	15.87
Sub-total (B)	**32.02**	**15.87**
Total (A+B)	**137.34**	**111.62**

24.1 Movement of Expected Credit Loss provision on Letters of comfort

(₹ in Crores)

Particulars	As at 31-03-2024	As at 31-03-2023
Opening balance	15.87	20.90
Add: Created during the year	25.97	5.48
Less: Reversed/ Adjusted during the year	(9.82)	(10.51)
Closing balance	**32.02**	**15.87**

24.2 The Company has maximum credit risk exposure of ₹5,961.13 crores (previous year ₹3,082.47 crores) (net of Impairment Loss Allowances) related to Letters of Comfort issued to the banks, as a financial guarantee on behalf of the borrowers.

25. Other Non-Financial Liabilities

(₹ in Crores)

Particulars	As at 31-03-2024	As at 31-03-2023
(A) Sundry Liabilities Account (Funded Interest Capitalisation)	47.80	2.80
(B) Unbilled Liability towards Capital Account	48.38	48.38
(C) Unamortised Fee on Undisbursed Loans	85.38	12.45
(D) Advance received from Government towards Government Schemes	-	0.10
(E) Statutory Dues	78.23	42.72
Total (A to E)	**259.79**	**106.45**

26. Equity Share Capital

(₹ in Crores)

Particulars	As at 31-03-2024		As at 31-03-2023	
	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	2 ,63,32,24,000	2,633.22	2,63,32,24,000	2,633.22
Total	**2,63,32,24,000**	**2,633.22**	**2,63,32,24,000**	**2,633.22**

Consolidated Notes to Accounts

26.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the year

(₹ in Crores)

Particulars	For the year ended 31-03-2024		For the year ended 31-03-2023	
	No. of Shares	Amount	No. of Shares	Amount
Share Capital at the beginning of the year	2,63,32,24,000	2,633.22	1,97,49,18,000	1,974.92
Add: Shares issued & allotted during the year	-	-	65,83,06,000	658
Share Capital at the end of the year	**2,63,32,24,000**	**2,633.22**	**2,63,32,24,000**	**2,633.22**

26.2 Allotment of Bonus Shares during the year and during preceding five years

During current year, no bonus shares were issued by the Company. During previous year, the Company has issued 65,83,06,000 equity shares of ₹10 each as fully paid-up bonus shares in the ratio of 1 (One) equity share for every 3 (Three) equity share outstanding on the record date i.e. 18th August 2022 by capitalising ₹658.30 crores out of the sum standing to the credit of 'Securities Premium Account'. Except this, no Bonus Shares were issued during the preceding five years.

26.3 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.

26.4 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.

26.5 Shareholders holding more than 5% of fully paid-up equity shares as at Balance Sheet date:

Particulars	As at 31-03-2024		As at 31-03-2023	
	No. of Shares	Percentage	No. of Shares	Percentage
Power Finance Corporation Limited	1,38,59,93,662	52.63%	1,38,59,93,662	52.63%

26.6 Details of equity shares held by the Holding Company, including the subsidiaries and associates

Particulars	As at 31-03-2024		As at 31-03-2023	
	No. of Shares	Percentage	No. of Shares	Percentage
Power Finance Corporation Limited	1,38,59,93,662	52.63%	1,38,59,93,662	52.63%

26.7 Details of equity shares held by the promoters

Particulars	As at 31-03-2024			As at 31-03-2023		
	No. of Shares	Percentage	% change during the year	No. of Shares	Percentage	% change during the year
The President of India	-	-	-	-	-	-
Power Finance Corporation Limited	1,38,59,93,662	52.63%	-	1,38,59,93,662	52.63%	-

27. Instruments entirely equity in nature

(₹ in Crores)

Particulars	As at 31-03-2024		As at 31-03-2023	
	No. of Shares	Amount	No. of Shares	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**

Consolidated Notes to Accounts

27.1 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 31-03-2024		For the year ended 31-03-2023	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	5,584	558.40	5,584	558.40
Increase/ (Decrease) during the year	-	-	-	-
Balance at the end of the year	**5,584**	**558.40**	**5,584**	**558.40**

27.2 Instrument holders holding more than 5% of Perpetual Debt Instruments entirely equity in nature as at Balance Sheet date:

(₹ in Crores)

Name of the Shareholder	As at 31-03-2024		As at 31-03-2023	
	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%

27.3 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.

28. Other Equity

(₹ in Crores)

	Particulars	As at 31-03-2024	As at 31-03-2023
(A)	**Other Reserves**		
(i)	Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961	28,044.83	24,977.89
(ii)	Reserve for Bad and doubtful debts u/s 36(1)(viia) of the Income Tax Act, 1961	687.76	-
(iii)	Statutory Reserve u/s 45-IC of Reserve Bank of India Act, 1934	10,828.99	8,025.15
(iv)	Securities Premium	1,577.53	1,577.53
(v)	Foreign Currency Monetary Item Translation Difference Account	(675.14)	(790.44)
(vi)	General Reserve	12,036.27	12,036.27
(B)	**Retained Earnings**	**13,872.66**	**10,313.78**
(C)	**Other Comprehensive Income (OCI)**		
	- Equity Instruments through Other Comprehensive Income	(57.99)	(101.47)
	- Effective Portion of Cash Flow Hedges	(1,846.93)	600.05
	- Cost of Hedging reserve	1,690.64	(1,709.87)
	Total - Other Equity (A+B+C)	**66,158.63**	**54,928.89**

Additions and deductions to the components of 'Other Equity' has been disclosed in 'Statement of Changes in Equity'.

28.1 Drawdown/ Transfer from Reserves: 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:

Consolidated Notes to Accounts

(i) During the financial year 2023-24

No amount has been drawn from the reserves during the financial year 2023-24.

(ii) During the financial year 2022-23

₹196.82 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.

28.2 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, 2024	For the year ended 31st March, 2023
Balance as at the begining of the year	**24,977.89**	**22,302.93**
Add: Transferred from Retained Earnings	3,066.94	2,674.96
Less: Transferred to General Reserve	-	-
Balance as at the end of the year	**28,044.83**	**24,977.89**

28.3 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, 2024	For the year ended 31st March, 2023
Balance as at the begining of the year	**-**	**196.82**
Add: Transferred from Retained Earnings	687.76	-
Less: Transferred to General Reserve	-	(196.82)
Balance as at the end of the year	**687.76**	**-**

28.4 Statutory Reserve 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, 2024	For the year ended 31st March, 2023
Balance as at the begining of the year	**8,025.15**	**5,814.00**
Add: Transferred from Retained Earnings	2,803.84	2,211.15
Less: Transferred to General Reserve	-	-
Balance as at the end of the year	**10,828.99**	**8,025.15**

Consolidated Notes to Accounts

28.5 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, 2024	For the year ended 31st March, 2023
Balance as at the begining of the year	**1,577.53**	**2,236.54**
Add: Transferred from Retained Earnings	-	-
Less: Transferred to General Reserve	-	-
Less: Utilised for Bonus Issue of Equity Shares	-	(658.30)
Less: Expenses incurred on Bonus Issue of Equity Shares	-	(0.71)
Balance as at the end of the year	**1,577.53**	**1,577.53**

28.6 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, 2024	For the year ended 31st March, 2023
Balance as at the begining of the year	**(790.44)**	**(555.29)**
Add: Foreign Currency Translation Gain/ Loss (-) on long term monetary items during the year	(85.73)	(487.03)
Less: Amortisation during the year	201.03	251.88
Balance as at the end of the year	**(675.14)**	**(790.44)**

28.7 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, 2024	For the year ended 31st March, 2023
Balance as at the begining of the year	**12,036.27**	**11,839.45**
Add: Transferred from Retained Earnings	-	-
Add: Transferred from Reserve for Bad & Doubtful Debts u/s 36(1) (viia) of the Income Tax Act, 1961	-	196.82
Add: Transferred from Debenture Redemption Reserve	-	-
Add: Transferred from Impairment Reserve	-	-
Add: Transferred from Capital Reserve	-	-
Balance as at the end of the year	**12,036.27**	**12,036.27**

Consolidated Notes to Accounts

28.8 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, 2024	For the year ended 31st March, 2023
Balance as at the begining of the year	**(101.47)**	**(37.98)**
Add: Recognition through Other Comprehensive Income (net of taxes)	91.48	(58.48)
Add: Reclassification of gain/ (loss) on sale/ extinguishment of FVOCI equity instrument (net of taxes)	(48.00)	(5.01)
Balance as at the end of the year	**(57.99)**	**(101.47)**

28.9 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, 2024	For the year ended 31st March, 2023
Balance as at the begining of the year	**600.05**	**194.21**
Add: Recognition through Other Comprehensive Income (net of taxes)	(2,446.98)	405.84
Balance as at the end of the year	**(1,846.93)**	**600.05**

28.10 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, 2024	For the year ended 31st March, 2023
Balance as at the begining of the year	**(1,709.87)**	**(395.95)**
Add: Recognition through Other Comprehensive Income (net of taxes)	3,400.51	(1,313.92)
Balance as at the end of the year	**1,690.64**	**(1,709.87)**

28.11 Detail of Movement in Retained Earnings during the year:

(₹ in Crores)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Balance as at the begining of the year	**10,313.78**	**7,186.05**
Add: Profit for the year	14,145.46	11,166.98

Consolidated Notes to Accounts

(₹ in Crores)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Add: Remeasurement of Defined Benefit Plans (net of taxes)	(0.74)	(4.48)
Less: Transferred to Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961	(3,066.94)	(2,674.96)
Less: Transferred to Reserve for Bad and doubtful debts u/s 36(1)(viia) of the Income Tax Act, 1961	(687.76)	-
Less: Transferred to Statutory Reserve u/s 45-IC of Reserve Bank of India Act, 1934	(2,803.84)	(2,211.15)
Add: Reclassification of gain/ (loss) on sale/ extinguishment of FVOCI equity instrument	48.00	5.01
Less: Coupon Payment on Instrument Entirely Equity in Nature (Perpetual Debt Instruments) (Net of Taxes)	(33.30)	(33.30)
Less: Dividend during the year	(4,042.00)	(3,120.37)
Balance as at the end of the year	**13,872.66**	**10,313.78**

28.12 Dividend declared/ proposed by the Company for Equity Shares of ₹10/- each

Particulars	For the year ended 31-03-2024		For the year ended 31-03-2023	
	Dividend per Equity Share (₹)	Dividend Amount (₹ in Crores)	Dividend per Equity Share (₹)	Dividend Amount (₹ in Crores)
No. of Equity Share at the end of the year	2,63,32,24,000		2,63,32,24,000	
Interim Dividend	11	2,896.55	8.25	2,172.41
Final/ Proposed Dividend	5.00	987.46	4.35	859.09
Total Dividend	**16.00**	**3,884.01**	**12.60**	**3,031.50**

The Board of Directors at its meeting held on 30th April, 2024 recommended final dividend of ₹5/- per equity share (on face value of ₹10/- each) for the financial year 2023-24, subject to approval of Shareholders in the ensuing Annual General Meeting. The total dividend for the financial year is ₹16/-per equity share (on face value of ₹10/- each).

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.

29. Interest Income

(₹ in Crores)

Particulars		Year ended 31-03-2024			Year ended 31-03-2023		
		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	-	42,941.50	-	-	37,679.56	-
(ii)	Short term financing	-	2,717.24	-	-	680.35	-
	Sub-total (A)	**-**	**45,658.74**	**-**	**-**	**38,359.91**	**-**
(B)	**Interest Income from Investments**						

Consolidated Notes to Accounts

(₹ in Crores)

Particulars		Year ended 31-03-2024			Year ended 31-03-2023		
		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
(i)	Interest from Long Term Investments	-	190.29	69.16	-	154.82	31.69
	Sub-total (B)	**-**	**190.29**	**69.16**	**-**	**154.82**	**31.69**
(C)	**Interest on Deposits with Banks**						
(i)	Interest from Deposits	-	331.51	-	-	118.51	-
	Sub-total (C)	**-**	**331.51**	**-**	**-**	**118.51**	**-**
(D)	**Other Interest Income**						
(i)	Interest on Delayed Payments by Borrowers	-	173.80	-	-	176.76	-
(ii)	Interest from Staff Advances	-	5.06	-	-	3.65	-
(iii)	Interest on Mobilisation Advance	-	0.24	-	-	0.27	-
(iv)	Unwinding of Discount of Security Deposits	-	0.10	-	-	0.16	-
(v)	Interest from SPVs	-	0.71	-	-	0.57	-
(vi)	Interest on Advance to parties	-	1.83	-	-	-	-
	Sub-total (D)	**-**	**181.74**	**-**	**-**	**181.41**	**-**
	Total - Interest Income (A to D)	**-**	**46,362.28**	**69.16**	**-**	**38,814.65**	**31.69**

30. Dividend Income

(₹ in Crores)

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
- Dividend from Long-Term Investments	2.28	11.89
Total - Dividend Income	**2.28**	**11.89**

30.1 Details of dividend recognised on Other Investments :

(₹ in Crores)

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
Dividend on FVOCI Equity Investments		
- Investments held at the end of the year	1.94	11.81
- Investments derecognized during the year	0.34	0.08
Total	**2.28**	**11.89**

Consolidated Notes to Accounts

31. Fees and Commission Income

(₹ in Crores)

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
Fees based Income	70.80	117.80
Prepayment Premium	50.74	47.16
Fee for Implementation of Govt. Schemes	114.49	122.21
Total - Fees and Commission Income	**236.03**	**287.17**

32. Sale of services

(₹ in Crores)

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
Consultancy Engineering Services	360.52	287.55
Total	**360.52**	**287.55**

33. Other Income

(₹ in Crores)

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
Net gain/ (loss) on disposal of assets classified as held for sale	1.32	4.08
Rental Income	13.96	12.82
Liabilities/Provision Written Back	23.90	1.57
Fees from Training Courses	12.33	7.73
Interest from Income Tax Refund	0.28	-
Miscellaneous Income	14.69	15.70
Total - Other Income	**66.48**	**41.90**

34. Finance Costs

Finance Costs have been incurred on financial liabilities measured at amortised cost.

(₹ in Crores)

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
(i) Interest on Borrowings		
- Loans from Government of India (NSSF)	822.50	822.50
- Loans from Banks/ Financial Institutions	5,461.62	3,934.76
- External Commercial Borrowings	4,774.11	1,881.41
Sub-Total (i)	**11,058.23**	**6,638.67**
(ii) Interest on Debt Securities		
- Domestic Debt Securities	15,086.29	13,312.17
- Foreign Currency Debt Securities	1,553.60	1,442.43
- Commercial Paper	135.64	-
Sub-Total (ii)	**16,775.53**	**14,754.60**
(iii) Interest on Subordinated Liabilities		
- Subordinate Bonds	631.89	551.65
Sub-Total (iii)	**631.89**	**551.65**

Consolidated Notes to Accounts

(₹ in Crores)

Particulars		Year ended 31-03-2024	Year ended 31-03-2023
(iv)	**Other Interest Expense**		
	- Swap Premium	1,368.64	1,784.82
	- Interest on Variation Margin	114.70	-
	- Interest on Advance Income Tax	4.01	-
	- Interest on liability towards employee benefits	(4.84)	3.44
	- Miscellaneous interest expense	0.11	0.18
	Sub-Total (iv)	**1,482.62**	**1,788.44**
	Total - Finance Costs	**29,948.27**	**23,733.36**
	Less: Finance Costs Capitalised	(0.53)	(0.03)
	Total - Finance Costs (Net)	**29,947.74**	**23,733.33**

35. Net translation/ transaction exchange loss/ (gain)

(₹ in Crores)

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
Net translation/ transaction exchange loss/ (gain)	166.57	1,114.04
Total	**166.57**	**1,114.04**

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 ₹201.03 crores (Previous year ₹251.88 crores).

35.1 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 2024*	83.3739	0.5509	90.2178	61.7319
As at 31st March 2023	82.2169	0.6180	89.6076	61.8074

** as on 28th March 2024 being the last working day.*

36. Fees and commission expense

(₹ in Crores)

Particulars		Year ended 31-03-2024	Year ended 31-03-2023
(i)	Guarantee Fee	1.71	2.92
(ii)	Listing and Trusteeship Fee	0.06	0.05
(iii)	Agency Fees	1.42	1.76
(iv)	Credit Rating Expenses	4.08	3.55
(v)	Other Finance Charges	16.99	8.01
	Total (i to v)	**24.26**	**16.29**

37. Net Gain/ (loss) on Fair Value Changes

(₹ in Crores)

Particulars		Year ended 31-03-2024	Year ended 31-03-2023
(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	425.55	69.21
	- Changes in fair value of Long Term Investments	46.33	(25.45)

Consolidated Notes to Accounts

(₹ in Crores)

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
- Changes in fair value of Short-term MF investments	2.60	1.55
Sub-total (ii)	**474.48**	**45.31**
Total (A)	**474.48**	**45.31**
Breakup of Fair Value Changes		
- Realised	(217.04)	336.35
- Unrealised	691.52	(291.04)
Total Net Gain/ (loss) on Fair Value Changes	**474.48**	**45.31**

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

38 Impairment on financial instruments

(₹ in Crores)

Particulars		Year ended 31-03-2024		Year ended 31-03-2023	
		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 *	-	(1,367.07)	-	105.14
(ii)	- Others	-	(12.51)	-	37.03
	Total (i+ii)	**-**	**(1,379.58)**	**-**	**142.17**

** includes ₹16.14 crores (Previous year ₹ -5.03 crores) towards impairment allowance on Letter of Comfort.*

39. Cost of services rendered

(₹ in Crores)

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
Project Expenses	168.06	54.06
Total	**168.06**	**54.06**

40. Employee Benefits Expense

(₹ in Crores)

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
- Salaries and Allowances	157.24	157.43
- Contribution to Provident and Other Funds	32.87	8.57
- Rent towards Residential Accomodation for Employees	6.65	5.31
- Staff Welfare Expenses	41.27	32.79
Total	**238.03**	**204.10**

** includes NIL (previous year ₹20.54 crores) incurred in compliance of order of Ministry of Power regarding regularisation of earlier adopted Pay Scales 1997 in respect of below Board Level Executives at par with other CPSEs.*

41. Depreciation and amortization

(₹ in Crores)

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
- Depreciation on Property, Plant & Equipment	22.88	21.60
- Amortization on Intangible Assets	1.11	2.66
Total	**23.99**	**24.26**

Consolidated Notes to Accounts

42. Corporate Social Responsibility Expenses

(₹ in Crores)

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
- Direct Expenditure	243.69	198.27
- Overheads	8.09	5.64
Total	**251.78**	**203.91**

42.1 Ministry of Corporate Affairs (MCA) has prescribed Companies (Corporate Social Responsibility Policy) Rules, 2014, amended from time to time. 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. Further, companies undertaking impact assessment may book the expenditure towards CSR for that financial year, which shall not exceed two percent of the total CSR expenditure or fifty lakh rupees, whichever is higher.

42.2 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 ₹251.78 crores (previous year ₹ 203.91 crores).

(b) Amount approved by the Board to be spent during the year is ₹251.78 crores (previous year ₹ 203.91 crores).

(c) Refer Note no. 57 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 31-03-2024	Year ended 31-03-2023
(A)	**Opening Balance - Excess amount spent**	7.70	0.48
(B)	Amount required to be spent during the year	251.78	203.91
(C)	Amount spent during the year*	249.42	211.13
(D)	**Closing Balance - Excess amount spent** (A-B+C)**	5.34	7.70

** Excludes amount spent on CSR activities from interest earned on temporarily parked funds by REC Foundation (implementing agency) of ₹ Nil (previous year ₹ 0.98 crores)*
*** eligible to be set-off in the next three succeeding financial years*

42.3 Amount spent during the year:

(₹ in Crores)

Particulars		Year ended 31-03-2024			Year ended 31-03-2023		
		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	68.55	-	68.55	73.98	-	73.98
	Education/ Vocational/ Skill Development	10.72	-	10.72	23.12	-	23.12
	Environmental Sustainability	21.32	-	21.32	23.79	-	23.79
	Sports	21.83	-	21.83	30.50	-	30.50
	Contribution to PM CARES Fund	85.00	-	85.00	50.13	-	50.13
	Others (Rural Development, Benefits of Armed Forces / Incubators)	33.92	-	33.92	3.97	-	3.97
	Impact Assessment	0.13	-	0.13	0.34	-	0.34
	Administrative overheads including training etc.	7.95	-	7.95	5.30	-	5.30
	Total (i+ii)	**249.42**	**-**	**249.42**	**211.13**	**-**	**211.13**

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43. Other Expenses

(₹ in Crores)

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
- Travelling and Conveyance	23.01	18.26
- Publicity & Promotion Expenses	32.28	10.78
- Repairs and Maintenance	26.55	22.93
- Rent, taxes and energy costs	7.74	7.92
- Insurance Charges	0.16	0.15
- Communication costs	2.38	2.39
- Printing & stationery	1.74	1.26
- Director's sitting fees	0.49	0.42
- Auditors' fees and expenses	1.84	1.62
- Legal & Professional Charges	13.76	16.35
- Net Loss on Disposal of Property, Plant & Equipment	5.56	6.64
- Training And Conference Expense	13.76	10.80
- Government Scheme Monitoring Expenses	9.32	8.42
- Other Expenditure	31.85	22.39
Total	**170.44**	**130.33**

43.1 Disclosure in respect of Auditors' fees and expenses

(₹ in Crores)

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
Fees paid to statutory auditors :		
- for audit fees	0.75	0.63
- for taxation matters *	0.18	0.17
- for company law matters/ limited review fees	0.36	0.35
- for other services	0.38	0.25
- for reimbursement of expenses	0.05	0.11
Sub-total	**1.71**	**1.51**
Non-recoverable tax credit in respect of fees paid to auditors	0.13	0.11
Total - Auditor's fees and expenses	**1.84**	**1.62**

** includes Nil (Previous year Nil) of fees for taxation matters pertaining to earlier years.*

44. Tax Expense

(₹ in Crores)

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
- Current tax expense	3,329.10	2,720.50
- Current tax expense/ (benefit) pertaining to earlier years	3.97	(147.45)
Sub-total - Current Tax	**3,333.07**	**2,573.05**
- Deferred tax expense/ (credit)	481.41	157.64
Total	**3,814.48**	**2,730.69**

Consolidated Notes to Accounts

44.1 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 31-03-2024	Year ended 31-03-2023
Profit before Tax	**17,959.94**	**13,897.67**
Statutory income tax rate	**25.168%**	**25.168%**
Expected income tax expense	**4,520.16**	**3,497.77**
Tax effect of income tax adjustments:		
Benefit of deduction u/s 36(1)(viii) of Income Tax Act 1961	(771.89)	(673.23)
Non-allowability of CSR expenses & other adjustments	63.47	51.00
Other non-deductible expenses	(1.15)	5.60
Interest on Advance Income tax disallowed	0.49	-
Non Taxable Income	(0.57)	(3.00)
Tax Expense Earlier Years	3.97	(147.45)
Tax expense	**3,814.48**	**2,730.69**

45. Earnings per Share

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
Numerator		
Profit for the year from continuing operations as per Statement of Profit and Loss (₹in Crores)*	14,112.16	11,133.68
Profit for the year from discontinued operations as per Statement of Profit and Loss (₹in Crores)*	-	-
Profit for the year from continuing and discontinued operations as per Statement of Profit and Loss (₹ in Crores)*	14,112.16	11,133.68
Denominator		
Weighted average Number of equity shares	2,63,32,24,000	2,63,32,24,000
Basic & Diluted Earnings per Share (in ₹ for an equity share of ₹10 each) (for continuing operations)	53.59	42.28
Basic & Diluted Earnings per Share (in ₹ for an equity share of ₹10 each) (for discontinued operations)	-	-
Basic & Diluted Earnings per Share (in ₹ for an equity share of ₹10 each) (for continuing and discontinued operations)	53.59	42.28

** The profit denotes Proft after Tax less coupon expenses (net of taxes) of ₹ 33.30 crores (Previous year ₹ 33.30 crores) on Perpetual Debt Instruments entrirely equity in nature.*

46. Contingent Liabilities and Commitments :

46..1 Contingent Liabilities not provided for in respect of:

(₹ in Crores)

Particulars		As at 31-03-2024	As at 31-03-2023
(A)	**Claims against the Company not acknowledged as debts**	28.17	27.49
(B)	**Taxation Demands**		
(i)	- Demands raised by the Income Tax Department	213.14	212.70
(ii)	- Demands against appeals filed by the Income Tax Department against the relief allowed to the Company	0.90	0.90

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(₹ in Crores)

Particulars	As at 31-03-2024	As at 31-03-2023
(iii) - Demands raised in respect of GST	17.97	17.89
(C) Guarantees	-	7.50
(D) Others		
(i) - Arbitration Proceedings through Project Management Consultant (PMC) (counter claim of ₹ 33.23 crores)	352.94	315.30
(ii) - Letters of Comfort	5,961.13	3,082.47
(iii) - Bank Guarantees	15.21	29.79

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 the company.

The amount referred to in C above is against the Bank Guarantee submitted for participation in bidding process of NTPC Green Energy Limited (subsidiary of NTPC Ltd.)

The amount referred to in D(i) above represent arbitration matters between the contractor and PMC appointed by the company. The claim is being contested by the PMC and company believes that its position will likely be upheld in the arbitration process. The amount includes 12% p.a interest on the claim amount.

46.2 Commitments not provided for in respect of:

(₹ in Crores)

Particulars	As at 31-03-2024	As at 31-03-2023
- Contracts remaining to be executed on capital account		
- Towards Property, Plant & Equipment	94.85	124.73
- Towards Intangible Assets	-	-
- Other Commitments		
- CSR Commitments	418.89	254.10

47. 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

48. Implementation of Government of India Schemes

48.1 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 October 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

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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.

48.2 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 November 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 crore including budgetary support of ₹5,302 crore. The scheme has been successfully completed and closed in its sunset year FY 2021-22 i.e. 31.03.2022.

48.3 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.

48.4 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 the FY 2024-25.

(ii) Reduction of ACS-ARR gap to zero by the FY 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.

48.5 Rooftop Solar Program (RTS)

PM-Surya Ghar: Muft Bijli Yojana was launched by Government of India on 13.02.2024 for installation of Rooftop Solar (RTS) in one crore households with the financial outlay of ₹75,021 crore and the phase-II of RTS will be subsumed under this scheme. The phase-II of Grid connected RTS programme is being implemented under Ministry of New and Renewable Energy (MNRE) for achieving cumulative capacity of 40GW from RTS projects by 2026.

48.6 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.

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48.7 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.

49. 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 31-03-2024	As at 31-03-2023
Net debt	4,37,635.40	3,74,522.28
Net Worth	69,350.25	58,120.51
Debt-equity ratio	**6.31**	**6.44**

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 if any and net worth of the Company, subject to the applicable circulars/ guidelines issued by RBI, DIPAM etc. as applicable from time to time.

As per the extant guidelines issued by DIPAM, Government 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.

Other Policies

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 of Conduct for Regulating, Monitoring & Reporting of Trading by Designated Persons & their Immediate Relatives and for Fair Disclosure, Policy for prevention of Fraud, The Code of Business Conduct and Ethics for Board Members and Senior Management, Fair Practices Code, Internal Guidelines on Corporate Governance, Policy on 'fit & proper' criteria of Directors etc.

50. Capital to Risk-weighted Assets Ratio

The Company is complying with the Capital Adequacy requirements as per the master directions/ circulars/ guidelines prescribed by the RBI, amended from time to time. 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		As at 31-03-2024			As at 31-03-2023			% Variance
		Numerator* (₹ in Crores)	**Denominator* (₹ in Crores)**	**%**	**Numerator* (₹ in Crores)**	**Denominator* (₹ in Crores)**	**%**	
(i)	CRAR	73,859.00	2,86,046.00	25.82%	63,240.41	2,45,300.73	25.78%	0.15%
(ii)	CRAR - Tier I Capital	66,716.00	2,86,046.00	23.32%	56,023.45	2,45,300.73	22.84%	2.12%
(iii)	CRAR - Tier II Capital	7,143.00	2,86,046.00	2.50%	7,216.96	2,45,300.73	2.94%	-15.12%

The amount of Perpetual Debt Instrument of the Tier-I capital is 0.84% (previous year 1%)

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* Numerator being Tier-I & Tier-II capital majorily consists of Equity (Refer Note no. 26, 27 and 28) 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 31-03-2024	Year ended 31-03-2023
Amount of Subordinated Debt raised as Tier-II capital	-	-
Amount of Perpetual Debt Instruments raised as Tier-I capital	3,090.00	-

51. 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 systems & processes appropriate for various risk categories, independent risk oversight and periodic monitoring. A Board Level Risk Management Committee (RMC) has also been constituted under the chairmanship of CMD, 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, Bank Balances (other than Cash and Cash Equivalents), Loans, Financial Assets, 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.

RBI vide its Master Direction on Information Technology Governance, Risk, Controls and Assurance Practice has mandated the appointment of Chief Information Security Officer (CISO) vide its direction RBI/2023-24/107 DoS.CO.CSITEG/ SEC.7/31.01.015/2023-24 dated November 07, 2023. Accordingly the Company has appointed the CISO w.e.f 16.01.2024 in compliance of the RBI Guidlines.

51.1 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, bank balances (other than cash and cash equivalents), investments, loan assets, trade receivables and other financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

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51.1.1 Financial assets that expose the entity to credit risk

(₹ in Crores)

Particulars		As at 31-03-2024	As at 31-03-2023
(i)	**Low credit risk on financial reporting date**		
	Cash and cash equivalents	262.75	48.70
	Bank balances (other than cash and cash equivalents)	2,699.75	2,346.91
	Loans *	4,82,554.12	4,12,304.47
	Trade Receivables	106.30	103.06
	Investments (excluding equity investments)	4,865.31	2,760.98
	Other financial assets	24,445.41	24,422.54
(ii)	**Moderate credit risk**		
	Loans *	18,999.65	10,913.58
	Trade Receivables	42.32	9.55
(iii)	**High credit risk**		
	Loans *	13,810.33	14,892.08
	Investments in Preference Share **	28.72	28.72
	Trade Receivables	5.20	0.39
	Other financial assets	67.79	95.21

** Represents the principal outstanding (along with undisbursed amount towards Letters of Comfort) without deduction for expected credit losses*

*** 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 Balances

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, Government 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.

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 Government Securities, State Development Loans and 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 received various 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.

Other Financial Assets

Other financial assets measured at amortized cost includes loans and advances to employees and subsidiary, security deposits and other amounts recoverable, including from Government of India. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

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51.1.2 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 and trade receivables 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/ Private Companies, 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 ECL 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 31-03-2024			As at 31-03-2023		
	Gross Carrying Amount	ECL	Net Carrying amount	Gross Carrying Amount	ECL	Net Carrying amount
Cash and cash equivalents	262.75	-	262.75	48.70	-	48.70
Bank balances (other than cash and cash equivalents)	2,699.75	-	2,699.75	2,346.91	-	2,346.91
Investments* (excluding equity investments)	4,922.75	28.72	4,894.03	2,818.42	28.72	2,789.70
Other financial assets **	24,513.20	67.79	24,445.41	24,517.75	95.21	24,422.54

** 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.*

51.1.3 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.

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(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 State 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

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(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 (LoC) 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. However, for State Distribution Companies (DISCOMs), the Company adopts the ratings by the Ministry of Power as and when they are updated.

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 using suitable assumptions, including valuation reports carried out by the company, 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) 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.

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(H) 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 31-03-2024				As at 31-03-2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing								
Very Good (AAA | AA | A | Government Loan)	2,03,407.58	18,161.39	-	2,21,568.97	1,92,836.82	276.33	-	1,93,113.15
Good (BBB | BB | B)	2,22,710.25	445.30	-	2,23,155.55	1,47,389.05	9,128.03	-	1,56,517.08
Average (C)	56,025.85	-	-	56,025.85	70,282.47	1,345.98	-	71,628.45
Fair (D)	410.44	-	-	410.44	1,796.13	157.74	-	1,953.87
Non-Performing (D)	-	392.96	13,810.33	14,203.29	-	5.50	14,892.08	14,897.58
Gross Exposure	**4,82,554.12**	**18,999.65**	**13,810.33**	**5,15,364.10**	**4,12,304.47**	**10,913.58**	**14,892.08**	**4,38,110.13**
Loss allowance (including LoC)	2,767.04	191.70	9,453.80	12,412.54	3,521.81	238.30	10,519.51	14,279.63
Net Exposure	**4,79,787.08**	**18,807.95**	**4,356.53**	**5,02,951.56**	**4,08,782.66**	**10,675.28**	**4,372.57**	**4,23,830.51**

(I) 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

(J) 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

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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 2024	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	**4,12,304.47**	**3,521.81**	**10,913.58**	**238.30**	**14,892.08**	**10,519.51**	**4,38,110.13**	**14,279.62**
Transfer to 12 months ECL	9,954.90	(194.96)	(9,954.90)	194.96	-	-	-	-
Transfer to life time ECL not credit impaired	(18,708.02)	(75.05)	19,077.40	191.51	(369.38)	(116.46)	0.00	-
Transfer to Lifetime ECL credit impaired	-	-	-	-	-	-	-	-
Additional provision due to changes in PD/ LGD	-	(723.10)	-	(426.85)	-	(448.16)	-	(1,598.11)
New Financial assets originated or purchased (including further disbursements in existing assets)	1,66,140.76	916.02	90.95	0.73	-	-	1,66,231.71	916.75
Financial Assets that have been derecognised (including recoveries in existing assets)	(87,137.99)	(677.68)	(1,127.38)	(6.95)	(212.35)	(1.07)	(88,477.72)	(685.70)
Write offs	-	-	-	-	(500.02)	(500.02)	(500.02)	(500.02)
Closing Balance	**4,82,554.12**	**2,767.04**	**18,999.65**	**191.70**	**13,810.33**	**9,453.80**	**5,15,364.10**	**12,412.54**

(₹ in Crores)

For the Year ended 31st March 2023	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	**3,35,876.99**	**2,790.22**	**36,424.23**	**369.61**	**17,159.89**	**11,565.73**	**3,89,461.11**	**14,725.56**
Transfer to 12 months ECL	34,393.77	(353.01)	(34,393.77)	353.01	-	-	-	-
Transfer to life time ECL not credit impaired	(2,798.11)	(11.28)	2,988.10	83.95	(189.99)	(72.67)	(0.00)	-
Transfer to Lifetime ECL credit impaired	-	-	-	-	-	-	-	-
Additional provision due to changes in PD/ LGD	-	715.77	-	(673.24)	-	(370.93)	-	(328.40)

Consolidated Notes to Accounts

(₹ in Crores)

For the Year ended 31st March 2023	Stage 1		Stage 2		Stage 3		Total	
	Gross Amount	12 months ECL	Gross Amount	Lifetime ECL	Gross Amount	Lifetime ECL	Gross Amount	ECL
New Financial assets originated or purchased (including further disbursements in existing assets)	91,644.92	684.49	6,338.03	118.42	-	-	97,982.95	802.91
Financial Assets that have been derecognised (including recoveries in existing assets)	(46,813.10)	(304.38)	(443.01)	(13.45)	(1,526.74)	(51.54)	(48,782.85)	(369.37)
Write offs	-	-	-	-	(551.08)	(551.08)	(551.08)	(551.08)
Closing Balance	**4,12,304.47**	**3,521.81**	**10,913.58**	**238.30**	**14,892.08**	**10,519.51**	**4,38,110.13**	**14,279.62**

(K) Details of Stage wise Exposure and Impairment Loss Allowance:

(₹ in Crores)

Particulars	As at 31-03-2024				As at 31-03-2023			
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
Total Exposure	4,82,554.12	18,999.65	13,810.33	5,15,364.10	4,12,304.47	10,913.58	14,892.08	4,38,110.13
Impairment Allowance	2,767.04	191.70	9,453.80	12,412.54	3,521.81	238.30	10,519.51	14,279.63
ECL %	0.57%	1.01%	68.45%	2.41%	0.85%	2.18%	70.64%	3.26%

(L) 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 31-03-2024		As at 31-03-2023	
	Gross Amount	ECL	Gross Amount	ECL
Concentration by industry				
Generation	1,45,871.05	9,871.35	1,69,432.41	11,694.33
Renewables	42,312.34	567.57	30,503.46	306.33
Transcos	48,701.40	47.77	48,332.23	251.72
Discoms	2,19,983.23	1,732.67	1,85,085.13	2,008.12
Power Infrastructure	45,875.48	170.51	1,453.29	5.85
Infrastructure & Logistics	9,727.33	22.61	-	-
Government Loans	2,893.27	0.06	3,303.61	13.27
Total	**5,15,364.10**	**12,412.54**	**4,38,110.13**	**14,279.62**

Consolidated Notes to Accounts

(₹ in Crores)

Particulars	As at 31-03-2024		As at 31-03-2023	
	Gross Amount	ECL	Gross Amount	ECL
Concentration by ownership				
State	4,54,702.64	2,598.19	3,93,244.56	3,276.83
Private	60,661.46	9,814.35	44,865.57	11,002.79
Total	**5,15,364.10**	**12,412.54**	**4,38,110.13**	**14,279.62**

(M) Sector-wise Credit-impaired Assets - Percentage of Stage-III Assets to Total Advances in that sector

Particulars	As at 31-03-2024	As at 31-03-2023
Infrastructure Sector	**2.71%**	**3.42%**
- Power	2.71%	3.42%

(N) Movement of Credit-impaired Assets

(₹ in Crores)

Particulars		Year ended 31-03-2024	Year ended 31-03-2023
(i)	**Gross Credit-impaired Assets to Gross Advances (%)**	2.71%	3.42%
(ii)	**Net Credit-impaired Assets to Gross Advances (%)**	0.86%	1.01%
(iii)	**Net Credit-impaired Assets to Net Advances (%)**	0.88%	1.04%
(iv)	**Movement of Credit-impaired Assets (Gross)**		
(a)	Opening balance	14,892.08	17,159.89
(b)	Additions during the year	-	-
(c)	Reductions during the year	(581.73)	(1,716.73)
(d)	Write-off during the year	(500.02)	(551.08)
(e)	Closing balance	**13,810.33**	**14,892.08**
(v)	**Movement of Credit-impaired Assets (Net)**		
(a)	Opening balance	4,372.57	5,594.16
(b)	Additions during the year	448.16	370.93
(c)	Reductions during the year	(464.20)	(1,592.52)
(d)	Write-off during the year	-	-
(e)	Closing balance	**4,356.53**	**4,372.57**
(vi)	**Movement of provisions for Credit-impaired Assets**		
(a)	Opening balance	10,519.51	11,565.73
(b)	Provisions made during the year	(448.16)	(370.93)
(c)	Write-back of excess provisions	(117.53)	(124.21)
(d)	Provision on assets written off during the year	(500.02)	(551.08)
(e)	Closing balance	**9,453.80**	**10,519.51**

(O) 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 3% (previous year 4.77%) and Net NPA to Net Loans would have been 1.16% (previous year 2.41%) as at 31t March 2024.

Consolidated Notes to Accounts

(P) 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.

(Q) 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.

(R) Policy for sales out of amortised cost business

The Company does not resort to the sale of financial assets, including loan assets, in ordinary course of business.

However, the company may proceed for realization of amount due in respect of credit-impaired assets, as per the regulatory framework in India. As a result, the credit impaired loan may be either restructured/renegotiated or settled as part of IBC proceedings or otherwise and is assessed for derecognition as per the requirements of Ind AS 109 – Financial Instruments.

(S) There are no Accounts with overdues beyond 90 days but not treated as credit impaired (previous year Nil)

(T) There are no reportable cases of loans transferred/ acquired during the FY 2023-24 (previous year Nil) under Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated 24th September 2021.

(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 2024 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	4,75,471.73	4,77,502.34	2,712.85	4,74,789.49	2,470.03	242.82
	Stage 2	18,606.69	18,777.30	149.69	18,627.61	74.43	75.26
Sub Total (1)		**4,94,078.42**	**4,96,279.64**	**2,862.54**	**4,93,417.10**	**2,544.46**	**318.08**
Non-Performing Assets							
Substandard Assets	Stage 1	1,029.43	1,029.73	20.94	1,008.79	102.94	(82.00)
Doubtful Assets							
Up to 1 year	Stage 1	59.81	59.81	1.23	58.58	11.96	(10.73)
1 to 3 years	Stage 3	1,545.70	1,545.70	757.81	787.88	510.56	247.25
	Stage 2	392.16	392.27	41.21	351.06	172.93	(131.72)
More than 3 years	Stage 3	12,262.67	12,262.66	8,694.03	3,568.63	9,039.67	(345.64)

Consolidated Notes to Accounts

(₹ in Crores)

For the Year ended 31st March 2024 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)
Subtotal for doubtful assets		**14,260.34**	**14,260.44**	**9,494.28**	**4,766.15**	**9,735.12**	**(240.84)**
Loss Assets	Stage 2	0.80	0.80	0.80	-	0.80	
	Stage 3	1.96	1.96	1.96	-	1.96	-
		2.76	**2.76**	**2.76**	**-**	**2.76**	**-**
Sub-total for NPA (2)		**15,292.53**	**15,292.93**	**9,517.98**	**5,774.94**	**9,840.82**	**(322.84)**
Total Loan Assets		**5,09,370.95**	**5,11,572.57**	**12,380.52**	**4,99,192.04**	**12,385.28**	**(4.76)**
Other items which are in scope of Ind-AS 109 but not covered under current IRACP norms							
- Letter of Comfort*	Stage 1	5,993.15	5,993.15	32.02	5,961.13	-	32.02
Sub-Total (3)		**5,993.15**	**5,993.15**	**32.02**	**5,961.13**	**-**	**32.02**
Total	**Stage 1**	**4,82,554.12**	**4,84,585.03**	**2,767.04**	**4,81,817.99**	**2,584.93**	**182.11**
	Stage 2	**18,999.65**	**19,170.37**	**191.70**	**18,978.67**	**248.16**	**(56.46)**
	Stage 3	**13,810.33**	**13,810.32**	**9,453.80**	**4,356.51**	**9,552.19**	**(98.39)**
	Total	**5,15,364.10**	**5,17,565.72**	**12,412.54**	**5,05,153.17**	**12,385.28**	**27.26**

** 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 2023 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	4,03,366.73	4,04,567.80	3,423.13	4,01,144.67	2,089.93	1,333.20
	Stage 2	10,908.08	11,016.14	232.80	10,783.34	43.63	189.17
Sub Total (1)		**4,14,274.81**	**4,15,583.94**	**3,655.93**	**4,11,928.01**	**2,133.56**	**1,522.37**
Non-Performing Assets							
Substandard Assets	Stage 1	5,839.39	5,866.14	82.81	5,783.33	583.94	(501.13)

Consolidated Notes to Accounts

(₹ in Crores)

For the Year ended 31st March 2023 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)
Doubtful Assets							
Up to 1 year	Stage 3	1,512.48	1,512.48	754.15	758.33	350.72	403.43
1 to 3 years	Stage 3	594.27	594.27	452.12	142.14	344.21	107.91
More than 3 years	Stage 3	12,780.46	12,780.46	9,308.37	3,472.09	9,488.51	(180.14)
Subtotal for doubtful assets		**14,887.21**	**14,887.21**	**10,514.64**	**4,372.56**	**10,183.44**	**331.20**
Loss Assets	Stage 2	5.50	5.50	5.50	-	5.50	-
	Stage 3	4.87	4.87	4.87	-	4.87	-
Sub-total for NPA (2)		**20,736.97**	**20,763.72**	**10,607.82**	**10,155.89**	**10,777.75**	**(169.93)**
Total Loan Assets		**4,35,011.78**	**4,36,347.66**	**14,263.75**	**4,22,083.90**	**12,911.31**	**1,352.44**
Other items which are in scope of Ind-AS 109 but not covered under current IRACP norms							
- Letter of Comfort*	Stage 1	3,098.35	3,098.35	15.87	3,082.48	-	15.87
Sub-Total (3)		**3,098.35**	**3,098.35**	**15.87**	**3,082.48**	**-**	**15.87**
Total	**Stage 1**	**4,12,304.47**	**4,13,532.29**	**3,521.81**	**4,10,010.48**	**2,673.87**	**847.94**
	Stage 2	**10,913.58**	**11,021.64**	**238.30**	**10,783.34**	**49.13**	**189.17**
	Stage 3	**14,892.08**	**14,892.08**	**10,519.51**	**4,372.56**	**10,188.31**	**331.20**
	Total	**4,38,110.13**	**4,39,446.01**	**14,279.62**	**4,25,166.38**	**12,911.31**	**1,368.31**

** Gross carrying amount towards Letter of Comfort (LoC) represents non fund based exposures considered as financial guarantee as per IndAS 109.*

(V) There has been no divergence in Asset Classification and Provisioning assessed during last annual inspection conducted by the RBI for the FY 2023-24 vis-à-vis as reported by the company (Nil for FY 2022-23).

Consolidated Notes to Accounts

51.1.4 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:

(₹ in Crores)

Particulars	Less than 1 year	1 year- 2 year	2 year- 3 year	More than 3 year	Total
As at 31st March 2024					
Gross carrying value	115.13	50.10	8.80	39.46	**213.49**
Expected loss rate	7.67%	24.84%	46.97%	86.82%	**27.95%**
Expected credit loss (provision)	8.83	12.45	4.13	34.26	**59.67**
Carying amount (net of impairment)	106.30	37.65	4.67	5.20	**153.82**
As at 31st March 2023					
Gross carrying value	128.73	21.32	16.30	56.35	**222.70**
Expected loss rate	19.94%	62.85%	90.00%	99.31%	**49.26%**
Expected credit loss (provision)	25.67	13.40	14.67	55.96	**109.70**
Carying amount (net of impairment)	103.06	7.92	1.63	0.39	**113.00**

51.2 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.

51.2.1 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 2024	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	-	-	391.12	459.10	5,431.49	4,646.73	19,487.39	60,215.33	52,414.46	82,498.11	**2,25,543.73**
- Interest	-	0.24	201.16	1,182.57	4,371.36	2,362.72	7,915.89	26,486.87	18,680.23	25,792.46	**86,993.50**
Other Borrowings											
- Principal	567.41	-	1,000.00	1,524.94	8,051.00	1,505.69	914.29	13,638.99	34,712.06	17,891.28	**79,805.66**
- Interest	309.37	-	183.90	479.74	482.01	1,397.56	2,706.54	10,007.92	6,407.24	1,766.55	**23,740.83**
Subordinated Liabilities											
- Principal	-	-	-	-	-	-	-	-	2,151.20	5,089.50	**7,240.70**
- Interest	-	-	160.91	-	186.03	88.49	283.53	1,432.10	1,434.06	1,696.36	**5,281.48**
Foreign Currency Borrowings											
Debt Securities											
- Principal	-	-	-	-	-	5,419.30	4,168.69	7,503.65	14,213.88	1,658.23	**32,963.75**
- Interest	-	176.35	-	-	73.15	269.76	427.14	1,368.56	753.32	16.34	**3,084.62**
Other Borrowings											
- Principal	1,250.61	-	2,501.22	6,561.53	1,039.64	3,960.26	13,436.01	22,894.62	37,367.25	3,333.17	**92,344.31**
- Interest	11.75	9.81	115.87	170.38	351.10	907.69	1,383.53	4,286.13	1,734.24	284.06	**9,254.56**
Derivative Liabilities :											
Interest rate derivatives	-	-	-	-	-	31.56	-	100.53	72.96	104.70	**309.75**
Currency derivatives	8.03	-	38.56	36.65	8.44	153.45	61.40	12.08	93.21	38.13	**449.95**

(₹ in Crores)

As at 31st March 2023	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	-	4,300.00	2,985.00	-	1,600.00	2,774.00	11,679.49	55,952.14	39,125.88	79,653.70	**1,98,070.21**
- Interest	-	379.26	361.56	1,110.62	2,715.12	2,347.00	7,051.00	23,022.00	16,309.00	24,176.16	**77,471.72**
Other Borrowings											
- Principal	4,386.43	-	-	-	3,500.14	666.56	9,451.45	11,820.15	16,672.28	29,488.81	**75,985.81**
- Interest	395.00	-	150.00	392.00	685.00	1,150.00	2,437.00	8,310.00	5,703.00	3,103.00	**22,325.00**
Subordinated Liabilities											
- Principal	-	-	-	2,500.00	-	-	-	-	-	4,150.70	**6,650.70**
- Interest	-	-	-	202.00	164.00	-	188.00	705.00	705.00	2,646.00	**4,610.00**
Foreign Currency Borrowings											
Debt Securities											
- Principal	-	-	-	4,110.85	-	-	5,755.18	9,454.94	13,565.81	-	**32,886.78**
- Interest	-	-	-	252.00	72.00	310.00	536.00	1,116.00	580.00	-	**2,866.00**
Other Borrowings											
- Principal	-	-	-	3,074.91	3,588.54	2,693.64	12,341.08	7,473.44	27,958.11	3,847.77	**60,977.48**
- Interest	17.00	21.00	61.00	106.00	503.00	571.00	1,138.00	3,441.00	2,072.00	658.00	**8,588.00**
Derivative Liabilities :											
Interest rate swaps	-	-	-	-	-	-	0.60	50.07	71.98	178.16	**300.81**
Currency swaps	-	-	-	-	-	60.38	-	-	83.52	-	**143.90**
Reverse Cross Currency derivatives	-	-	-	-	-	-	-	104.61	-	427.63	**532.24**

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 2024											
Principal	3,582.21	214.74	2,023.71	4,928.26	7,024.12	22,172.19	42,402.16	1,03,565.04	93,801.98	2,17,276.02	**4,96,990.43**
Interest	1,900.52	54.05	932.74	2,820.67	6,586.41	11,918.26	21,848.61	73,716.25	53,333.52	92,143.18	**2,65,254.20**
As at 31st March 2023											
Principal	822.91	-	1,707.32	3,878.16	5,350.60	22,097.85	30,180.20	81,757.04	85,313.12	1,89,640.84	**4,20,748.04**
Interest	1,137.01	-	926.30	2,106.65	6,071.24	10,044.89	18,662.94	63,776.14	47,148.86	76,238.57	**2,26,112.62**

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.

51.2.2 Maturity Pattern of Significant Financial Assets & Liabilities, as prescribed by RBI

(₹ in Crores)

As at 31st March 2024	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	5,409.37	222.11	2,363.18	4,928.26	7,352.45	22,172.19	42,401.51	1,03,557.69	93,798.08	2,16,987.21	**4,99,192.05**
Investments			-	-	4.52	4.52	106.24	241.48	1,773.07	3,222.49	**5,352.32**
Rupee Borrowings											
Debt Securities	-	-	884.86	1,667.72	7,831.36	6,140.16	21,814.25	60,134.86	52,354.62	82,387.95	**2,33,215.78**
Other Borrowings	793.01	-	1,015.31	1,524.94	8,172.84	1,505.61	916.07	13,717.14	34,862.06	17,661.40	**80,168.38**
Subordinated Liabilities	-	-	147.83	-	126.55	44.72	2.11	-	2,089.83	5,001.17	**7,412.21**
Foreign Currency Borrowings											
Debt Securities	-	166.10	-	-	44.18	5,526.47	4,166.17	7,491.45	13,823.91	1,629.18	**32,847.46**
Other Borrowings	1,330.43	3.34	2,508.38	6,595.15	1,042.01	4,130.55	13,533.74	22,672.34	36,779.75	3,327.98	**91,923.67**

(₹ in Crores)

As at 31st March 2023	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	822.91	-	1,707.32	3,878.16	6,686.47	22,097.85	30,180.20	81,757.04	85,313.12	1,89,640.84	**4,22,083.91**
Investments		-	-	-	4.73	4.73	41.86	157.38	259.03	2,702.28	**3,170.00**
Rupee Borrowings											
Debt Securities	261.99	4,667.81	3,315.50	831.94	3,488.89	4,136.02	12,997.04	55,891.49	39,037.42	79,583.68	**2,04,211.79**
Other Borrowings	4,620.32	-	-	-	3,703.42	666.56	9,451.45	11,820.15	16,672.28	29,488.81	**76,422.98**
Subordinated Liabilities	2.11	-	-	2,668.34	126.46	-	-	-	-	3,976.40	**6,773.30**
Foreign Currency Borrowings	-										
Debt Securities	-	-	-	4,297.43	43.56	96.67	5,742.53	9,438.34	13,072.00	-	**32,690.54**
Other Borrowings	129.70	-	2.53	3,106.25	3,658.67	2,688.69	12,311.25	7,409.95	27,542.82	3,841.28	**60,691.15**

Consolidated Notes to Accounts

51.2.3 Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in Crores)

Particulars	As at 31-03-2024	As at 31-03-2023
Expiring within one year		
- Fixed rate		
- Floating rate	11,813.99	13,364.88
Expiring beyond one year		
- Fixed rate		
- Floating rate	386.44	1,393.58

51.2.4 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 31-03-2024	As at 31-03-2023
Number of significant counterparties	14	14
Amount (₹ in Crores)	2,12,903.39	1,78,043.46
% of Total Liabilities	**44.46%**	**43.70%**

(ii) Top 10 borrowings

	Particulars	Amount (₹ in Crores)	% of Total Borrowing
	As at 31-03-2024		
1	Term Loan from HDFC Bank	17,850.00	4.08%
2	54EC- Series XVI (2022-23)	12,152.39	2.78%
3	54EC- Series XVII (2023-24)	10,175.72	2.32%
4	Term Loan from Government of India-National Small Savings Fund (NSSF)	10,000.00	2.28%
5	Foreign Currency Borrowings- US $1175 Mn	9,796.43	2.24%
6	Term Loan from State Bank of India	7,750.94	1.77%
7	Term Loan from Punjab National Bank	7,529.29	1.72%
8	54EC- Series XV (2021-22)	7,312.80	1.67%
9	Foreign Currency Bond - US $ 750 Mn	6,253.04	1.43%
10	54EC- Series XIII (2019-20)	6,157.82	1.41%
	Total	**94,978.43**	**21.69%**
	As at 31-03-2023		
1	Term Loan from HDFC Bank	16,350.00	4.36%
2	Term Loan from State Bank of India	10,900.26	2.91%
3	54EC- Series XVI (2022-23)	10,432.55	2.79%
4	Term Loan from Government of India-National Small Savings Fund (NSSF)	10,000.00	2.67%
5	Foreign Currency Borrowings- US $1175 Mn	9,660.49	2.58%
6	54EC- Series XV (2021-22)	7,312.80	1.95%

Consolidated Notes to Accounts

Particulars		Amount (₹ in Crores)	% of Total Borrowing
7	54EC- Series XII (2018-19)	6,651.31	1.78%
8	54EC- Series XIII (2019-20)	6,157.82	1.64%
9	Tax Free Bonds (2013-14 Series)	5,968.00	1.59%
10	Foreign Currency Bond- US $700 Mn	5,755.18	1.54%
	Total	**89,188.41**	**23.81%**

(iii) Funding Concentration based on significant instrument/ product

Name of significant instrument/product*		As at 31-03-2024		As at 31-03-2023	
		Amount (₹ in Crores)	% of Total Liabilities	Amount (₹ in Crores)	% of Total Liabilities
1	**Debt Securities**				
	Institutional Bonds	1,74,230.29	36.39%	1,50,217.70	36.87%
	Foreign Currency Bonds	32,963.75	6.88%	32,886.78	8.07%
	54EC Capital Gain Tax Exemption Bonds	42,356.21	8.85%	37,586.91	9.23%
	Tax Free Bonds	8,953.27	1.87%	10,261.64	2.52%
	Sub-Total (1)	**2,58,503.52**	**53.99%**	**2,30,953.03**	**56.69%**
2	**Borrowings (Other than Debt Securities)**				
	Term Loans from Banks	50,612.28	10.57%	56,298.20	13.82%
	Foreign Currency Borrowings	67,205.64	14.04%	45,553.26	11.18%
	FCNR (B) Loans	25,138.67	5.25%	15,424.22	3.79%
	Term Loans from Government of India (NSSF)	10,000.00	2.09%	10,000.00	2.45%
	Term Loans from Financial Institutions	8,050.00	1.68%	6,000.00	1.47%
	Sub-Total (2)	**1,61,006.59**	**33.62%**	**1,33,275.68**	**32.72%**
3	**Subordinated Liabilities**	**7,240.70**	**1.51%**	**6,650.70**	**1.63%**
	Total (1+2+3)	**4,26,750.81**	**89.12%**	**3,70,879.41**	**91.04%**

** 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 31-03-2024				As at 31-03-2023			
	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	44,534.98	10.17%	9.30%	8.12%	20,517.95	5.48%	5.04%	4.41%

Consolidated Notes to Accounts

(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.

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 majorily AAA/AA Corporate Bonds. Management is of the view that Company has sufficient liquidity cover to meet its likely future short-term requirements.

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 2024 is as follows:

HQLA Items	As at 31-03-2024	As at 31-03-2023
	% of Overall	% of Overall
Assets without Haircut	**57.23%**	**72.81%**
- G-Sec and SDLs	57.23%	72.81%
Assets with 15% Haircut	**42.40%**	**27.19%**
- Corporate Bonds	42.40%	27.19%
Assets with 50% Haircut	**0.37%**	**-**
-Corporate Bonds	0.37%	-
	100.00%	**100.00%**

Consolidated Notes to Accounts

Liquidity Coverage Ratio Disclosure

(₹ in Crores)

Particulars	Quarter ended 31-03-2024		Quarter ended 31-12-2023				Quarter ended 30-09-2023		Quarter ended 30-06-2023		Quarter ended 31-03-2023	
			From 01-10-2023 to 30-11-2023		From 01-12-2023 to 31-12-2023							
	Total Unweighted Value (average)*	Total Weighted Value (average)*	Total Unweighted Value (average)*	Total Weighted Value (average)*	Total Unweighted Value (average)*	Total Weighted Value (average)*	Total Unweighted Value (average)*	Total Weighted Value (average)*	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)	**2,907.45**	**2,762.42**	**2,373.56**	**2,262.52**	**2,542.95**	**2,416.23**	**2,330.25**	**2,229.11**	**2,236.00**	**2,142.10**	**2,110.21**	**2,016.54**
- AA/AAA Corporate Bonds	918.21	773.18	692.33	581.29	796.86	670.14	626.36	525.22	626.00	532.10	624.47	530.80
- G-SEC Bonds/ State Development Loans (SDLs)	1,618.28	1,618.28	1,458.59	1,458.59	1,619.94	1,619.94	1,430.66	1,430.66	1,428.00	1,428.00	1,429.73	1,429.73
- Cash and Cash equivalents	370.96	370.96	222.64	222.64	126.15	126.15	273.23	273.23	182.00	182.00	56.01	56.01
Cash Outflows												
Other contractual funding obligations	10,559.67	12,144.00	10,314.44	11,862.00	7,297.52	8,392.00	9,601.00	11,041.00	9,449.00	10,866.00	6,369.18	7,324.56
Other contingent funding obligations	335.00	385.00	188.33	217.00	358.51	412.00	190.00	219.00	46.00	53.00	295.35	339.65
Total Cash Outflows	10,894.67	12,529.00	10,502.77	12,079.00	7,656.03	8,804.00	9,791.00	11,260.00	9,495.00	10,919.00	6,664.53	7,664.21
Cash Inflows												
Inflows from fully performing exposures	11,800.70	8,851.00	10,108.41	7,581.00	12,486.21	9,365.00	10,559.00	7,919.00	8,212.00	6,159.00	7,305.09	5,478.82
Other cash inflows	10,652.37	7,989.00	10,563.45	7,923.00	10,418.68	7,814.00	11,125.00	8,344.00	11,373.00	8,530.00	9,892.26	7,419.19
Total Cash Inflows (restricted to 75% of Outflows on every observation day)	**22,453.07**	**9,396.75**	**20,671.86**	**9,059.25**	**22,904.89**	**6,603.00**	**21,684.00**	**8,445.00**	**19,585.00**	**8,189.25**	**17,197.34**	**5,748.16**
Total Adjusted Value												
Total HQLA (A)		**2,762.42**		**2,262.52**		**2,416.23**		**2,229.11**		**2,142.10**		**2,016.54**
Total Net Cash Outflows (B)		**3,132.25**		**3,019.75**		**2,201.00**		**2,815.00**		**2,729.75**		**1,916.05**
Liquidity Coverage Ratio (A / B)		**88.19%**		**74.92%**		**109.78%**		**79.19%**		**78.47%**		**105.24%**
% Variance (from previous period)		**1.91%**		**9.29%**		**9.29%**		**0.92%**		**-25.44% ****		-

**The average holding of HQLA for the quarter ended as on 31.03.2023 was 105.24% which was above the regulatory requirement of 70% as on then date. During quarter ended 30.06.2023, the ratio has been 78.47% due to increase in the net cash outflow though being within the regulatory requirement of 70%.

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51.3 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 2024 is as under:

(Foreign Currency amounts in Millions, INR equivalent in ₹ Crores)

Currency	As at 31-03-2024			As at 31-03-2023		
	Total Exposure	Hedged through Derivatives	Unhedged Exposure	Total Exposure	Hedged through Derivatives	Unhedged Exposure
USD $	11,950.15	11,827.00	123.15	10,012.00	9,012.00	1,000.00
INR Equivalent	99,633.09	98,606.31	1,026.78	82,315.60	74,093.87	8,221.73
JPY ¥	3,34,306.77	3,34,306.77	-	58,352.75	58,352.75	-
INR Equivalent	18,416.96	18,416.96	-	3,606.20	3,606.20	-
EURO €	609.29	604.02	5.26	689.58	673.79	15.79
INR Equivalent	5,496.88	5,449.37	47.51	6,179.19	6,037.68	141.51
SGD $	285.29	285.29	-	285.28	285.28	-
INR Equivalent	1,761.13	1,761.13	-	1,763.27	1,763.27	-
Total	**1,25,308.06**	**1,24,233.77**	**1,074.29**	**93,864.26**	**85,501.02**	**8,363.24**

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 31-03-2024		As at 31-03-2023	
	Favorable	Adverse	Favorable	Adverse
USD/INR	38.42	(38.42)	307.62	(307.62)
JPY/INR	-	-	-	-
EUR/INR	1.78	(1.78)	5.29	(5.29)

** Holding all other variables constant*

51.4 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 LIBOR, EURIBOR, Overnight SOFR, Term SOFR, SORA, TONA, 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.

Consolidated Notes to Accounts

The table below shows the overall exposure of the Company to the liabilities linked with floating interest rates as at 31st March 2024 is as under:

(Foreign Currency amounts in Millions, INR equivalent in ₹ Crores)

Currency	As at 31-03-2024			As at 31-03-2023		
	Floating Interest Rate Exposure	Hedged through Derivatives	Unhedged Exposure	Floating Interest Rate Exposure	Hedged through Derivatives	Unhedged Exposure
INR Borrowings	61,162.28	-	61,162.28	62,798.20	-	62,798.20
USD $	5,611.15	5,218.00	393.15	5,062.00	1,892.00	3,170.00
INR Equivalent	46,782.38	43,504.51	3,277.87	41,618.19	15,555.43	26,062.76
JPY ¥	2,73,206.75	-	2,73,206.75	58,352.75	10,327.17	48,025.58
INR Equivalent	15,050.96	-	15,050.96	3,606.20	638.22	2,967.98
EURO €	604.02	-	604.02	604.02	-	604.02
INR Equivalent	5,449.37	-	5,449.37	5,412.51	-	5,412.51
SGD $	285.29	72.08	213.21	285.28	72.07	213.21
INR Equivalent	1,761.13	444.93	1,316.20	1,763.27	445.47	1,317.80
Total INR Equivalent	**1,30,206.12**	**43,949.44**	**86,256.68**	**1,15,198.37**	**16,639.12**	**98,559.25**

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 ₹15,950.70 crores as on 31st March 2024 (Previous year ₹15,950.70 crores) 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 1/3/6/12/36/30/120 months 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 31-03-2024	As at 31-03-2023
Rupee Loans	4,96,192.74	4,31,992.47

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 31-03-2024		As at 31-03-2023	
	Increase	(Decrease)	Increase	(Decrease)
Floating Rate Loan Liabilities	(322.74)	322.74	(368.77)	368.77
Interest Rate Swaps	(59.68)	59.68	(59.68)	59.68
Floating/ semi-fixed Rate Loan Assets	1,856.55	(1856.55)	1,616.34	(1616.34)

** 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.

51.5 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 3/6 Months' USD LIBOR (London Inter Bank Offered Rate), 3/6 Months' EURIBOR (Euro Inter Bank Offered Rate), Overnight SOFR (Secured Overnight Financing Rate), 3/6 Months' Term SOFR, SORA

Consolidated Notes to Accounts

(Singapore Overnight Rate Average), TONAR (Tokyo Overnight Average Rate), SOFR (Secured Overnight Financing Rate) etc. The summary of such borrowings as on March 31, 2024 as per the contracted interest rate benchmark is as below:

Benchmark	As at 31-03-2024		As at 31-03-2023	
	Amount (₹ in Crores)	Amount (USD Mn Equivalent)	Amount (₹ in Crores)	Amount (USD Mn Equivalent)
3M USD LIBOR*	-	-	1,233.26	150.00
6M USD LIBOR*	-	-	29,080.13	3,537.00
3M Term SOFR	3,084.83	370.00	6,988.44	850.00
6M Term SOFR	2,427.46	291.15	822.17	100.00
Overnight SOFR	41,270.08	4,950.00	3,494.22	425.00
3M EURIBOR	2,293.28	275.06	3,595.53	437.32
6M EURIBOR	3,156.10	378.55	3,134.74	381.28
Overnight TONA	15,050.96	1,805.24	3,606.20	438.62
Overnight SORA	1,761.12	211.23	445.48	54.18
Total	**69,043.83**	**8,281.23**	**52,400.17**	**6,373.40**

** 3M USD LIBOR & 6M USD LIBOR have ceased to be published after 30th June 2023 as announced by the UK Financial Conduct Authority (FCA) on 5 March.*

(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 were linked with the LIBOR benchmark rates i.e. 3M USD LIBOR and 6M USD LIBOR which have ceased to be published during the current financial year. The total amount of exposure that was directly affected by the Interest Rate Benchmark Reform (IBOR) as on March 31, 2023 was ₹28,159.29 crores (USD 3.425 Billion) and the nominal amount of the derivative exposure linked with such liabilities and accounted for under hedge accounting was ₹4,110.85 crores (USD 0.500 Billion). As on the Reporting date, there are no borrowings linked with the LIBOR benchmark rates which have ceased to be published.

(ii) Managing the process to transition to alternative benchmark rates

Pursuant to the Interest Rate Benchmark Reform, LIBOR has been replaced with alternative Risk-Free Rates (RFRs). SOFR (Secured Overnight Financing Rate) is the replacement for USD LIBOR, while TONA (Tokyo Overnight Average Rate) has replaced JPY LIBOR. ISDA (International Swaps and Derivatives Association), the globally recognized statutory body governing the global derivative deals, had 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 had adhered to the Fallbacks Protocol under which the fallbacks for the various LIBOR benchmarks automatically became applicable to the existing derivative trades with all counterparties.

With respect to the term loans, REC has already transitioned to the new benchmark rates in discussion with the respective lenders and as on the Reporting date, there are no floating rate borrowings linked with the LIBOR benchmark rates which have ceased to be published.

(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. Accordingly, the change of benchmark rates for the underlying loans and the hedging instruments has not altered the hedge effectiveness as a result of such reform.

51.6 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 and interest rate swaps that exactly match the terms of the hedged item, the economic relationship and hedge effectiveness are based on the qualitative factors using critical terms match method.

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(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.

Impact of Hedge Accounting

(a) Effects of hedge accounting on balance sheet

(₹ in Crores)

As at 31st March 2024 / Type of hedge and risks		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
			Assets	Liabilities					
Cash flow hedge									
Foreign exchange and interest rate risk									
(i)	Foreign currency options structures								
	- Seagull Structure	USD 11,452.00	7,137.02	269.59	Apr 2024 - Nov 2030	1:1	79.66	111.47	(111.47)
		USD 604.02	679.46	-	Oct 2027- Mar 2028	1:1	85.93	16.20	(16.20)
		USD 285.29	311.62	93.21	Mar 2025- Oct- 2027	1:1	60.28	(3.51)	3.51
		USD 3,34,306.79	2,942.85	49.01	Dec 2024 - Jan 2034	1:1	0.58	(872.94)	872.94
	- Call Spread	USD -	-	-	Matured during year	1:1	0.00	3.68	(3.68)
(ii)	Principal only swaps	USD 375.00	43.34	38.13	Mar 2025- Jun- 2030	1:1	75.41	(155.79)	155.79
(iii)	Interest rate swaps	USD 5,218.00	834.11	12.02	May 2023 - Mar 2025	1:1	3.12%	1,237.36	(1,237.36)
		USD -	-	-	Matured during year	-	0.00%	(0.05)	0.05
		USD 72.08	18.08	-	Aug 2023	1:1	1.18%	(4.44)	4.44
		INR 55,280.00	53.11	-	May 2023 - Nov 2030	1:1	8.44%	53.11	(53.11)

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(₹ in Crores)

As at 31st March 2023 / Type of hedge and risks		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
			Assets	Liabilities					
Cash flow hedge									
Foreign exchange and interest rate risk									
(i)	Foreign currency options structures								
	- Seagull Structure	USD 8,387	6,970.98	2.25	May 2023 - Nov 2030	1:1	76.34	1,594.19	(1,594.19)
		EUR 673.79	403.91	-	Dec 2023- Mar 2028	1:1	86.12	210.89	(210.89)
		SGD 285.29	32.00	83.52	Mar 2025- Oct- 2027	1:1	60.28	(65.66)	65.66
		JPY 58,352.74	572.12	-	Aug 2023 - Mar 2027	1:1	0.61	(52.15)	52.15
	- Call Spread	USD 250	208.14	-	March 2024	1:1	57.52	58.14	(58.14)
(ii)	Principal only swaps	USD 800	85.92	-	May 2023 - Mar 2025	1:1	3.52% and 72.79	98.24	(98.24)
(iii)	Interest rate swaps	JPY 10,327.12	-	0.60	Aug 2023	1:1	4.31% and 0.62	(0.33)	0.33
		USD 375	38.85	-	Mar 2025 - Jun 2030	1:1	75.41	(35.15)	35.15
		USD 1992	251.77	10.87	May 2023 - Nov 2030	1:1	0.98%	189.27	(189.27)

(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 31-03-2024				
-Currency risk and interest rate risk	385.09	-	(479.51)	Gain/ loss on foreign exchange translation
			(1,166.31)	Finance cost
Year ended 31-03-2023				
-Currency risk and interest rate risk	1,997.43	-	(4,995.73)	Gain/ loss on foreign exchange translation
			(158.91)	Finance cost

Consolidated Notes to Accounts

(c) Movement in cash flow hedging reserve and cost of hedging reserve

(₹ in Crores)

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
Effective portion of Cash Flow Hedges		
Opening Balance	**600.05**	**194.21**
Changes in intrinsic value of currency derivatives	(2,899.59)	5,507.71
Changes in fair value of interest rate swaps	1,275.44	189.27
Amounts reclassified to profit or loss	(1,645.82)	(5,154.64)
Deferred tax relating to above (net)	822.99	(136.49)
Closing Balance	**(1,846.93)**	**600.05**
Costs of hedging reserve		
Opening Balance	**(1,709.87)**	**(395.95)**
Change in deferred time value of foreign currency option structures	2,009.23	(3,699.55)
Amortisation of time value	2,534.96	1,943.73
Deferred tax relating to above (net)	(1,143.68)	441.90
Closing Balance	**1,690.64**	**(1,709.87)**

(d) Fair Value Hedges

At 31st March 2024, Company has outstanding interest rate swap agreements of ₹15,950.70 crores (Previous year ₹15,950.70 crores) 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 is as follows:

(₹ in Crores)

Particulars	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
As at 31-03-2024	- Interest rate swap	15,950.70	(221.33)	Derivative financial instruments	57.69
As at 31-03-2023	- Interest rate swap	15,950.70	(279.02)	Derivative financial instruments	(167.10)

** Carrying amount here is exclusive of the interest receivable under such derivative contract as on reporting date.*

The impact of the hedged item on the balance sheet is as follows:

(₹ in Crores)

Particulars	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
As at 31-03-2024	- Subordinated Liabilities	2,091.95	(143.77)	Subordinated Liabilities	34.39
	- Institutional bonds	11,960.91	(77.56)	Debt Securities-Institutional Bonds	23.30
As at 31-03-2023	- Subordinated Liabilities	4,748.24	(178.16)	Subordinated Liabilities	(49.83)
	- Institutional bonds	11,950.08	(100.86)	Debt Securities-Institutional Bonds	(117.27)

The increase in fair value of the interest rate swap of ₹57.69 crores (Previous year ₹(167.10 crores)) has been offset with a similar gain on the respective subordinated liabilities and debt securities.

Consolidated Notes to Accounts

51.7 Market Risk - Price risk

The Company is exposed to price risks arising from investments in quoted 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 31-03-2024		As at 31-03-2023	
	Increase	(Decrease)	Increase	(Decrease)
Impact on Other Comprehensive Income (OCI)	4.70	(4.70)	3.36	(3.36)
Impact on Profit and Loss account (PL)	3.82	(3.82)	1.37	(1.37)

52 Additional Disclosures in respect of derivatives

52.1 Forward Rate Agreements/ Interest Rate Swaps

(₹ in Crores)

Particulars		As at 31-03-2024	As at 31-03-2023
(i)	The notional principal of swap agreements	72,128.13	46,278.27
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	1,367.71	718.55
(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	1,057.96	417.73

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.

52.2 The Company has not entered into any exchange traded Interest Rate (IR) derivatives.

52.3 Quantitative Disclosures

(₹ in Crores)

Particulars		Currency Derivatives *		Interest Rate Derivatives **		Other Derivatives (Reverse cross currency swaps)***	
		As at 31-03-2024	As at 31-03-2023	As at 31-03-2024	As at 31-03-2023	As at 31-03-2024	As at 31-03-2023
(i)	Derivatives (Notional Principal Amount)						
	For hedging	1,24,233.76	85,501.02	72,128.13	46,278.27	-	4,947.00
(ii)	Marked to Market Positions						
a)	Asset (+)	11,114.31	8,263.06	1,367.71	718.55	-	-
b)	Liability (-)	449.95	146.02	309.75	300.82	-	530.11
(iii)	Credit Exposure	9,156.47	6,250.55	973.15	608.40	-	662.05
(iv)	Unhedged Exposures	1,074.29	8,363.24	N.A.	N.A.	N.A.	N.A.

** Includes Full Hedge, Pricipal only Swap and Call Spread and Seagull Options*
*** Includes Interest Rate Derivatives as a strategy of cost reduction*
**** Includes Reverse Cross Currency swap as a strategy of cost reduction*

53. RBI Scale Based Framework (SBR) for NBFCs

RBI has introduced Scale Based Framework (SBR) for NBFCs effective from October 01, 2022, categorising NBFCs in four layers based on their size, activity, and perceived risk. During the current financial year, RBI has issued "Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 on October 19, 2023. The Company being a government company, is categorised as NBFC – Middle Layer and is subject to the guidelines / regulation as mentioned in the Master Direction for Middle Layer.

Consolidated Notes to Accounts

54. 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 and investing is 30% of Tier-I capital in case of a single borrower and 50% in case of a single group of borrowers, respectively.

RBI had exempted REC from applicability of RBI's concentration of credit/investment norms till 31st March, 2022 in respect of Central/ State Government entities. During the previous year 2022-23, RBI while not allowing exemption further, advised the Company to adhere to the norms. The Company has taken necessary steps subsequently, such as realigning exposures of some of borrowers, issuing perpetual bonds etc. and as a result, the exposure w.r.t outstanding loans to its borrowers as on date is within the prescribed norms.

54.1 Exposure to Real Estate Sector

The Company has no direct or indirect exposure to real estate sector as at 31st March 2024 (As at 31st March 2023 Nil).

54.2 Exposure to Capital Market

(₹ in Crores)

Particulars		As at 31-03-2024	As at 31-03-2023
(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 (includes investment in optionally convertible preference shares)	604.10	534.10
(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	**604.10**	**534.10**

54.3 Sectoral Exposure

(₹ in Crores)

Sectors	As at 31-03-2024					As at 31-03-2023				
	Principal Outstanding (including LoC)	Interest Accrued	Total Exposure at Default (EAD)	Gross NPAs	Percentage of Gross NPAs to EAD	Principal Outstanding (including LoC)	Interest Accrued	Total Exposure at Default (EAD)	Gross NPAs	Percentage of Gross NPAs to EAD
Industry										
Lending to Infrastructure Sector										
- Power	5,05,636.77	2,449.98	5,08,086.75	13,810.33	2.72%	4,38,110.13	1,497.05	4,39,607.18	14,892.08	3.39%
- Infrastructure and Logistic	9,727.33	52.36	9,779.69	-	-	-	-	-	-	-
Total Exposure	**5,15,364.10**	**2,502.34**	**5,17,866.44**	**13,810.33**	**2.67%**	**4,38,110.13**	**1,497.05**	**4,39,607.18**	**14,892.08**	**3.39%**

Exposure for the purpose of above disclosure represents the principal outstanding, interest accrued and outstanding Letters of Comfort (LoC).

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54.4 The company does not have any financing of Parent Company products during the current and previous year.

54.5 Concentration of Advances, Exposures and Credit-impaired Assets

(₹ in Crores)

Particulars		As at 31-03-2024	As at 31-03-2023
(i)	**Concentration of Advances**		
	Total Advances to twenty largest borrowers (₹ in Crores)	3,08,299.02	2,67,729.20
	Percentage of Advances to twenty largest borrowers to Total Advances of the Company	60.53%	61.55%
(ii)	**Concentration of Exposures***		
	Total Exposure to twenty largest borrowers (₹ in Crores)	3,10,056.72	2,68,700.56
	Percentage of Exposures to twenty largest borrowers to Total Exposure of the Company on borrowers	59.87%	61.12%
(iii)	**Concentration of Credit-impaired Assets**		
	Total Exposure to the top four Credit-impaired Assets (₹ in Crores)	8,645.97	8,645.97

** Exposure for the purpose of above disclosure represents the principal outstanding, interest accrued and outstanding Letters of Comfort (LoC).*

55. Fair value disclosures

The carrying values of financial instruments measured at amortised cost and fair value by category are as follows:

(₹ in Crores)

Particulars		Note No.	As at 31-03-2024	As at 31-03-2023
	Financial assets measured at fair value			
	Derivative financial instruments measured at			
(i)	Fair value through other comprehensive income (FVOCI)	9	12,019.60	8,574.02
(ii)	Fair value through profit and loss (FVTPL)	9	462.42	407.59
	Investments* measured at			
(i)	Fair value through other comprehensive income (FVOCI)	11	410.64	381.71
(ii)	Fair value through profit and loss (FVTPL)	11	1,141.40	589.65
	Financial assets measured at amortised cost			
	Cash and cash equivalents	6	262.75	48.70
	Bank balances (other than cash and cash equivalents)	7	2,699.75	2,346.91
	Trade receivables	8	153.82	113.00
	Loan Assets	10	4,99,192.05	4,22,083.91
	Investments	11	3,800.28	2,198.64
	Other financial assets	12	24,445.41	24,422.54
	Total		**5,44,588.12**	**4,61,166.67**
	Financial liabilities measured at fair value			
	Derivative financial instruments measured at			
(i)	Fair value through other comprehensive income (FVOCI)	9	759.70	386.58
(ii)	Fair value through profit and loss (FVTPL)	9	-	590.37
	Financial liabilities measured at amortised cost			
	Trade payables	18	90.51	41.68
	Debt securities	19	2,66,063.24	2,36,902.33
	Borrowings (other than debt securities)	20	1,72,092.05	1,37,114.13
	Subordinated liabilities	21	7,412.21	6,773.30
	Other financial liabilities	22	31,959.49	25,345.11
	Total		**4,78,377.20**	**4,07,153.50**

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55.1 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 31-03-2024				As at 31-03-2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Investments at FVOCI								
Equity investments*	93.91	-	316.73	410.64	67.23	-	314.48	381.71
Investments at FVTPL								
Equity investments	76.37	-	-	76.37	27.31	-	-	27.31
Perpetual Bonds	-	-	947.94	947.94	-	-	437.26	437.26
Debentures	-	-	117.09	117.09	-	-	125.08	125.08
Preference Shares**	-	-	-	-	-	-	-	-
Assets at FVOCI								
Derivative financial instruments	-	12,019.60	-	12,019.60	-	8,574.02	-	8,574.02
Assets at FVTPL								
Derivative financial instruments	-	462.42	-	462.42	-	407.59	-	407.59
Liability at FVOCI								
Derivative financial instruments	-	759.70	-	759.70	-	386.58	-	386.58
Liability at FVTPL								
Derivative financial instruments	-	-	-	-	-	590.37	-	590.37

** includes investments in Universal Commodity Exchange Ltd of ₹ 16.00 crores, fair valued at Nil*

*** represents investments in Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) of Rattan India Power Limited of ₹ 43.30 crores, fair valued at Nil*

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 of NHPC Limited, HUDCO Limited and Rattan India Power Limited 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 Perpetual Bond - Level 3 - The Company had made investments in perpetual bonds of Canara Bank, UCO Bank and Punjab National Bank which are quoted on NSE/BSE. The Company had checked for active market transactions for these bonds. However, there was no history of any market activity in these bonds held by the Company, and therefore, quoted price for such bonds was not available. The Company had checked for any significant changes in credit rating of the investee banks, and if no change is noted, then, coupon rate is considered for computing the fair value using discounted cash flow method.

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(D) **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.

E) **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 Net Asset Value (NAV) as stated in latest available Financial Statement of the investee company.

(F) **Investment in Unquoted Equity of Jhabua Power Limited (JPL) and Ind Bharat Energy Utkal Limited (IBEUL)-** Level 3 - Investment in unquoted equity shares of JPL and IBEUL are classified as Level 3. The company has been alloted equity shares of the borrower companies pursuant to their respective resolution plans. Their respective fair value has been calculated on the basis of Net Asset Value (NAV) as stated in latest available Financial Statement of these investee companies.

(G) **Investment in Unquoted Preference Shares - Level 3 -** Investment in unquoted 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.

(H) **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.

(I) **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.

55.2 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 2024				
	FVTPL (ii)			FVOCI (iii)	Total
	Investment in Perpetual Bonds	Investment in Preference Shares*	Investment in OCDs	Investment in Unquoted Equity Shares	
Opening Balance	**437.26**	**-**	**125.08**	**314.48**	**876.82**
Received in Loan Settlement (Refer Note 10.3)	-	-	-	-	-
Investment/ (Settlement)	500.00	-	(18.92)	-	481.08
Transfer in Level 3	-	-	-	-	-
Transfer from Level 3	-	-	-	-	-
Interest income (i)	10.68	2.73	10.93	-	24.34
Fair value changes	-	(2.73)	-	2.25	(0.48)
Closing Balance	**947.94**	**-**	**117.09**	**316.73**	**1381.76**
Unrealised gain/ (loss) at year-end	**19.94**	**0.00**	**10.94**	**(13.75)**	**17.13**

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(₹ in Crores)

Particulars	For the Year ended 31st March 2023					
	FVTPL (ii)			FVOCI (iii)		Total
	Investment in Perpetual Bonds	Investment in Preference Shares*	Investment in OCDs	Investment in Unquoted Equity Shares	Investment in Unquoted Equity Shares	
Opening Balance	**-**	**-**	**132.55**	**-**	**214.74**	**347.29**
Received in Loan Settlement (Refer Note 10.3)	-	-	-	-	182.36	182.36
Investment/ (Settlement)	428.00	-	(26.66)	-	-	401.34
Transfer in Level 3	-	-	-	-	-	0.00
Transfer from Level 3	-	-	-	-	-	-
Interest income (i)	9.26	3.24	19.19	-	-	31.69
Fair value changes	-	(3.24)	0.00	-	(82.62)	(85.86)
Closing Balance	**437.26**	**-**	**125.08**	**-**	**314.48**	**876.82**
Unrealised gain (loss) at year-end	**9.26**	**0.00**	**11.46**	**-**	**(98.62)**	**(77.90)**

Refer Note No. 11.4 for Investment in equity shares measured at Fair Value through Other Comprehensive Income (FVOCI) derecognised during the year
** represents investments in Reedemable Prefernce Shares' of Rattan India Power Limited of ₹ 43.30 crores, fair valued at Nil*

(i) forms part of line item 'Interest Income' in the Standalone Statement of Profit and Loss.

(iii) 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 (i) Standalone Statement of Profit and Loss.

55.3 There were no transfers between Level 1 and Level 2 during the year

55.4 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 31-03-2024		As at 31-03-2023	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Cash and cash equivalents	262.75	262.75	48.70	48.70
Bank balances (other than cash and cash equivalents)	2,699.75	2,699.75	2,346.91	2,346.91
Trade receivables	153.82	153.82	113.00	113.00
Loans	4,99,192.05	4,99,309.15	4,22,083.91	4,21,931.84
Investments	3,800.28	3,773.77	2,198.64	2,209.90
Other financial assets	24,445.41	24,445.11	24,422.54	24,420.13
Total	**5,30,554.06**	**5,30,644.36**	**4,51,213.70**	**4,51,070.48**
Financial liabilities				
Trade payables	90.51	90.51	41.68	41.68
Debt securities	2,66,063.24	2,62,160.93	2,36,902.33	2,30,559.20
Borrowings (other than debt securities)	1,72,092.05	1,72,017.85	1,37,114.13	1,37,862.23
Subordinated liabilities	7,412.21	7,475.35	6,773.30	6,963.79
Other financial liabilities	31,959.49	31,959.49	25,345.11	25,345.11
Total	**4,77,617.50**	**4,73,704.14**	**4,06,176.55**	**4,00,772.02**

Consolidated Notes to Accounts

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 cash equivalents, bank balances other than cash and cash equivalents, contract assets 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 2024 was assessed to be insignificant.

Investment in Government 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.

56. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006:

(₹ in Crores)

Particulars	As at 31.03.2024	As at 31.03.2023
Principal amount remaining unpaid as at the year end	-	-
Interest due thereon remaining unpaid as at the year end	-	-
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 year end	-	-
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 entereprises.	-	-

Consolidated Notes to Accounts

57. Related Party Disclosures :

57.1 List of Related Parties

(1) Key Managerial Personnel

Sh. Vivek Kumar Dewangan	Chairman & Managing Director
Sh. Ajoy Choudhury	Director (Finance) (ceased w.e.f. February 1, 2024)
Sh. V.K. Singh	Director (Projects)
Sh. Piyush Singh	Government Nominee Director (ceased w.e.f. August 21, 2023)
Sh. Shashank Misra	Government Nominee Director (appointed w.e.f. August 21, 2023)
Smt. Parminder Chopra	PFC Nominee Director (ceased w.e.f. July 11, 2023)
Sh. Manoj Sharma	PFC Nominee Director (appointed w.e.f. July 11, 2023)
Dr. Gambheer Singh	Part Time Non-Official Independent Director
Dr. Manoj M. Pande	Part Time Non-Official Independent Director
Dr. Durgesh Nandini	Part Time Non-Official Independent Director
Sh. Narayanan Thirupathy	Part Time Non-Official Independent Director
Sh. J.S. Amitabh	Executive Director & Company Secretary

(2) Ultimate Holding Company

Power Finance Corporation Ltd.

(3) Subsidiary 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
Luhri Power Transmission Limited
NERES XVI Power Transmission Limited
Khavda II-D Transmission Limited
KPS1 Transmission Limited
Beawar Transmission Limited
Ramgarh II Transmission Limited
Bidar Transmission Limited
Sikar Khetri Transmission Limited
Meerut Shamli Power Transmission Limited
Dhule Power Transmission Limited
Ishanagar Power Transmission Limited
Karera Power Transmission Limited
Pachora Power Transmission Limited
Jalpura Khurja Power Transmission Limited
Kallam Transco Limited
Rajasthan Part I Power Transmission Limited
Shongtong Power Transmission Limited
Khavda IV C Power Transmission Limited
Khavda IV-E2 Power Transmission Limited
Khavda IVA Power Transmission Limited
Khavda V-A Power Transmission Limited
Rajasthan IV A Power Transmission Limited
Rajasthan IV C Power Transmission Limited
Rajasthan IV H1 Power Transmission Limited
Rajasthan IV E Power Transmission Limited
Tumkur-II REZ Power Transmission Limited
NERGS-I Power Transmission Limited
Kankani Power Transmission Limited
ERES-XXXIX Power Transmission Limited

Consolidated Notes to Accounts

(4) Employment Benefit Trusts/ Funds

REC Limited Contributory Provident Fund Trust

REC Employees' Benevolent Fund

REC Gratuity Fund

REC Retired Employees' Medical Trust

REC Employees' Superannuation Trust

(5) Society registered for undertaking CSR Initiatives

REC Foundation

(6) Other Companies in which Key Managerial Personnel are Directors

Samarpan Hospitals Private Limited

(7) 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 (ceased w.e.f. June 1, 2023)
Smt. Parminder Chopra	Chairman & Managing Director (w.e.f. August 14, 2023) and D(F) (till August 13, 2023)
Sh. Rajiv Ranjan Jha	Director (Projects)
Sh. Manoj Sharma	Director (Commercial)
Sh. Ajay Tewari	Government Nominee Director
Adv. Bhaskar Bhattacharya	Part Time Non-Official Independent Director
Smt. Usha Sanjeev Nair	Part Time Non-Official Independent Director
Sh. Prasanna Tantri	Part Time Non-Official Independent Director
Sh. Manish Kumar Agarwal	Company Secretary (appointed w.e.f. May 1, 2023)

(b) Subsidiary Companies of Ultimate Holding Company

PFC Consulting Limited (PFCCL)

PFC Projects Limited (formerly Coastal Karnataka Power Ltd.)

(c) Associate Companies of Ultimate Holding Company

Bihar Mega Power Limited

Deoghar Mega Power Limited

Orissa Integrated Power Limited

Cheyyur Infra Limited

Jharkhand Infrapower Limited

Bijawar-Vidarbha Transmission Limited

Coastal Tamil Nadu Power Limited

Ananthpuram Kurnool Transmission Limited

Bihar Infrapower Limited

Chhatarpur Transmission Limited

Deoghar Infra Limited

Siot Transmission Limited

Sakhigopal Integrated Power Company Limited

Fatehgarh III Beawar Transmission Limited

Ghogarpalli Integrated Power Company Limited

Beawar Dausa Transmission Limited

Odisha Infrapower Limited

Fatehgarh III Transmission Limited

Consolidated Notes to Accounts

Bhadla III Transmission Limited
Fatehgarh IV Transmission Limited
Tirwa Transmission Limited
Bikaner III Neemrana Transmission Limited
Neemrana II Kotputli Transmission Limited
Bikaner III Neemrana II Transmission Limited
Neemrana II Bareilly Transmission Limited
Joda Barbil Transmission Limited
Jewar Transmission Limited
Koppal II Gadag II Transmission Limited
Gola B -Ramgarh B Transmission Limited
Halvad Transmission Limited
Khavda PS1 and 3 Transmission Limited
Paradeep Transmission Limited
Ramakanali B -Panagarh Transmission Limited
Solapur Transmission Limited
Vataman Transmission Limited
Angul Sundargarh Transmission Limited
Barmer I Transmission Limited
Beawar - Mandsaur Transmission Limited
Bhadla-III & Bikaner-III Transmission Limited
Bhuj II Transmission Limited
Jamnagar Transmission Limited
KPS III HVDC Transmission Limited
Pune- III Transmission Limited
Sirohi Transmission Limited
South Olpad Transmission Limited

57.2 Amount due from/ to the related parties :

(₹ in Crores)

Particulars	As at 31.03.2024	As at 31.03.2023
Power Finance Corporation Limited (PFC)		
Other Financial Assets	0.51	3.54
Other Financial Liabilities- Unpaid Dividend	623.70	-
Associates/Subsidiaries		
Loans	19.25	13.39
Payables	-	0.02
Employment Benefit Trusts/ Funds		
Debt Securities	5.70	3.70
Other financial liabilities- GOI Serviced Bonds	29.30	29.30
Provisions	0.13	2.68
Other financial assets	23.55	15.11
Key Managerial Personnel (KMP)		
Debt Securities	0.05	0.05
Staff Loans & Advances	0.30	0.22
Key Managerial Personnel of Ultimate Holding Company (KMP-PFC)		
Debt Securities	0.15	0.17
REC Foundation		
Other Non Financial Assets	1.25	-

57.3 Maximum amount of loans/ advances/ investments outstanding during the year:

(₹ in Crores)

Particulars	As at 31.03.2024	As at 31.03.2023
Employment Benefit Trusts/ Funds		
Debt Securities	8.70	8.70
Associates/Subsidiaries		
Loans	19.25	13.39
Payables	0.02	0.02
Key Managerial Personnel (KMP)		
Debt Securities	0.16	0.16
Staff Loans & Advances	0.55	0.39
Key Managerial Personnel of Ultimate Holding Company (KMP-PFC)		
Debt Securities	0.17	0.17

57.4 Transactions with the related parties :

(₹ in Crores)

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
Power Finance Corporation Limited (PFC)		
Dividend Paid	1,503.80	1,642.40
Directors' Sitting Fee	0.05	-
Apportionment of Other Expenses	0.29	3.54
Finance Cost on Loan Repayable on Demand from PFC	-	-
Associates/Subsidiaries		
Consultancy fee	104.42	148.60
Interest income	0.71	0.58
Reimbursement/ expenses reimbursement	11.39	12.12
Investment made	0.90	0.90
Sale of investments	0.45	0.65
Employment Benefit Trusts/ Funds		
Contributions made by the Company	21.29	31.25
Redemption of the bonds of Company	-	5.00
Finance Costs - Interest Paid	2.87	3.28
Subscription to the bonds of Company	2.00	-
Key Managerial Personnel (KMP)		
Recovery of Staff Loans & Advances	0.23	0.12
Repayment/ Recovery of Debt Securities	-	0.10
Interest Income on Staff Loans	0.03	0.03
Finance Costs - Interest Paid	-	0.06
Employee Benefits Expense - Managerial Remuneration	3.51	2.84
Directors' Sitting Fee	0.40	0.38
Key Managerial Personnel of Ultimate Holding Company (KMP-PFC)		
Finance Cost	0.01	0.01
REC Foundation		
Payment towards Corporate Social Responsibility (CSR) Expenses	243.00	151.95

Consolidated Notes to Accounts

57.5 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 & advances 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. 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.

57.6 Managerial Remuneration

The details of remuneration to Key Managerial Personnel (KMP) during the year is as below:

(₹ in Crores)

	Particulars	Year ended 31-03-2024	Year ended 31-03-2023
(i)	Short-term employee benefits	3.24	2.65
(ii)	Post employment benefits	0.27	0.19
	Total	**3.51**	**2.84**

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.

57.7 Disclosure in respect of entities under the control of the same government (Government related entities)

List of Government related entities

Entities/ Companies in the Group are Central Public Sector Undertaking (CPSU) controlled by Central Government. List of Government related entities with which the Group has done transactions, includes but not limited to:

Bihar Grid Company Ltd

Damodar Valley Corporation

HPCL Rajasthan Refinery Limited

Nabinagar Power Generating Co. Pvt. Ltd.

Neyveli Uttar Pradesh Power Ltd

NTPC Tamil Nadu Energy Company Ltd.

Patratu Vidut Utpadan Nigam Ltd.

Tusco Limited

SJVN Thermal Pvt. Ltd.

Power Foundation of India

Aggregate transactions with such government related entities are as under:

(₹ in Crores)

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
Disbursement of Loans	5,443.35	3,857.30
Interest income recognised	2,039.94	1,709.48
Other Expenditure- REC's contribution to Power Foundation	5.00	8.00

Aggregate balance outstanding from such government related entities are as under:

(₹ in Crores)

Particulars	As at 31-03-2024	As at 31-03-2023
Loan Assets	25,554.99	20,902.65
Interest Accrued	48.72	12.99

Refer Note No. 12, 20, 22, 34 and 48 in respect of material transactions with the Central Govt.

The above transactions with the government related entities cover transactions that are significant individually and collectively. The Group has also entered into other transactions such as administrative expenses, expenses on Government Programmes, etc. with other CPSUs. They are insignificant individually & collectively and hence not disclosed. All transactions are carried out on market terms.

Consolidated Notes to Accounts

58. Disclosures in respect of Ind AS 116 'Leases

During the year ended 31st March, 2024, the expenses relating to short-term leases are ₹ 8.23 crores (previous year ₹ 6.96 crores). The total cash outflow towards all leases, including Right-of-Use Assets is ₹ 8.25 crores. (previous year ₹ 6.96 crores).

Set out below are the carrying amounts of lease liabilities (included under borrowings) and the movements during the year:

(₹ in Crores)

Particulars	As at 31-03-2024	As at 31-03-2023
Opening Balance	0.02	0.03
Finance Cost accrued during the year	-	-
Payments made during the year	(0.02)	(0.01)
Closing Balance	**-**	**0.02**

The table below Provides details regarding the contractual maturities of undiscounted lease liabilities:

(₹ in Crores)

Particulars	As at 31-03-2024	As at 31-03-2023
Upto 1 year	-	0.02
1-5 years	-	-
More than 5 years	-	-

59. Disclosures for Employee Benefits as required under Ind AS 19 'Employee Benefits':

59.1 Defined Contribution Plans

A. 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 ₹ 19.05 crores (previous year ₹ 13.77 Crores) towards defined contribution plans.

59.2 Defined Benefit Plans - Post-Employment Benefits

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 declares 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 specified by Employees' Provident Fund Organisation. Any shortfall in the specified interest rate and returns earned on investments of the trust, for payment of interest to members, is to be compensated by the Company. The Company started from the FY 2023-24, treating the contribution to the recognised provident fund trust for its employees, as a Defined Benefit Plan instead of Defined Contribution Plan being followed hitherto. As such, there is no financial impact of it on the profit of the Company. The Company's obligation towards provident fund is determined and provided for on the basis of actuarial valuation as per IND AS 19 on Employee Benefits. The details of the fair value of plan assets and obligations are as under:

In case of RECPDCL, there is no separate trust and the companies makes provident fund contributions to defined contribution plans.

Net Defined Benefit (Asset)/ Liability

(₹ in Crores)

Particulars	As at 31-03-2024	As at 31-03-2023
Present value of Defined benefit obligation	297.79	276.16
Fair Value of Plan Assets	298.03	280.99
Net Defined Benefit (Asset)/ Liability	(0.24)	(4.83)

Consolidated Notes to Accounts

B. 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 31-03-2024	As at 31-03-2023
Present value of Defined benefit obligation	27.31	29.23
Fair Value of Plan Assets	27.18	26.55
Net Defined Benefit (Asset)/ Liability	0.13	2.68

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 31-03-2024	Year ended 31-03-2023	Year ended 31-03-2024	Year ended 31-03-2023	Year ended 31-03-2024	Year ended 31-03-2023
Opening Balance	**29.23**	**30.43**	**26.55**	**30.09**	**2.68**	**0.34**
Included in profit or loss						
Current service Cost	1.08	1.42	-	-	1.08	1.42
Past service cost	-	2.16	-	-	-	2.16
Interest cost / income	1.99	2.07	1.94	2.22	0.05	(0.15)
Total amount recognised in profit or loss	**3.07**	**5.65**	**1.94**	**2.22**	**1.13**	**3.43**
Included in OCI						
Re-measurement loss (gain)						
- Actuarial loss (gain) arising from changes in financial assumptions	0.40	0.10	-	-	0.40	0.10
-Actuarial loss (gain) arising from Experience adjustments	(0.89)	(1.09)	-	-	(0.89)	(1.09)
Return on plan assets excluding interest income	-	-	0.51	(0.29)	(0.51)	0.29
Total amount recognised in OCI	**(0.49)**	**(0.99)**	**0.51**	**(0.29)**	**(1.00)**	**(0.70)**
Contribution by employers	-	-	2.68	0.39	(2.68)	(0.39)
Benefits paid	(4.50)	(5.86)	(4.50)	(5.86)	-	-
Closing Balance	**27.31**	**29.23**	**27.18**	**26.55**	**0.13**	**2.68**

Consolidated Notes to Accounts

C. 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 31-03-2024	As at 31-03-2023
Present value of Defined benefit obligation	171.28	164.67
Fair Value of Plan Assets	194.83	179.78
Net Defined Benefit (Asset)/ Liability	(23.55)	(15.11)

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 31-03-2024	Year ended 31-03-2023	Year ended 31-03-2024	Year ended 31-03-2023	Year ended 31-03-2024	Year ended 31-03-2023
Opening Balance	**164.67**	**165.51**	**179.78**	**164.80**	**(15.11)**	**0.71**
Included in profit or loss						
Current service Cost	5.10	3.64	-	-	5.10	3.64
Past service cost	-	-	-	-	-	-
Interest cost / income	11.73	11.83	13.14	12.15	(1.41)	(0.32)
Total amount recognised in profit or loss	**16.83**	**15.47**	**13.14**	**12.15**	**3.69**	**3.32**
Included in OCI						
Re-measurement loss (gain)						
- Actuarial loss (gain) arising from changes in financial assumptions	(5.30)	1.45	-	-	(5.30)	1.45
- Actuarial loss (gain) arising from changes in demographic assumptions	-	-	-	-	-	-
-Actuarial loss (gain) arising from Experience adjustments	8.28	(5.71)	-	-	8.28	(5.70)
Return on plan assets excluding interest income	-	-	1.85	2.04	(1.85)	(2.04)
Total amount recognised in OCI	**2.98**	**(4.26)**	**1.85**	**2.04**	**1.13**	**(6.29)**
Contribution by participants	0.06	0.11	0.06	0.10	-	0.01
Contribution by employers	-	-	-	0.69	-	(0.70)
Benefits paid	(13.26)	(12.16)	-	-	(13.26)	(12.16)
Closing Balance	**171.28**	**164.67**	**194.83**	**179.78**	**(23.55)**	**(15.11)**

Consolidated Notes to Accounts

D. 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 31-03-2024	As at 31-03-2023
Present value of Defined benefit obligation		
- ERS	4.92	4.17

Movement in net defined benefit (asset)/ liability for ERS

(₹ in Crores)

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
Opening Balance	**4.17**	**4.15**
Included in profit or loss		
Current service Cost	0.30	0.25
Interest cost / income	0.28	0.28
Total amount recognised in profit or loss	**0.58**	**0.53**
Included in OCI		
Re-measurement loss (gain)		
- Actuarial loss (gain) arising from changes in financial assumptions	0.12	0.07
-Actuarial loss (gain) arising from Experience adjustments	0.74	0.33
Total amount recognised in OCI	**0.86**	**0.40**
Benefits paid	**(0.69)**	**(0.91)**
Closing Balance	**4.92**	**4.17**

59.2.1 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.

Consolidated Notes to Accounts

(v) Employee Turnover/ Withdrawl risk

The present value of the defined benefit plan liability is calculated by reference to the expected withdrawl rate in the future. As such, if the actual withdrawal rate in the future turns out to be more or less than expected then it may result in increase in the plan's liability.

59.2.2 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 31-03-2024	As at 31-03-2023	As at 31-03-2024	As at 31-03-2023
Cash & Cash Equivalents	0.07	0.06	3.94	0.20
Quoted Plan Assets				
Equity Instruments	0.99	0.99	-	-
State Government Debt Securities	10.22	10.28	41.63	40.80
Corporate Bonds/ Debentures	9.35	9.35	149.25	138.78
Sub-total - Quoted Plan Assets	**20.56**	**20.62**	**190.88**	**179.58**
Unquoted Plan Assets				
Others - Insurer managed funds & T-bills	6.55	5.87	-	-
Sub-total - Unquoted Plan Assets	**6.55**	**5.87**	**-**	**-**
Total	**27.18**	**26.55**	**194.82**	**179.78**

Actual return on plan assets is ₹17.44 crores (previous year ₹ 6.12 crores).

59.2.3 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, 2024 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 (PUCM). The principal assumptions used for actuarial valuations are:-

(₹ in Crores)

Particulars	Gratuity		PRMF		ERS	
	Year ended 31-03-2024	Year ended 31-03-2023	Year ended 31-03-2024	Year ended 31-03-2023	Year ended 31-03-2024	Year ended 31-03-2023
Method Used	**PUCM**	**PUCM**	**PUCM**	**PUCM**	**PUCM**	**PUCM**
Discount Rate & Expected Return on Plan Assets, if funded	7.09%	7.31%	7.09%	7.31%	7.09%	7.31%
Future Salary Increase / medical inflation	6.00%	6.00%	5.50%	6.00%	6.00%	6.00%
Expected average remaining working lives of employees (years)	20.07	17.72	20.07	17.72	20.07	17.72

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 Government 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

59.2.4 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 31-03-2024		As at 31-03-2023	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)				
- Gratuity	(0.89)	0.97	(0.84)	0.91
- PRMS	(9.23)	9.86	(12.10)	12.60
- ERS	(0.20)	0.22	(0.15)	0.17
Salary Escalation Rate (0.50% movement)				
- Gratuity	0.17	(0.17)	0.21	(0.18)
- PRMS	-	-	-	-
- ERS	0.18	(0.16)	0.15	(0.14)
Medical inflation Rate (0.50% movement)				
- PRMS	9.92	(9.06)	11.62	(10.52)
Medical Cost (10% movement)				
- PRMS	17.24	(17.08)	16.89	(16.19)

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.

59.2.5 Expected maturity analysis of the defined benefit plans in future years

(₹ in Crores)

Particulars	Gratuity		PRMF		ERS	
	As at 31-03-2024	As at 31-03-2023	As at 31-03-2024	As at 31-03-2023	As at 31-03-2024	As at 31-03-2023
Less than 1 year	**5.15**	**6.43**	**15.20**	**13.98**	**0.95**	**1.12**
From 1 to 5 years	12.52	16.12	84.88	78.64	2.61	2.33
Beyond 5 years	37.67	35.29	329.93	306.56	5.21	3.11
Total	**55.34**	**57.84**	**430.01**	**399.18**	**8.77**	**6.56**

59.2.6 Expected contribution for the next year

(₹ in Crores)

Particulars	Gratuity		PRMF		ERS	
	Year ended 31-03-2024	Year ended 31-03-2023	Year ended 31-03-2024	Year ended 31-03-2023	Year ended 31-03-2024	Year ended 31-03-2023
Expected contribution	1.48	3.77	-	-	-	-

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 11.78 years (as at 31.03.2023 is 11.18 years).

Consolidated Notes to Accounts

59.3 Other Long-term Employee Benefits

59.3.1 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 recognized on the basis of actuarial valuation basis. Total expenses amounting to ₹8.96 crores (Previous year ₹5.04 crores) have been made towards these employee benefits and debited to the Statement of Profit and Loss on the basis of actuarial valuation.

59.3.2 Other employee benefits

Expenses towards long service award and settlement allowance amounting to ₹ 2.15 crores (previous year ₹ 0.47 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 Nil) have been debited to the Statement of Profit and Loss on the basis of actuarial valuation.

59.4 Employee benefits including 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.

60 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 Government 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.

Consolidated Notes to Accounts

(iv) Once the final transfer scheme is notified through Gazette Notification by Government, 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.

61. Modifications in the Material Accounting Policies

Certain accounting policies have been reworded to align with Ind-AS amendments and to bring more clarity in line with Company's Practices. There is no financial impact of such rewording/modifications carried out in the accounting policies.

62. Provisions, Contingencies and Impairment loss allowances debited to Consolidated Statement of Profit and Loss

(₹ in Crores)

	Particulars	Year ended 31-03-2024	Year ended 31-03-2023
(i)	Impairment Loss Allowance for loans*	(1,367.07)	105.14
(ii)	Impairment Loss Allowance for Investments	-	-
(iii)	Impairment Loss Allowance for Other Receivables	(12.51)	37.03
(iv)	Provision made for Income Tax	3,814.48	2,730.69

** includes ₹ 16.14 crores (Previous year ₹ -5.03 crores) towards impairment allowance on Letter of Comfort.*

63 The Company's operation comprise of only one business segment - lending to power, logistic and infrastructure sector. Hence, there is no other reportable segement in terms of Indian Accounting Standard (Ind-AS) 108 "Operating Segments". Based on "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker evaluates the Company's performance based on analysis of various factors of one business segment.

63.1 Information about Revenue from major products and services

(₹ in Crores)

	Particulars	Year ended 31-03-2024	Year ended 31-03-2023
(A)	Income from Loan Assets	45,954.08	38,701.63
(B)	Fee for Implementation of Government Schemes	114.49	122.21
(C)	Income from Treasury Operations	593.56	306.57
(D)	Revenue from sale of services	360.52	287.55
	Total	**47,022.65**	**39,417.96**

63.2 The Group does not have any reportable geographical segment as the primary operations of the Group are carried out within the country.

63.3 No single borrower has contributed 10% or more to the Company's revenue during the financial year 2023-24 and 2022-23.

64. Subsidiaries, joint venture and associates considered for consolidation

A. Wholly owned subsidiaries of the Company:

Name of entity	Place of business/ country of incorporation	Ownership interest held by the Group	
		As at 31-03-24	As at 31-03-23
REC Power Development and Consultancy Limited (formerly REC Power Distribution Company Limited)	India	100%	100%

B. Joint venture- Nil

Consolidated Notes to Accounts

C. Associates/Subsidiary

Name of entity	Place of business/ country of incorporation	Ownership interest	
		As at 31-03-24	As at 31-03-23
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%
Bidar Transmission Limited*	India	-	100.00%
Sikar Khetri Transmission Limited*	India	-	100.00%
KPS1 Transmission Limited*	India	-	100.00%
Ramgarh II Transmission Limited*	India	-	100.00%
Beawar Transmission Limited*	India	-	100.00%
Khavda II-D Transmission Limited	India	100.00%	100.00%
LUHRI Power Transmission Limited	India	100.00%	100.00%
Meerut Shamli Power Transmission Limited	India	100.00%	100.00%
NERES XVI Power Transmission Limited	India	100.00%	100.00%
Dhule Power Transmission Limited#	India	-	-
Ishanagar Power Transmission Limited #	India	-	-
Karera Power Transmission Limited#	India	-	-
Pachora Power Transmission Limited #	India	-	-
Jalpura Khurja Power Transmission Limited	India	100.00%	-
Kallam Transco Limited	India	100.00%	-
Rajasthan Part I Power Transmission Limited	India	100.00%	-
Shongtong Power Transmission Limited	India	100.00%	-
Khavda IV C Power Transmission Limited	India	100.00%	-
Khavda IV-E2 Power Transmission Limited	India	100.00%	-
Khavda IVA Power Transmission Limited	India	100.00%	-
Khavda V-A Power Transmission Limited	India	100.00%	-
Rajasthan IV A Power Transmission Limited	India	100.00%	-
Rajasthan IV C Power Transmission Limited	India	100.00%	-
Rajasthan IV H1 Power Transmission Limited	India	100.00%	-
Rajasthan IV E Power Transmission Limited	India	100.00%	-
Tumkur-II REZ Power Transmission Limited	India	100.00%	-
NERGS-I Power Transmission Limited	India	100.00%	-
Kankani Power Transmission Limited	India	100.00%	-
ERES-XXXIX Power Transmission Limited	India	100.00%	-

** The above SPV has been sold during the year*

*** The above SPV is under process of strike off.*

#The above SPV has been incorporated and 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.

Consolidated Notes to Accounts

65 Disclosures in respect of Entities Consolidated as required under Schedule III to the Companies Act, 2013

65.1 Share in Net Assets i.e. Total Assets minus Total Liabilities

(₹ in Crores)

Name of the Entity	As at March 31, 2024		As at March 31, 2023	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Net Assets	Amount
Parent				
REC Limited	99.18%	68,783.15	99.24%	57,679.67
Subsidiaries - Indian				
REC Power Development and Consultancy Limited (formerly REC Power Distribution Company Limited)	0.82%	567.18	0.76%	440.93
Associates - Indian				
Chandil Transmission Limited**	-	-	-	0.05
Dumka Transmission Limited**	-	-	-	0.05
Mandar Transmission Limited**	-	-	-	0.05
Koderma Transmission Limited**	-	-	-	0.05
Bidar Transmission Limited	-	-	-	0.05
Sikar Khetri Transmission Limited	-	-	-	0.05
KPS1 Transmission Limited	-	-	-	0.05
Ramgarh II Transmission Limited	-	-	-	0.05
Beawar Transmission Limited	-	-	-	0.05
Khavda II-D Transmission Limited	-	-	-	0.05
LUHRI Power Transmission Limited	-	0.05	-	0.05
Meerut Shamli Power Transmission Limited	-	0.05	-	0.05
NERES XVI Power Transmission Limited	-	0.05	-	0.05
Jalpura Khurja Power Transmission Limited		0.05		
Rajasthan Part 1 Power Transmission Limited		0.05		
Shongtong Power Transmission Limited		0.05		
Kallam Transco Limited		0.05		
Khavda IV C Power Limited		0.05		
Khavda IVA Power Limited		0.05		
Khavda IV-E2 Power Limited		0.05		
Khavda V A Power Limited		0.05		
Rajasthan IV A Power Limited		0.05		
Rajasthan IV C Power Limited		0.05		
Rajasthan IV E Power Limited		0.05		
Rajasthan IV H1 Power Limited		0.05		
Kankani Power Transmission Limited		0.05		
NERGS-I Power Transmission Limited		0.05		
Tumkur-II REZ Power Transmission Limited		0.05		
Adjustments or eliminations effect	**0.00%**	**(0.98)**	0.00%	**(0.73)**
Total	100.00%	**69,350.25**	100.00%	**58,120.51**

Consolidated Notes to Accounts

Share in profit and loss

(₹ in Crores)

Name of the Entity	Year ended 31-03-2024		Year ended 31-03-2023	
	As % of Consolidated Net Profit	Amount	As % of Consolidated Net Profit	Amount
Parent				
REC Limited	99.11%	14,019.21	98.99%	11,054.64
Subsidiaries - Indian				
REC Power Development and Consultancy Limited (formerly REC Power Distribution Company Limited)	1.06%	149.65	1.25%	139.79
Adjustments or eliminations effect	(0.17%)	(23.40)	(0.25%)	(27.45)
Total	**100.00%**	**14,145.46**	**100.00%**	**11,166.98**

Share in Other Comprehensive Income

(₹ in Crores)

Name of the Entity	Year ended 31-03-2024		Year ended 31-03-2023	
	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Other Comprehensive Income	Amount
Parent				
REC Limited	100.00%	1,044.27	100.00%	(971.04)
Subsidiaries - Indian				
REC Power Development and Consultancy Limited (formerly REC Power Distribution Company Limited)	-	-	-	-
Adjustments or eliminations effect	-	-	-	-
Total	**100.00%**	**1,044.27**	**100.00%**	**(971.04)**

Share in Total Comprehensive Income

(₹ in Crores)

Name of the Entity	Year ended 31-03-2024		Year ended 31-03-2023	
	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Other Comprehensive Income	Amount
Parent				
REC Limited	99.17%	15,063.48	98.90%	10,083.60
Subsidiaries - Indian				
REC Power Development and Consultancy Limited (formerly REC Power Distribution Company Limited)	0.99%	149.65	1.37%	139.79
Adjustments or eliminations effect	**(0.15%)**	**(23.40)**	**(0.27%)**	**(27.45)**
Total	**100.00%**	**15,189.73**	**100.00%**	**10,195.94**

Consolidated Notes to Accounts

66. Amounts expected to be recovered/ settled within 12 months and beyond for each line item under asset and liabilities

(₹ in Crores)

	Particulars	As at 31-03-2024		As at 31-03-2023	
		Within 12 months	More than 12 months	Within 12 months	More than 12 months
	ASSETS				
(1)	**Financial Assets**				
(a)	Cash and cash equivalents	262.75	-	48.70	-
(b)	Bank balances other than (a) above	2,676.74	23.01	2,276.05	70.86
(c)	Trade receivables	153.82	-	113.00	-
(d)	Derivative financial instruments	1,995.61	10,486.41	2,331.97	6,649.64
(e)	Loans	84,849.07	4,14,342.98	65,372.90	3,56,711.01
(f)	Investments	115.28	5,237.04	53.28	3,116.72
(g)	Other financial assets	291.10	24,154.32	279.26	24,143.28
	Total - Financial Assets (1)	**90,344.37**	**4,54,243.76**	**70,475.16**	**3,90,691.51**
(2)	**Non-Financial Assets**				
(a)	Current tax assets (net)	8.72	300.96	0.06	305.89
(b)	Deferred tax assets (net)	-	2,500.96	-	3,307.56
(c)	Investment Property	-	-	-	-
(c)	Property, Plant & Equipment	0.00	630.98	0.00	639.17
(d)	Capital Work-in-Progress	-	23.59	-	2.72
(e)	Other Intangible Assets	-	0.52	-	1.63
(f)	Other non-financial assets	117.03	-	67.11	7.29
	Total - Non-Financial Assets (2)	**125.75**	**3,457.01**	**67.17**	**4,264.27**
(3)	**Assets classified as held for sale**	**20.20**	**-**	**4.65**	**-**
	Total ASSETS (1+2+3)	**90,490.32**	**4,57,700.78**	**70,546.98**	**3,94,955.77**
	LIABILITIES				
(1)	**Financial Liabilities**				
(a)	Derivative financial instruments	338.08	421.62	63.11	913.84
(b)	Trade Payables				
	(i) total outstanding dues of MSMEs	-	-	-	-
	(ii) total outstanding dues of creditors other than MSMEs	90.51	-	41.68	-
(c)	Debt Securities	48,240.03	2,17,823.21	39,878.18	1,97,024.15
(d)	Borrowings (other than debt securities)	43,071.37	1,29,020.68	40,338.84	96,775.29
(e)	Subordinated Liabilities	321.21	7,091.00	2,796.90	3,976.40
(f)	Other financial liabilities	7,850.19	24,109.30	1,235.81	24,109.30
	Total - Financial Liabilities (1)	**99,911.39**	**3,78,465.81**	**84,354.52**	**3,22,798.98**
(2)	**Non-Financial Liabilities**				
(a)	Current tax liabilities (net)	66.51	-	10.65	-
(b)	Provisions	80.00	57.35	60.91	50.71
(c)	Other non-financial liabilities	165.72	94.07	57.09	49.36
	Total - Non-Financial Liabilities (2)	**312.23**	**151.42**	**128.65**	**100.07**
(3)	**Liabilities directly associated with assets classified as held for sale**	**-**	**-**	**0.02**	**-**
	Total LIABILITIES (1+2+3)	**1,00,223.62**	**3,78,617.22**	**84,483.19**	**3,22,899.05**

Previous year figures have been reclassified/ regrouped to conform to the current classification.

Consolidated Notes to Accounts

67. There are no Off-Balance Sheet SPVs sponsored by the Company, which need to be consolidated as per accounting norms.

68. The Company does not have any Overseas Assets in the form of Joint Ventures/Subsidiaries abroad.

69. 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, 21.1, 28.1, 47, 50, 51.1.3 (N), 51.1.3 (O), 51.1.3 (P), 51.1.3 (R), 51.1.3 (S), 51.1.3 (T), 51.1.3 (U), 51.1.3 (V), 51.2.2, 51.2.4, 51.3, 52, 54, 57, 61, 62, 67, 68, 70, 72.

70. No penalties have been levied on the company by any regulator during the year ended 31st March 2024 (previous year Nil) However, during the year, the Company has received notices from the National Stock Exchange of India Ltd. (NSE) and BSE Ltd. (BSE) imposing a total fine of ₹ 0.43 crores (previous year ₹ 0.43 crores) (inclusive of GST) for non-compliance on the corporate governance requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 regarding the position/ quorum requirements of Board/ Committees, due to inadequate number of Independent Directors.

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. The Company is hopeful of favorable outcome of its request to the Stock Exchanges in line with the earlier waivers of fine by BSE for similar reasons and the communication received from NSE to consider waiver after complying with the requirement.

71. During the year, the company does not have any transactions with the struck off companies as on 31-03-2024 (as on 31-03-2023- five numbers), which are individually not material and thus have not been reported.

72. No complaints have been received by the company from the customers or Offices of Ombudsman during the year ended 31st March 2024 (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

Vijay Kumar Singh
Director (Projects)
DIN - 02772733

Vivek Kumar Dewangan
Chairman & Managing Director
DIN - 01377212

In terms of our Audit Report of even date

For Kailash Chand Jain & Co.
Chartered Accountants,
Firm Reg. No. : 112318W

Saurabh Chouhan
Partner
Membership Number : 167453

For SCV & Co. LLP.
Chartered Accountants,
Firm Reg. No. : 000235N/N500089

Abhinav Khosla
Partner
Membership Number : 087010

Place : Mumbai
Date : 30th April 2024

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 2024
(As prescribed by Reserve Bank of India)

(Particulars set out in Annexure- VIII of RBI's (Non-Banking Financial Company - Scale Based Regulation) Directions dated 19.10.2023, as updated from time to time, in so far as they are applicable to the Company)

(₹ in Crores)

Particulars	As at 31.03.2024		As at 31.03.2023	
	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	55,197.53	-	51,599.51	-
- Unsecured	2,19,135.12	-	1,93,034.32	-
(b) Term Loans				
- Unsecured Loans from NSSF	10,325.12	-	10,325.12	-
- Unsecured Loans from Banks	50,620.49	-	56,402.09	-
- Unsecured Loans from Financial Institutions	8,072.29	-	6,000.64	-
- Foreign Currency Borrowings	67,597.00	-	45,783.55	-
- FCNR (B) Loans	25,151.29	-	15,427.63	-
- Overdrafts from Bank	267.44	-	87.59	-
- Short Term Loans/ Loans Repayable on Demand	10,883.04	-	3,607.52	-
- Lease Obligations	-	-	0.02	-

(₹ in Crores)

Particulars	As at 31.03.2024	As at 31.03.2023
ASSETS SIDE :		
(2) Break-up of Loans and Advances including bills receivables		
(a) Secured	2,47,650.53	2,42,310.94
(b) Unsecured	2,61,720.42	1,92,700.85
(c) Less: Impairment loss allowance	(12,380.52)	(14,263.75)
Loans and advances (net of provision)	4,96,990.43	4,20,748.04
(3) INVESTMENTS :		
Investments carried at Cost/Amortised Cost:		
Quoted:		
(i) Shares : Equity	-	-
(ii) Debentures and Bonds	1,962.14	661.16
(iii) Government Securities	1,624.08	1,431.74
Unquoted:		
(i) Shares : Equity		
(ii) Debentures and Bonds	214.06	105.74
(iii) Preference Shares	28.72	28.72

(₹ in Crores)

Particulars	As at 31.03.2024	As at 31.03.2023
Less: Impairment Loss allowance	(28.72)	(28.72)
Unquoted Preference Shares (net of Provision)	-	-
Investments carried at Fair Value:		
Quoted:		
(i) Shares : Equity	170.28	94.54
(ii) Debentures and Bonds	947.94	437.26
Unquoted:		
(i) Shares : Equity	316.73	314.48
(ii) Debentures and Bonds	117.09	125.08

(4) Borrower Group-wise classification of assets financed in (2) above :

(₹ in Crores)

Particulars	Amount Net of Provisions			
	Secured	Unsecured	Provision	Total
As at 31.03.2024				
1. Related Parties	-	-	-	-
(a) Subsidiaries	-	-	-	-
(b) Companies in the same Group	-	-	-	-
(c) Other related Parties	-	-	-	-
2. Other than Related Parties	2,47,650.53	2,61,720.42	(12,380.52)	4,96,990.43
Total	**2,47,650.53**	**2,61,720.42**	**(12,380.52)**	**4,96,990.43**
As at 31.03.2023				
1. Related Parties	-	-		-
(a) Subsidiaries	-	-		-
(b) Companies in the same Group	-	-		-
(c) Other related Parties	-	-		-
2. Other than Related Parties	2,42,310.94	1,92,700.85	(14,263.75)	4,20,748.04
Total	**2,42,310.94**	**1,92,700.85**	**(14,263.75)**	**4,20,748.04**

(5) Investor group-wise classification of investments (current and long term) in shares and securities (both quoted and unquoted) :

(₹ in Crores)

Category	As at 31.03.2024		As at 31.03.2023	
	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				
2. Other than Related Parties	5,325.91	5,352.32	3,181.35	3,170.00
Total	**5,325.91**	**5,352.32**	**3,181.35**	**3,170.00**

(6) Other Information

(₹ in Crores)

Particulars	As at 31.03.2024	As at 31.03.2023
(i) Gross Credit-impaired Assets		
(a) Related Parties	-	-
(b) Other than related Parties	13,810.33	14,892.08
(ii) Net Credit-impaired Assets		
(a) Related Parties	-	-
(b) Other than related Parties	4,356.53	4,372.57
(iii) Asset acquired in satisfaction of debts	**394.18**	**233.85**

For and on behalf of the Board

J.S. Amitabh
ED & Company Secretary

Vijay Kumar Singh
Director (Projects)
DIN - 02772733

Vivek Kumar Dewangan
Chairman & Managing Director
DIN - 01377212

In terms of our Audit Report of even date

For Kailash Chand Jain & Co.
Chartered Accountants,
Firm Reg. No. : 112318W

Saurabh Chouhan
Partner
Membership Number : 167453

For SCV & Co. LLP.
Chartered Accountants,
Firm Reg. No. : 000235N/N500089

Abhinav Khosla
Partner
Membership Number : 087010

Place : Mumbai
Date : 30th April 2024

Form AOC-1

Statement containing salient features of the financial statements of Subsidiaries/ Associates/ Joint Ventures for the Year 2023-24

Part A: Subsidiaries

(₹ in Crores)

	Particulars	(I)
1	**Name of the Subsidiary**	**REC Power Development and Consultancy 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	567.09
6	Total assets	805.59
7	Total Liabilities	238.41
8	Investments	78.79
9	Turnover	390.64
10	Profit/ (Loss) Before Taxation	202.70
11	Provision for Taxation	53.05
12	Profit/ (Loss) After Taxation	149.65
13	Proposed Dividend	44.90
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 - I

(₹ in Crores)

Name of Associates/ Subsidiaries		Koderma Transmission Limited *	Chandil Trans mission Limited *	Dumka Trans mission Limited *	Mandar Trans mission Limited *	Luhri Power TL*	Meerut Shamli Power TL*	NARES XVI Power TL#	Jalpura Khurja Power Transmission Limited#	Rajasthan Part I Power Transmission Limited#	Shongtong Power Transmission Ltd.#	Kallam Transco Ltd#	Khavda IV C Power Trans mission Limited#
		1	2	3	4	5	6	7	8	9	10	11	12
	Date of Incorporation	19.03.2018	14.03.2018	25.03.2018	26.03.2018	28.10.2022	14.12.2022	10.01.2023	28.04.2023	30.04.2023	14.06.2023	15.09.2023	27.09.2023
1	Latest audited Balance Sheet Date	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23						
2	Shares of Associate/ Subsidiaries/Joint Ventures held by the company on the year end Number												
i.	Number	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
ii.	Amount of Investment in Associates/Subsidiaries/ Joint Venture	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
iii.	Extent of Holding (%)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
3	Description of how there is significant influence	Refer Note 1											
4	Reason why the associate/Subsidiaries/ joint venture is not consolidated **	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	Networth attributable to Shareholding as per latest audited Balance Sheet	(0.59)	(0.59)	(0.59)	(0.59)	(104.99)	(95.10)	(86.88)	(81.10)	(62.24)	(52.00)	(46.63)	(36.80)
6	Profit / (Loss) for the year	228.00	254.00	248.00	222.00	(59.36)	(56.31)	(91.88)	(86.10)	(67.24)	(57.00)	(51.63)	(41.80)
i.	Considered in Consolidation **	-	-	-	-								
ii.	Not Considered in Consolidation	228.00	254.00	248.00	222.00	(59.36)	(56.31)	(91.88)	(86.10)	(67.24)	(57.00)	(51.63)	(41.80)

Details of Associates - II

(₹ in Crores)

Name of Associates/Subsidiaries		Khavda IV-E2 Power Trans mission Limited#	Khavda IV A Power Trans mission Limited#	Rajasthan IV A Power Trans mission Limited#	Rajasthan IV C Power Trans" mission Limited#	Rajasthan IV H1 Power Trans mission Limited#	Rajasthan IV E Power Trans mission Limited#	Kankani Power Trans mission Limited#	NERGS-1 Power Trans mission Limited#	Tumukur-II REZ Power Trans mission Limited#	Khavda V-A Power Trans mission Limited#	ERES XXXIX Power Trans mission Ltd##
		13	14	15	16	17	18	19	20	21	22	23
Date of Incorporation		05.10.2023	09.10.2023	10.10.2023	11.10.2023	13.10.2023	14.10.2023	18.12.2023	13.12.2023	13.12.2023	10.10.2023	27.03.2024
1	Latest audited Balance Sheet Date											
2	Shares of Associate/Subsidiaries/Joint Ventures held by the company on the year end Number	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	
i.	Amount of Investment in Associates/Subsidiaries/ Joint Venture	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	
ii.	Extent of Holding (%)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
3	Description of how there is significant influence	Refer Note 1										
4	Reason why the associate/Subsidiaries/joint venture is not consolidated **	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
5	Networth attributable to Shareholding as per latest audited Balance Sheet	(28.84)	(49.69)	(36.39)	(29.08)	(46.84)	(33.53)	(4.55)	(30.66)	(15.28)	(37.96)	
6	Profit / (Loss) for the year	(33.84)	(54.69)	(41.39)	(34.08)	(51.84)	(38.53)	(0.44)	(35.66)	(20.25)	(42.96)	
i.	Considered in Consolidation **											
ii.	Not Considered in Consolidation	(33.84)	(54.69)	(41.39)	(34.08)	(51.84)	(38.53)	(0.44)	(35.66)	(20.25)	(42.96)	

* The latest audited Balance Sheet available for associates/subsidiaries have been prepared on the basis of IND-AS.
The latest management certified Balance Sheet available for associates/subsidiaries have been prepared on the basis of IND-AS.
**Associates/Subsidiaries classified under held for sale and valued at cost or fair market value (less cost to sales) whichever is less, hence profit not considered.
##Since company incorporated on 27.03.2024, auditor will be appointed in next FY
Note : 1. The company is holding 100% of shares but these investments are managed as per the mandate from Government of India and company does not have the practical ability to direct the relevant activities of these companies unilaterally, hence treated as associate company.

Details of Joint Venture : NA

(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.

The following associates have been sold during the year, as a part of business process:

Name of SPV	Date of Incorporation	Date of Sale
KPS1 Transmission Limited	06.05.2022	20.04.2023
Beawar Transmission Limited	27.04.2022	20.09.2023
Ramgarh II Transmission Limited	20.04.2022	26.10.2023
Sikar Khetri Transmission Limited	06.05.2022	09.02.2024
Bidar Transmission Limited	08.06.2020	09.02.2024
Dhule Power Transmission Limited	08.06.2023	09.02.2024
Ishanagar Power Transmission Limited	09.06.2023	09.02.2024
Karera Power Transmission Ltd.	14.06.2023	09.02.2024
Pachora Power Transmission Ltd.	20.07.2023	14.02.2024

For and on behalf of the Board

J.S. Amitabh
ED & Company Secretary

Vijay Kumar Singh
Director (Projects)
DIN - 02772733

Vivek Kumar Dewangan
Chairman & Managing Director
DIN - 01377212

In terms of our Audit Report of even date

For Kailash Chand Jain & Co.
Chartered Accountants,
Firm Reg. No. : 112318W

Saurabh Chouhan
Partner
Membership Number : 167453

For SCV & Co. LLP.
Chartered Accountants,
Firm Reg. No. : 000235N/N500089

Abhinav Khosla
Partner
Membership Number : 087010

Place : Mumbai
Date : 30th April 2024

Revised Independent Auditors' Report

To the Members of

REC Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

This revised Independent Auditor's Report on Consolidated Ind AS Financial Statements of REC Limited is issued in supersession of our earlier Independent Auditor's Report dated 30th April 2024, in compliance of the Comptroller & Auditor General (C&AG) of India's comment dated 06th July 2024 on "key audit matter on Fair Valuation of Derivative Financial Instruments", which does not affect the true & fair view and our opinion on the Consolidated Ind AS Financial Statements as expressed earlier in any manner. The revised report is issued adding the aforesaid key audit matter as pointed out by C&AG of India in our earlier Independent Auditors' report. Further we confirm that none of the figures have undergone any change in the Consolidated Ind AS Financial Statements of the Company as at 31st March 2024.

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, 2024, 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 material 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, 2024, of its consolidated Profit (including other comprehensive Income), consolidated changes in equity and consolidated cash flows for the year then 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 Auditors' 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 year. 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 No. 51.1.3 to the Consolidated Ind AS Financial Statements read with accounting policy No. 3.13) 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. 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.	**We have applied following audit procedures in this regard** a). Evaluation and testing of the key internal control mechanisms with respect to the loan assets monitoring, assessment of the loan impairment including testing of relevant data quality, and review of the real data entered. b). We have obtained the report of the external agency and verified the criterion/framework with various regulatory updates along with Company's internal guidelines and procedures in respect of the impairment allowance. c). 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. d). Recoveries are verified applying the standard audit procedures to ascertain level of stress. Loan balances are confirmed and quality of the borrower is evaluated and tested with key control parameters. e) Assessment of impairment based upon performance of the loan assets is carried out on the basis of relevant evidence on record provided to us. f) We have discussed with the management wherever underlying weakness is observed and management assessment is carried out in detail in such cases.

2.	**Fair valuation of Derivative Financial Instruments** (Refer Note No. 9 to the Consolidated Ind AS Financial Statements read with accounting policy No. 3.12) The Company enters into derivative contracts in accordance with RBI guidelines to mitigate its currency and interest rate risk in accordance with the Company's board approved currency risk management policy. Derivative contracts are either categorised at Fair Value through P&L (FVTPL) or under cash flow hedge (Hedge Accounting). Mark to market gain/ loss on derivatives categorised at FVTPL is recognised in Statement of Profit and Loss and that of cash flow hedge is recognised in the Other Comprehensive Income. In view of significance and impact on the financial statements we have considered the fair valuation of the derivative financial instruments 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. b) Verification of fair value of derivative in term of Ind AS 109. c) Evaluation of key internal control over classification of derivative instruments. d) The Company obtains fair value of derivative from the counterparty banks. Our procedure includes evaluation of details of various financial derivative contracts outstanding as on March 31, 2024, and fair value thereon. e) Additionally, we verified the accounting of gain or loss on mark to market basis of derivative contracts in Statement of Profit and Loss and Other Comprehensive Income in case of derivatives contracts under cash flow hedge. f) Reviewed the appropriateness and adequacy of disclosures by the management as required in terms of Ind AS 109.

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 auditor vide their report dated 19th April 2024 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. 43 "Financial Instrument" and note no. 11 "Trade Receivable") Accounts receivables is a significant item in the Company's financial statements as at March 31, 2024 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.	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 3.2 and 38 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 serving offering.

Information Other than the Consolidated Ind AS Financial Statements and Auditors' Report thereon

The Company's Board of Directors are responsible for the other information. The other information comprises the Directors' Report, Corporate Governance Report, Business Responsibility and Sustainability Report and Management Discussion and Analysis etc. in the Annual report but does not include the consolidated Ind AS financial statements and our Auditors' Report thereon. Such other information is expected to be made available to us after the date of this Auditors' 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.

If, based on the work we have performed, we conclude that there is a material misstatement therein, we are required to report that fact.

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Management and Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in term of the requirements of the Act 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.

Auditors' 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 Auditors' 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 Auditors' 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 Auditors' 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 entity 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 entity included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entity included in the consolidated Ind AS financial statements, which has been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit 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 entity 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 year and are therefore the key audit matters. We describe these matters in our Auditors' 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

1. The comparative **Ind AS Financial Statements** for the year ended 31st March 2023 included in the these **consolidated Ind AS Financial Statements** have been jointly audited by S.K. Mittal & Co. Chartered Accountants & O.P. Bagla & Co. LLP Chartered Accountants , whose audit report dated 17th May 2023 expressed unmodified opinion on the comparative consolidated Ind AS financial statements.

Our opinion is not modified in respect of this matter.

2. We did not audit the financial statements of the subsidiary whose financial statements reflect total assets of ₹805.59 Crores (₹680.50 Crores as at 31st March 2023) as at 31st March 2024, total revenues of ₹357.82 Crores (Previous year ₹284.84 Crores) and net cash flows amounting to ₹ 206.80 Crores (Previous year ₹(4.89) 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 ₹139.79 crores (Previous Year ₹53.03 crores) and total comprehensive income of ₹149.64 crores (Previous Year ₹139.79 crores) as considered in the Consolidated Ind AS Financial Statements. This financial statement has been audited by other auditor whose report has 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 report of the other auditor

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 report of the other auditor 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 report of the other auditor.
   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, Consolidated Changes in Equity and the Statement of Consolidated Cash Flows 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) As per Notification number G.S.R. 463(E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, section 164(2) of the Act regarding the disqualifications of Directors is not applicable to the Company, since it is a Government Company

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding company and its subsidiaries and the operating effectiveness of such controls, refer to our separate report in **"Annexure-A".**

(g) As per 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 holding/subsidiary company, since it is a Government Company.

(h) With respect to the other matters to be included in the Auditors' 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 auditor on separate 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 46 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.

iv) (a) The respective Managements of the Company and its subsidiary 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 advanced or 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, 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 Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective Managements of the Company and its subsidiary (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 dividend declared and paid during the year by the Group till the date of this report is in compliance with section 123 of the Act.

(vi) Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

However in case of Subsidiary company , the audit trail feature has been enabled from 30th October 2023.

As proviso to Rule 3(1) of the Companies (Accounts) Rule 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules 2014 on preservation of audit trail as per statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

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 Auditors' 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 Kailash Chand Jain & Co.	**M/s SCV & Co. LLP.**
Chartered Accountants,	Chartered Accountants,
ICAI Firm Reg. No. : 112318W	ICAI Firm Reg. No. : 000235N/N500089
Saurabh Chouhan	**Abhinav Khosla**
Partner	Partner
Membership Number : 167453	Membership Number : 087010
UDIN : 24167453BKBFYR9922	UDIN : 24087010BKBOFB7029

Place : Delhi
Date: 16th July 2024

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 2024, 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 auditors' 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 auditor of the subsidiary, incorporated in India, in terms of their report 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 31 March 2024, 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.

Other Matters

Our aforesaid report 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 report of the auditor of such company.

M/s Kailash Chand Jain & Co.
Chartered Accountants,
ICAI Firm Reg. No. : 112318W

Saurabh Chouhan
Partner
Membership Number : 167453
UDIN : 24167453BKBFYR9922

M/s SCV & Co. LLP.
Chartered Accountants,
ICAI Firm Reg. No. : 000235N/N500089

Abhinav Khosla
Partner
Membership Number : 087010
UDIN : 24087010BKBOFB7029

Place : Delhi
Date : 16th July 2024

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 2024

The preparation of consolidated financial statements of REC Limited for the year ended 31 March 2024 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 30 April 2024.

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 2024 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 and REC Power Development and Consultancy Limited but did not conduct supplementary audit of the financial statements of subsidiaries, associate companies and jointly controlled entities listed in 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. After the audit, comment of C&AG was issued on 06 July 2024 pointing out that the Independent Auditors' Report dated 30 April 2024 has not included the key audit matter on "Fair Valuation of Derivatives Accounting". In compliance of the comment, Statutory Auditors have revised their Audit report on 16 July 2024 in supersession of their earlier Independent Auditors' Report dated 30 April 2024 and have included their comments on fair valuation of Derivative Financial Instruments in their revised Independent Auditors' Report dated 16 July 2024.

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 revised statutory auditor's report under section 143(6)(b) of the Act.

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

(S. Ahlladini Panda)
Director General of Audit (Energy)

Place : New Delhi
Date : 26.07.2024

ANNEXURE

List of Associate Companies and Jointly Controlled Entities of REC Limited whose financial statements were not audited by the Comptroller and Auditor General of India

Associates and Joint Ventures:

1. Chandil Transmission Limited
2. Dumka Transmission Limited
3. Koderma Transmission Limited
4. Mandar Transmission Limited
5. Luhri Power Transmission Limited
6. Meerut Shamli Power Transmission Limited
7. NARES XVI Power Transmission Limited
8. Jalpura Khurja Power Transmission Limited
9. Rajasthan Part-I Power Transmission Limited
10. Shongtong Power Transmission Limited
11. Kallam Transco Limited
12. Khavda IV C Power Transmission Limited
13. Khavda IV E2 Power Transmission Limited
14. Khavda IV A Power Transmission Limited
15. Rajasthan IV A Power Transmission Limited
16. Rajasthan IV C Power Transmission Limited
17. Rajasthan IV H1 Power Transmission Limited
18. Rajasthan IV E Power Transmission Limited
19. Konkani Power Transmission Limited
20. NERGS-I Power Transmission Limited
21. Tumukur-II REZ Power Transmission Limited
22. Khavda V A Power Transmission Limited
23. ERES XXXIX Power Transmission Limited

Our Presence

Registered Office	Core-4, SCOPE Complex, 7 Lodhi Road, New Delhi - 110003 +91-11-4309 1500 / 1501 contactus@recindia.com		
Corporate Office	Plot no. I-4, Sector 29, Gurugram, Haryana - 122001 +91-124-444 1300 contactus@recindia.com		
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@recindia.com	*Regional Office* **Meghalaya, Manipur and Nagaland**	Serenity Home C/o Frederick S. Marbaniang Polo Hills, Shillong, Meghalaya - 793001 +0364-3542674 poshillong@recindia.com
Regional Office **Punjab, Haryana, Himachal Pradesh**	BAY no. 7-8, Sector-2 Panchkula - 134112 +91-172-2563 863 / 864 +91-172-2580 476 popanchkula@recindia.com	*Regional Office* **Madhya Pradesh**	Hall no. 3, West Block, 2nd Floor, Metro Walk Bittan Market, Bhopal - 462016 +91-755-2460 006 recbhopal@recindia.com
Regional Office **West Bengal, Sikkim, Andaman & Nicobar Islands**	I B-186, Sector-III Salt Lake City Kolkata - 700106 +91-33-2335 6989 / 6994 / 6998 zmkolkata@recindia.com	*Regional Office* **Nagaland, Meghalaya, Manipur**	SRADDHA, M.G. Path, G.S. Road Crossing Sohum/SBI Point, Christian Basti Guwahati - 781005 +91-361-2343 713 poguwahati@recindia.com
Regional Office **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@recindia.com	*Regional Office* **Chhattisgarh**	F-6 & F-7, Block B-1, 1st Floor Pujari Chambers, Commercial Complex Pachpedinaka, Raipur - 492001 +91-771-2241 055 recraipur@recindia.com
State Office **Himachal Pradesh**	Pt. Padamdev Commercial Complex, Phase-II, First Floor The Ridge, Shimla - 171001 +91-177-2653 411 poshimla@recindia.com	*Regional Office* **Jharkhand**	101 & 102, Om Shree Enclave, Beside Loyola School, Airport Road Hinoo, Ranchi - 834002 +91-651-4667 947 soranchi@recindia.com
Regional Office **Jammu & Kashmir, Ladakh**	157-A, Gandhi Nagar Behind Apsara Cinema Jammu - 180004 +91-191-2450 800 pojammu@recindia.com	*Regional Office* **Odisha**	Deen Dayal Bhawan, 5th Floor, Ashok Nagar Janpath, Bhubaneswar - 751009 +91-674-2393 206 +91-674-2536 649 pobhubaneswar@recindia.com
Regional Office **Uttar Pradesh**	19/8, Indira Nagar Extension Ring Road, Lucknow - 226016 +91-522-271 6324 / 7376 +91-522-407 4944 zmlucknow@recindia.com	*Regional Office* **Karnataka**	1/5, Halasuru Road, Bengaluru - 560042 +91-80-2559 8244 +91-80-2555 0240 pobangalore@recindia.com
Regional Office **Uttarakhand**	7, New Road, Opposite MKP College, Dehradun - 248001 +91-135-2650 799 sodehradun@recindia.com	*Regional Office* **Telangana**	RECIPMT Campus, NPA Post, Shivrampally Near Aramghar Crossroad Hyderabad - 500052 +91-40-2980 4520 / 6745 +91-40-2988 6745 zmhyderabad@recindia.com
Regional Office **Bihar**	Maurya Lok Complex Block - C, 4th Floor New Dak Bangalow Road Patna - 800001 +91-612-222 4596 / 1131 popatna@recindia.com	*Regional Office* **Andhra Pradesh**	54-15-13, BSR Hill View, 2nd Floor, Srinivasa Nagar Bank Colony, Vijayawada - 520008 +91-866-2973 405 recro-vijay@recindia.com
Regional Office **Rajasthan**	J-4-A, Jhalana Dungari Institutional Area Jaipur - 302004 +91-141-270 7840 / 0161 pojaipur@recindia.com	*Regional Office* **Kerala, Lakshadweep**	O-5, 4th Floor, Saphallyam, Commercial Complex, TRIDA Building, Palayam Thiruvananthapuram - 695034 +91-471-2328 662 potrivandrum@recindia.com
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@recindia.com	*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@recindia.com

Exclusive Primary Listing of Green Bonds of USD 750 Million of REC Limited at GIFT IFSC Stock Exchanges

REC Honored with the Prestigious Golden Peacock Award for Risk Management

NOTES

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

A MAHARATNA COMPANY

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Corporate Office: Plot No. I-4, Sector-29, Gurugram, Haryana-122001 **Tel.:** +91-124-4441300
E-mail: contactus@recindia.com **Website:** www.recindia.nic.in **CIN:** L40101DL1969GOI005095

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