केवल कार्यालय के प्रयोग के लिए

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वाणिज्यिक लेखापरीक्षा नियमावली–भाग II

MANUAL OF COMMERCIAL AUDIT – PART II

महानिदेशक लेखापरीक्षा (ऊर्जा) का कार्यालय नई दिल्ली-110002

OFFICE OF THE DIRECTOR GENERAL OF AUDIT (ENERGY)
NEW DELHI-110002

FOREWORD

This is the revised and updated Manual of Commercial Audit Procedure (Part-II) relating to this office. This Manual deals with a brief of the operational aspects, accounting systems and policies, and the auditing methodology relating to major Public Sector Enterprises and Autonomous Bodies under the audit control of this office as of March 2021. The basic purpose of this Manual is to supplement the broad and general principles outlined in the Manual of Commercial Audit Procedure (Part-I) published by the office of the Comptroller and Auditor General of India.

(D.K. Sekar)
Director General of Audit (Energy)
New Delhi

New Delhi
Dated:

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* The SPVs were sold during the year

** The Company is under liquidation

*** As per the furnished information, same information is applicable as for BEE

CHAPTER-I

GENERAL

CHAPTER-I

GENERAL

1.1 INTRODUCTION

Comptroller and Auditor General of India ordered the reorganization of its Central and state Audit offices with effect from 01 April 2020 vide SMU letter no 59/31-SMU/2018 dated 09 March 2020. In keeping with the CAG's order conveyed in the said letter, the Principal Director (SMU) vide letter no 127/09-SMU/2020 dated 22 May 2020 notified the office of the PD/DG (Energy) as the Principal Auditor in respect of the Audit of Ministry of Power, Ministry of Petroleum and Natural Gas and Bharat Heavy Electricals Limited. The office of Principal Director of Energy (Audit) was created by merging the erstwhile offices of MAB-II and MAB-III.

1.2 ORGANIZATION SET UP AND DISTRIBUTION OF WORK

The office of the Director General of Audit (Energy) is located at 5th ,6th , 7th and 10th Floors, CAG's ANNEXE Building, 10, Bahadur Shah Zafar Marg, New Delhi -110 002 with a Branch office at Bhopal.This office is headed by the Director General, who is assisted by four Directors/Dy. Directors at New Delhi main office and by one Director/Dy. Director at Bhopal Branch office.

Audit Jurisdiction - CPSEs and Autonomous Bodies

As of 31 March 2021, there are two ministries viz. Ministry of Power and Ministry of Petroleum and Natural Gas along with their Pay & Accounts offices, 107 Central Public Sector Enterprises (CPSEs) six Autonomous Bodies (ABs), one Externally Aided Project (EAP), nine units of Autonomous Bodies/ NGOs/ Trusts covered for audit under section 14 of CAG's (DPC) Act, 1971, and one Statutory Organisation under the audit jurisdiction of Director General of Audit (Energy), Delhi. In case of 5 CPSEs (BHEL, NTPC, NHPC, PGCIL and IOCL), there exists sub-audit arrangements with DGCA, Mumbai, DGA (Mines), Kolkata, DGCA, Hyderabad, DGCA, Chennai and DGA (Steel), Ranchi. Category-wise classification of the CPSEs and ABs/NGOs/Trusts is as under:

As Principal Auditor

Category	No. of Ministries/ CPSEs/Autonomous Bodies/NGOs/Trusts Statutory Organizations
Ministries	02
Government Companies	94
Government controlled other companies (JVs of Govt. Companies)	13
Autonomous Bodies (as Principal Auditor) under Section 19 and 20 of CAG's (DPC) Act 1971	06
Externally Aided Projects (Funded by World Bank)	01
Units of Autonomous Bodies/NGOs/Trusts under Section 14 of CAG's (DPC) Act 1971	09
Statutory Organisation (Central Electricity Authority)	01

As Sub Auditor

Category	No. of units of CPSEs/Autonomous Bodies
Government Companies (NTC, Cotton Corporation of India Limited, BPCL and HPCL)	09
Autonomous Bodies under Section 19 and 20 of CAG's (DPC) Act 1971 (Coal Mines Provident Fund)	04

Complete list of the Ministries/ CPSEs/ CABs/ NGOs/ Trusts/ Statutory Organization under the audit jurisdiction of this office is enclosed as **Annexure-A1.** Out of 107 CPSEs, 12 (BHEL, MOIL, NHPC, NTPC, PFC, PGCIL, REC, SJVNL, IOCL, EIL, GAIL and IGL) are listed CPSEs. Further, out of these 12 listed CPSEs, five are Maharatna CPSEs (NTPC, BHEL, PGCIL, IOCL and GAIL), three are Navratna CPSEs

(PFC, REC and EIL) and three are Miniratna CPSEs (MOIL, NHPC and SJVNL). Besides, three unlisted CPSEs (MECL, THDC and OVL) are also Miniratna CPSEs.

1. **CPSEs/Central Autonomous Bodies set-up**

The CPSEs fall under two categories – (a) Government Companies, and (b) Government controlled Other Companies. Under the audit jurisdiction of this office, there are 94 Government Companies and 13 Government Controlled Other Companies registered under the Companies Act, 2013.

Out of total 17 CABs/ EAP/ NGOs/ Trusts/ Statutory Organization under the audit jurisdiction of this office, four CABs (NPTI, BEE, JERC and CERC) and one Externally Aided Project viz. World Bank Assisted GEF Agreement - Bureau of Energy Efficiency under the Administrative control of Ministry of Power and two CABs (PNGRB and RGIPT) under the Administrative control of Ministry of Petroleum and Natural Gas, are audited as Principal Auditor under Sections 19 and 20 of CAG's (DPC) Act 1971. Nine ABs/ NGOs/ Trusts are audited by this office under Section 14 of the Act ibid. Besides, there is one Statutory Organization under the audit jurisdiction of this office.

2. Audit Mandate

After the restructuring of the audit offices, audit of two Ministries (MoP and MoPNG) was entrusted to this office. Audit of accounts of these ministries, viz., Finance Accounts and Appropriation Accounts, would be taken up for the first time by this office from the annual audit plan for 2022-23. Compliance/ Performance audit of these ministries/ units of these ministries would,however, be taken up as per the plan.

This office conducts the supplementary audit of financial statements of the CPSEs, accounts audit of CABs besides Compliance audit and Performance audit of these CPSEs and CABs.

The supplementary audit of the financial statements of the CPSEs is conducted under Section 143 of the Companies Act 2013. Compliance audit and Performance audit of the CPSEs are conducted under Section 19 of the C&AG's (DPC) Act 1971 read with Section 23 of the C&AG's (DPC) Act 1971.

Accounts audit, Compliance audit and Performance audit of the CABs are conducted under Sections 14, 19(2) and 20 of the C&AG's (DPC) Act, 1971 read with Section 23 of the C&AG's (DPC) Act 1971.

5. Nature of assurance and means of providing it

In the public sector audit, assurance required can be broadly categorized under three types:

- The accounts of an entity show 'true and fair' view of its operations/activities. This assurance on accounts, in case of CPSEs, is provided through Certification Audit by the Statutory Auditors coupled with CAG's financial audit (i.e. supplementary audit) and in case of CABs, through Certification Audit.
- Second type of assurance expected is that of Compliance with applicable Acts, Rules and Regulations by the audited entity. This assurance is sought to be provided through Compliance audit and Thematic studies.
- Third type of assurance, which is more important from the governance angle, is to assess whether the entity has been carrying on its activities economically, efficiently and effectively. This assurance is sought to be provided through Performance Audit.

6. Audit set-up and Reporting Mechanism

The potential financial audit (i.e. Supplementary Audit) findings, in case of CPSEs are reported to Headquarters Office in the form of Draft Comments under Section 143(6)(b) of the Companies Act, 2013 for finalization/approval. In case of CABs, the potential financial audit (i.e. Certification Audit) findings are reported to Headquarters Office in the form of Draft Separate Audit Report (SAR) under section 19 & 20 of CAG' (DPC), Act, 1971. The audit findings of Compliance Audit and Thematic Studies are reported to CPSEs/Central Autonomous Bodies through Inspection Reports (IRs) and draft Thematic Audit Reports, respectively. The Performance Audit findings are reported to CPSEs/ Autonomous Bodies through Draft Performance Audit Reports. The draft reports (Draft Paragraph and Thematic Studies) are issued to the Management/Administrative Ministry for their comments thereon and simultaneously forwarded to Headquarters Office for approval. However, in case of draft Performance Audit Report, the same is issued to the Management for their comments and after incorporating Management's comments the same are forwarded to Headquarters office for approval.

This office is responsible for conducting financial audit (i.e. Certification Audit) and issue SAR in case of 6 Autonomous Bodies (i.e. JERC, CERC, NPTI, BEE, PNGRB and RGIPT) and Certification of Accounts of BEE's World Bank Project as Principal Auditor. The Separate Audit Reports on the annual accounts of these CABs are issued to the concerned Ministry/ABs after approval by the Headquarters Office.

In addition, Management Letters are also issued to the CPSEs/CABs bringing out issues to their notice which are not considered for inclusion in Audit Reports/Comments on accounts/Separate Audit Reports.

Tier I CPSEs – High Risk having risk points 6-10

Tier II CPSEs – Medium Risk having risk points 4-6

Tier III CPSEs – Low Risk having risk points 0-4

7. Audit coverage in Sub audit arrangement

This office plays role of Principal Auditor in respect of BHEL, NTPC, NHPC, PGCIL and IOCL where region-wise units of these CPSEs allocated to different Audit Offices are audited by them as sub-auditor

.

CHAPTER-II
GUIDELINES

A. GOVERNMENT AUDIT GUIDELINES

Introduction

The Comptroller and Auditor General of India (CAG), who is the head of the Supreme Audit Institution of India (SAI) derives his duties and powers mainly from Articles 149 to 151 of the Constitution of India and the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. Under the provisions of the Constitution of India and the Act, the CAG is the sole auditor of the accounts of the Central (Union) Government and the State Governments. CAG is also responsible for the audit of local bodies (i.e. Panchayati Raj institutions and urban local bodies) under the provisions of some of the State Acts and provides technical and administrative guidance for accounting and audit functions in all States as per orders issued by Ministry of Finance, Government of India. The reports of the CAG relating to the accounts of the Union and the States are submitted to the President/Governor of the State for being laid before the Parliament/State Legislature. The CAG is also responsible for ensuring a uniform policy of accounting and audit in the Government sector as a whole. The Act authorizes the CAG to lay down for the guidance of the Government departments, the general principles of Government accounting and the broad principles in regard to audit of receipts and expenditure.

The mandate of CAG includes audit of:

• Receipts and expenditure from the Consolidated Fund of India and of the State and Union Territories.

• Transactions relating to the Contingency Funds and Public Accounts.

• Trading, manufacturing, profit and loss accounts and balance sheets, and other subsidiary accounts kept in any Government department.

• Accounts of stores and stock kept in Government offices or departments.

• Government companies as per the provisions of the Companies Act, 2013.

- Corporations established by or under laws made by Parliament in accordance with the provisions of the respective legislation.

- Authorities and bodies substantially financed from the Consolidated Funds.

- Any Body or Authority even though not substantially financed from the Consolidated Fund, the audit of which may be entrusted to SAI.

- Grants and loans given by Government to Bodies and Authorities for specific purposes.

- Panchayati Raj Institutions and Urban Local Bodies.

The audit mandate also provides for the periodic inspection of records and accounts of the Government departments to supplement the audit of vouchers and sanctions that are with the accounts compiling offices.

A.1 AUDITING STANDARDS

Auditing Standards prescribe the norms of principles and practices, which the Auditors are expected to follow in the conduct of Audit. They provide minimum guidance to the Auditor that helps determine the extent of auditing steps and procedures that should be applied in the audit and constitute the criteria or yardstick against which the quality of audit results are evaluated. The auditing standards of the International Organization of Supreme Audit Institutions (INTOSAI) have been suitably adapted with due consideration of the Constitution of India, relevant Statutes and rules for the auditing standards for the Supreme Audit Institution of India (SAI).

The Comptroller and Auditor General of India has issued the Auditing Standards which are available on website www.cag.gov.in under the link Resources>CAG's Standing Orders-Auditing Standards. The Auditing Standards are given in Annexure 'B'

A.2 ACCOUNTS AUDIT OF CPSEs (Financial Audit)

Supplementary audit of annual accounts of CPSEs is carried on behalf of C&AG of India in compliance to the provisions contained in the Companies Act 2013, Accounting Standards issued by ICAI and general accounting and auditing principles and practices.
Formats of Certificate for Issue of Comments, Nil Comments, Non-Review etc. on Financial Statements of Government Companies are given in Annexure 'C'

A.3 PHASE AUDIT (Compliance Audit)

In Phase Audit, audit of transactions and activities of the Corporate Office is done every year as Corporate Office is the controlling Unit of the Company. Besides above, the Phase Audit of Units is conducted on the basis of Unit-selection done after carrying out risk assessment exercise every year on the basis of criteria provided by HQs office vide their letter No. MAB-III/RM-I/DGI/16-16/2012-13/913-929 dated 05th December, 2014 (given in Annexure ‘D’). The checklist for Phase Audit is given in Annexure ‘E’

A.4 CONTRACT AUDIT

Headquarters office website www.cag.gov.in already provides 'Practice Guide for Audit of Contract Management'under the link Resources> Guidance Notes, Practice Guides and Concept Notes> Practice Guide for Audit of Contract Management.

The Contract Audit Checklist and Matrix as communicated by Headquarters office vide letter no 143/CA-IV/02-2015/Contract Audit dated 25.07.2016 is given in Annexure 'F'.The instructions with respect to audit of contracts are to be complied with during all transactionsaudits and contract audits.

A.5 Audit of Consolidated Financial Statements

Consolidated Financial Statements are the financial statements of a group, presented by a parent/holding company, in which the assets, liabilities, equity, income, expenses and cash flows of the holding company and its subsidiary companies/ JVs and Associates are presented as those of a single economic entity.

Regulatory framework and Formats of Certificate for Issue of Comments, Nil Comments, Non-Review etc. on Consolidated Financial Statements of Government Companies is given in Annexure 'G' and checklist of Audit of Consolidated Financial Statements is given in Annexure 'H'.

B. INTOSAI & ASOSAI GUIDELINES

Preamble
A global market with common goals and challenges requires global financial auditing standards. Around the world and across sectors, auditors meet similar challenges and use similar methods and approaches. The International Organization of Supreme Audit Institution's (**INTO-SAI)** standards and guidelines reflect the professional core of all financial audits as well as the specific considerations related to public sector audits. This is reflected in the dual approach of INTOSAI.

The Dual Approach
The dual approach was introduced by the Governing Board in 2002 and emphasized in the strategic plan of INTOSAI 2005-2010. The dual approach was further clarified by the Professional Standards Committee (PSC) during its Steering Committee meeting in Washington, DC 2006. According to the dual approach, INTOSAI's guidelines should "be based on standards that are widely recognized among SAIs. By recognizing, utilizing and building on standards issued by other standard setting bodies to the maximum extent possible and appropriate, PSC will work to harmonize public sector audit internationally. INTOSAI will develop complementary guidance where there is a special need and/or a pressing concern in the SAI environment and will seek to influence international standards to address issues of particular interest to SAIs". This approach is used to, among other things, allow INTOSAI to focus its efforts and resources on public sector issues.

INTOSAI - Organisation and Aims

The International Organization of Supreme Audit Institutions (INTOSAI) is an autonomous, independent and non-political organization established as a permanent institution in order to foster the exchange of ideas and experiences among the Supreme Audit Institutions (SAIs) on government auditing. Participation in INTOSAI and all its organs and functions is open to the Supreme Audit Institutions of all countries which are members of the United Nations Organization or any of its Specialised Agencies.

INTOSAI, founded in 1953, counts today with a membership of 180 SAIs. The INTOSAI Lima Declaration of Guidelines on Auditing Precepts, adopted at the Ninth International Congress of the organization in 1977, provides the conceptual, philosophical and practical framework for INTOSAI's work.

As the internationally recognized leader in public sector auditing, INTOSAI issues international guidelines for financial management and other audit topics, develops methodologies, provides training and exchange of experiences. As some of the most relevant guidelines in fighting corruption INTOSAI issued the following five guidelines:

- INTOSAI Code of Ethics for Auditors in the Public Sector, 1998
- INTOSAI Guidelines for Internal Control Standards, 1992
- INTOSAI Auditing Standards, 1995

- INTOSAI Accounting Standards Framework, 1995
- Accounting Standards Framework Implementation Guide for SAIs; Departmental and Government-wide Financial Reporting, 1998.

INTOSAI ACCOUNTING STANDARDS FRAMEWORK

INTOSAI Committee on Accounting Standards (CAS) undertook to develop a framework of accounting standards appropriate for use by Supreme Audit Institutions (SAIs) in 1995. It includes an introduction to CAS, a study report and two statements, and additional products that deal with qualitative characteristics of government financial reports and meeting the objectives of such reports.

Objectives of Government Financial Reports

CAS recognizes that there are many different forms, levels and organizations of government within the INTOSAI community. Accordingly, the objectives set out below are general in nature.

The objectives that financial reports will be able to satisfy will depend on the accounting basis used to prepare them.

- ***Objective 1: To the extent practicable, government financial reports should provide users with the information they need.***

Financial reporting by a government is not an end in itself. It is a way of communicating financial information about the government and its activities to people who need it. User needs are the foundation for developing objectives, accounting practices and financial reports that are useful and justifiable.

- ***Objective 2: Government financial reports should help users understand the size of the government, the nature and scope of its activities and its financial position.***

Economists, policy analysts and special interest groups and the media try to understand the size of a government and the scope of its activities. In doing so, they need information about total revenue, expenditure, assets and liabilities including borrowing.

- ***Objective 3:Government financial reports should help users understand and forecast how the government finances its activities.***

Lenders forecast a government's cash requirements. They need information about total revenue and expenditure, surplus or deficit, and borrowing. Other information considered useful includes cash, financial claims, total assets, payable and accruals, total liabilities and revenue by source.

- ***Objective 4: Government financial reports should help users understand and forecast the effects of the government's activities.***

Several groups of people try to understand and forecast the effects of government activity. Policy analysts and special interest groups, as well as the media, study the impact of government activity on social and economic conditions, and assess the policy choices that a government has available. Information needed to carry out these activities includes revenue in total and by source, expenditure in total and by programme or function, surplus or deficit, and borrowing.

- ***Objective 5: Government financial reports should help users determine whether the government did what it said it would do and the cost of its activities.***

The people compare what a government did with what it said it would do. They need to know revenue in total, expenditure in total and by programme or function, and surplus or deficit. Such comparisons are also made by politicians during speeches, debates in the legislature or in committee meetings for which they need information about revenue in total and by source; expenditure in total, by vote and by programme or function; surplus or deficit; and borrowing.

Economists, policy analysts and special interest groups, and the media analyze and study the costs and benefits of government activities and the allocation of government resources to various types of users. Information needed to do these analyses and studies includes expenditure in total and by programme or function.

QUALITATIVE CHARACTERISTICS OF GOVERNMENT FINANCIAL REPORTS

Qualitative characteristics of government financial reports have been identified by a number of professional organizations worldwide. CAS recognizes that there are many different forms, levels and organizations of government within the INTOSAI community. Accordingly, the characteristics set out below are general in nature. They are a base for development by Supreme Audit Institutions of more specific qualitative characteristics, tailored for use within their own jurisdictions.

Qualitative characteristics of government financial reports are attributes, if present that help the reports provide users with the information they need.

Government Financial Reports should present information that is:

Understandable - Information must be understood before it can be used. Government financial reports should present information clearly and simply. Excessive detail and overly complex reporting formats should be avoided, charts and graphs should be used wherever possible. Explanatory narrative should not only be precise but must be stated clearly and, as far as possible, presented in plain non-technical language. This is particularly so for disclosure of complicated information and interpretations. Care must also be taken to avoid misleading forms of presentation caused by excessive simplification or omission of detail.

Relevant - Information is relevant if it helps those who use it to carry out their activities. Preparers of government financial reports should take into account the activities and information needs of users when deciding what is relevant to report. Relevance includes many of the other qualitative characteristics set out in this Statement. For example, if information is not timely, it may not be relevant. Reports should cover the full nature and extent of the financial activities presented.

Reliable - Reliable information faithfully represents what it purports to represent. It is accurate within acceptable tolerances, free from bias, complete, and verifiable. Reliability does not imply precision or absolute certainty. For example, government financial reports may include estimates of amounts owing to outside parties that are not known with certainty but for which a strong probability of liability exists. Such reports should disclose, to the extent possible, all significant assumptions and uncertainties.

Material - Information is material if it could reasonably be expected to influence the activities of those who use it. An item may be material because of its size or because of its nature. Materiality is a matter of judgment. Factors that preparers and auditors of government financial reports may wish to consider when determining materiality would include: the purpose of the report; the activities of users and the nature and type of information they need for decision making and accountability; and the nature of the entity itself.

Timely - Government financial reports should be published soon enough after reported events to help users carry out their activities. Timeliness alone does not make information useful. However, the passage of time after reported events generally decreases usefulness. A timely but realistic estimate may be more useful than precise information if the latter takes many months to produce.

Consistent - To be understandable, information in a government's financial reports or sets of reports should be presented on the same accounting basis to the extent possible. Consistency allows those who use financial reports or sets of reports about a government to move from aggregate to disaggregate displays of information, and from one report to another, with ease and confidence. If the basis of accounting and presentation has changed from one accounting period to the next because, for example, a more appropriate accounting policy or standard has been adopted, this fact and the effects on the financial report resulting there from should be highlighted and explained clearly.

Comparable - Information is comparable when those who use it are able to identify similarities and differences, either between two or more government entities at a point in time or within the same entity over time. As with consistency, the basis of accounting and presentation, and the effects of any changes from one period to the next, should be highlighted and explained clearly.

In applying these characteristics, preparers and auditors of government financial reports will have to:

- **Exercise professional judgment.** Preparers and auditors of government financial reports must exercise professional judgment in deciding the qualitative characteristics to emphasize for any particular report. In doing so, they should consider the purpose of the report and the information needs of those who will use it. The factors set out in the following paragraphs should also be considered.
- **Assess benefits and costs.** The benefits of providing users with financial information about a government should be assessed in light of the costs involved. Information is not free. Costs arise on collection of information, storage, retrieval and analysis, formatting and publication. Costs could also include misdirected use of resources if the information provided turns out to be unreliable.
- **Make trade-offs.** Some qualitative characteristics may conflict with others, and some may be more important than others, depending on the circumstances. For example, some timeliness may have to be sacrificed to get more precision. Trade-offs will have to be made.
- **Consider substance over form.** The principle of substance over form requires that financial transactions be accounted for and reported in accordance with their financial reality. This principle is critically important in government, where legislative spending authority may dictate a particular accounting treatment. If the accounting required by law (form) does not present fairly financial reality (substance), the presentation of information in a government's general purpose financial statements could be distorted. Departmental financial reports and performance information might also be distorted. However, violations of legislative authority to spend, borrow or raise revenues should be clearly highlighted in all such reports.
- **Exercise prudence.** Preparers and auditors of government financial reports may be faced with significant uncertainties. In such situations, the principle of prudence requires that they

avoid both overly optimistic and overly pessimistic views when preparing and auditing estimated amounts.

Practice Notes to ISAs

The INTOSAI Financial Audit Guidelines have been developed in response to needs expressed by both SAIs and stakeholders. The project was initiated in 2002, and the direction and approach of the existing project have been confirmed by the Governing Board throughout the development period. The first nine ISSAIs included in the Financial Audit Guidelines were approved by International Congress of Supreme Audit Institutions in 2007. The broad involvement of the INTOSAI family in the development of the ISSAIs has enhanced the applicability in the public sector and has ensured that the standards and guidance hold a high professional quality and reflect public sector needs.

The International Standards on Audit (ISAs) are developed, approved and issued by the International Auditing and Assurance Standards Board (IAASB) of IFAC.

The Practice Notes are developed by the PSC Financial Audit Subcommittee (FAS) to provide relevant guidance on applying the ISAs in audits of financial statements of public sector entities. The ISA and corresponding Practice Note together constitute one guideline or ISSAI on financial audit. This was approved by the International Congress of Supreme Audit Institutions in 2007 when the Congress endorsed the Framework document where it is stated that:

"An INTOSAI guideline on financial auditing will consist of an ISA issued by IAASB together with an INTOSAI Practice Note outlining the modifications and further elaborations that needs to be considered in public auditing."

International Congress of Supreme Audit Institutions

At the International Congress of Supreme Audit Institutions, the ISSAIs on financial audit are presented for endorsement. The ISSAIs - including Practice Note and ISA - are presented as a package in line with former decisions of INTOSAI as outlined above. The ISAs are an integrated part of the ISSAIs on financial audit; however, INTOSAI should not be seen as re-approving or re-endorsing the IAASB's work. In essence therefore, International Congress of Supreme Audit Institutions' endorsement relates to the corresponding Practice Note of the respective ISSAI on financial audit.

The future

The dual approach is a general principle guiding PSC in its work on standards and guidelines that are related to or based on standards from other internationally recognized standard-setting bodies. The future work of the PSC will include assessing the operationalization of the dual approach. FAS will continue its refinement of the INTOSAI Financial Audit Guidelines in light of developments of the audit practice in general and public sector audit in particular. This will, if needed, involve further clarification of public sector specific guidance, following the due process developed by the Professional Standards Committee.

About the ISSAI framework

The ISSAI framework, formally established in 2007, reflects the ambition of the international Organization of Supreme Audit Institutions (INTOSAI) to provide its membership and other interested parties with a framework of professional high-quality auditing standards. Pronouncements issued by INTOSAI are included in the ISSAI framework as either ISSAIs (International Standards of Supreme Audit Institutions) or INTOSAI GOVs (INTOSAI Guidance for Good Governance).

The ISSAIs

The first complete set of ISSAIs was presented and endorsed at the INTOSAI Congress in South Africa in 2010, and INTOSAI's ambition and aspiration for the ISSAI framework were expressed in the South Africa Declaration. The development of ISSAIs and INTOSAI GOVs takes place in cooperation with other recognized standard-setting bodies and in compliance with the due process for developing, revising and withdrawing professional standards.

Committees

Committees of INTOSAI deal with issues of significant, recurring interest to all members of INTOSAI (such as preparing standards and guidelines for government auditing practice applicable to the whole of INTOSAI). As such, committees should have a balanced representation of the organization's membership and clear direction from the Governing Board.

Working groups

Working groups are formed as a result of INTOSAI themes and recommendations to address SAIs' interests in specific technical issues, (e.g., privatization, environmental audit). Working groups publish specific guidance and best practices as a result of their work. Members of INTOSAI are free to join working groups according to their interests.

Task Forces

In addition to committees and working groups, task forces are formed by the Congress or the Governing Board as needed to deal with issues of significant interest to many member SAIs.

The audit guideline packages provide access to all current ISSAI guidelines within financial audit, compliance audit and performance audit, respectively.

Many new ISSAIs have been developed and presented on issai.org since the adoption of the ISSAI framework in 2007. The framework now includes some 70 standards and guidelines. The three packages have been put together to provide a complete overview of the guidelines within the three key auditing branches and facilitate easy access and download.

Content of the packages

The financial audit guidelines - ISSAIs 1000 - 2999 provide hands-on guidance on how to perform financial audits in the public sector.

The compliance audit guidelines - ISSAIs 4000 - 4200 offer guidance on how to perform compliance audits (legal-critical audits).

And finally, the performance audit guidelines - ISSAIs 3000 - 3100 are dealing with audits of the efficiency, effectiveness and economy of government operations.

Classification principles for International Standards of Supreme Audit Institutions (ISSAI)

INTOSAI's Professional Standards Committee will decide on the appropriate classification of documents in accordance with the following principles:

1. The International Standards of Supreme Audit Institutions (ISSAI) consist of all documents endorsed by INTOSAI with the purpose of guiding the professional standards of SAIs. This includes recommendations on the legal, organizational and professional prerequisites as well as on the conduct of the auditing and any other tasks with which SAIs may be entrusted. Where appropriate ISSAI-documents may include examples or descriptions of good practices.

2. Each document is given a 1-4 digit ISSAI-number. The number of digits indicates the hierarchical level of the document, i.e.:

Level 1: Founding Principles - contains the founding principles of INTOSAI.

Level 2: Pre-requisites for the Functioning of Supreme Audit Institutions - state and explain the basic prerequisites for the proper functioning and professional conduct of SAIs.

Level 3: Fundamental Auditing Principles - contain the fundamental principles in carrying out auditing of public entities.

Level 4: Auditing Guidelines - translate the fundamental auditing principles into more specific, detailed and operational guidelines that can be used on a daily basis for auditing tasks.

INTOSAI Guidance for Good Governance and INTOSAI and ASOSAI Guidelines on Fraud and Corruption is given in Annexure 'I'.

CHAPTER-III

HEAVY INDUSTRIES

BHARAT HEAVY ELECTRICALS LIMITED

1. **INTRODUCTION OF THE ORGANISATION**

a) Date of Incorporation 13.11.1964 (Date of incorporation)

b) Administrative Ministry of Heavy Industries, Government of India

c) Vision and mission

Vision : A global engineering enterprise providing solutions for a better tomorrow.

Mission: Providing sustainable business solutions in the fields of Energy, Industry & Infrastructure.

d) Nature of business including geographical scope

BHEL is India's largest engineering and manufacturing enterprise in the energy and infrastructure sectors. Established in 1964, It is a leading power equipment manufacturer globally and one of the earliest and leading contributors towards building an Aatmanirbhar Bharat. BHEL serves the customers with a comprehensive portfolio of products, systems and services in the areas of power-thermal, hydro, gas, nuclear & solar PV, transmission, transportation, defence& aerospace, oil & gas, and water. The Company has also established overseas references primarily in neighbouring countries, Middle East & South East Asia and Africa.

e) Offices/regions/ sub offices etc.

1) Registered & Corporate Office: New Delhi.

2) Corporate R&D Division: Hyderabad

3) Manufacturing Units/ Divisions (16 nos.):

- Electronics Division (EDN), Bengaluru
- Electronics Systems Division (ESD), Bengaluru
- Solar Business Division (SBD)
- Heavy Electrical Plant (HEP), Bhopal

- Industrial Values Plant (IVP), Goindwal
- Heavy Electrical Equipment Plant (HEEP), Haridwar
- Central Foundry Forge Plant (CFFP), Haridwar
- Heavy Power Equipment Plant (HPEP), Hyderabad
- Fabrication Stamping Insulator Plant (FSIP), Jagdishpur
- Transformer Plant (TP), Jhansi
- Component Fabrication Plant (CFP), Rudrapur
- Boiler Auxiliaries Plant (BAP), Ranipet
- High Pressure Boiler Plant (HPBP), Tiruchirappalli
- Seamless Steel Tube Plant (SSTP), Tiruchirappalli
- Power Plant Piping Unit (PPPU), Thirumayam
- Heavy Plates & Vessels Plant (HPVP), Visakhapatnam

4) Repair Units (2 nos.):

- Electrical Machine Repair Plant (EMRP), Mumbai
- Heavy Equipment Repair Plant (HERP), Varanasi

5) Regional Offices – Power Sector (4 nos.): Noida, Kolkata, Nagpur and Chennai
6) Service Centres (8 nos.): Chandigarh, Kolkata, Nagpur, Noida, Patna, Secunderabad, Vadodara and Varanasi.
7) Regional Marketing Offices (15 nos.): Bengaluru, Bhubaneshwar, Chandigarh, Chennai, Guwahati, Ranchi, Jaipur, Jabalpur, Kolkata, Lucknow, Mumbai, New Delhi, Raipur, Secunderabad and Vadodara.
8) Major overseas locations from where business activity is undertaken are Dhaka (Bangladesh), Kathmandu (Nepal), Damascus (Syria).
9) Customer project sites (major): spread across the country, Bangladesh, Bhutan, Nepal etc.

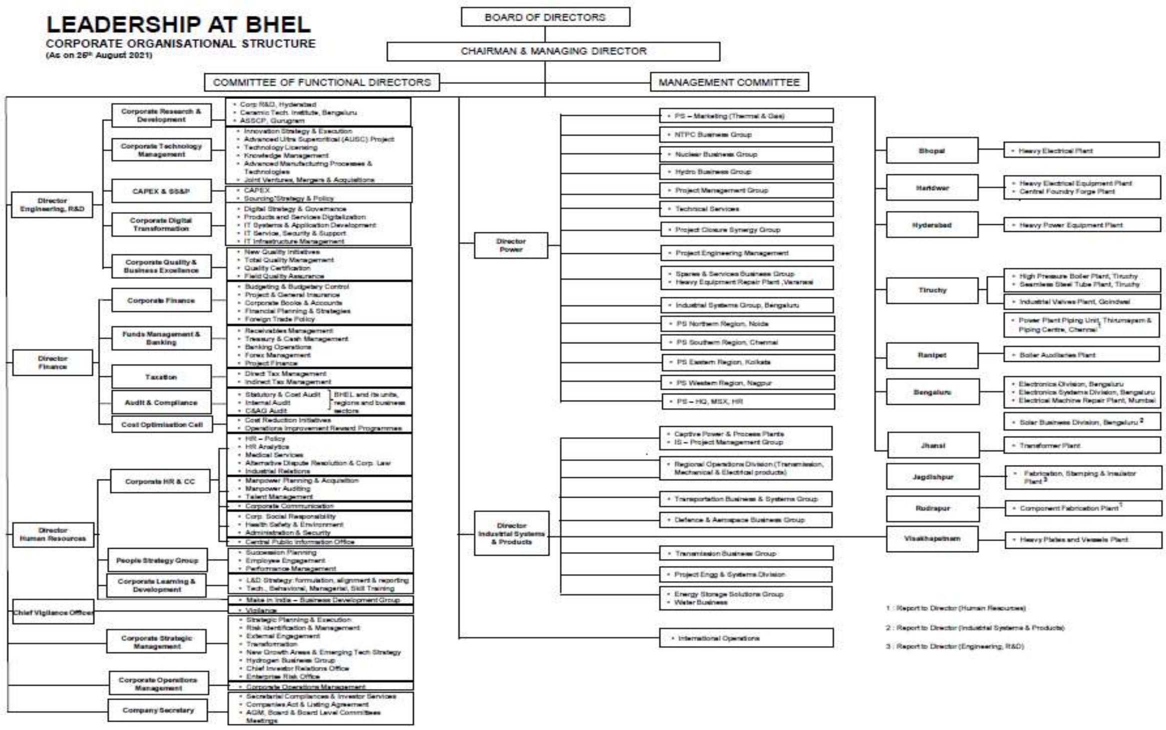
2. OBJECTIVES OF THE COMPANY

Bharat Heavy Electricals Limited (BHEL) was incorporated on 13.11.1964 with an objective to have an indigenous Heavy Electrical Equipment Industry in India. It is a Schedule-A/ listed Maharatna CPSE in Heavy Engineering Sector under the Ministry of Heavy Industries, with 63.17% shareholding held by the Government of India.

3. **CAPITAL STRUCTURE (As on 31 March 2021)**

<table>
<tr><td>1</td><td>Authorised Capital</td><td>Rs. 2000 Crore</td></tr>
<tr><td>2</td><td>Paid up capital</td><td>Rs. 696.41 Crore</td></tr>
<tr><td>3</td><td>Contribution of Shareholders</td><td>
<table>
<tr><th>Category</th><th>% of Equity</th></tr>
<tr><td>Promoters</td><td>63.1708</td></tr>
<tr><td>Individuals</td><td>15.9601</td></tr>
<tr><td>Insurance companies</td><td>10.8275</td></tr>
<tr><td>Others</td><td>10.05</td></tr>
</table>
</td></tr>
</table>

4. **ORGANISATIONAL SET UP (As on 31 March 2021)**



5. **ACTIVITIES OF THE ORGANIZATION**

<u>THERMAL POWER PLANTS</u>

- Capability for manufacture and supply of Steam Generators, Steam Turbines, Turbo Generators with auxiliary systems along with regenerative feed cycle upto 1000 MW capacities for fossil-fuel and upto 350 MW for combined-cycle applications
- Air and water cooled Condensers, Condensate Extraction Pumps, Boiler Feed Pumps, Duplex Heaters, Valves and Heat Exchangers meeting above requirement of TG Sets upto 1000 MW
- Energy Efficient Renovation and Modernisation (EE R&M) and Life Extension (LE) of old thermal power plants and Residual Life Assessment (RLA) studies

NUCLEAR POWER PLANTS

- Reactor side components like Steam generators, Reactor headers, End shields, special purpose Heat Exchangers, Pressure Vessels, Motors etc. for Nuclear Power plants.
- TG island equipment of PHWRs (Pressurised Heavy Water Reactors), FBRs (Fast Breeder Reactors) and AHWRs (Advanced Heavy Water Reactors) covering Steam Turbine, Turbo Generators, MSRs (Moisture Separator Reheaters), other heat exchangers and pumps including 'EPC' solutions.

GAS-BASED POWER PLANTS

- Gas turbines and matching generators ranging from 26 MW to 299 MW (ISO) rating with following features:
  - Gas turbine based co-generation and combined-cycle systems for industry and utility applications
  - Capability to burn a variety of fuels (both gaseous and liquids) along with mixed firing in different combinations of fuels
  - Low exhaust emission levels upto 15ppm of NOx with Dry Low NOx (DLN) combustors & noise requirement.

HYDRO POWER PLANTS

- Turnkey Contract with custom-built conventional hydro turbines of Kaplan, Francis and Pelton types with matching generators upto 300 MW
- Pump turbines with matching motor-generators upto 250 MW

- Bulb turbine with matching generators upto 10 MW
- High capacity pumps along with matching motors for Lift Irrigation Schemes (upto 150 MW)
- Mini/Micro and small hydro power plants upto 25 MW unit rating
- Microprocessor based Digital Governing system for all types of Hydro Power plants
- Renovation, Modernization and uprating of Hydro power plants
- Spherical (rotary) valves, butterfly valves and auxiliaries for hydro stations
- Balance of Plant & System Integration

SOLAR POWER SYSTEM

- EPC solutions of Solar PV Power Plants:
-
    - Grid Interactive systems with & without BESS (Battery Energy Storage System)
    - Standalone systems
    - Roof Top systems
    - Hybrid systems
    - Canal Top Systems
    - Floating Solar power plants
    - Solar PV System feeding to Railway Traction power network
    - Solar based water pumping systems

DG POWER PLANTS

- HSD, LDO, FO, LSHS, natural gas based diesel generator power plants, unit rating of upto 20 MW and voltage upto 11 kV, for emergency, peaking as well as base load operations on turnkey basis

DESALINATION AND WATER TREATMENT PLANTS

- Complete Water Management Solutions for Power Plants, Industrial applications and Municipal applications with different treatment technologies:
    - Pre Treatment Plants (PT)
    - Desalination Plants
    - Demineralization Plants (DM)
    - Electro Deionization plants

  - Effluent Treatment Plants (ETP)
  - Sewage Treatment Plants (STP)
  - Zero Liquid Discharge (ZLD) System
  - Cooling water treatment plants
  - Tertiary Treatment Plants
  - Membrane Based Treatment Systems like Ultrafiltration for Pre-treatment (UF), Reverse Osmosis (RO) & Electro Deionisation (EDI).
  - Electro-dialysis plants for Drinking water.

SYSTEMS AND SERVICES

- Power Generation Systems

  - Turnkey power stations/ EPC contracts
  - Combined-cycle power plants
  - Cogeneration systems
  - Captive power plants
  - Modernization and renovation of power stations and RLA studies.
  - Software packages including simulators for utilities
  - Erection, commissioning, support services, spares management and consultancy services for all the above systems
  - Railway Track Electrification

INDUSTRIAL SYSTEMS

- Coal Handling Plant and Ash Handling Plant including Civil & Structural, Mechanical, Electrical works and Automation systems
- Mine Winder systems
- Electrics, Drives, Controls & Automation Systems for Processing & Compacting of Raw Materials, Iron Making, Primary & Secondary Steel Making, Casters & steel Finishing like Mills & process Lines for both long products & flat products
- Raw Material Handling System including Civil & Structural, Mechanical, Electrical and Automation systems for Steel and other industries

- Electrics & Automation Systems for High Current Rectifiers of Smelters and Processing Mills for Aluminium Plants
- Automated Storage & Retrieval Systems (ASRS)

6. **BUDGET AND PLANNING:**

Year	Amount of grant income (Rs. crs)
2018-19	6.50
2019-20	6.45
2020-21	6.45

7. **ACCOUNTING SYSTEM:** The company have the proper accounting system in place. All policies / guidelines / circulars / clarifications have been issued by Corporate Office. The company is using SAP, Oracle based etc. accounting software for the accounting. The accounting is in compliance with Indian Accounting Standards. The accounting system is decentralized.

8. **MANPOWER ANALYSIS (As on 31.3.2021):**

	Actual(in Nos.)
Executive	10138
Non – Executive	21986
Total	32124

Further, In BHEL, manpower sanctions are based on the current requirement of business and not vacancy based. The manpower strength on rolls (below E8) is considered the sanctioned strength. This manpower strength is expanded and/ or contracted to suit the changing business outlook and is considered the sanctioned strength. In this regard, manpower strength on 31.03.2021 is considered as sanctioned strength.

9. MOU TARGETS AND ACHIEVEMENTS:

S.No.	Particulars	2018-19		2019-20		2020-21	
		MoUExcl	Actual	MoUExcl	Actual	MoUExcl	Actual
1.	Turnover from operations	32000	30423	34000	21459	30349	17308
2.	Operating profit Reduction in operating loss over previous year (%)	177	1370	1190	-1243	1381	-3981
3.	Return on Investment	1.90%	3.79%	3.0%	-4.82%	4.23%	-9.63%
4.	Overall rating	Excellent		Under Evaluation		UnderEvaluation	

10. COMPUTERIZATION: Information Technology in BHEL

In BHEL, Information Technology is embedded in all functional areas and is suitably deployed in various facets of company's operations such as Engineering, Manufacturing, Materials Management & Production, as well as in HR & Finance areas.

Infrastructure

All Units and Divisions have computing resources as per their business needs. Within units, local connectivity of different departments and groups is achieved through state of the art LAN technologies. Intra-BHEL connectivity is ensured through a Corporate Level Wide Area Network based on MPLS technology, linking Manufacturing Units, Service Divisions, Project Sites and offices which enables secure exchange of information.

Business Applications & Other software

Integrated end to end Business Applications are used at various manufacturing units for various processes. Applications are also developed and implemented in various functions across various Units/Regions/Business Sectors for their local operations. All Engineering Centers are well equipped with advanced engineering software for designing, modeling, analysis and drafting etc. Electronic depositories have been implemented for Engineering Documents at major units. eOffice has recently been implemented across the organization for efficient and transparent file processing as a move towards paperless office.

Information Systems and ERP in BHEL

Major Manufacturing Units of BHEL have implemented Information Systems (either based on SAP ERP or developed in-house) to meet their specific business requirements. SAP-HCM system has been implemented centrally in BHEL at Corporate level for managing HR function.

IT Audits in BHEL

As part of a single Information Security Management System (ISMS) certificate across BHEL, all BHEL units/ regions are audited once in a certification cycle of three years except Corporate office which is audited every year. The ISMS audits are conducted by external auditors from M/s STQC, a body under the Ministry of Electronics and Information Technology (MeitY). External audit for 2020-21 was completed in February, 2021 and audit for 2021-22 is underway for completion in September, 2022. Besides the external audit, an internal ISMS audit is carried out annually in each unit by qualified auditors drawn from different units of BHEL.

A comprehensive audit of IT based systems of all the Units / regions is carried out once in 2 years.

The last audit was carried out in Jan 2021 against BHEL polices and guidelines by an Inter-Unit Cross Functional Team (CFT) drawn from Material Management, Internal Audit and Digital Transformation groups.

11. INTERNALAUDIT: Separate Internal Audit wing is available in BHEL. BHEL have an Internal audit manual and periodicity of Internal Audit is as per Internal Audit Manual & plan as approved by Audit Committee (BLAC).

12. ACTS APPLICBLE TO THE COMPANY

1	Air (Prevention and Control of Pollution) Act, 1981
2	Apprentices Act, 1961
3	Atomic Energy (Radiation Protection) Rules, 2004.
4	Batteries (Management and Handling) Rules, 2001.
5	Bio-Medical Waste (Management and Handling) Rules, 1998
6	Building and Other Construction Workers' (Regulation of Employment and Conditions of Service) Act, 1996
7	Child Labour (Prohibition And Regulation) Act, 1986 And Rules
8	Contract Labour (Regulation and Abolition) Act, 1970
9	Copyright Act, 1957
10	Customs Act, 1962
11	Designs Act, 2000
12	Employees P.F & Miscellaneous Provisions Act, 1952
13	EmployeesState Insurance Act 1948
14	Employees Compensation Act, 1923
15	Employment Exchange (Compulsory Notification Vacancies) Act, 1959
16	Energy Conservation Act, 2001
17	The Environment (Protection) Act, 1986
18	Factories Act, 1948
19	Foreign Exchange Management Act, 1999
20	Food Safety and Standards Act, 2006
21	The Foreign Trade (Development and Regulation) Act, 1992

22	Forest (Conservation) Act, 1980
23	Hazardous Wastes (Management and Handling) Rules, 1989
24	Income Tax Act (with special reference to TDS U/S 192 TO 195 of the Act)
25	Industrial Disputes Act, 1947
26	The Indian Boilers Act, 1923
27	Industrial Employment (Standing Orders) Act, 1946
28	Information Technology Act, 2000
29	Interstate Migrant Workers Act,1979
30	Legal Metrology Act, 2009
31	Labour Welfare Fund Act (Respective States)
32	Maternity Benefits Act, 1961
33	Manufacture, Storage and Import of Hazardous Chemical Rules, 1989
34	The Minimum Wages Act, 1948
35	Noise Pollution (Regulation and Control) Rules, 2000
36	Ozone Depleting Substances (Regulation) Rules , 2000
37	The Official Languages Act, 1963
38	Patent Act, 1970
39	Payment of Bonus Act, 1965
40	Payment of Gratuity Act, 1972
41	Payment of Wages Act, 1936
42	Persons with Disabilities (Equal Opportunity, Protection of Rights and Full Participation) Act, 1995.
43	Petroleum Act, 1934
44	Protection of Human Rights Act, 1993.

45	Public Liability Insurance Act, 1991
46	Public Premises (Eviction of Unauthorised Occupants) Act, 1971
47	Right to Information Act, 2005
48	Recycled Plastics Manufacture and Usage Rules, 1999.
49	The Registration and Licensing of Industrial Undertakings Rule, 1952.
50	Securities Contracts (Regulations) Act, 1956
51	The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
52	Shops and Establishment Act (Respective States)
53	Trade Marks Act, 1999
54	Water(Prevention & Control of Pollution) Act, 1974
55	Water (Prevention and Control of Pollution) Cess Act, 1977
56	The Companies Act, 2013
57	GST Act, ISGT Act and SGCT Act (Respective States)

13. OPERATIONAL RESULTS:

Description	2018-19		2019-20		2020-21	
	Board Budget	Actual	Board Budget	Actual	Board Budget	Actual
Turnover	31859	30423	33800	21459	30870	17308
Volume Added(VA)	398	1370	1070	-1243	450	-3981

Operating Profit – MOU		3.79%	2.43%	-4.82%	1.9%	-9.63%
Profit before Tax	Board Budget	Actual	Board Budget	Actual	Board Budget	Actual
Profit after Tax	31859	30423	33800	21459	30870	17308

14. FINANCIAL WORKING RESULTS:

Particulars	**2018-19**	**2019-2020**	**2020-21**
Income:			
Revenue from Operations	30348.95	21459	17308
Other Income	677.64	581	370
Total Income (A)	31026.59	22040	17678
Total Expenditure (B)	28968.73	22702	21290
Net Profit (A-B)	2057.86	(662)	(3612)

15. Disinvestment: Department of Investment and Public Assets Management (DIPAM) under Ministry of Finance GoI vide letter dated 10th February 2020, File no. 3/3/2019-DIPAM –II-B, has appointed SBI Capital Markets Limited as General Advisor to carry out detailed analysis for restructuring of four CPSEs including BHEL. This engagement has been communicated to BHEL by DIPAM with a request to provide necessary data and information to M/S SBI Capital Markets Limited for the study. BHEL has provided the necessary inputs as requested till date.

16. Environment Management:• All BHEL Manufacturing Units, Power Sector Regions, TBG and ISG are having well established Environment management systems

(EMS), duly certified to ISO 14001. Under this system all environmental aspects have been identified and their impact have been assessed for remedial measures.

i. The environment management systems are audited by an accredited Certifying Body every year, at least once, and also there is system for carrying out internal audits by trained internal auditors.
ii. As part of environment management system all units have been working continually in the field of waste management following approach of reduce/reuse/recycle, resource conservation, energy conservation and energy efficiency, protecting existing green cover (plantation) and planting new saplings, rainwater harvesting and fighting pollution following approach of eliminate/reduce/control.
iii. Many units have installed solar power plants and thus are gradually increasing the use of Green Energy in their operations. Similarly most units have now shifted from use of LDO/Diesel/Producer gas to use of LPG/Natural gas, thus reducing the pollution as well as carbon foot print of our operations.
iv. There is heightened focus on reducing use of water, harvesting of rain water and eliminating/reducing discharge of the liquid wastes.
v. There are established system for handling/storage/disposal of hazardous wastes, batteries, e-wastes etc. in line with applicable statutory/regulatory requirements.

II. As a part of EMS, compliance of applicable environmental statutes is also ensured.

OTHERS:

DIVERSIFICATION

BHEL is enlarging its scope of offer with inclusion of new products viz. Flue-Gas Desulfurisation (FGD),Water Management system,Air Cooled Condenser & other BoP systems in its power sector portfolio.Aggressive focus on diversification initiatives in the areas of solar, transportation, defence& aerospace, e-mobility & water businesses are bearing results and are set to drive growth in the future.

LIST OF RECORDS AND BOOKS MAINTAINED BY THE COMPANY

(i) Monthly journals vouchers

(ii) Monthly trial balance

(iii) Main ledger

(iv) Sub-ledger

(v) Inter-unit transaction register

(vi) Cash book/Bank book

(vii) Fixed assets register

(viii) Register of office flats on lease

(ix) Register of T.A./Medical claims

(x) Register of individual tours

(xi) Register of Registered Suppliers

(xii) General ledger.

(xiii) Subsidiary ledger

Minutes Books of Board of Directors' meetings, Board level Committees' meetings and Statutory Registers such as Register of Members, Register of Directors, Managing Director, Manager& Secretary, Register of Directors' shareholding, Register of Inter-Corporate Loans and Investments etc. are maintained by Company Secretariat department.

PRODUCTS, PROCEDURES and BY-PRODUCTS.

The Company manufactures over 180 products under 30 major product groups and caters to core sectors like Power Generation and Transmission, Industry, Telecommunication, Transportation, Renewable energy etc.

At present, the Company has following manufacturing units with a very diverse product profile as detailed below:

	Manufacturing units	**Products manufactured**
1.	Bhopal Unit	Stead and water turbines, switchgear, transformers etc.
2.	Jhansi Unit	AC Locos, Diesel shunters, transformer etc.

3.	Heavy Electrical Equipment Plant, Hardwar	Hydro sets, turbo sets, electrical machines, Gas turbines, etc.
4.	Central Foundry Forge Plant, Hardwar	Steel castings and forgings etc.
5.	High Pressure Boiler Plant, Tiruchi	Boilers, valves, seamless steel tubes etc.
6.	Boiler Auxiliaries Plant, Ranipet	Boiler auxiliaries, Wind mill
7.	Heavy Power Equipment Plant, Hyderabad	Power generating sets, turbo sets, oil rigs, gas turbines, compressors
8.	Industrial systems group, Bangalore	Motors, control equipment cubicles etc.
9.	Electronics Division, Bangalore	Energy and water meters, PV panels etc.
10.	Electro Porcelain Division, Bangalore	Insulators and bushings, ceramic liners.
11.	Insulator Plant, Jagdishpur	Disc insulators, Ceralin
12.	Industrial Valves Plant, Goindwal	Industrial valves
13.	Component Fabrication Plant, Rudrapur	Windmills, solar water heater system
14.	Electronics Systems Division, Bangalore	Electronic systems
15.	Central Stamping Unit	Manufacture of stampings
16.	Power Plant Piping Unit	Manufacture of piping components

17.	Heavy Plates and Vessels Plant	Multilayer Vessels, Hydrocracker reactors, Tank Wagons, Trays, Fin Tubes, boilers, steam condensers etc.

INSTALLED, BUDGETED AND ACTUAL CAPACITY

The Company's capability to manufacture power plant equipment has been augmented upto 20,000 MW per annum. Locomotive manufacturing to 75 numbers per annum. New Manufacturing Units- CSU Jagdishpur, PPPU Thirumayam, PEF Plant at Bhandara and merger of BHPV Vizag are steps undertaken by BHEL to leverage its scale.

PURCHASE POLICY & PROCEDURE.

Materials budget: The Materials Planning and Inventory Control (MPIC) Department prepares the materials budget for the unit as a whole on the basis of information received from respective product group. This section every year distributes the formats to various product groups for furnishing information with regard to estimated production, requirement of material, present position of the material in stock etc. The information received in formats is analyzed with regard to previous statistics and directives of top management.

After such discussion, the materials requirement is computed for the total plant and put up to the top management for approval. To make purchases within the approved budget, certificate from MPIC is obtained before placement of the order.

Indenting Procedure: Procurement activity starts on receipt of allocation of sale price and scope of work in respect of each customer contract to the concerned unit by the respective Sector of Corporate BHEL. On receipt of allocation, the Commercial Deptt raises the internal work orders for each contract. The work order is sent to the engineering department, concerned product group. The product group consists of (1) Technology wing (2) Engineering wing (3) Material Planning and Procurement wing and (4) Production wing.

The Engineering wing raises indents for direct delivery items and for shop floor items it prepares the necessary documentation regarding drawings etc., as per the contract requirement and hands over to the technology wing which prepares the process chart. The Production Planning and Material Control prepare shop floor schedules and raises indent with co-ordination of Material Planning (MCX) of respective product groups. The product purchase groups invite tenders from approved vendors in two parts for all high value items, freezes technical specifications, open price bids, hold price negotiations wherever necessary, obtains price reasonability from engineering wing and place purchase orders. The product purchase groups also monitor the receipt of materials from the vendors.

Purchase Procedure

Tender system is adopted to procure materials at the competitive rates. Three kinds of tenders are in vogue Open Tender, Limited tender and Single tender.

Open Tender: Under this system an advertisement in press, and/ or publication in the website of unit is given and all possible and likely sources for a particular product are addressed.

Limited Tender: In Limited tender, only the most likely and suitable sources are addressed.

Single Tender: The single tenders shall be resorted to in exceptional cases under the following condition.

(a) Proprietary in natures

(b) Purchases from collaborator or from their recommended venders,

(c) Customers contract requirement,

(d) Urgency to be certified by Head of indenting department/product/project manager along with a speaking note on the circumstances underlying the urgencies of requirement.

(e) Source standardization

(f) Educational and Developmental orders.

(g) Spares from O & M

SALES POLICY & PROCEDURE.

Sales invoicing: Invoicing against dispatches of long cycle plant products

Billing against the customers is made on the basis of dispatches made by the Sales Section on the basis of the following documents:

Customer's Order, Internal Order issued by Commercial Deptt., Packing List, Dispatch advice note/ BOI advice slip, Test Certificate & Guarantee Certificate, Copy of the GR/RR

Invoicing against dispatch of Short Cycle items

In the case of short cycle items where the dispatches for the whole product are made at one go, invoices are raised on the basis of dispatch advice notes/packing lists/loading advice slips with reference to the terms of the sale contract. The terms of payment for the short cycle items are generally (i) 10% of total value with the order as advance and balance 90% and 100% taxes and duties against dispatch documents through bank or (ii) 100% FOR value against dispatch documents through bank.

Proforma Invoices

(i) To claim advances or progressive payments from the customers.

(ii) Where the rates have not been approved by the customer or where the invoices raised are likely to be disputed or where it will be prudent or required to pass the accounting entries in the books only on actual acceptance by the customer or in receipt of money e.g. price escalation claims or invoices for interest charges leviable for delayed payments etc.

(iii) To claim balance payments where the customers had made only part payments on the original invoice and the customer requires a fresh invoice for making the balance payment.

(iv) On customer's request for linking of the vouchers of his end.

In case of issue of proforma invoices no accounting entry is passed and the amounts are accounted for as and when they are realized/ accepted.

Invoicing for Direct Deliveries by suppliers to customers

In the case of direct deliveries to customer or to sites by the suppliers the Commercial Department arranges for inspection of goods at the suppliers works. As soon as the inspection report is received certifying the acceptability of the items, Commercial Department forwards the negotiable copy of the railway receipt/lorry way bill and one set of other documents to customers at site and prepares regularizing packing lists and dispatch advice notes. Invoices are raised on the customer based on the regularizing packing lists, dispatch, advice notes, and billing advices received from the Commercial Department as per contractual terms.

Invoicing for testing services

Standard rates for different kinds of tests normally undertaken are fixed and reviewed at the beginning of every year and revised whenever necessary. Normally, testing jobs are undertaken only after receipt of the amount in advance from the customer.

Bank Guarantees: The Corporate Office furnishes the Bank Guarantees (BG) to the customers in respect of bids a well for final payments before the expiry of warranty period for due performance of all the contractual obligations.

For defence product (SRGM), BG is given by the HEEP, Haridwar and related record is maintained by the Finance –Sales Section.

In Power Sector, most of the orders are secured through domestic / international competitive bidding process, therefore the terms and conditions of sales are mainly driven by the terms and conditions specified in the bidding documents of the Customers, which have to be followed.

Wherever the orders are secured through negotiated route, the terms and conditions of the previous orders (with the same customers) become basis of negotiations for subsequent orders.

In absence of any reference terms and conditions, particularly for new customers, contract conditions or terms and conditions settled with other customers for similar type of jobs become basis for negotiations.

PRICING POLICY

BHEL has a structured estimation procedure with guidelines issued by Corp Office. It includes various cost element/ overheads and margins etc. required to be considered for providing inputs to the Business Sectors.

The guidelines are specific to the type of order under consideration viz EPC, Main Equipment and/or Spares and/or Services like Erection and commissioning, Transportation, Civil Works etc.

BHEL operates in a highly competitive environment with competition from domestic as well as foreign competitors. In case of the negotiated orders also, the prices are benchmarked to prices discovered through competitive tenders. As such, the pricing is governed by, besides the cost estimates, by Market price levels and strategic factors also.

Based on the above, Business Sector gives recommendation for the prices to be quoted, to the competent authority for approval

POLICY ON FRAUD & CORRUPTION

The company follows the Central Vigilance Commission guidelines in this regard. Instructions/guidelines received from CVC and other Govt. Agencies from time to time are forwarded to Management for implementation and inclusion in relevant policies.

VIGILANCE

The Vigilance organisation of BHEL is headed by the Chief Vigilance Officer (CVO). Each Unit/Region of BHEL has a vigilance set up headed by a senior vigilance executive reporting to the CVO. Preventive vigilance has remained the focus area of BHEL Vigilance throughout the year. Information relating to Rules/Procedures governing the issue of license, permissions, clearances etc., is available on the BHEL/Units websites. In addition, e-tendering route is being promotedfor procurement and e-payment system has beenimplemented to reduce vendor interface.

CASH MANAGEMENT/ FINANCING PATTERN/ SCHEMES (PROCEDURES AND PRACTICES)

CONSORTIUM OF BANKS

BHEL’s Working Capital requirement (both Fund Based and Non- Fund based) is being met through Consortium of Banks.

2. Current / CC Accounts have been opened in all the Consortium Banks by BHEL. To manage movement of funds, Centralized Cash Credit Account has been opened at Corporate Office. Separate Payment and Collection Accounts have been opened at Units, which are linked to these CC Accounts. Day end Debit and Credit Balance of these accounts is sweeped into the said Centralized CC Accounts and the balance is made NIL in units accounts.

INVENTORY CONTROL PROCEDURES

Material procurement is done against firm`s customer order only. If need is felt for advance procurement against anticipated orders or Stocking of long lead items then prior approval of CMD is taken as per the guidelines in vogue.

For better inventory management, product group-wise/ unit-wise targets are discussed in budget meetings and unit-wise inventory budget is approved by the Board. These are monitored through regular MIRs.

Inventory control starts right from the initial stage of indenting. For this following checks are built-in in the system:

- Each Product Manager has an annual budget for Purchase Commitment and shipments.
- Indents are generated as per Material Requirement Planning (MRP) and cannot be issued for Non-moving inventory.
- Online system for current stock availability status & Online clearances
- Shipments are regulated as per shop production or site requirements.

Continuous Reviews & Monitoring is done at Product & Unit levels, unit visits, Management Committee at Corporate level, during Quarterly Board meetings as well as during budget discussions at Board level, MOU parameters at Govt. level etc.

Other Steps being taken for inventory optimization:

- Special focus on Techno-commercial MOUs and Rate Contracts to reduce buffer stock.
- More thrust to liquidate Non-moving and Slow-moving inventories.

- Focus on rationalization & standardization of material codes across BHEL Units for inventory optimisation.
- Inventory performance is one of the key parameters for BSC evaluation of a Product Manager.

Inventory Control through Value Analysis

Material required for the factory has been broadly classified under three categories:

(i) Common user items i.e. items used by more than one division and of repetitive nature.

(ii) Item required by individual divisions which are of repetitive nature for the production of standard products.

(iii) Directly chargeable items which are bought specifically against a manufacturing order including repairs and maintenance.

"A-B-C" system of Inventory Control is applicable to all materials and components ordered for stock namely those falling in categories (i) and (ii) of above.

Bin cards/stock cards/priced stores ledgers are the source for information on past consumption and unit rates for the purpose of analysis.

WORKS POLICY

The term 'works' connotes acquisition of land/buildings, creation of fixed assets and additions thereto as well as their maintenance and repairs. It includes all types of works concerned with development of land, civil construction, structural and mechanical fabrication, electrical installations, air conditioning purchase and erection of plant and machinery and allied types of work.

These have been classified in major works and minor works, major works require approval of Government/Board of Directors and minor works are within the powers of General Managers.

These works are executed through tender system Three kinds of tenders are in vogue, namely open tender, limited or restricted tender and single tender.

All tenders above ₹2.00 lakh cash are considered by a tender committee comprising three Officers -one from Construction/Purchase department another from Finance and the third from indenting department.

HUMAN RESOURCE MANAGEMENT

Human resources Department deals with the training programme and continuing education for the employees of the Company. Human Resources Development Institute (HRDI), the Corporate Training Institute of the Company, in association with the Advanced Technical Education Centre (ATEC) in Hyderabad and the Human resource Development Centre at the units, is responsible for the total Human Resource Development of the Company. Further, Competency Development/Assessment Centre for Senior Executives is taken up by HRDI.

MANAGEMENT INFORMATION SYSTEM

Short term investments of surplus funds, Status of ongoing projects etc. are reported to the Board regularly.

The Company has prescribed certain reports/information to be submitted to the management by the different units/departments. Some of the Internal Reports submitted to the management are as under:

(i) Operating Results
(ii) Financial Performance Report
(iii) Sales Order Book Position
(iv) Cash Flow Statement

INTERNAL CONTROL

The company has an in-house Internal Audit Department commensurate with its size ofoperations. It has Internal Audit Cells located atmajor manufacturing units, regional offices and atCorporate office of the company which carryoutaudits as per Annual Audit Programme approved by Board Level Audit Committee. The Internal Audit department checks the adequacy and effectivenessof internal control system through regular audits, system reviews and provides assurance on compliance to the legal, regulatory, internalpolicies and procedures of the company. The company has well placed proper and adequatesystems of internal control and documentedprocedures covering all financial and operating functions. Adequate internal control measures are in the form of various codes, manuals and procedures issued by the management covering all critical and important activities viz. Purchase, Material, Stores, Works, Finance and Personnel etc. Functioningof Internal audit and Internal control systems are periodically reviewed by the Board Level Audit Committee which is supported by Unit Level Audit Committees and necessary directions are issued wherever required to further strengthen the internal control system keeping in view the dynamic environment in which the company is operating. The Company continues its efforts to align all its processes and control with global best practices.

AUDIT COMMITTEE

The Audit Committee comprises of at least 2/3rd members as Independent Directors as mandated by the Listing Regulations. Further, the Committee is chaired by an Independent Director. The member directors comprise of professionals of repute and standing with background in commerce, finance, administration and governance.

The Audit Committee was last reconstituted on March 27, 2019. The Committee comprises of three Independent Directors (including Chairman) and one Part-time Official Director. Director (Finance) is permanent invitee. Company Secretary acts as Secretary to the Committee. Head of Internal Audit and a representative of the Statutory Auditor may be present as invitees for the meetings of the Audit Committee.

RESEARCH & DEVELOPMENT DETAILS INCLUDING ACTIVITIES UNDERTAKEN

In today’s competitive business environment, it is important to offer new products & systems with latest technological features. BHEL is aligning its R&D framework and business strategy to provide reliable products which are not only cost-competitive but also have an edge in efficiency and performance. In-house Research and Development is extremely important for self-sustenance and growth in today’s challenging environment. The company has a strong engineering and R&D base for in-house development of indigenous technologies to address the market requirements. BHEL has entered into technology collaboration agreement with leading global manufacturing and engineering companies. The company has successfully indigenized these technologies to meet the requirements of Indian customers and establish manufacturing facilities at its own works. With sixteen ongoing collaborations (15 with foreign companies and one with indian company), BHEL is focusing on successful adaptation and timely assimilation of these technologies.

BHEL has 14 Centres of Excellence including:

At Corp R&D Hyderabad • Intelligent Machines and Robotics • Machine Dynamics • Compressors & Pumps • Nano-technology • UHV Laboratory • Simulators • Computational Fluid Dynamics • Surface Engineering • Permanent Magnet Machines • Advanced Transmission

At Bengaluru • Power Electronics, IGBT & Controller Technology • Centre of Excellence for Control and Instrumentation

At Tiruchirappalli • Coal Research Centre • Advanced Fabrication Technology

In addition to this, BHEL has five Specialized Research Institutes. BHEL's Specialized Research Institutes • Pollution Control & Research Institute (PCRI), Haridwar • Welding Research Institute (WRI), Trichy • Ceramic Technological Institute (CTI), Bengaluru • Centre for Electric Transportation (CET), Bhopal • Amorphous Silicon Solar Cell Plant (ASSCP), Gurugram

Significant developments/ improvements in engineering, processes and products covering various business verticals like Power, Industry, Transportation, Transmission, Renewables and futuristic areas have taken place during the year. Some notable achievements are:

• First time in India, BHEL has successfully developed IGBT based Regeneration System through in-house R&D efforts, for Indian Railways' fleet of WAG7 electric locomotives having DC propulsion system. This IGBT based regenerative braking system will recover the energy from motors and feed to 25 kV AC overhead Catenary. The system will lead to recovery of approx. 15% of energy consumed during motoring.

• Indigenously designed, developed & manufactured low noise, compact 3.5 MW 430 V, 50 Hz Turbo Alternator having water cooled stator winding and frame for strategic applications. The machine has been successfully tested for mechanical run test, Short Circuit Characteristic and Open Circuit Characteristic test.

• Successfully completed process modelling and simulation of syngas to methanol conversion process for pilot plant of Coal to Methanol (CTM) Project.

• Designed, developed and manufactured compact 1095 kW Traction Alternator for 1600 HP DEMU application. The alternator is designed and manufactured with sturdy, lightweight & tubular frame construction for trouble free operation and maximum service life. The developed machine has been successfully tested in presence of customer.

• First time in India, designed, developed and manufactured Super Heater Safety Valve for Advanced Ultra Supercritical (AUSC) application. The detailed design document was vetted by EPRI, USA. Under this project, machining of Inconel 617 and Inconel 740 materials was established along with welding procedure. The assembly and functional testing of safety valve was completed successfully.

• BHEL has indigenously designed largest size butterfly valve (6 meter) and spherical valve (3 meter) for Punatsangchhu, Bhutan Hydro power plant, achieving nearly 20% weight reduction through in-house optimization. The castings have also been developed in-house.

• BHEL has designed, manufactured and commissioned largest rating (116 MW each) vertical pump-motor sets along with associated auxiliaries for 7x116 MW Kaleshwaram Lift Irrigation Scheme. In the project, water is lifted from SripadaYellampalli reservoir to Medaram reservoir for use for irrigation and water supply in nearby areas.

• BHEL has developed 21.5 MW, 11 kV, 4 Pole Closed Air Circuit Water Cooled (CACW) Boiler Feed Pump motor for North Chennai Project of M/s TANGEDCO. BHEL is the only Indian manufacturer to supply these high rating motors.

• BHEL has indigenously designed and manufactured 22”/3500 special class F 92 Gate Valve benchmarked with the best in the world for material and design features for Main Steam Line of Ultra Super Critical Boiler. The developed gate valve meets ASME standard and IBR requirements.

DETAILS OF SUBSIDIARIES OF THE COMPANY

As on 31st March 2021, the Company has one subsidiary-

BHEL Electrical Machines Limited

BHEL EML was incorporated as subsidiary company on 19 January 2011 for manufacturing of electrical machines and alternators. The equity participation was 51% with BHEL and 49% with Govt. of Kerala. BHEL Board of Directors has approved (subject to approval of Department of Heavy Industries, GoI) the transfer of BHEL' 51% stake in BHEL EML to Govt. of Kerala. Govt. of Kerala vide G.O. dated 07.09.2019 approved the 'Agreement of sale of Shares' to buy out the BHEL's stake under terms and conditions as set out in the sale agreement of sale of shares. BHEL has submitted the finalised agreement of sale to DHI/GoI for its approval which is awaited.

DETAILS OF JOINT VENTURES OF THE COMPANY

I) BHEL-GE Gas Turbine Services Ltd. (BGGTS):

BHEL-GE Gas Turbine Services Private Limited (BGGTS) is a Joint Venture Company of BHEL and GE, USA formed to take up repair & servicing of GE designed gas turbines. The brief financials are tabulated below:

(₹crore)

Particulars	2018-19	2017-18
BHEL share (%)	One share less than 50%	One share less than 50%
BHEL's investment in equity	2.38	2.38
Revenue from operations	675.07	631.87
Profit after tax	60.73	53.64
Net worth	298.83	277.08

For FY 2018-19, BGGTS has paid interim dividend at 490% and proposed final dividend at 195% on the equity share capital of ₹4.76 crore.

II) Power Plant Performance Improvement Limited (PPIL)

Powerplant Performance Improvement Private Limited (PPIL) is a Joint Venture Company of BHEL and Siemens AG, Germany promoted for plant performance improvement of old fossil fuel power plants. Since sufficient business to ensure viability of the Company was not forthcoming, the promoter partners mutually agreed to gradually wind up the Company. All the pending contracts of the JVC have been closed and the process of winding up has been initiated during FY 2018-19. The JVC is under liquidation.

III) NTPC BHEL Power Projects Private Limited (NBPPL)

NTPC BHEL Power Projects Private Limited (NBPPL): NTPC BHEL Power Projects Private Limited (NBPPL) is a Joint Venture Company of BHEL and NTPC Limited promoted to execute EPC contracts for Power Plants and manufacture power plant equipment. The JVC has a manufacturing facility for Balance of Plant (BoP) equipment at Mannavaram in Andhra Pradesh.The provision for impairment in value of investment in NTPC BHEL Power Projects Private Limited has been made to the extent of ₹50.00 crore (up to 2017-18 ₹45.60 crore) based on the net financial position. In principle approval for pursuing the winding up of NBPPL has been accorded by the Board of Directors in its meeting held on February 8, 2018.

IV) Raichur Power Corporation Limited (RPCL):

Raichur Power Corporation Limited (RPCL) is a Joint Venture Company of BHEL, Karnataka Power Corporation Limited (KPCL) and IFCI Limited promoted for setting up of 2x800 MW supercritical thermal power plant at Yeramarus, Raichur, Karnataka and 1x800 MW supercritical thermal power plant at Edlapur, Raichur, Karnataka on build, own and operate basis. The paid up equity capital as on March 31, 2019 was ₹2373.76 crore with contribution of ₹1277 crore from KPCL, ₹664.04 crore from BHEL and ₹432.72 crore from IFCI Limited.

The paid up share capital as on June 3, 2019 was ₹2373.76 crore with contribution of ₹1709.72 crore from KPCL, post-acquisition of equity contribution of IFCI by KPCL. The equity contribution of BHEL remains at `664.04 crore.

V) Dada DhuniwaleKhandwa Power Limited (DDKPL):

Dada DhuniwaleKhandwa Power Limited (DDKPL) is a Joint Venture Company of BHEL and Madhya Pradesh Power Generating Company Limited (MPPGCL) promoted for setting up of 2x800 MW supercritical thermal power plant at Khandwa, Madhya Pradesh on build, own and operate basis. Due to non-availability of coal linkage and problems being faced in land acquisition, both the promoters approved for voluntary winding up of the JVC. An amount of ₹17.30 crore has been received during FY 2018-19 against investment in JVC of ₹22.50 crore. The provision for impairment in value of investment has been retained to the extent of ₹5.20 crore (previous year ₹5.50 crore) based on the net financial position. The JVC is under liquidation.

OPERATIONAL ASPECTS

PERFORMANCE OF BUSINESS SEGMENTS POWER SECTOR

The Company secured orders worth ₹23859 crore in FY 2018-19. This comprises orders worth ₹15490 crore in power sector, ₹7016 crore in industry sector and ₹1353 crore in international operations. In the Power sector, the Company continues to maintain its market leadership, and has secured the only order for main plant package of a thermal power plant which was ordered in the nation in the year. In addition, various tenders where BHEL is favourably placed are expected to be finalized in 2019-20. The order book outstanding at the end of March 31, 2019 was around ₹109000 crore (executable order of ₹87000 crore) against ₹118000 crore (executable order of ₹99000) as on March 31, 2018.

AUDITING METHODOLOGY

Auditing Standard and Checklist for Accounts Audit, Phase Audit, Contract Audit, and Audit of CFS mentioned in Chapter II and given in Annexure should be followed.

Accounts Audit

From 2008-09 to 2018-19, audit of annual accounts of BHEL was conducted under 'Three-Phase Audit' system. This system was reviewed by HQ office and it was decided (20 September 2019) to discontinue the Three Phase Audit system with immediate effect except in case of statutory corporation where CAG is the sole auditor. As per the new system introduced, supplementary audit in all the CPSEs shall be conducted after receipt of statutory auditor's Audit Report.

Keeping in view the HQ office direction, audit of annual accounts of BHEL from 2019-20 onwards would be conducted after receipt of Independent Auditor's Report.

During accounts audit, different audit checks are applied by the audit team which have been circulated by HQ office from time to time. These checklists are given in Annexure 'B'

Compliance Audit

In Compliance Audit, audit of compliances done by the audited entity in respect ofthe all applicable statutory laws, Regulations, Acts etc., transactions and activities of the Corporate Office is done every year as Corporate Office is the controlling unit of the Company. Besides, Compliance Audit of various units/regional offices of BHEL is conducted on the basis of Unit-selection done after carrying out risk assessment exercise every year on the basis of risk assessment criteria circulated by **HQs office Annexure 'D').** The checklist for Compliance Audit is given in Annexure 'E'.

Contract Audit

Draft Guidelines for Contract Audit is given in Annexure 'F'.

Audit of Consolidated Financial Statement

Details are given in Annexure 'G' and checklist of Audit of Consolidated Financial Statements is given in Annexure 'H'.

AUDIT PLAN & MANDAYS (AAP for the year 2019-20)

S. No.	Nature of Audit	Mandays allocated
1	Compliance Audit of Corporate Office, New Delhi	120
2	Compliance Audit of BHEL Units in Delhi and NCR	390
3	Compliance Audit of BHEL Units in Hardwar	780
4	Accounts Audit of BHEL, Delhi	180
5	Accounts Audit of BHEL Units Hardwar	60
Total		**1530**

CHAPTER-IV

MINES

MINERAL EXPLORATION CORPORATION LIMITED

1. Introduction

Mineral Exploration Corporation Limited (MECL) was established as an autonomous Public Sector Company in October 1972, under the administrative control of Ministry of Mines, Government of India for systematic exploration of minerals, to bridge the gap between the initial discovery of a prospect and its eventual exploitation. MECL has the Mission **"to provide high quality, cost effective and time bound geo-scientific services for exploration and exploitation of minerals"**.

a) Date of Formation - 21.10.1972
b) Administrative Ministry - Ministry of Mines, Government of India
c) Vision and Mission
   Vision : To be the leader in Exploration of Minerals by 2020 in the Country.
   Mission : " To Provide high quality, cost effective and time-bound geo-scientific services for exploration & exploitation of minerals"
d) Nature of Business including Geographical scope: Mineral Exploration in the country and overseas.
e) Office/Region/Sub-Offices etc.

i. Head Office/ Corporate Office : Nagpur
ii. Regional Offices: Ranchi and Hyderabad
iii. Liaison Offices: Delhi and Kolkata
iv. Project Offices as below

Sl. No.	Project Office	Sl. No.	Project Office
1	Urga	13	LabjiPusla
2	Lachhamangarh	14	Kheduli
3	GorhiMahloi	15	Lakhasar/Bharusari
4	Ramkola Tata Pani	16	Malangtoli
5	Gourandih (Outsourcing)	17	Bolangir
6	Rakha-Chapri	18	Pani
7	Mahuda	19	Veeranam
8	Khota-Arda	20	Kumarswamy
9	Piparwar	21	Chintalpudi
10	Singrauli	22	Wondali
11	Burhar	23	Sonrai
12	Reonti		

2. Objectives of the Company

Main objectives of the company are as under:

a. To plan and execute exploration programmes and prepare geological reports of exploration projects on commercial and competitive basis

b. To undertake geological, geo-chemical and geophysical surveys to establish exploitable reserves of various minerals

c. To achieve cost effectiveness through modernisation, improved productivity and optimum utilization of human and physical resources

d. To take up projects for exploration, developmental mining and related activities in association with other companies

3. Capital Structure-:

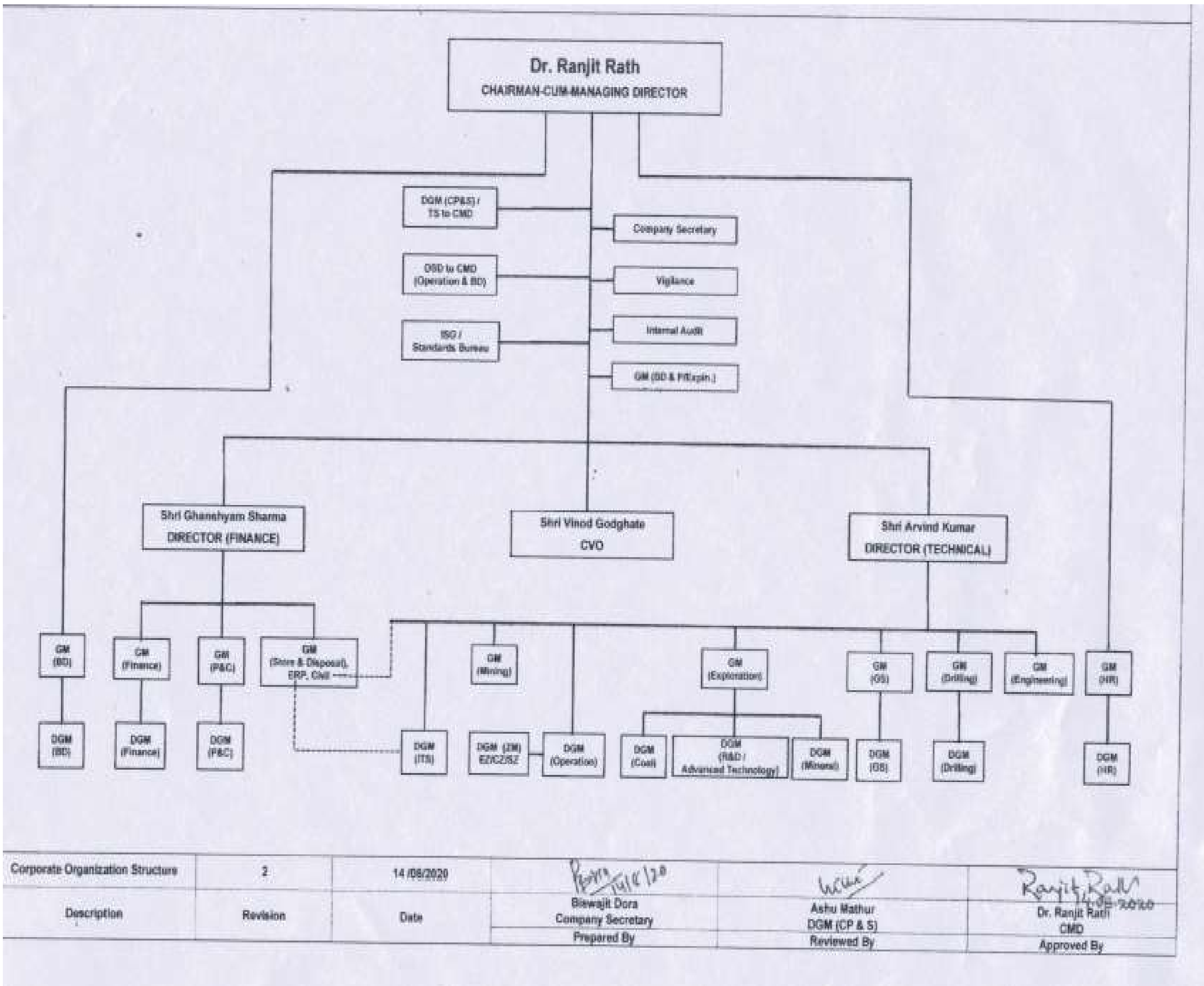
(Rs.in lakhs)

Equity Share Capital	As at 31.03.2021
Authorised Equity Shares of Rs.1000/- each fully paid up	12,500.00
Issued, subscribed and paid-up Equity Shares of Rs.1000/- each fully paid up	11,955.00
	11,955.00

The Company has only one class of shares i.e. equity shares of Rs. 1000 each as face value. Each holder of equity shares is entitled to one vote per share.

	For the Year 2020-21
Reconciliation of No. of Equity Shares	
A. Opening Balance	1,195,500
B. Shares Issued	-
C. Closing Balance	1,195,500
Details of shareholders holding more than 5% shares	
Name of shareholder	*No. of shares*
President of India	1,195,500

4. Organizational Set up



5. Activities of the Company

MECL is a notified mineral exploration agency mandated to undertake detailed exploration of mineral acreages and currently operates pan India with a portfolio of all the major and precious minerals offering integrated mineral exploration services including preparation of Geological Reports and consultancies to Central Govt., State Govts. and CPSEs etc.

MECL has been undertaking detailed exploration of coal, lignite, iron, manganese, bauxite, chromite, limestone, gold, diamond, copper, potash, PGE, and several other poly metallic deposits etc. Various activities involved in mineral exploration work includes topographical survey, surface geophysical and geochemical survey, Pitting, trenching, exploratory drilling, geological logging, borehole geophysical logging, chemical, physical and petrological analysis, preparation and interpretation of 3D ore body modeling Ore reserve estimation and preparation of comprehensive Geological report.

6. Budget and Planning

No Grants were budgeted/ received during the FYs 2018-19, 2019-20 and 2020-21

7. **Accounting System in the company as well as in the R.O's/Branch Offices**

Centralized accounting system is being followed in the company as well as in the RO's/Branch Office.

8. Manpower analysis viz. Executive/Non-Executive and Sanctioned/ Actual etc. as on 31.03.2021.

EXECUTIVES				
Sl. No.	Designation	Grade	Sanctioned strength	Actual strength as on 31.03.2021
1	Asst. Officer/Jr. Engr.	(E-0)	34	5
2	Officer/Engineer	(E-1)	302	48
3	Sr. Officer/Engineer	(E-2)		120
4	Asst. Manager	(E-3)		68
5	Manager	(E-4)	84	13
6	Sr. Manager	(E-5)		20
7	Dy.General Manager	(E-6)	24	14
8	General Manager	(E-7)	10	7
			454	295
NON-EXECUTIVES				
Sl.No.	Designation	Grade	Sanctioned strength	Actual strength as on 31.03.2021
1	Messenger/Khalasi	(W-1)	540	0
2	St.Helper./Drill Helper	(W-2)		0
3	Jr.Asstt./Jr.Tech./Jr.Opr.	(W-3)		34
4	Asstt./Tech./ Opr.	(W-4)		239

5	Sr.Asst./Sr.Tech./Sr.Opr.	(W-5)	495	142
6	Jr..Supdt./Jr.F'Man/JTA	(W-6)		2
7	Supdt./F'Man/TA	(W-7)		163
8	Sr.Supdt./Sr.F'Man/STA	(W-8)		89
			1035	669
		Total Regular Employees*	1489	964
*Excluding- CMD, Directors & CVO				

9. **MoU Targets and Achievements for last three financial years (2018-19 to 2020-21)** (Rs. In Lakhs)

Sl. No.	Particulars	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
1	Turn over from operations	44000	36676	40000	42615	40500	42613
2	Operating Profit	19210	16637	17684	21949	18350	21997
3	Return on Investment	161%	139%	148%	184%	153%	184%
4	Overall rating	Good		Excellent (awaited)		Excellent (anticipated)	

10. Computerization

Following (in house-development) IT systems are operational in MECL

- EPF Accounting System
- Costing
- Billing
- FTS
- MECL Connect
- Geological Data Processing

Software

Operating system (S)

Sl No.	Name of Software	Operation System Version
1	Windows	Windows-7,8,10, windows Server 2003
2	Linux	RHEL 6.0, SUSE

RDBMS

Sl No.	Name of Software	RDBMS Version
1	Oracle	12 C
2	MySQL	Open Source

Front end tool

Sl No.	Name of Software	Version
1	Oracle Developer	12 C
2	Visual Basic	6.0
3	Visual Studio	6.0

Programming Language (S)

Sl No.	Name of Software	Version
1	PHP/MySQL	Open Source
2	Java	8
3	Python	Open Source
4	Visual Basic	6
5	FoxPro /Visual FoxPro	7.0

Further, it is informed that, No IT audit has been carried out by the CAG/Internal Experts/any other agency till 2020-21.

11. Internal Audit

Yes, there is separate wing for Internal Audit exists in MECL

The Internal Audit Work of MECL Corporate Office-Nagpur, Central Manufacturing Centre (CMC) - Nagpur and Regional Maintenance Centre (RMC) - Hingna, Nagpur were carried out by M/s KND & Associates, Chartered Accountants, Nagpur for the FY 2019-20 and by M/s. Ratan Rathi& Co, Chartered Accountants, Khamgaon for the FY 2020-21.

The Internal Audit of various projects of MECL under Central Zone- Nagpur, Southern Zone-Hyderabad & Eastern Zone- Ranchi are conducted by Internal Audit Wing of Corporate Office, Nagpur.

Every auditable unit is audited once in a year or closer of project whichever occur earlier. As the most of the Exploration Projects are for shortduration of 6 months to 1 Year, so before closure of the project necessary audit gets conducted by Internal Audit Wing.

12. Act, Rules, Other documents applicable to the Organisation.

MECL was incorporated under Company Act, 1956 and has Memorandum and Articles of Association as per the Company Act and other Acts such as Income Tax, GST, Contract Labour (R&A) Act 1971, Payment of Gratuity Act 1972, Industrial Employee (Standing Order) Act 1946, Factory Act 1948 (Utility Complex), ESIC Act 1948, EPF & Misc Act 1952, Payment of Bonus Act 1965, Minimum wage Act 1948, Payment of wage Act 1936, Apprentice Act 1961, I.D. Act,1947, Maternity Benefit Act 1961, Sexual Harassment of women at workplace Act 2013, DDA Rules, DPE guidelines etc., are also applicable like other CPSE.

13. Operation results (Target vis-à-vis Achievement) for last three financial years 2018-19 to 2020-21).

Operation results (Target vis a vis Achievement)
(Rs. in lakhs)

(Rs. in lakhs)

Sr. No.	Particulars	2018-19		2019-20		2020-21	
		Target	Achievements (Audited)	Target	Achievements (Audited)	Target	Achievements (Provisional)
I	**Physical Performance :**						
	Drilling :						
	Departmental	512000	563351	550000	594571	520000	596536
	Outsourcing	120000	47602	80000	44230	80000	42850
	Total	632000	610953	630000	638801	600000	639386
II	**Financial Performance:**						
1	Revenue From Operations	44000.00	36675.61	40000.00	42615.30	40500	42613.00
2	Other income	1500.00	1173.77	1000.00	2087.49	900	1890.00
3	Total Revenue Sub Total-A	45500.00	37849.38	41000.00	44702.79	41400	44503.00
4	Personnel Expenses	14301.00	12292.41	13266.00	13163.02	13559	12300
5	Other Expenses	12489.00	9318.06	10050.00	10736.07	9191	10946.00
6	Sub Total - B	26790.00	21610.47	23316.00	23899.09	22750	23246.00
7	Gross Margin - C (A-B)	18710.00	16238.91	17684.00	20803.70	18650	21257.00
8	Depreciation & Amortization Expenses - D	1000.00	775.36	1000.00	942.39	1200	1150
9	Profit for the year (C-D)	17710.00	15463.55	16684.00	19861.31	17450	20107.00
10	Prior Period Adjustments (Net)	0.00	0.00	0.00	0.00	0	0.00
11	Profit Before Tax	17710.00	15463.55	16684.00	19861.31	17450	20107.00
12	Provision for Income tax/Deffered tax	6286.00	5403.45	5938.00	5248.44	4492	5061.00
13	Profit after tax	11424.00	10060.10	10746.00	14612.87	12959	15046.00
14	Other comprehensive Income	0.00	-319.94	0.00	-186.65	0	-507.00
15	Total comprehensive Income for the period	11424.00	9740.16	10746.00	14426.22	0	14539.00

14. Financial Working Result for the last three financial years (2018-19 to 2020-21)

(Rs in Lakh)

Sr. No.	Particulars	FY 2018-19 Audited	FY 2019-20 Audited	FY 2020-21 Provisional
	Income			
1	Revenue from Operations	36675.61	42615.30	42613.00
2	Other Income	1173.77	2087.49	1890.00
3	Total Income (A)	37849.38	44702.79	44503.00
4	Total expenditure (B)	22385.83	24841.48	24396.00
5	Net profit/(loss) (A-B)	15463.55	19861.31	20107.00

15. **Disinvestment**

No Disinvestment till 2020-21 & no proposals in pipeline upto FY 2020-21

16. **Environment Management**

MECL is committed for conservation, prevention of degradation and equity of natural resources to ensure an eco-friendly environment in all areas of its operations for sustainable growth.The exploration activities of MECL do not cause any significant pollution. As a part of exploration work, MECL is carrying out environmental studies to generate baseline environmental data on Geology & Geomorphology, Meteorology, Air Quality, and Noise, Land use / Land cover studies, Soil quality, Biota, Water regime & Socio-economic studies. Reports of Baseline Environmental Studies are annexed with all the Geological Reports. These reports are handed over to State Govt. along with Geological Reports. This data is used for Environmental Impact Assessment (EIA) studies during and/or after mining.

For helping the exploration/exploitation agencies to plan measures for abating possible pollution and Environmental Impact Assessment (EIA) in various exploration projects a report on the same is included as a part of G-2 level Geological Report of various exploration projects. As per the guidelines of MoEFCC, MECL is preparing the baseline environmental report since 1993.

MECL has prepared a Corporate Environment Policy. The objective of the policy is to execute exploration and its associated operations in an environmental friendly responsible manner to comply with applicable laws and other requirements related to environmental aspects with due consideration of sustainable development.

CHAPTER-V

POWER

NTPC LIMITED

1. INTRODUCTION

NTPC Limited was incorporated on 7th November 1975 to plan and promote development of thermal power in the country. NTPC has been primarily engaged in the business of generation of electricity from thermal, hydro and Renewable energy sources. The Company also undertakes consultancy and turnkey project contracts that involve engineering, project management, construction management and operation &management of power plants. The first power station (200 MW) built by NTPC was commissioned in 1982 at Singrauli. NTPC became a listed company in November 2004. It became a 'Navratna' company in 1997 and a 'Maharatna' company in May 2010. The Company has six subsidiaries and 20 Joint Ventures (JVs) as on 31 March 2019. The Government of India held 56.41 percent (as on 31 March 2019) of the total equity of `9894.56 crore of the Company. The Company has installed capacity of 55,126 MW (including generation from subsidiaries & joint ventures) as on 31st March 2019. The Company is the largest power utility in the country with 15 *percent* of the total installed capacity and 22*per cent*in electricity generated.

2. OBJECTIVES OF THE COMPANY:

Corporate Objectives

To realise the vision and mission, eight key corporate objectives have been identified. These objectives would provide the link between the defined mission and the functional strategies:

Business portfolio growth

- To sustain NTPC's position as the leading power generation company in the world.
- To broad base the generation mix with significant proportion of clean energy sources.
- To enable the generation fleet to operate at optimum efficiency while meeting the demand and stability in the grid.
- To diversify into emerging businesses and markets across the power value chain including coal mining, power trading, ancillary services, E-mobility, storage and related adjacencies.

- To establish a strong services brand in domestic and international markets.

Customer Focus

- To foster a collaborative style of working with customers, growing to be a preferred brand for supply of quality and reliable power.
- To expand the customer portfolio through profitable diversification into downstream business inter alia E-mobility and direct supply.
- To ensure rapid commercial decision making, using customer specific information, with adequate concern for the interest of the customer.
- To adapt business models and organisation structures to capture value which is progressively shifting towards the customers.

Agile Corporation

- To ensure effectiveness in business decisions and responsiveness to changes in the business environment by:
  - Adopting a portfolio approach to new business development.
  - Continuous and co-ordinated assessment of the business environment to identify and respond to opportunities and threats.
- To create lean organization and business processes.
- To develop a learning organization having knowledge based competitive edge in current and future businesses.
- To develop a culture of curiosity and innovation in learning and adopting new technologies, business models and operational philosophies in line with the evolving market and changing customer needs.

Performance Leadership

- To continuously strive for innovation in reducing costs, enhancing operational flexibility and in addressing changing customer needs.
- To continuously improve on project execution time and cost in order to sustain long term competitiveness.
- To effectively leverage Information Technology to drive process efficiencies and enable system flexibility in line with the market needs.

- To create capabilities to attain leadership in new and emerging businesses.
- To embed quality and safety in all systems and processes.
- Support evolution of power markets to meet customer needs through products, platforms, services etc. to create a win-win opportunity across stakeholders.
- To lead development efforts in the Indian power sector through stakeholder consultation.
- To assist in capacity creation of key stakeholders.

Human Resource Development

- To enhance organizational performance by institutionalizing an objective and open performance management system.
- To align individual and organizational needs and develop business leaders by implementing a career development system.
- To build a lean organization with diverse skills and high ability to adapt to change.
- To build and sustain a learning organization of competent world-class professionals.
- To institutionalize core values and create culture of team-building, ownership, empowerment, equity, innovation and openness which would motivate employees and enable achievement of strategic objectives.

Financial Soundness

- To maintain and improve the financial soundness of NTPC by prudent management of financial resources.
- To continuously strive to reduce the cost of capital through prudent management of deployed funds, leveraging opportunities in domestic and international financial markets.
- To promote innovative funding models to support entry into new businesses and sustain long term growth.
- To develop appropriate commercial policies and processes which would ensure remunerative tariffs, balance capital work-in-progress and minimize receivables.

Sustainable Power Development

- To deliver business and environmental value through projects which are beneficial for business and larger ecosystem.
- To ensure sustainable power development by ensuring minimal wastage across operations.
- To actively contribute towards societal development.

- To lead the sector in the areas of resettlement and rehabilitation and environment protection including effective ash-utilization, peripheral development and energy conservation practices.

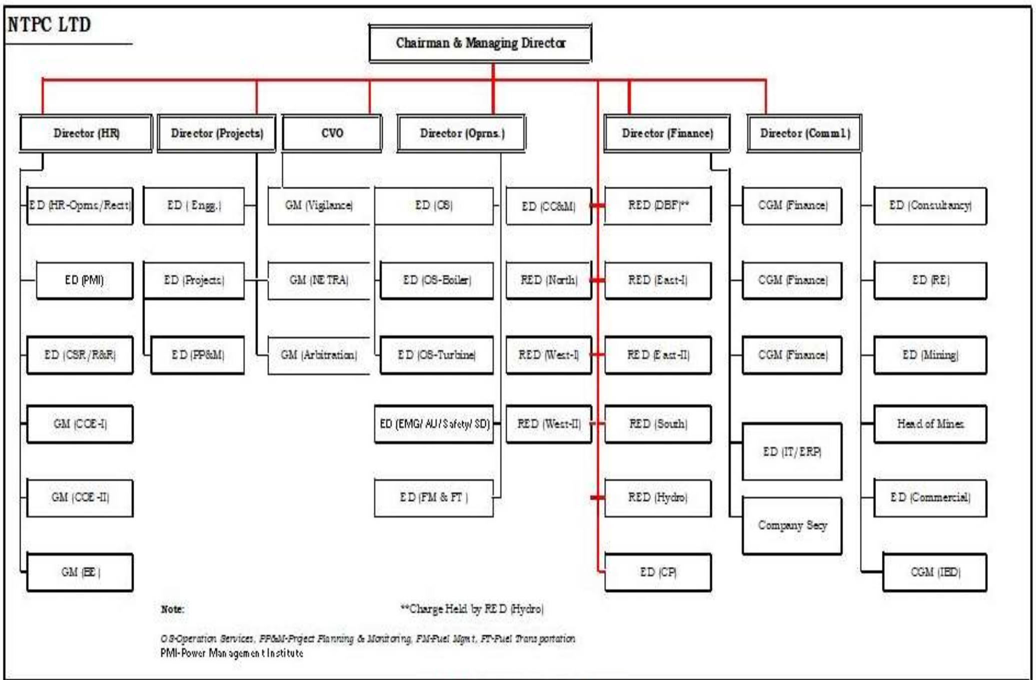
Research & Development

- To undertake R&D initiatives in sync with the overall business portfolio.
- To pioneer the adoption of reliable, efficient and cost-effective technologies by carrying out fundamental and applied research in alternate fuels and technologies.
- To collaborate with leading institutes, technology players and service providers, particularly in the area of power plant construction, generation technology, operations, renewable energy sources, storage, e-mobility, etc. that can contribute towards efficiency, reliability and environment friendliness.

3. CAPITAL STRUCTURE (As on 31st March 2021)

Authorized Capital (Rs in crore)	Paid Up Capital (Rs in crore)	Contribution of shareholders (%)
10,000.00	9,696.67	President of India - 51.10%, LIC - 10.96% ICICI Prudential Equity & Debt Fund - 6.68

4. ORGANISATIONAL SET UP:



ORGANISATION STRUCTURE

5. ACTIVITIES OF THE ORGANIZATION

NTPC is market leader in power generation, supplying around 22% of the country's electricity and thus plays a key role in India's economic activity. As a state-owned utility, NTPC's priority is to provide affordable and reliable power and support for country's rapid developing economy. NTPC has a diversified portfolio of coal, gas, solar, wind, hydro and small hydro-based power plants and has integrated both backwards and forward into coal mining and power trading.

As per its long-term corporate plan, NTPC has targeted to achieve total installed capacity of 130 GW by 2032, to be implemented through development of greenfield& brownfield projects, collaborations and acquisitions. The capacity will have a diversified fuel mix comprising 65.4% coal, 4.6% gas, 1.5% nuclear and 28.5% Renewable Energy Sources (RES) including hydro. Therefore, by 2032, non-fossil fuel based generation capacity shall make up nearly 30% of NTPC's portfolio.

NTPC envisages enhancing its current presence in consultancy, power trading and ancillary services. It isalso planning to make a foray into electric mobility and battery storage, supported by research & development and collaboration with OEM/OES, research institutes etc.

NTPC is looking for suitable opportunities for acquisition of power plants to fulfil its growth target, after due techno-commercial diligence and appropriate valuation.

6. BUDGET AND PLANNING

(Rs. in Crore)

S.No.	Particulars*	2018-19		2019-20		2020-21	
		Budgeted	Actual	Budgeted	Actual	Budgeted	Actual
1.	Capital Expenditure*	18099.86	25658.68	17499.43	22221.90	19132.09	19037.24
2.	Revenue Expenditure#	80926.91	79507.04	88137.36	86012.49	91183.42	89637.19

7. ACCOUNTING SYSTEM IN THE COMPANY AS WELL AS IN THE R.O'S/ BRANCH OFFICES ETC

NTPC has SAP ERP system for accounting of its all transactions.

8. **MANPOWER ANALYSIS (As on 31.3.2021):**

	Sanctioned	Actual
Executives		11885
Non- Executive		6557
Total		18442

9. MOU TARGETS and ACHIEVEMENTS for the last three financial years 2018-19 to 2020-21 :

S.No.	Particulars	2018-19		2019-20		2020-21	
		Target@	Actual	Target@	Actual	Target@	Actual**
1.	Turnover from operations (Cr)^	85500	86772	12% increase over Previous year*	95478.01	98000	97993.84
2.	Operating profit	-	11062.56	-	12305.84	-	11650.79
3.	Return on Investment (%)	9.65	11.26	10.00	9.96	9.00	11.85
4.	Overall rating	"Excellent"		Rating Awaited		MoU Evaluation in process	

@MoU "Excellent" target as per MoU

^Revenue from Operations (Net of Electricity Duty)

*Based on Previous year's (i.e. 2018-19) Revenue from Operations (Net of ED) of Rs 89403 Cr (As per Annual Accounts), target works out to Rs 100131 Cr.

**Being examined at MoP for submission toDPE

10. COMPUTERIZATION

INFORMATION & COMMUNICATION TECHNOLOGY

Since 2008, NTPC has implemented Enterprise Resource Planning (ERP) application to integrate all its business functions. PI data system has been implemented to capture, display and analyse the plant performance parameters on real time basis which is helping the operation and maintenance of our power plants. Non-ERP web based applications have been developed in balance areas such as Engineering Drawings approval, Quality Control Management, Hospital Management, Labour Management, Transit Camp Management, RTI, Security Control etc.

NTPC has reengineered and redesigned the business processes to paperless mode. The digitization initiative **"Project PRADIP"** resulted in implementation of e-Office, digitization of documents and paperless processes for different functions.

NTPC's plants and Offices across India, are connected to Corporate Office and main Data-Centre(DC) through 2x34 mbps MPLS links to facilitate seamless communication. The DC and DR (Disaster Recovery) site is connected with 486 mbps MPLS links for data backup. The progress of ongoing projects and issues of the running power stations are discussed regularly overhigh definition Video Conferencing system at Project Monitoring Centre of Corporate Office. Desktop to desktop VC facility also has been provided to senior executives to conduct review meeting from their seat. An IT Strategy has been finalized. The IT Strategy aims to achieve 100*per cent*Paperless Office, Data Analytics for decision making, induction of new technology such as IIOT, AI, Machine learning etc. over next 2 years.

11. INTERNAL AUDIT

The Corporate Internal Audit Department coordinates all activities related to internal audit.

Internal audit of stations and projects are out sourced to the firms of Chartered Accountant in practices. Audit is conducted in two phases covering the periods April to September and October to March. Areas covered by Internal Audit in units includes audit of O&M Contracts, Procurement of goods, Stores accounts, Payroll and Establishment accounts, Auto Base accounts, Township accounts, Guest House accounts, Hospital accounts etc. and the Cash & Bank Books, Journal and General Ledger. Invoicing and debtors are other areas included in the scope of audit of Regional Headquarters. After the audit is over, internal audit reports received from internal audit firms / Regional Internal Audit teams / Corporate Internal Audit Department are sent to the Heads of Stations and the Officers in charge of other offices seeking compliances / replies to the audit observations.

12. ACT, RULES, OTHER DOCUMENTS APPLICABLE to the ORGANIZATION.

Besides Companies Act 2013, the Securities and Exchange Board of India Act, 1992 ('SEBI Act'),the Electricity Act, 2003 , Explosives Act, 1884 , Mines Act, 1952 , Mines and Mineral (Regulation and Development) Act, 1957 etc are applicable .

13. OPERATING RESULTS (Targets vis –a-vis achievements) :

S.No.	Particulars	2018-19	2019-20	2020-21
1.	Turnover from operations (Cr)^	86772	95478.01	97993.84
2.	Operating profit	11062.56	12305.84	11650.79
3.	Return on Investment (%)	11.26	9.96	11.85

^Revenue from Operations (Net of Electricity Duty)

14. FINANCIAL WORKING RESULTS:

(Rs in Crore)

	Amount (Rs in Cr)		
Particulars	**2018-19**	**2019-20**	**2020-21**
INCOME			
Revenue from operations	90,307.43	97,700.39	99,206.72
Other Income	1,872.13	2,778.02	4,345.99
Total Income (A)	92,179.56	1,00,478.41	1,03,552.71

Total Expenditure (B) (Including Exceptional item)	79,507.04	86,012.49	89,637.19
Profit before Tax (A-B)	12,672.52	14,465.92	13,915.52

15. DISINVESTMENT

FY 2018-19

GOI divested 1.35% of the paid-up capital in NTPC through two tranches in June 2018 and February 2019 of Bharat-22 ETF. GOI also divested 4.51*per cent* of the paid-up capital in NTPC through two tranches of CPSE ETF in December 2018 & March 2019.

Consequent upon transfer of shares to Bharat-22 ETF & CPSE ETF and issuance of bonus shares in the ratio of 1:5 on 23.03.2019, the Government of India's stake in NTPC stood at 56.41 *per cent* as at 31.03.2019 i.e., 558,11,67,271 shares out of total 989,45,57,280 shares.

FY 2019-20

GOI divested 5.39 *per cent* of the paid-up capital in NTPC through further tranches of Bharat-22 ETF and CPSE ETF in FY 2019-20. Government of India's stake in NTPC stood at 51.02 *per cent* i.e., 504,80,97,508 shares out of total 989,45,57,280 shares as at 31.03.2020.

FY 2020-21

Consequent upon settlement of 2% buyback of paid-up equity share capital (19,78,91,146 shares) of the company on 30 December 2020, GOI shareholding in the company increased from 51.02 *per cent* to 51.10 *per cent* i.e., 495,53,46,251 shares out of total 969,66,66,134 shares.

Details of Disinvestment by GOI during FY 2018-19 to FY 2020-21				
Particulars	**GOI Holding**	***In per cent***	**Total Shares**	**Change in GOI Stake (in *per cent*)**
Balance as at 31 March 2018	5134825262	62.27%	8245464400	
Balance as at 31 March 2019	5581167271	56.41%	9894557280	5.86%
Balance as at 31 March 2020	5048097508	51.02%	9894557280	5.39%
Balance as at 31 March 2021	4955346251	51.10%	9696666134	-0.08%

16. ENVIRONMENT MANAGEMENT

Impact of operation on environment:

1. By operation of Thermal Power plant, the company emit flue gas thru' our chimney which contain suspended particulate matters, SO2 & NOx. Flue gas emitted from Gas Power plant contains suspended particulate matters & NOx.

2. The company uses water in various process of power generation and generate wastewater.

3. Various type of wastes are also generated during the process of electricity generation.

Environment protection mechanism and step taken by company to preserve

environment etc:

1. Environment protection Mechanism of latest available technology exists in all our generating units,

2. High efficiency (>99.98%) Electrostatic Precipitators (ESPs) have been installed with higher specific collection area to control suspended particulate matters up to regulatory requirements. Renovation & Modernization of ESPs has also been done in old stations wherever it was required.

3. Dust extraction and dust suppression system in CHP area to mitigate chances of dust emission while handling the coal.

4. Use of fogging system in wagon tippler and Transfer Points of coal conveying system to mitigate dust emission & to conserve water.

5. Flue Gas De-sulpherisation (FGD) system to control the SO2 emissions. Total 60 GW+ awarded (FGD 1.34 GW capacity in operational, 2.48GWin advance stage of erection, Additional 2.8GW+ more in NIT or in award stage.

6. Combustion modification for curbing NOx emissions wherever required. NOx modification awarded for 18.5 + GW, completed in 10GW+ and under implementation in phased manner in balance units.

7. Online monitoring of Particulate, SOx and NOx from all stacks of all units of all operating stations and sharing of data with regulator.

8. Continuous Ambient Air Quality monitoring stations for monitoring of ambient air quality at and around NTPC Stations and sharing of data with regulator.

9. Effluent Treatment Plant and Sewage treatment Plant to recycle & reuse of treated effluent for maintaining Zero wastewater Discharge.

10. Online Effluent Quality Monitoring systems for all outlet of ETPs of all operating stations

11. Coal settling pit with water recirculation system to reuse the treated water.

12. Adoption of High Concentration Slurry Disposal for water conservation.

13. Ash Water Recirculation System to recycle & reuse the water for bottom ash disposal & in old plants wherever medium/ lean slurry disposal system are operational.

14. Air cooled condenser (ACC) in new Project namely Patratu& North Karanpura.

15. Dry fly ash disposal (Ash Mound) in Patratu.

16. Inbuilt Zero Liquid Discharge scheme for all new project awarded post 2015 Notification.

17. NTPC Ltd undertakes comprehensive environment management plan right from the conception of project, selection of site, source selection (Land, Coal & Water resources) and technology for power generation andpollution control.

18. NTPC has adopted more energy efficient Technology with time (Super / Ultra Super/ Advance Ultra Super Critical Technology in new projects).

19. Dry Ash Extraction System for dry collection of ash and Silos for storage of dry ash to issue to end users.

20. All NTPC station stores & dispose generated wastes as per waste management rules.

21. Greenbelt development at NTPC stations. NTPC has planted more than 36 million trees since inception.

22. NTPC has also adopted Miyawaki plantation technology at Ramagundam station during 2019-20, Company has replicated the Miyawaki plantation technology-based plantation at 5 more stations during 2020-21 and planted more than 18000 saplings, whose biomass production per unit area is 16 times higher than the conventional plantation.

23. Rainwater harvesting at all stations.

24. Mandatory MOU of all stations with nearby state board authorized facilities (For Bio medical waste with CBMW TDF, For Hazardous waste with TSDF/Co-processor) for waste management.

25. For solid domestic and horticulture/garden waste facilities (Composting pits, Vermi composting, Biogas plant, Foodie machine, Torrified pallets machine, Briquette machine etc)

26. Single use plastic banned in NTPC premises.

27. 16 stations of NTPC Ltd are using agro residue-based biomass pellets cofiring with up to 10 per cent as co-firing along with coal. The purpose behind usage of agro-based pellets is twofold

- one it turns off stubble burning in farms and brings down pollution and two, it reduces coal usage in power production.

28. NTPC has Commissioned a 24 TPD thermal gasification-based demonstration scale Waste to Energy (WTE) plant at Varanasi. The plant generated approximately 200 kW of electric power. Furthering this initiative.

29. NTPC is developing Eco Park over already closed Badarpur station's Ash dyke, spread over 884 acres, one of the largest man-made parks in not only India but will be bigger than New York Central Park spread over 842 acres. Attractive recreational infrastructures are planned which includes forests, open motorable safaris for visitors, Jogging and Bicycle tracks, lawns, lakes, Yoga Centres, observatory mounds, sports zones, ecofriendly plazas, sitting arrangements around water bodies, light and music water fountains etc.

30.NTPC in collaboration with US-AID is funding a unique Biodiversity Project titled "Narmada Landscape Restoration Project" along River Narmada between Maheshwar and Omkareshwar dams. Project is aimed to enhance green cover, improve water retention, the crop diversity including to promote organic farming and marketing. The project is being taken up involving Global Green Growth Institute Headquartered at Seol, Indian Institute of Forest Management Bhopal.

31. NTPC Simhadri has entered into 05-year agreement with Bio-Diversity Conservations Society, Forest Department, Govt. of Andhra Pradesh for Conservation of Olive Ridley turtles in 09 coastal districts of Andhra Pradesh.

32. Gangetic Dolphins (Platanista gangetica) are classified as endangered on 2006 IUCN Red List of Threatened species and included in Schedule-I of the Indian Wildlife Protection Act. Kahalgaon Station has initiated studies for its conservation in association with Bhagalpur University.

OTHER :

INSTALLEDCAPACITY

As on 31st March 2019, total installed capacity of NTPC Group was 52,866 MW which is tabulated below:

Owned by NTPC	**Installed capacity (in MW)**
Coal based projects	39,980
Gas based projects	4,017
Renewable Energy Projects	928
Hydro Projects	800

Sub-total	**45,725**
Joint Ventures & Subsidiaries	
Coal based projects	5174
Gas based projects	1,967
Sub-total	**7,141**
Total	**52,866**

POWER GENERATION DURING 2018-19.

During 2018-19, NTPC power stations generated 274.45 BUs (305.90 BUs including JVs & Subsidiaries) of electricity (including solar, hydro, wind & small hydro power) which was 20.01 *per cent* (22.30 *per cent* including generation by JVs and Subsidiaries) of the total power generated in India registering an increase of 3.26 *per cent* (3.95 *per cent* including JVs & Subsidiaries) over the previous years' generation of 265.80 BUs by NTPC (294.27 BUs including JVs & Subsidiaries).

Sl. No.	Particulars	Power generated (in BUs)
1	Coal based power stations	262.47
2	Gas based power stations	7.43
3	Hydro power station	3.01
4.	Renewable energy sources	1.54
Gross power generation during 2018-19		**274.45**

During 2018-19, NTPC coal based stations operated at an average Plant Load Factor (PLF) of 76.81 *per cent* (All India PLF was 60.91 *per cent*).

COMMERCIAL PERFORMANCE

(1). <u>Rebate Scheme</u>

In order to ensure prompt and early payment of bills for supply of energy to beneficiaries, NTPC has formulated a rebate scheme by way of providing graded incentive for early payment based on the bill(s) raised on state utilities who are the members of NTPC's rebate scheme. The rebate is netted off from energy sales.

(2). <u>Tariff Fixation</u>

Central Electricity Regulatory Commission (CERC) is the regulator body for fixation the tariff for electricity charges for CPSEs. CERC has issued the CERC (Terms and Conditions of Tariff) Regulations, 2019 on 07.03.2019, which are applicable for the period 01.04.2019 to 31.03.2024. The tariff of electricity generated from NTPC's stations would be determined by CERC based on these regulations for the above mentioned period.

PROJECT UNDER IMPLEMENTATION.

Ongoing Projects as on 31.03.2019	
	Capacity (MW)
I. Projects under NTPC Ltd.	
A. Coal based projects	
1. Barh- I, Bihar	1980
2. Lara-I, Chhattisgarh	800
3. Gadarwara-I, Madhya Pradesh	800
4. Darlipalli-I, Odisha	1600
5. North Karanpura, Jharkhand	1980
6.Tanda-II, Uttar Pradesh	1320
7.. Khargone, Madhya Pradesh	1320
8. Telangana Phase-I, Telangana	1600
9. Barauni Stage-II, Bihar	500
Sub Total (A)	**11900**
B1. Hydro Electric Power Projects (HEPP)	
10. TapovanVishnugad, Uttarakhand	520
11. Lata Tapovan, Uttarakhand	171
12. Rammam Hydro, West Bengal	8
Sub Total (B1)	**811**
B2. Renewable Projects	
13. Auraiya, Uttar Pradesh	20
14. Bilhaur, Uttar Pradesh	225
15. Ramagundam, Telangana	100

Sub Total (B2)	**345**
Total I (A)+(B1)+(B2)	**13056**
II. Projects under JVs& Subsidiaries	
Coal based projects	
16. Nabinagar- JV with Railways (BRBCL)	250
17. Nabinagar (NPGCL) Bihar	1980
18. Meja Urja Nigam Pvt. Ltd., Uttar Pradesh	660
19. Patratu Exp. JV with JBVNL	2400
20. Rourkela – JV with SAIL (NSPCL) Odisha	250
21. Durgapur JV with SAIL (NSPCL), West Bengal	40
22. Khulna, JV with BPDB (BIFPCL), Bangladesh	1320
Total II	**6900**
Total ongoing Projects (I)+(II)	**19956**

FUEL SECURITY

NTPC has achieved fuel security through long term coal supply agreements. The materialization of Annual Contracted Quantity remained 95 *per cent* in 2018-19. During 2018-19, the supply position of coal and gas is given as under:

Coal Supplies

In the year 2018-19, NTPC signed new Long-Term Fuel Supply Agreements (FSA) for the quantity of 1.8059 MMTPA. This included 0.612 MMTPA from BCCL for Unchahar St-IV Unit -6, 0.228 MTPA from WCL for Mouda St-I Unit - 2 and 0.9659 MMTPA from WCL for Gadarwara (2x800MW). Further, fuel supply agreement of quantity 1.630 MMTPA from SECL and 2.805 MMTPA from NCL for Gadarwara and quantity of 1.851 MMTPA with NCL for Vindhyachal Unit # 13 Stage -V is expected to sign in next year. In addition, FSA with CCL for 1.19 MMTPA for Unchahar Unit -6of Stage –IV and Bongaigaon Unit # 3 for quantity of 0.85 MMTPA with ECL will also be signed in next year.

To leverage potential of rationalization of coal linkages, NTPC had signed a Supplementary Agreement with CIL and CIL subsidiaries for all owned JV/ Subsidiary stations on 12.04.2017 for implementation of Govt. policy on “Flexibility in utilization of domestic coal for reducing cost of power generation”. Under the Supplementary Agreement, NTPC can allocate coal to any station of its own or any JV/ Subsidiary for optimising the Energy Charges. During 2018-19, NTPC has used 6.4 Lac Tons of coal under Flexibility Utilization.

As per directives of Govt., CIMFR started coal sampling in January 2016. During 2018-19, sampling at all loading end sidings (except two sidings i.e. CCL Amrapali & KD- old) and sampling at unloading endof all NTPC’s stations had started.

Domestic Coal and Imported Coal

During 2018-19, NTPC received 175.8 MMT of coal as against 168.2 MMT in 2017-18 marking an increase of (+) 4.5 *per cent*. Out of 175.8 MMT of coal, 161 MMT was from Annual Contracted Quantity of coal, 6.6 MMT through Bridge linkage/ SCCL Bi-lateral MoU, 6.45 MMT from Pakri Barwadih and 1.75 MMT received through e-auction. For imported coal, after the last contracts placed in August 2015, during 2018-19, NTPC awarded contracts for procurement of 2.5 MMT imported coal in December 2018. 1.05 MMT of imported coal was received in 2018-19, which includes spill over quantity of 2015 contracts.

NTPC’s reliance on imported coal is negligible, thereby contributing to reduction in cost of power. During the year 2018-19, less than 0.6 *per cent* of NTPC’s coal consumption was from imported sources.

Sourcing of Coal through E-auction

To supplement import coal as well as deficiencies in FSA coal quantity, NTPC participated in e-auctions of CIL subsidiaries & SCCL oftotal 1,154 nos. rake of coal (4.54 MMT) in 2018-19, out of which 545 nos. rake of coal (2.15 MMT) have been allotted.

Gas supplies

During the year 2018-19, NTPC received total 3.66 MMSCMD of domestic gas as against 4.48 MMSCMD of domestic gas received during 2017-18. Long Term RLNG & Spot RLNG off-takes during 2018-19 were 0.13 & 0.86 MMSCMD respectively.

NTPC has Administered Price Mechanism (APM) gas agreements up to July 2021, Panna-Mukta-Tapti (PMT) gas agreements up to December 2019 and Non-APM gas agreement upto July 2021 with GAIL.

NTPC extended the Long Term RLNG agreements with GAIL till December 2023, introducing RLNG offtake flexibility in peak power demand periods in the agreements. With the extension, the long pending LT RLNG ToP (Take-or-Pay) dispute with GAIL was settled and contingent liabilities of Rs. 5821.61 crore in Company's books of accounts got cleared.

For additional gas requirement over and above the supplies under long-term domestic gas & RLNG agreements, NTPC has been making arrangements for supply of Spot RLNG from domestic suppliers on 'Reasonable Endeavour' basis based on requirement and availability from time to time.

DEVELOPMENT OF COAL MINES PROJECT

NTPC has been allocated eight coal blocks viz. Pakri-Barwadih, Chatti-Bariatu&Chatti-Bariatu (South), Kerandari, Dulanga, Talaipalli, Banai, Bhalumuda and Mandakini-B by Govt. of India. In addition,Govt. of India also allocated Kudanali-Luburi coal block jointly to NTPC and the State of J&K, with NTPC's share of coal reserves in this block being two-third and Banhardih coal block, allocated to Patratu Vidyut Utapadan Nigam Ltd. (PVUNL). Further, Ministry of Coal vide letter dated 03.04.2019 sought Bihar State Power Generation Company Limited's prior consent for assigning Badam coal block in favour of NTPC. From these 11 coal blocks, with a total estimated geological reserves of about 7.3 Billion Metric Tonnes, NTPC (including JVs) expects to produce about 119 Million Metric Tonnes of coal per annum. NTPC expects to produce about 102 Million Metric tonnes per annum on standalone basis. Coal production commenced from Pakri-Barwadih coal block (basket mine) in December 2016. In Dulanga block coal extraction started in March 2018.The end use plant of this mine is Darlipalli STPP located about 10 kms from the block. Mine Developer-cum-Operator (MDO) for TalaipalliandChatti-Bariatu coal blocks were appointed on 13.11.2017. MDO contract was suspended and the matter is subjudice with Hon'ble Supreme Court. However, the block development activities like land acquisition payments and infrastructure development activities are in progress. In Talaipalli-South pit, outside MDO scope, tender has also been floated for commencement of Mining Operation and other associated works.

For Kerandari coal block, mining operation would be carried out departmentally with limited outsourcing. NTPC has floated tenders for appointing mine operator and also for other mine infrastructure facilities for this block.

As per Allotment Agreement with Ministry of Coal, scheduled target for coal production from the three blocks i.e.Talaipalli, Chatti-Bariatu and Kerendari is November 2019.

For Mandakini-B coal block, Mining Plan & FR is under finalization. Mining infrastructure development activities are in progress. Section-7(CBA act) notification issued by MoC. Target for commencement of production is October 2023.

At the time of allotment, the Banai &Bhalumuda coal blocks were unexplored. The exploration was completed and Geological Report(s) are available. There are issues in availability of land for external OB dump and therefore with a view to optimize exploitation, NTPC has proposed to the Nominated Authority, Ministry of Coal, for merger of these coal blocks. The matter is under consideration at MoC.

RENOVATION AND MODERNISATION

Renovation and Modernization (R&M) of various units in particular the units which have completed 25 years of operations from commercial operation date is considered essential to achieve the objectives such as safe operation of the units, compliance of latest statutory norms/revised Environmental norms / IEGC Code, Recovery/improvement of Efficiency of the Units, Reliability Improvement, flexible operations to enable large scale integration of renewables, Sustenance of operations considering equipment health assessment observed during last 2-3 years, overcoming constraints on account of current operating conditions (changes in coal quality, water supply arrangements, change in law, etc.).

Investment approval accorded till 2018-19 for R&M in 20 stations (Coal & Gas based) was of `14,116.12 crore. Against this, cumulative expenditure till 31.03.2019 was ` 7,518.56 crore which included R&M capital expenditure of `701.36 crore during FY 2018-19. With a view to maintain a clean atmosphere in and around the power plant by reduction of particulate emission levels from generating stations, Renovation and Retrofitting of Electrostatic Precipitator (ESP) packages have been awarded for 51 Units in 11 Stations, all awarded prior to FY 2018-19. ESP R&M work has been completed during 2018-19, in 5 units viz. Talcher STPS (2x500 MW), Vindhyachal (1x210 MW) and Singrauli (2x200 MW). Total no. of units in which ESP R&M has been completed till March 2019 was 28 in 10 stations viz. Tanda – (4x110MW), Singrauli - I & II (5 x 200MW + 2 x 500MW),

With a view to removing technological obsolescence, renovation of Control & Instrumentation (C&I) has been taken up in 9 coal based stations namely Singrauli-I &Singrauli-II, Korba-I & Korba-II, Ramagundam-I &Ramagundam-II, Farakka-I &Farakka-II, Dadri Thermal-I, Unchahar-I, Talcher STPS-I, Kahalgaon-IandRihand comprising a total of 38 units. The total no. of units in which C&I R&M completed till 2018-19 was 30. Renovation of Control & Instrumentation (C&I) has also been taken up in five gas based stations viz. Anta, Auraiya, Kawas, Dadri Gas and Faridabad prior to FY 2018-19. The total no. of units in which C&I R&M has been completed in gas stations till March 2019 was 13 GT/WHRBand 6 STG. On completion of these schemes, C&I systems in these units have now been brought nearly on par with the new builds. R&M of Gas Turbines was completed in 14 Gas Turbines in 4 stations Viz. Kawas, Auraiya, Anta and Gandhar.

DIVERSIFICATION

In order to strengthen its competitive advantage in power generation business, NTPC has diversified its portfolio to emerge as an integrated power major, with presence across entire power value chain through backward and forward integration into areas such as coal mining, power equipment manufacturing, power trading and distribution. NTPC Continuously explores business opportunities through market scanning and adopts new business plans accordingly.

LIST OF RECORDS AND BOOKS MAINTAINED BY THE COMPANY

NTPC maintains/ holds various categories of document which are broadly as detailed below:

(i) Memorandum & Articles of Association, Statutory Registers under the Companies Act, 2013. Statutory Registers under other applicable Acts and Rules & Regulations, Annual Reports, Annual Returns, Returns & Forms filed with the Registrar of Companies, etc.

(ii) Notices and Minutes Book of General Meetings of the shareholders, etc.

(iii) Tender Documents, Tender Specifications & drawings for projects, Test & Inspection Reports (CHPs) & MDCCs.

(iv) Detailed Project Report/ Feasibility Reports (as applicable) of Projects implemented and those under implementation.

FRAUD PREVENTION POLICY.

As per the provisions of Section 619(3) of the Companies Act, 1956, Fraud Prevention Policy was implemented in NTPC and suspected fraud cases, referred by the Nodal Officers to Vigilance Department are investigated immediately to avoid/ stop fraudulent behaviours as defined in "Fraud Prevention Policy".Fraud Prevention Policy applies to any fraud, or suspected fraud involving employees of NTPC as well as representatives of vendors, suppliers, contractors, consultants, service providers or any outside agency(ies) doing any type of business with NTPC.

VIGILANCE

NTPC has a Vigilance Department headed by Chief Vigilance Officer of the rank of Joint Secretary, GOI, who is a nominee of the Central Vigilance Commission. Vigilance set up in NTPC comprises of Vigilance Executives in Corporate Centre and Projects. In Projects, the VEs report to the Project Head in administrative matters but in functional matters, they reportto Chief Vigilance Officer. Corporate Vigilance consists of 04 Cells namely, Investigation & Processing Cell, Departmental Proceedings Cell, Technical Examination Cell and MIS Cell. These cells deal with various facets of vigilance mechanism. The vigilance works have been assigned region wise Vigilance Officers at Corporate Centre (Regional Vigilance Executive) for speedier disposal. Senior officials of Vigilance Department comprising GM (Vigilance), Regional Vigilance Executives and Head of DPC/MIS Cell meet regularly to discuss common issues having in order to ensure efficient and uniform working in all Regions.

PROJECT FINANCING PATTERN / SCHEMES:

CERC Tariff Regulations allow for recovery of interest cost on debt and return on equity on a 70:30 debt to equity ratio. In line with the CERC Tariff Regulations, the projects of the Company (except Renewable Energy Projects) are financed by debt & equity in the ratio of 70:30. Renewable Energy Projects are to be financed by debt & equity in the ratio of 80:20. As NTPC is under a rapid capacity expansion mode, major portion of capital expenditure requirement of the company has to be funded by debt. NTPC borrows in the form of non-convertible bonds/ debentures, rupee term loans from banks and financial institutions, foreign currency borrowings, foreign currency bonds etc. The non-convertible bonds/debentures are raised by NTPC under public issue route or through private placement basis.

In addition to capital expenditure requirement as explained above, NTPC also needs to borrow for meeting its working capital requirement and other general corporate purpose which is partly proposed to be met through issuance of non-convertible bonds.

COST RECORDS & AUDIT

The system envisages cost centre-wise aggregation of expenses, apportionment of common / administration expenses to cost centres which help in preparation of cost statements. The cost accounting system is integrated with the financial accounting system. ERP-SAP is used at all the stations to record various transactions related to receipt and issue of materials, salary and wages, repair and maintenance, fixed assets and depreciation etc. A system of account codes is used to identify the nature of the financial transactions while cost centre codes identify the group or activity.

As prescribed under the Companies (Cost Records and Audit) Rules, 2014, the Cost Accounting records are being maintained by all stations of NTPC. Seven firms of Cost Accountants were appointed under Section148(3) of the Companies Act, 2013 for the financial year 2018-19.

The consolidated Cost Audit Report for NTPC for the year 2017-18 was filed with the Central Government on August 24, 2018.

INVENTORY CONTROL PROCEDURES

There are two types of inventory in NTPC

(i) **Construction Inventory:** This includes mainly Steel, Cement and Miscellaneous Items like pipes, pipe fitting, cables etc.

(ii) **Operation & Maintenance Inventory:** This includes mainly Primary & Secondary Fuel Spares, Loose Tools, Chemicals, Gases & Explosives, oils and lubricants, Consumables & General Stores and Scrap Items.

For Controlling the Spares inventory, the techniques of ABC Analysis, XYZ Analysis are used.

WORKS POLICY

The Contracts and Materials Department is in charge of calling for tenders for the new projects and Renovation and Modernization works on global and domestic bid basis. Such contracts are in the nature of manufacturing, supply, erection and commissioning of the units and other major civil works.

HUMAN RESOURCE MANAGEMENT

In NTPC, the manpower analysis is done based on the productivity of employees. As on 31st March 2019, there were 18359 employees in NTPC compared to 19739 in 2017-18. The productivity of employees is demonstrated by increase in generation per employee and consistent reduction of Man-MW ratio year after year. The overall Man-MW ratio for the year 2018-19 excluding JV/subsidiary capacity is 0.40 and 0.38 including capacity of JV/ Subsidiaries. Generation per employee was 14.95 MUs during the year based on generation of NTPC stations.

MANAGEMENT INFORMATION SYSTEM

A monthly report is generated from project sites and power stations indicating quantitative and physical progress achieved, short-falls, reasons for short-fall, measures taken to overcome the short-falls, further help needed, if any, from top level, various achievements and targets and plans for the next month. In this manner monitoring and controlling of the projects from the site is done to identify and ascertain problems which need timely solution from various control centres.

PROJECT MANAGEMENT CONTROL SYSTEM

NTPC has adopted an integrated system for planning, scheduling, monitoring and control of approved projects under implementation. To co-ordinate and synchronise all the support functions of project management, the Issuer relies on a three-tiered project management system known as the Integrated Project Management Control System (IPMCS), which integrates its engineering management, contract management and construction management control centres. The IPMCS addresses all stages of project implementation, from concept to commissioning.

NTPC has established IT enabled Project Monitoring Centre (PMC) for facilitating fast track project implementation. PMC has advanced features like Web-based Milestone Monitoring System (Web miles), Project Review and Internal Monitoring System (PRIMS), etc. PMC facilitates monitoring of key project milestones and also acts as decision support system for the management.

Internal Control

NTPC has robust internal systems and processes in place for smooth and efficient conduct of business and complies with relevant laws and regulations. A comprehensive delegation of power exists for smooth decision making which is periodically reviewed to align it with changing business environment and for speedier decision making. Elaborate guidelines for preparation of accounts are followed consistently for uniform compliance. In order to ensure that all checks and balances are in place and all internal control systems are in order, regular and exhaustive internal audits are conducted by the firms of Chartered Accountants in close co-ordination with the Company's own Internal Audit Department. Besides, the Company has two committees of the Board viz. Audit Committee and Committee on Management Controls to keep a close watch on compliance with Internal Control Systems.

An internal control framework has been developed identifying key controls. The supervision of operational efficiency of designed key controls is done by Internal Audit. The framework provides elaborate system of checks and balances based on self-assessment as well asaudit of controls conducted by Internal Audit at the process level. The Internal Control Framework system presents a written assessment of effectiveness of Company's internal control over financial reporting by the process owners to facilitate certification by CEO and CFO and enhances reliability of assertion.

AUDIT COMMITTEE

The composition, quorum, scope, etc. of the Audit Committee are in line with the Companies Act 2013, SEBI LODR and Guidelines on Corporate Governance as issued by Department of Public Enterprises, Govt. of India.

As on 31 March 2019, the Audit Committee comprised of the following:

1. Four independent Directors to be nominated by the Board from time to time.
2. Joint Secretary & Financial Advisor (JS & FA), Ministry of Power (MOP), Govt. of India nominated on the Board of NTPC.

Director (Finance), Head of Internal Audit Department and Senior Executives are invited to the Audit Committee Meetings for interacting with the members of the Committee. The Statutory Auditors and Cost Auditors of the Company are also invited to the meetings of Audit Committee while discussing financial statements & Cost Audit Reports respectively. The Company Secretary acts as the Secretary to the Committee.

ISO CERTIFICATION

As on 31 March 2019, NTPC's 19 power stations have ISO 14001 and OHSAS 18001 certification and four stations, certifications are under renewal by reputed National and

International certifying agencies in recognition of its sound environment management systems and practices.

New Environmental Norms Implementation Plan and Challenges

Online Coal Ash Analyser

New environmental norms have mandated use of coal with ash content not exceeding 34 *per cent* on quarterly average basis for coal based Thermal Power Plants located far away from coal mines/sources. To ensure its compliance, NTPC has taken initiative and Online Coal Analyser is being installed in all such power plants and all upcoming coal based thermal power plants.

Fly Ash Classification & Bagging System

With the changing environmental norms and land acquisition issues, ash disposal is a serious challenge. To mitigate the issue, increased ash utilization is a potential solution. NTPC is considering implementation of fly ash classification system and Bagging Plant for its upcoming coal based thermal power projects at Singrauli III and Lara II.

SOx, NOx & SPM reduction

In order to comply with the applicable new environmental norms notified by MOEF&CC vide gazette notification dated 07.12.2015 pertaining to SO2, FGD system will be required to be installed in the existing as well as under construction coal fired power plants. NTPC alongwith its JV is having around 155 units of 65 GW capacity i.e. all operating as well as under construction units. The Company is taking a lead role in the implementation of FGD. Till 2018-19, NTPC has issued tenders for 137 units of around 63 GW capacity that covers all units operating as well as under construction except some smaller units. Further, FGD in Vindhyachal, Stage-V is in operation. FGD installation work in 31,370 MW is underway.

Tree Plantation:

NTPC has undertaking tree plantation covering vast areas of land in and around its projects and till 2018-19 more than 34 million trees have been planted throughout the country including 10 million trees planted during 2018-19 under accelerated afforestation programme.

The afforestation has not only contributed to the 'aesthetics' but also helped in carbon sequestration by serving as a 'sink' for pollutants and thereby protecting the quality of ecology and environment. Further, NTPC has embarked upon long-term Memorandums with State authorities to assist National Commitment of NDC in COP 21, by planting 7 million saplings during 2019-26 @ 1 million per year.

RESEARCH & DEVELOPMENT DETAILS INCLUDING ACTIVITIES UNDERTAKEN

NTPC has assigned 1 *per cent* of PAT for R&D activities focused to address the major concerns of the sector as well as the future technology requirements of the sector. In this effort, NTPC has established NTPC Energy Technology Research Alliance (NETRA) as center for research, technology development and scientific services in the domain of electric power. The focus areas of NETRA are – Efficiency Improvement & Cost Reduction; New & Renewable Energy; Climate Change & Environmental protection which includes water conservation, Ash utilization &Waste Management. NETRA also provides Advanced Scientific Services to its stations and other utilities inthe area NDE, Metallurgy, failure analysis, oil/water chemistry, environment, electrical, Rotor dynamics etc. for efficient performances. Research Advisory Council (RAC) of NETRA comprising eminent scientists and experts from India and abroad isin place to steer research direction. Scientific Advisory Council (SAC) chaired by Director(Tech.) and Director (Operations), with Regional Executive Directors, ED (Engg.), ED (OS) and ED (NETRA)as its member, provides directions for undertaking specific applied research projects aimed to develop techniques in power plant for efficient, reliable and environment friendly operation with emphasis on reducing cost of generation.

CSR ACTIVITIES

NTPC has a comprehensive Resettlement & Rehabilitation (R&R) policy covering community development (CD) activities, revised and updated from time to time. CD activities in green field area are initiated as soon as project is conceived and thereafter-extensive community/peripheral development activities are taken up long with the project development. Separate CSR Community Development Policy, formulated in July 2004 and Sustainability Policy formulated in November 2012 were combined in 2015 and revised in 2016 as "NTPC Policy for CSR & Sustainability" in line with Companies Act 2013 and DPE Guidelines for CSR.

CSR & Sustainability programs undertaken by NTPC include activities specified in Schedule VII of the Companies Act 2013& rules made there under and any other activity for benefit of community at large. Focus areas of NTPC CSR & Sustainability activities are Health, Sanitation, safe Drinking Water, Education, Capacity Building, Women Empowerment, Social Infrastructure livelihood creation and support through innovative agriculture & livestock development, support to Physically Challenged Person (PCPs), and activities contributing towards Environment Sustainability. During 2018-19, about 500 villages and more than 450 schools have been benefitted by NTPC's various CSR initiatives at different locations.

DETAILS OF SUBSIDIARIES OF THE COMPANY

1. Bhartiya Rail Bijlee Company Limited (BRBCL)

BRBCL was incorporated as a subsidiary of NTPC on 22nd November 2007 having equity participation of 74:26 by NTPC Ltd. and Ministry of Railways, Govt. of India for setting up power project of 1000 MW (4x250 MW) capacity at Nabinagar in Bihar. Unit#1, 2& 3 was declared commercial on 15.01.2017, 10.09.2017 and 26.02.2019 respectively. Construction activities of last unit were in progress. As on 31 March 2019, NTPC had investment of Rs. 1599.53 crore in the company.

2. Kanti Bijlee Utpadan Nigam Limited (KBUNL)

As per the decision of Govt. of India, a Company named 'Vaishali Power Generating Company Ltd.' was incorporated on September 6, 2006 as a subsidiary of NTPC to take over Muzaffarpur Thermal Power Station (MTPS) (2 x 110 MW). The Company was renamed as 'Kanti Bijlee Utpadan Nigam Limited' on 10.04.2008. Pursuant to Memorandum of Understanding (MoU) with State Government of Bihar and its affiliate companies on 15th May 2018 and after execution of Share Sale & Purchase Agreement (SSPA) between NTPC, BSPGCL and KBUNL on 21st June 2018, 27.36 *per cent* holding in equity share capital of KBUNL held by Bihar State Power Generation Company Limited (Shareholder) (erstwhile Bihar State Electricity Board) has been acquired by NTPC on 29.06.2018. Now, KBUNL has become a wholly owned subsidiary of NTPC. This Company has also takenup expansion of the project by installation of 2x195 MW units.Unit#3 of Stage-II was declared commercial on 18.03.2017 and Unit#4 of Stage-II was declared commercial on 01.07.2017. Total generation in FY 2018-19 was 3041.368 MU at 56.92 *per cent* PLF. As on 31 March 2019, NTPC had investment of Rs. 1510.68 crore in the company.

3. NTPC Electricity Supply Company Ltd. (NESCL)

NTPC Electric Supply Company Limited (NESCL), a wholly-owned subsidiary of NTPC, was incorporated on 21stAugust 2002 to foray into the business of distribution and supply of electrical energy, as a sequel to reforms initiated in the power sector. NESCL was incorporated for the distribution businessand later started deposit and consultancy works. NESCL implemented the job of rural electrification under Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) and also carried out electrification of villages within 5 Km area of various NTPC Projects. NESCL transferred and vested all its operations, with effect from 1 April 2015 to NTPC. Currently NESCL does not have any business operations in retail distribution. As on 31 March 2019, NTPC had investment of Rs. 0.08 crore in the company.

4. NTPC Vidyut Vyapar Nigam Ltd. (NVVN)

NTPC Vidyut Vyapar Nigam Limited (NVVN), a wholly owned subsidiary, was incorporated on 1st November 2002. NVVN is engaged in the business of Power trading. NVVN has a trading License under Category I (highest category). It undertakes sale and purchase of electric power, to effectively utilize installed capacity and thus enable reduction in the cost of power. The Company has been designated as the nodal agency for cross border trading with Bhutan and Bangladesh and for National Solar Mission. The Company is also implementing a 50 MW gas power project in Andaman & Nicobar. In the FY 2018-19, NVVN traded 17.44 billion units (BUs). As on 31 March 2019, NTPC had investment of Rs. 20 crore in the company.

5. Patratu Vidyut Utpadan Nigam Limited (PVUNL)

PVUNL was incorporated on 15.10.2015 as a subsidiary of NTPC with 74 *per cent* stake in the Company and 26 *per cent* of stake held by Jharkhand Bijli Vitran Nigam Limited (JBVNL) to acquire, establish, operate, maintain, revive, refurbish, renovate and modernize the performing existing units and tie-lines, sub-stations and main power transmission lines connected therewith and setting up of the new units.

For expansion units (Phase-I3x800 MW), supplementary Joint Venture Agreement was signed on 01.03.2018 and EPC package was awarded to BHEL on 08.03.2018. Construction is in progress. As on 31 March 2019, NTPC had investment of Rs. 234.12 crore in the company.

6. NabinagarPower Generating Company Ltd.

A 50:50 JV Company of NTPC and Bihar State Power Generation Company Limited (erstwhile BSEB) was incorporated on 09.09.2008 for setting up a 3x660 MW Coal based plant at Nabinagar. On 29.06.2018, NTPC acquired the paid-up share capital held by BSPGCL in NPGCL. NPGCL has now become wholly-owned subsidiary of NTPC. Construction activities are in progress. As on 31 March 2019, NTPC had investment of Rs.3987.16 crore in the company.

DETAILS OF JOINT VENTURES, PPP ETC OF THE COMPANY

1. Utility Powertech Limited (UPL)

UPL is a 50:50 joint venture company of NTPC and Reliance Infrastructure Limited was incorporated on 23.11.1995 to take up assignments of construction, erection and supervision of business in power sector and other sectors like O&M services, Residual Life Assessment Studies, non-conventional projects etc.

As at 31st March 2019, paid up share capital of UPL was` 4.00 crore.

2. NTPC-SAIL Power Company Pvt. Limited (NSPCL)

NSPCL, a 50:50 joint venture company of NTPC and SAIL incorporated on 08th February 1999,owns and operate Captive Power Plants of SAIL at Durgapur (2 x 60 MW), Rourkela (2 x 60 MW) and Bhilai (2 x 30 + 1 x 14 MW). NSPCL has also implemented (2x250 MW) Bhilai Expansion Power Plant. Total installed capacity of NSPCL is 814 MW. NSPCL generated 5886.88 MU at 82.56 *per cent* PLF in FY' 2018-19.

Under Implementation- New Coal based Capacity at Rourkela PP-II Expansion (1 x 250 MW) & Durgapur PP-III (2 x 20MW) is under construction.

As at 31st March 2019, paid up share capital of the Company was ` 980.50 crore and NTPC had investment of Rs. 490.25 crore in the company.

3. NTPC Tamil Nadu Energy Company Limited (NTECL)

NTECL was incorporated as 50:50 joint venture between NTPC and Tamilnadu Generation and Distribution Company (TANGEDCO) on 25th May 2003 to develop and operate 1500 MW power project at Vallur, Tamilnadu. The project was named as Vallur Thermal Power Project. All the units have been declared on commercial operation. Total generation of NTECL during FY 2018-19 was 7706.873 MUs at 58.62 *per cent* PLF and 75.40 *per cent* PAF.

As on 31 March 2019, paid up share capital of NETCL was ` 2,851.22 crore and NTPC had investment of Rs. 1425.61 crore in the company.

4. Ratnagiri Gas and Power Pvt. Limited (RGPPL)

RGPPL was formed in July 2005 as joint venture between NTPC and GAIL as promoters and MSEB Holding Co. Ltd. and Indian Financial Institutions as other equity participants for taking over and operating erstwhile Dabhol Power Project assets consisting of 1967 MW gas based combined cycle power block and 5 MMTPA LNG block.

As on 31st March 2019, NTPChad a stake of 25.51 *per cent* in RGPPL. PPAs have been signed by RGPPL with Indian Railways for supply of 500 MW for 5 years w.e.f. 01.04.2017 and Gas Supply Agreements were signed with GAIL for supply of1.75 MMSCMD of RLNG w.e.f. 01.04.2017 for 5 years.

Demerger scheme of RGPPL was approved by NCLAT on 28.02.2018 thereby separating the R-LNG business from RGPPL to the new entity Konkan LNG Private Limited (KLPL). Accordingly, paid-up share capital of RGPPL decreased from `3820.27 crore to `3,272.30 crore.

5. Aravali Power Company Private Limited (APCPL)

APCPL, a joint venture company of NTPC Ltd., Indraprastha Power Generation Co. Ltd. (IPGCL) of Delhi Govt. and Haryana Power Generation Corp. Ltd. (HPGCL) of Haryana Govt. was incorporated on 21.12.2006. NTPC, IPGCL and HPGCL have contributed equity in the ratio of 50:25:25. APCPL was formed to set up and operate Indira Gandhi Super Thermal Power Project of 1500 MW (3x500 MW), coal based fired power plant, in Jhajjar district of Haryana.

As on 31st March 2019, paid up capital of the Company is `2866.02 crore with 50 *per cent* being contributed by NTPC Ltd amounting to Rs. 1433.01 crore.

Total generation of APCPL during FY 2018-19 was 7396.263 MUs.

6. Meja Urja Nigam Private Limited (MUNPL)

MUPNL was incorporated a 50:50 JV between NTPC and Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited (UPRVUNL) on 02nd April 2008 for setting up a power plant of 1320 MW (2x660 MW) at Meja Tehsil in Allahabad, Uttar Pradesh. Construction activities are in progress. Unit#1 achieved full load on 31.03.2018 and TG erection for Unit#2 started in January 2018.

As at 31st March 2019, paid up share capital of the Company was ` 2518.66 crore and NTPC had investment of Rs. 1259.33 crore in the company.

7. NTPC BHEL Power Projects Pvt. Ltd. (NBPPL)

NBPPL, a 50:50 JV of NTPC and BHEL was incorporated on 28th April 2008 for taking up activities of engineering, procurement and construction (EPC) of power plants and manufacturing of equipments.

The promoters have decided to wind-up the Company and the activities are in progress. NTPC had investment of Rs. 50 crore in the company.

8. National High Power Test Laboratory Private Limited (NHPTL)

NHPTL was incorporated as a JV Company of NTPC, NHPC, PGCIL and DVC on 22nd May 2009 to establish a research and test facility for the power sector such as an "Online High Power Test Laboratory" for short circuit testing facility and other facilities as may be required for the same in the country. On 24th February 2012, Central Power Research Institute was inducted as fifth equity JV partner.NHPTL has declared commercial operation for Short Circuit Test of Transformers at 132kV, 220kV & 400kV w.e.f. 01.07.2017. NHPTL has declared commercial operation for Short Circuit Test of Transformers at 765kV w.e.f. 11.09.2017. The test facilities at NHPTL are accredited as per ISO/IEC17025:2005 ranging from 50MVA to 520MVA, 132kV to 765kV, 1 Phase & 3 Phase Transformers

9. Energy Efficiency Services Limited (EESL)

EESL, a JV company of NTPC, PFC, REC and PGCIL was formed on 10th December 2009 implementation of Energy Efficiency projects and to promote energy conservation and climate change. EESL is working on Energy Audit of Buildings, Perform Achieve Trade (PAT) scheme work and standard &lebelling work of BEE, Consultancy work, implementing Bachat Lamp Yojana and Agricultural & Municipal Pump replacement for various State Govts., Electric

Vehicle, Smart metering etc. As at 31st March 2019, shareholding investment in paid up capital by NTPC was Rs. 245.50 crore.

10. Transformers and Electricals Kerala Limited (TELK)

NTPC Ltd. joined hands with Govt. of Kerala for strategic acquisition of 44.60 *per cent* stake in TELK. Acquisition of 44.6 *per cent* stake in TELK from Govt. of Kerala on 19 June 2009 at a total value of `31.34 crore. The Company deals in manufacturing and repair of Power Transformers. NTPC has accorded in-principle approval for withdrawal of NTPC from TELK on 28.04.2016.

As at 31st March 2019, shareholding investment in paid up capital by NTPC was Rs. 31.34 crore.

11. CIL NTPC Urja Private Limited (CNUPL)

CIL NTPC Urja Private Limited was formed as a joint venture Company between NTPC Ltd. and Coal India Limited (CIL) on 27th April 2010. This Company has been formed with the aim of Development of Brahmini &ChichroPatsimal coal mine blocks for meeting coal requirement of Farakka and Kahalgaon expansion projects of NTPC.

As on 31st March 2019, shareholding investment in paid up capital by NTPC was Rs. 0.08 crore.

12 AnushaktiVidhyut Nigam Limited (ASHVINI)

Ashvini was incorporated as a Joint Venture Company between NTPC Limited (NTPC) and Nuclear Power Corporation of India Limited (NPCIL) on 27th January 2011. NTPC is having a stake of 49 *per cent* (Rs. 0.05 crore). The company was formed to set up Nuclear Power Project with two reactor units of mutually agreed capacity and at a mutually agreed location. Currently, no activities are being taken up by the Company.

13 Trincomalee Power Company Limited

Trincomalee Power Company Limited, a Joint Venture Company between NTPC and Ceylon Electricity Board, Sri Lanka (CEB), was incorporated in Sri Lanka on 26th September 2011 with 50 *per cent* shareholding by each Company. The joint venture Company was formed to set up a 2x250MW coal based power project in Trincomalee region in Sri Lanka. Meeting of Joint Working Group (JWG) was held in November 2016 and August 2017 for discussion on project arrangements. In 3rd JWG meeting held on 7th July 2018 in Colombo, it was agreed that LNG power projects shall be developed in phases. The Capacity of first phase was decided as 300 MW ±15 *per cent*. The project shall be developed on BOOT basis. SPV structure for implementation of LNG Power Project at Kerawalapitiya and Solar Power Project at Sampur has been finalized. Solar PP shall be developed by TPCL and a new JV Company shall be incorporated for LNG PP.

As on 31st March 2019, NTPC's contribution in paid up share capital in INR was ` 15.20 crore.

14 Hindustan Urvarak&Rasayan Limited (HURL)

HURL was incorporated on 15.06.2016 as a JV company of NTPC, Coal India Limited, Indian Oil Corporation Limited, Fertilizer Corporation of India Limited (FCIL) and Hindustan Fertilizer Corporation Limited (HFCL) to establish and operate new fertilizer and chemicals complexes (urea ammonia and associated chemical plants) at Gorakhpur & Sindri Units of FCIL and Barauni unit of HFCL and to market its products, taking into consideration the assets of FCIL and HFCL at Gorakhpur, Sindri and Barauni. Financial closure achieved for all 3 Projects. Loan Agreement was signed on 20.09.2018 for Gorakhpur and 11.10.2018 for Barauni& Sindri Projects. Lump sum Turnkey Contract (LSTK) for Gorakhpur project was awarded to Toyo Engineering on 27 Feb'18 with a completion schedule of 36 months. LSTK Contract for Barauni& Sindri project was awarded to Technip & L&T Hydro carbon Engineering (LTHE) consortium on 18th May 2018 with a completion schedule of 36 months. Pre Project-activities have been almost completed and basic infrastructure is in position at all three locations. Required major approvals and clearances obtained.

As on 31 March 2019, NTPC had 33.33 *per cent* shareholding in the company and Rs. 440.32 crore investment in the company.

15 NTPC GE Power Services Private Limited (NGPSL) earlier NTPC Alstom Power Services Private Limited

NGPSL (earlier NTPC Alstom Power Services Private Limited) was incorporated on 27.09.1999 to provide R&M services for coal based power plants in India. To renovate, modernise, refurbish, rehabilitate, upgrade, reverse engineering and component damage assessment. Also for undertaking residual life assessment, reengineering in India and on a project by project basis elsewhere abroad, utilising state-of-the art technology. R&M including RLA work orders are under execution. Recent modification in JV agreement now allow NGPSL to also take up FGD work for state utilities. NGPSL is also in advance stage of finalization of JV partner for setting up waste-to-energy plant across the country.

As on 31 March 2019, NTPC had 50 *per cent* shareholding in the company and Rs. 3.00 crore investment in the company.

16. Bangladesh-India Friendship Power Company Pvt. Limited (BIFPCL)

A 50:50 joint venture Company between NTPC and Bangladesh Power Development Board (BPDB) was formed on 31st October 2012 for developing a (2X660 MW) Coal based power project (Maitree Super Thermal Power Plant) at Khulna Division, Rampal, Bangladesh. EPC contract of the project except township was awarded to BHEL. Construction activities are in full swing. As on 31 March 2019, the book value of NTPC investments was `277.83 crore.

ACCOUNTING SYSTEMS:

NTPC has SAP ERP system for accounting of its all transactions.

AUDITING METHODOLOGY

Auditing Standard, Checklist for Accounts Audit, Compliance Audit, Contract Audit, and Audit of CFS mentioned in Chapter II and given in Annexures are be followed.

Accounts Audit

From 2008-09 to 2018-19, audit of annual accounts of NTPC was conducted under 'Three-Phase Audit' system. This system was reviewed by HQ office and it was decided (20 September 2019) to discontinue the Three Phase Audit system with immediate effect execpt in case of statutory corporation where CAG is the sole auditor. As per the new system introduced, supplementary audit in all the CPSEs shall be concucted after receipt of statutory auditor's Audit Report. Keeping in view the HQ office direction, audit of annual accouunts of NTPC from 2019-20 onwards would be conducted after receipt of Independent Auditor's Report.

During accounts audit, different audit checks are applied by the audit team which have been circulated by HQ office from time to time. These checklists are given in Annexure 'B'.

Compliance Audit

In Compliance Audit, audit of compliance done by the audited entity to the all applicable statutory laws, Regulations, Acts etc., transactions made and activities done by the Corporate Office is done every year as Corporate Office is the controlling unit of the Company. Besides, Compliance Audit of various power stations/regional offices of NTPC is conducted on the basis of Unit-selection done after carrying out risk assessment exercise every year on the basis of risk assessment criteria circulated by **HQs office.** The checklist for Compliance Audit is given in Annexure 'E'.

Contract Audit

Audit of contracts awarded by Corporate Contract Division of NTPC is carried out every year. Guidelines for Contract Audit is given in Annexure 'F'.

AUDIT PLAN & MANDAYS ALLOCATION

Allocation of mandays for NTPC Audit in annual audit plan for the year 2019-20 was as under:

Nature of Audit	Mandays allocated in annual audit plan
Corporate Office including Corporate Contracts- Compliance Audit	300
Accounts Audit	180
Compliance Audit of NTPC Units	330
Compliance Audit - Subsidiaries & JV of NTPC	180
Accounts Audit - Subsidiaries & JV of NTPC	194
Total	**1184**

Subsidiaries of NTPC

NTPC ELECTRIC SUPPLY COMPANY LIMITED

1. **INTRODUCTION OF THE ORGANIZATION :**

a) **Date of Incorporation** – 21st August 2002

b) **Administrative Ministry** – Ministry of Power, Government of India

c) **Vision and mission** –

Vision Statement

To deliver quality power to the Nation by creating models of excellence and benchmarks in electricity distribution thereby achieving customer delight.

Mission Statement

- To create a role model in the electricity distribution business by setting new benchmarks.
- To provide transparent, ethical and prompt services for enhancing customer delight.
- To adopt creative and innovative techniques for demand-side management and financial viability of the distribution businesses.
- To speedily plan and implement distribution networks using state-of-the-art technologies.
- To provide reliable uninterrupted and quality power at appropriate tariffs.
- To achieve effective energy accounting by ensuring accurate metering timely billing and collection of revenues.
- To create competent and committed human resource by nurturing technological & commercial competence for organizational growth and excellence.

- d) Offices/regions/ sub offices etc. –

Regd. Office: NTPC Bhawan, Core-7, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi-110003

2. OBJECTIVES OF THE ORGANIZATION

The Main objectives of the Company are as follows: -

To acquire, establish, construct, erect, lay, operate, run, manage, repair, maintain, enlarge, alter, renovate, modernize works and use in india or abroad, electrical lines for the purposes of distribution and/or supply of electrical energy and associated sub-stations, including distribution centers, cables, wires, accumulators, plants, motors, meters, apparatus, computers, systems, network, information technology, and materials connected with distribution and/or supply of electrical energy, communication and telemetering equipments, and to light cities, towns, streets, docks, railways, markets theater, air port, bus terminal building and places, both public and private and to develop and operate business of information technology including cable television and telecom.

3. CAPITAL STRUCTURE (as on 31 March 2021)

Authorised Capital – Rs. 10 crore (1 crore equity shares of Rs. 10 each)
Paid up capital – Rs. 8.09 Lakh
Contribution of Shareholders – Rs. 8.09 Lakh (100 *per cent* equity shares are held by NTPC Limited and its nominees)

4. ORGANISATIONAL SET UP (in organogram form):

Subject to ultimate control by the Shareholders, the company is managed by its Board of Directors. The management of the day-to-day affairs of the Company shall, however, vest with the Chief Executive Officer who is not a member of the Board.

5. ACTIVITIES OF THE ORGANIZATION:

Currently the Company does not have any business operations in retail distribution, the same will be taken-up at an appropriate time when the opportunity becomes visible. During the financial year 2020-21, the company had participated in the bidding process for privatization of Power distribution business of Union Territory of Chandigarh and Union Territory of Dadra & Nagar haveli and Daman & Diu.

6. BUDGET AND PLANNING

(Rs. In Lakh)

S.No.	Particulars	2018-19		2019-20		2020-21	
		Budgeted	Actual	Budgeted	Actual	Budgeted	Actual

1.	**Capital Expenditure**	**NA**	**NIL**	**NA**	**NIL**	**NA**	**NIL**
2.	**Revenue Expenditure**	**NA**	**0.55**	**NA**	**1.31**	**NA**	**108.81**

During the abovementioned 3 years company had not received any grant from any government

7. ACCOUNTING SYSTEM IN THE COMPANY AS WELL AS IN THE R.O'S/ BRANCH OFFICES ETC : Accounting in compliance to the IndAS is being done centrally.

8. MANPOWER ANALYSIS (As on 31.3.2021):

	Sanctioned	Actual
Executives		1
Non- Executive		0
Total		1

9. MOU TARGETS and ACHIEVEMENTS for the last three financial years 2018-19 to 2020-21:

The company is exempted from MOU Targets

S.No.	Particulars	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
1.	Turnover from operations (Cr)	N.A.					
2.	Operating profit						
3.	Return on Investment (%)						
4.	Overall rating						

10. COMPUTERIZATION: SAP is being used as ERP software. CAG has conducted supplementary audit u/s 149(6) and submitted their report without any adverse remark.

11. INTERNAL AUDIT

NESCL has adequate internal control systems and procedures in place commensurate with the size and nature of its business. Currently NESCL is not having any business operations, but NESCL has adopted the internal control system of its holding company viz. NTPC Limited.

During the days of business operations, authorities vested in various levels were exercised within framework of appropriate checks and balances. During the days of business operations, effectiveness of the checks and balances and internal control systems were reviewed during internal audit carried out by Internal Audit Department of NTPC Limited and an independent internal audit was also carried out by experienced firm of Chartered Accountants in close co-ordination with departments of the Company and Internal Audit Department of NTPC Limited. As the systems and procedures of Internal control are in place, the same will get activated as the Company starts its business operations.

12. ACT, RULES, OTHER DOCUMENTS APPLICABLE TO THE ORGANIZATION.

Companies Act, 2013, Income Tax Act, 1961

13. OPERATING RESULTS (Targets vis –a-vis achievements) :

S.No.	Particulars	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
1.	Turnover from operations (Cr)	The company has not carried out any business activity during these years					
2.	Operating profit						
3.	Return on Investment (%)						
4.	Overall rating						

14. FINANCIAL WORKING RESULTS

(Rs in Lakh)

Particulars	2018-19	2019-20	2020-21
Income			
Revenue from operations	-		
Other Income	0.42	1018.11	735.31
Total Income(A)	**0.42**	**1018.11**	**735.31**
Total Expenditure(B)	**0.55**	**1.31**	**108.81**
Profit before Tax (A-B)	**(0.13)**	**1016.80**	**626.50**

15. DISINVESTMENT

Neither any disinvestment had been carried out nor any disinvestment is planned or in pipeline.

16. ENVIRONMENT MANAGEMENT

Presently the company is not carrying out any operation. Hence this para is not applicable

OTHER :

DETAILS OF THE UNITS / DEPARTMENT OF THE ORGANISATION

All the existing deposit and consultancy work of NESCL have been transferred w.e.f. 01.04.2015 to NTPC Ltd. Accordingly, the company has stopped all operations w.e.f. 01.04.2015.

DIVERSIFICATION

No diversification till date.

LIST OF RECORDS AND BOOKS MAINTAINED BY THE COMPANY

All records as per the Companies Act, Income Tax Act and other tax laws labour laws.

PROJECTS IN HAND/ ORDER IN HAND

All the existing deposit and consultancy work of NESCL have been transferred w.e.f. 01.04.2015 to NTPC Ltd. Accordingly, the company has stopped all operations w.e.f. 01.04.2015.

PURCHASE POLICY & PROCEDURE

All the existing deposit and consultancy work of NESCL have been transferred w.e.f. 01.04.2015 to NTPC Ltd. Accordingly, the company has stopped all operations w.e.f. 01.04.2015.

VIGILANCE

The Vigilance function is looked after by one identified officer of Vigilance Department of NTPC Limited.

CASH MANAGEMENT/FINANCING PATTERN/SCHEMES

All the existing deposit and consultancy work of NESCL have been transferred w.e.f. 01.04.2015 to NTPC Ltd. Accordingly, the company has stopped all operations w.e.f. 01.04.2015.

COSTING SYSTEM

All the existing deposit and consultancy work of NESCL have been transferred w.e.f. 01.04.2015 to NTPC Ltd. Accordingly, the company has stopped all operations w.e.f. 01.04.2015.

INVENTORY CONTROL PROCEDURES

Company has no inventory.

WORKS POLICY

All the existing deposit and consultancy work of NESCL have been transferred w.e.f. 01.04.2015 to NTPC Ltd. Accordingly, the company has stopped all operations w.e.f. 01.04.2015.

HUMAN RESOURCE MANAGEMENT

As on 31.03.2019, the company did not have any regular employees/contractual employees on its role and subsequent to transfer and vesting of its operations to NTPC Limited w.e.f. 01.04.2015, all employees were transferred to NTPC Limited. Further, an NTPC employee has been given the additional responsibility of CEO, NESCL to discharge statutory obligations. No expenditure has been incurred towards employee benefits in last three financial years.

MANAGEMENT INFORMATION SYSTEM

All the existing deposit and consultancy work of NESCL have been transferred w.e.f. 01.04.2015 to NTPC Ltd. Accordingly, the company has stopped all operations w.e.f. 01.04.2015.

AUDIT COMMITTEE

NESCL does not have Audit Committee since there is no requirement as per the provisions of the Companies Act.

ISO CERTIFICATION

The Company has not obtained ISO certification.

RESEARCH & DEVELOPMENT DETAILS INCLUDING ACTIVITIES UNDERTAKEN

Not applicable.

II. NTPC VIDYUT VYAPAR NIGAM LIMITED

1. Introduction

NTPC Vidyut Vyapar Nigam Ltd. (NVVN) is a wholly owned subsidiary of NTPC Limited. NVVN commenced its first trading operations in March 2003 with the supply of surplus power from Eastern Region Stations of NTPC to Meghalaya State Electricity Board and Assam State Electricity Board. In accordance with the Central Electricity Regulatory Commission (CERC) notification, NVVN has a trading licensee under Category I (highest category). In the financial year 2018-19, NVVN achieved highest ever power trading volume of 17,437 million units (MUs) apart from Renewable Energy Certificates (RECs) equivalent to 97 MUs.

a) Date of formation

01st Nov 2002

b) Administrative ministry

Ministry of Power

c) Vision and mission

Vision

To be a catalyst in development of wholesale power market in India enabling trading of surplus power.

Mission

i) Provide good value to potential sellers and develop commercial arrangements for their surplus power

ii) Provide viable alternatives to buyers for meeting their demands

iii) Enable NTPC to maintain optimal generation level through mutually beneficial trading transactions

iv) Plan and establish a Power Exchange at National Level using State-of-the art technology.

d) Nature of business including geographical scope

Nature of business: Power trading/ Renewable/ E mobility/ Waste to Energy

Geographical Scope: India and Abroad

e) Offices/region/sub-offices etc.

Address of Registered Office: NTPC Bhawan, Core-7, SCOPE Complex, 7 Institutional Area, Lodi Road, New Delhi-110003.

Address of Corporate Office: Core 5, 1st & 2nd Floor, SCOPE Complex, 7 Institutional Area, Lodi Road, New Delhi-110003.

2. Objectives of the Organization

NTPC Vidyut Vyapar Nigam Ltd. (NVVN) was incorporated by NTPC Limited, as its wholly owned subsidiary to cater to and deal with the vast potential of power trading in the country and optimum capacity utilization.

3. Capital Structure as on 31.03.2021

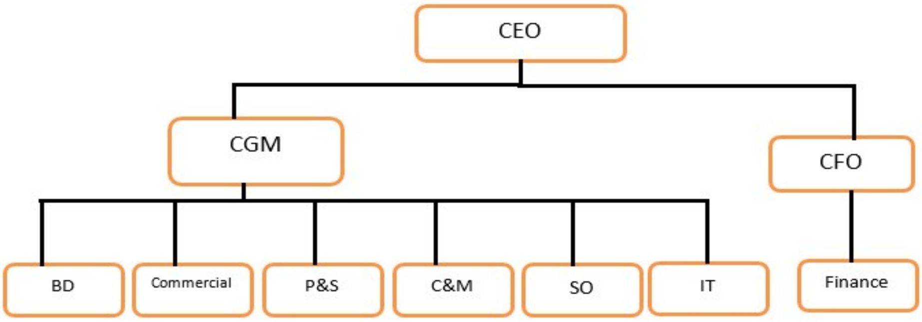
Total Shareholding by Promoter (NTPC Ltd.) = 100 *per cent* (3,00,00,000 shares)

a. **Authorised Capital** : ₹ 2,20,00,00,000

b. **Paid up capital** : ₹ 30,00,00,000

c. **Contribution of Shareholders** : ₹ 30,00,00,000

4. Organizational Set up (in organogram form)



5. Activities of the Organisation.

Main Activity

To undertake the business of purchase of all forms of electrical power, both from conventional and non-conventional sources from Generating Companies, Captive Power Plants, Transmission Companies, State Electricity Boards, State Governments, Statutory Bodies, Licensees, and to procure it from other sources (whether private, public or joint sector undertakings) including import from abroad and to sell such power to the State Electricity Boards, State Power Utilities, Generating Companies, Transmission Companies, Distribution Companies, State Governments, Licensees, Statutory Bodies, other organisations and bulk consumers of power, whether in private or public or joint sector undertakings in India and abroad and to co-ordinate with all concerned for purchase, sale, import, export, supply, transmission and distribution of all forms of electrical power and undertake all connected functions.

Diversification

NVVN is also diversifying in rooftop solar, electric vehicles, waste to energy projects etc. NVVN is planning to establish its footprint in A&N island by setting 50MW LNG project.

6. Budget and Planning (Rs in Crore)

S.No.	Particulars*	2018-19		2019-20		2020-21	
		Budgeted	Actual	Budgeted	Actual	Budgeted	Actual
1.	Capital Expenditure**	-	0.06	3.06	1.11	60.84	52.76
2.	Revenue Expenditure**	5390.87	4401.27	6105.45	4400.31	4001.14	3933.97

7. **Accounting System in the company as well as in the R. O's /Branch offices** Accounts are prepared via Indian Accounting Standards. There is only one branch/ Head Office as on date. All the records are maintained at head office.

8. Manpower Analysis viz., Executive/Non-Executive and Sanctioned/Actual etc. as on 31.03.2021.

Managerial/Executive:35

9. MoU Targets and Achievements for last three financial years 2018-19 to 2020-21:

S.No.	Particulars	2018-19*		2019-20*		2020-21	
		Target	Actual	Target	Actual	Target	Actual
1.	Turnover from operations (Cr)	5225	5528	6100	5596	4400	4037
2.	Operating profit (%)	1.5	1.45	1.4	1.57	1.75	2.55
3.	Return on Investment (%)	19.00	19.81	17	21	17.5	22.65
4.	Overall rating		Excellent		V Good		Excellent

*Figures before INDAS 115

10. **Computerization :**

NVVN carries out its business transactions on SAP-ERP System of NTPC Ltd, its parent company. NTPC has contingency plans developed for interruption of computer system due to natural disaster. A Disaster Recovery (DR) setup is implemented at Hyderabad. All the Production Systems, infrastructure and services at Data Center (at Noida) and DR Site are with full redundancy, so as to ensure no single point of failure at any point of time

11. Internal Audit :

Internal Audit department of NTPC (Holding company) sets procedures and practices for internal audit. Internal Audit is conducted in two phases of 6 months.

12. Act, Rules, other documents applicable to the Organisation.

Companies Act, Income tax, GST Act, CERC regulations and Guidelines from DPE time to time

13. Operation Results

S.No.	Particulars	2018-19*		2019-20*		2020-21	
		Target	Actual	Target	Actual	Target	Actual
1.	Turnover from operations (Cr)	5225	5528	6100	5596	4400	4037
2.	Operating profit (%)	1.5	1.45	1.4	1.57	1.75	2.55
3.	Return on Investment (%)	19.00	19.81	17	21	17.5	22.65
4.	Overall rating		Excellent		V Good		Excellent

*Figures before INDAS 115

14. Financial Working Result for last three financial years (2018-19 to 2020-21) (Fig in ₹ Lakh)

Particulars	2018-19	2019-20	2020-21
Income			
Revenue from operations	448124.41	4,40,316.51	4,03,701.97
Other Income	2910.04	2,125.47	2,132.83
Total Income(A)	450314.45	4,42,441.98	4,05,834.80
Total Expenditure(B)	440127.09	4,40,030.87	3,93,397.74
Profit before Tax (A-B)	10187.36	2,411.11	12,437.06

15. **Disinvestment**

Nil

16. **Environment Management**

Nil

OTHER :

BUSINESS INITIATIVES

The Government of India designated NVVN as the Nodal Agency for Phase I of Jawaharlal Nehru National Solar Mission (JNNSM) with a mandate for purchase of power from the solar power projects connected to grid at 33 KV and above, at tariff regulated by the CERC and for sale of such power, bundled with the power sourced from NTPC coal power stations to Distribution Utilities under Phase I of JNNSM which envisages setting up of 1,000 MW solar capacity. As on 31 March 2019, the total commissioned capacity under the scheme of batch I of Phase I of JNNSM was 733 MW.

NVVN has signed a Power Purchase Agreement (PPA) on 6 March 2019 with Central Railways for supply of 50.4 MW wind power for 25 years from NALCO. NVVN has been designated as the nodal agency for cross border trading of power with Bangladesh, Bhutan and Nepal. As per the PPA for supply of 250 MW power for 25 years from NTPC stations, signed with Bangladesh Power Development Board (BPDB), NVVN has supplied 1,971 MUs during the financial year 2018-19.

Further, NVVN has signed PPA on 15 March 2016, with BPDB, for supply of 100 MW power. A supplementary agreement has been signed on 10 April 2017 for supply of additional 60MW power to BPDB. NVVN has signed back-to-back Power Sale Agreement (PSA) with Tripura State Electricity Corporation Limited (TSECL) for supply of 160 MW power under radial mode. During the financial year 2018-19, about 1,006 MUs of energy has been supplied to Bangladesh from TSECL. In addition, NVVN has signed PPA in September 2018 with BPDB for supplying 300 MW Round the Clock (RTC) power from Damodar Valley Corporation to Bangladesh. During the financial year 2018-19, about 1,176 MU of energy has been supplied to Bangladesh under this arrangement. NVVN has signed PPA with Nepal Electricity Authority (NEA) on 12 February 2019, for supply of upto 350 MW power

DETAILS OF THE UNITS / DEPARTMENT OF THE ORGANISATION

For business of the Company, Business Development System Operations, Commercial, Contracts & Materials, Finance and HR Groups support the CEO.

DIVERSIFICATION

Cross Border Power Trading – Identified as GOI as nodal agency for power supply to Bangladesh and has been selling power to Bangladesh.

LIST OF RECORDS AND BOOKS MAINTAINED BY THE COMPANY

Books of Accounts are generated through Computer system and the Books maintained are Bank Book, Journal, Ledger, Subsidiary books, Copies of Bills in respect of expenditure incurred.

PROJECTS IN HAND/ ORDER IN HAND

Long Term Projects are Trading of Bundled power under JNNSM Phase I Batch I and Phase II Batch I. Trading of thermal power of NTPC to Bangladesh

SALES POLICY & PROCEDURE.

Power Trading is market driven and guidelines are framed by Ministry of Power. As a Power Trading Company, NVVN is also regulated by CERC Regulations, Rules and Notifications. Buying utilities normally float tender as per MOP guidelines for purchase of power and NVVN participates in the tender and if it is selected then it supplies power to buying utilities. Arrangement with Selling Utility / Generator is generally done on back to back basis.

PRICING POLICY

This is market driven based on demand and supply in the market from time to time hence NVVN cannot make any policy as such. However prices/terms are generally tied up buyers and sellers on back to back basis.

POLICY ON FRAUD AND CORRUPTION

As the employees are on secondment basis from its holding company viz. NTPC Limited. They are governed by the Fraud Prevention Policy of NTPC, which has in-built whistle blower mechanism for reporting fraud or suspected fraud involving employees as well as representatives of vendors, suppliers, contractors, consultants, service providers or any outside agency doing any type of business with the Company. Whistle blowers are protected as per policy of NTPC.

VIGILANCE

NVVN is a wholly owned subsidiary of NTPC Ltd. and all employees are on secondment basis and the vigilance mechanism of NTPC is applicable to NVVN also.

CASH MANAGEMENT/FINANCING PATTERN/SCHEMES (PROCEDURES AND PRACTICES)

The cash management of the Company is in accordance with the policy approved by the Board of Directors of the Company in line with the DPE guidelines.

COSTING SYSTEM.

Not applicable.

INVENTORY CONTROL PROCEDURES

NVVN is having a very small amount of Inventory and having an effective control system.

WORKS POLICY

Being a trading company, NVVN does not have any asset base so there are no major works undertaken by the company. However there is a Delegation of Power to cover day to day activities of the Company.

HUMAN RESOURCE MANAGEMENT

As on 31 March 2019, there were 34 employees posted on secondment basis from holding company viz. NTPC Limited. To achieve the ambitious growth targets, the Company has drawn professional manpower from NTPC who have rich experience in dealing with various technical, financial and commercial issues.

MANAGEMENT INFORMATION SYSTEM

The Company submits quarterly performance (physical and financial) alongwith quarterly unaudited accounts for information and adoption by Audit Committee and the Board of Directors.

PERFORMANCE APPRAISAL SYSTEM

NVVN being a wholly owned subsidiary of NTPC Ltd, performance appraisal system of NTPC is also applicable to employees posted in NVVN on secondment basis.

AUDIT COMMITTEE

The Company has constituted the Audit Committee of the Board of Directors comprising of 3 (Three) Directors.

AUDITING METHODOLOGY

Auditing Standard and Checklist for Accounts Audit, Phase Audit, Contract Audit mentioned in **Chapter II** and given in Annexures should be followed.

AUDIT PLAN & MANDAYS ALLOCATION

Allocation of mandays for NVVN audit in annual audit plan for the year 2019-20 was as under:

Nature of Audit	**Mandays allocated in annual audit plan**
Accounts Audit	36
Compliance Audit	60
Total	**96**

Joint Ventures of NTPC Ltd.

I. ARAVALI POWER COMPANY PRIVATE LIMITED

1. INTRODUCTION OF THE ORGANIZATION

Aravali Power Company Private Limited (APCPL) is a joint venture company of NTPC Ltd, Haryana Power Generation Company Limited (HPGCL) and Indraprastha Power Generation Company Limited (IPGCL) with a participating interest in the ratio of 50:25:25 respectively. The Joint Venture agreement was signed on 14th December 2006 amongst NTPC Ltd., IPGCL and HPGCL. The company came into existence on 21st December 2006. The company does not have any subsidiary, associate or Joint Venture Company. Further, the company has no branch/sub-branch.

a) Date of Incorporation : 21st Dec 2006
b) Administrative Ministry : Joint Venture of NTPC, HPGCL and IPGCL
c) Vision and mission :Provide reliable power and related solutions in an economical, efficient and environment friendly manner
d) Nature of business including geographical scope : Electricity generation and Transmission
e) Offices/regions/ sub offices etc. : Registered Office: NTPC Bhavan, SCOPE Compex, 7, Institutional Area, Lodhi Road, New Delhi-110003
Factory Address: IGSTPP, APCPL, Jharli, District.- Jhajjar (Haryana), 124141

2. OBJECTIVES OF THE ORGANIZATION : Generation and Transmission of Power

3. CAPITAL STRUCTURE (as on 31 March 2021)

a. **Authorized Capital : 304,00,00,000 shares of par value `10/- each**
b. **Paid up capital : 2,86,60,16,400 shares of par value `10/- each**
c. **Contribution of Shareholders**

Name of Shareholders	No of Shares	% of Holding
NTPC Limited	1,43,30,08,200	50%
HPGCL	71,65,04,100	25%
IPGCL	71,65,04,100	25%

4. ORGANISATIONAL SET UP(in organogram form)

Board of Directors

Company Secretary

Chief Executive Officer

GM(O&M) GM (Maint.) GM (Fuel & EMD.) CFO GM(**C&M) AGM(HR) AGM(IT) AGM(P&S)**

5. ACTIVITIES OF THE ORGANIZATION: Generation and Transmission of Power

6. BUDGET AND PLANNING (Rs in Crore)

S. No.	Particulars*	2018-19		2019-20		2020-21	
		Budgeted	**Actual**	**Budgeted**	**Actual**	**Budgeted**	**Actual**
1.	Capital Expenditure**	154.67	62.03	515.22	202.65	275.56	314.06
2.	Revenue Expenditure**	260.35	249.29	281.42	282.86	251.98	254.91

7. ACCOUNTING SYSTEM IN THE COMPANY AS WELL AS IN THE R.O'S/ BRANCH OFFICES ETC

SAP-ERP system has been introduced w.e.f 27.02.2021 and before that FINMAT system was working.

8. MANPOWER ANALYSIS (As on 31.3.2021):

	Sanctioned	**Actual**
Executives	207	180
Non- Executive	Nil	Nil
Total	207	180

9. **MOU TARGETS and ACHIEVEMENTS for the last three financial years 2018-19 to 2020-21 :**

(Rs in Crore)

S.No.	Particulars	2018-19		2019-20		2020-21	
		Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**
1.	Turnover from operations (Cr)	4326.47	4152.11	4130.00	3138.77	2700	2912.55
2.	Operating profit (*per cent* of Revenue from operation	30	14.68	30	18.58	18	26.03
3.	Return on Investment (%)	8.73	13.30	9	10.04	8.5	11.66
4.	Overall rating	Excellent	Very Good	Excellent	Very Good	Excellent	Excellent

10. **COMPUTERIZATION**

SAP system has been introduced w.e..f 27.02.2021 and before that FINMAT system was working.

11. **INTERNAL AUDIT**

An Independent firm of Chartered Accountant is appointed as Internal auditor by the Board every year. Internal Audit is done in two phases.

12. **ACT, RULES, OTHER DOCUMENTS APPLICABLE to the ORGANIZATION.**

As the Power sector is govern by CERC, all rules and regulation of CERC is being followed.

13. **OPERATING RESULTS (Targets vis –a-vis achievements) :**

S.No.	Particulars	2018-19		2019-20		2020-21	
		Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**
1.	Turnover from operations (Cr)	4326.47	4152.11	4130.00	3138.77	2700	2912.55
2.	Operating profit (% of Revenue from operation	30	14.68	30	18.58	18	26.03

3.	Return on Investment (%)	8.73	13.30	9	10.04	8.5	11.66
4.	Overall rating	Excellent	Very Good	Excellent	Very Good	Excellent	Excellent

14. FINANCIAL WORKING RESULTS :

(Rs in Crore)

Particulars	**2018-19**	**2019-20**	**2020-21**
Income			
Revenue from operations	415211.25	3138.77	2912.55
Other Income	23288.76	189.30	170.22
Total Income(A)	438500.01	3328.07	3082.77
Total Expenditure(B)	354263.00	2555.43	2211.07
Profit before Tax (A-B)	84237.01	772.64	871.71

15. DISINVESTMENT

Not applicable

16. ENVIRONMENT MANAGEMENT A well established Environment Protection mechanism exists in the company to preserve environment. This is brought out below:

1. **Measures taken by APCPL to control any adverse impact to the environment are as under:**
   I. Installed ESP with 99.9 *per cent* efficiency for controlling particulate matters.
   II. Constructed Chimney of 275 m height to ensure that stack emission disperse in as wide area as possible so that concentration of emitted particles/gases get maximum diluted.
   III. Installed Low NOx burners, OFA, LOFA & Combustion modification in all three units to minimize NOx emission
   IV. Installing FGD system (1st unit is expected to be completed by Dec2021) in all three units at a cost of about Rs. 738 crores to further minimise SO_2 emission.
   V. Erected Effluent Treatment Plant (ETP), Ash Water Recirculation System(AWRS), Seepage water Recirculation System Sewage Treatment Plant (STP), Coal Slurry Settling Pits (CSSPs), RO Plant etc. in order to ensure that waste water generated in plant is treated and re-circulated for reuse within the station.
   VI. Installed Dust suppression systems, DFDS (Dry fog dust suppression systems), DE (Dust Extraction Systems) & Cold Fog Dust Suppression System to control and minimize coal dust.
   VII. Installed DAES (Dry Ash Extraction System) for smooth ash evacuation and disposal of ash by directly loading ash from Ash Silos in Ash Bulkers. Efforts have

borne fruits as APCPL has been successful in 100 *per cent* Ash utilisation in last three years.

VIII. Installed HCSD (High Concentration Slurry Disposal) system for ash disposal in an environment friendly manner and further surrounded Ash Pond area by planting about 30,000 trees which work as screen against fugitive dust going to the surroundings from ash ponds.

IX. Ash Pond is lined with impervious lining thus ensures any vertical permeability of ash content to the ground water.

X. Constructed Integrated Seepage water recirculation system at a cost of about Rs.29 crore to store seeping water from ash ponds side and recirculate it for reuse through Ash Water Recirculation System.

XI. Regular monitoring of ground water quality including heavy metals is being undertaken around ash dyke and project area through EPA accredited Laboratory for early detection of any deterioration in ground water around APCPL.

XII. About one third of plant area has been developed as GREEN COVER. It has enabled the flora and fauna around the plant to grow and flourish. The green cover has immensely helped in decreasing CO2 and releasing oxygen in the surrounding air, thereby improving air quality.

XIII. Water Reservoirs spread in 350 acres and Ash Dyke lagoon in 300 acres are special attraction for birds and aquatic organisms. A 100-meter-wide Green belt around two water reservoirs is the abode of a variety of microorganisms which live in harmony in their natural habitat. Thus, the lush green environment of APCPL is not only soothing to the eyes but also help conservation and growth of flora and fauna in it.

XIV. Installed Ash Brick Manufacturing plants, Bio-methanation plants, Hydrothermal plant, and is installing Biomass pelletizer for use of ash and bio degradable waste which are nuisance for environment.

2. Other Initiatives taken for Environment Protection:

a. Innovativeness/creativity of clean technology.

i) Bio-methanation plant of 100kg/day capacity is installed and operational. Another Bio-methanation plant of 100kg/day is also being erected for the maximum utilization of organic waste to generate bio gas and manure. The LOA value of the work is Rs. 13,88,850/- plus GST.

ii) A Hydrothermal Treatment Technology of one tonne per day capacity is installed and commissioned as a pilot project. It produces pulverized coal-like dry and uniform solid fuel from MSW (Municipal Solid Waste) & Biomass. The total cost of the project is Rs. 1.85 crores.

iii) PO placed for Biomass pelletizer for manufacturing biomass pellet using agro (Biodegradable)waste generated from plant and township.

b. Manufacture of environment friendly products.

i) Manufacturing Ash Brick for internal consumption
ii) Producing Methane through Bio-methanation plant using Bio-waste and using for internal consumption in gas stoves
iii) Producing pulverized coal-like dry coal like solid fuel as pilot project using Hydrothermal Treatment Technology
iv) Preparing Compost using Bio-waste and utilizing internally in horticulture activities

OTHER :

1. DIVERSIFICATION

The company has not diversified.

2. LIST OF RECORDS AND BOOKS MAINTAINED BY THE COMPANY

Financial statements, Sales, Purchase, Cash & Bank and other records and books maintained by the company as per the requirement of the Companies Act.

3. PROJECTS IN HAND/ ORDER IN HAND

Currently no project is in hand.

4. PRODUCTS AND PROCEDURES, BY-PRODUCTS.

Generation of Electricity through coal fired power plant.

5. INSTALLED, BUDGETED AND ACTUAL CAPACITY OF EACH PRODUCT/PLANNING AND PROGRAMME

Installed and Actual capacity - 1500 MW.

6. PURCHASE POLICY & PROCEDURE

The Company has adopted NTPC purchase policy (One of the joint venture).

7. SALES POLICY & PROCEDURE.

The company is governed by tariff fixed by CERC. Hence there is no separate sales policy.

8. PRICING POLICY

The company is governed by CERC Regulations and tariff is fixed by CERC.

9. POLICY ON FRAUD AND CORRUPTION

Company has adopted NTPC policy on fraud and Corruption.

10. VIGILANCE

Company has adopted NTPC Vigilance Mechanism. The Company has a vigilance department.

11. CASH MANAGEMENT/FINANCING PATTERN/SCHEMES(PROCEDURES AND PRACTICES)

The project was funded with 70 *per cent* loan and 30 *per cent* equity from the Joint Venture partners. Loan was tied up with Power Finance Corporation Ltd.

12. COSTING SYSTEM

The company is using FINMAT system as accounting software. Information required as per Cost record rules are extracted from this system.

13. INVENTORY CONTROL PROCEDURES

The company has adopted NTPC Inventory Control procedures.

14. WORKS POLICY

The company has adopted NTPC work policy.

15. HUMAN RESOURCE MANAGEMENT

The Company has only 50 employees on its payroll. All other employees are on deputation/secondment from NTPC Ltd. HR Policies as applicable to NTPC is applicable to these employees.

16. MANAGEMENT INFORMATION SYSTEM

Monthly progress reports are being generated and are put up to the management.

17. PERFORMANCE APPRAISAL SYSTEM

The Company has only 50 employees on its payroll. All other employees are on deputation/secondment from NTPC Ltd. Performance Management System as applicable to NTPC is applicable to these employees.

18. AUDIT COMMITTEE

Not applicable.

19. RESEARCH & DEVELOPMENT DETAILS INCLUDING ACTIVITIES UNDERTAKEN

No such activity is being undertaken in respect of research & development by the company.

20. AUDITING METHODOLOGY

Auditing Standard and Checklist for Accounts Audit, Phase Audit, Contract Audit mentioned in **Chapter II and** given in Annexures should be followed.

21. AUDIT PLAN & MANDAYS ALLOCATION

Allocation of mandays for APCPL audit in annual audit plan for the year 2019-20 was as under:

Nature of Audit	**Mandays allocated in annual audit plan**
Accounts Audit	42
Compliance Audit	60
Total	**102**

II. KHANIJ BIDESH INDIA LIMITED

1. INTRODUCTION OF THE ORGANIZATION –

a) **Date of Incorporation** - 08.08.2019

b) **Administrative Ministry** – Ministry of Mines, Government of India

c) **Vision and mission** - Yet to be finalized.

d) **Nature of business including geographical scope-**

KhanijBidesh India Limited. (KABIL) has business objective to identify, explore, acquire, develop,procure strategic minerals overseas for supply to India for meeting domestic requirement and for sale to other countries for commercial use. The objective was to help "Make in India" drive launched by Government of India.

e) **Offices/regions/ sub offices etc.-** Registered Office :- Core 4, 5th Floor, South Tower, District Center, Scope Minar, Laxmi Nagar, Delhi-110092.

2. OBJECTIVES OF THE ORGANIZATION

- The main object of the Company is to identify, explore, acquire, develop, mine, process, procure and sell strategic minerals outside India.
- These strategic and other minerals are intended to be supplied primarily to India to meet the domestic requirement due to its non or meager availability in the country and giving a big push to Make in India.
- The Company may, as deemed fit from commercial angle, facilitate acquisition/ acquire other minerals depending on need.

3. CAPITAL STRUCTURE (as on 31 March 2021)

a. **AuthorisedCapital -**Rs.100 crores**,** 10 crore equity shares of Rs. 10/- each.

b. **Paid up capital -** Rs. 2,50,00,000/- comprising 25 lakh equity shares of Rs.10/- each.

c. **Contribution of Shareholders –**

The shareholding of all three promoter Companies are as follows:

NAME	NO.OF SHARES	*per cent* OF HOLDING
National Aluminium Company Ltd.	10,00,000	40
Hindustan Coppers Ltd.	7,50,000	30
Mineral Exploration Corporation Ltd.	7,50,000	30

TOTAL	**25,00,000**	**100**

4. ORGANISATIONAL SET UP(in organogram form) Yet to be finalized.

5. ACTIVITIES OF THE ORGANIZATION – No activities so far**.**

6. BUDGET AND PLANNING (Details of system and grants with last three financial years 2018-19 to 2020-21):

(Rs. in crore)

S.No.	**Particulars***	**2018-19**		**2019-20**		**2020-21**	
		Budgeted	**Actual**	**Budgeted**	**Actual**	**Budgeted**	**Actual**
1.	Capital Expenditure**	-	-	-	-	-	-
2.	Revenue Expenditure**	-	-	-	0.92	-	0.007

7. ACCOUNTING SYSTEM IN THE COMPANY AS WELL AS IN THE R.O'S/ BRANCH OFFICES ETC – There is no branch/RO Office as on date.

8. MANPOWER ANALYSIS (As on 31.3.2021):

As on 31 March 2021 ,there are no employees on the rolls of the Company.

9. MOU TARGETS and ACHIEVEMENTS for the last three financial years 2018-19 to 2020-21 :

S.No.	Particulars	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
1.	Turnover from operations (Cr)	NA					
2.	Operating profit						
3.	Return on Investment (%)						
4.	Overall rating						

10. COMPUTERIZATION -NA

11. INTERNAL AUDIT - NA

12. ACT, RULES, OTHER DOCUMENTS APPLICABLE to the ORGANIZATION.

Only Companies Act, 2013 is applicable so far.

13 OPERATING RESULTS (Targets vis –a-vis achievements) :

The company is a newly formed JV and it has yet to began its operations, hence the operating results stands to be Nil/NA.

14. FINANCIAL WORKING RESULTS:

(Amount in Rs)

Particulars	**2019-20(Rs.)**	**2020-21(Rs.)**
Income		
Revenue from operations	0.00	0.00
Other Income	0.00	33,386.00
Total Income(A)	**0.00**	**0.00**
Total Expenditure(B)	92,13,841.00	78,406.00
Profit before Tax (A-B)	-92,13,841.00	-45,020.00

15. DISINVESTMENT - NA

16. ENVIRONMENT MANAGEMENT

NA

III. RATNAGIRI GAS AND POWER PRIVATE LIMITED

1. INTRODUCTION

Ratnagiri Gas and Power Private Limited (RGPPL) is a gas-based power plant situated at village Anjanvel in Guhagar Taluka of Ratnagiri district in Maharashtra. This facility was originally set up in 1996 as Dabhol Power Company (DPC) as an unlimited liability company, promoted by M/s Enron Corporation, USA (65 *per cent*), M/s General Electric, USA (10 *per cent*), M/s Bechtel Enterprises, USA (10 *per cent*) and Maharashtra Power Development Corporation Limited (MPDCL) (15 *per cent*) to set up a combined cycle power plant and an integrated LNG regasification facility. Power Plant was operated on Naphtha fuel from May 1999 to May 2001. Due to disputes between DPC and MPDCL (the sole beneficiary), operation of power plant and further commissioning activities were suspended in May 2001. A Court Receiver was appointed by Hon'ble Bombay High Court in March 2002 for protection and preservation of the Project assets. The Court Receiver in turn appointed M/s Punj Lloyd for undertaking preservation of the assets till the takeover of assets by RGPPL in October 2005 on the basis of Bombay High Court's order. Ratnagiri Gas and Power Private Ltd (RGPPL), a joint venture between NTPC, GAIL, MSEB Holding Co. Ltd. and Indian Financial institutions, was formed on July 08, 2005 as a Special Purpose Vehicle under the aegis of Empowered Group of Ministers (EGoM) of Government of India for taking over and operating assets of erstwhile Dabhol Power Company (DPC) consisting of 1967.08 MW Gas based combined cycle Power Block and 5 MMTPA LNG Regasification Facility. The assets were transferred to RGPPL by Court Received of Hon'ble Bombay High Court in October 2005. For sustained viability of RGPPL, the company had proposed for demerger of LNG Terminal of RGPPL into Konkan LNG Private Limited (KLPL). The demerger scheme has been approved by the competent authority Hon'ble National Company Law Appellate Tribunal (NCLAT) on February 28, 2018 with appointed date as January 01, 2016. Consequent to filing of Demerger Scheme with the Registrar of Companies, the demerger is effective from March 26, 2018.

The company has its plant located at Village Anjanwel, District Ratnagiri in the state of Maharashtra (India) nearly 330 KM from Mumbai. The Power station is one of the India's largest gas based combined cycle power station. The project site is spread in almost 1700 acres of hilly coastal terrain

2. **OBJECTIVES OF THE COMPANY**

a. Power plant: Generation of power

b. LNG terminal: Receiving LNG and its Regasification.

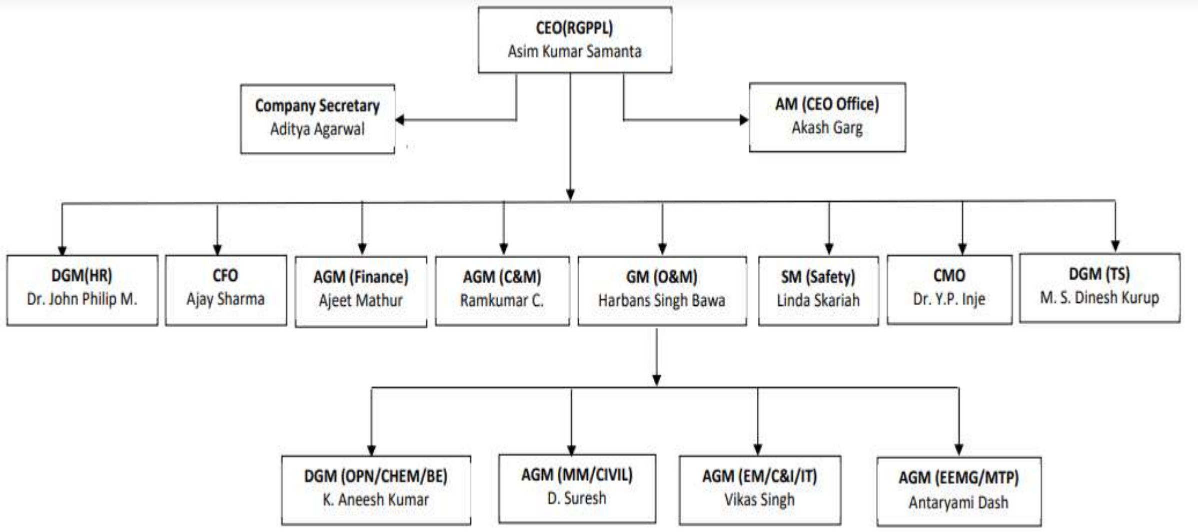
3. **CAPITAL STRUCTURE (as on 31st March 2019)**

a. Authorized Capital:10000 crore

b. Paid-up Capital: 3272.31 crore

c. Contribution of Shareholders: NTPC- 86.49 *per cent*, MSEB Holding Co Ltd – 13.51 *per cent*.

4. **ORGANISATIONAL SET UP (in organogram form) –**



5. **ACTIVITIES /PRODUCT PROFILE /SERVICE PROFILE/CORPORATE PLANS**

Power generation from all three power blocks

RGPPL is facing challenges in the operational activities and in order to resolve the same, Board of Directors of the company discussed various measures during strategic meet. RGPPL is putting its best efforts to continue its sustainable operations.

6. **Budget and planning:**

Budget Revised estimates & Budgeted estimates as approved by the Management (Board of Directors) of the Company for the FY 2015-16, 2016-17 & 2017-18 are as below.

(Rs. in Crore)

S. No.	**Particulars***	**2018-19**		**2019-20**		**2020-21**	
		Budgeted	**Actual**	**Budgeted**	**Actual**	**Budgeted**	**Actual**
1.	Capital Expenditure	86.04	66.98	116.13	58.50	70.00	55.65
2.	Revenue Expenditure	133.42	123.90	146.97	155.27	154.91	132.04

7. **Accounting System :**Centralized

8. **Manpower analysis (as on 31.3.2021) :**

	Sanctioned	**Actual**
Executives		70
Non Executives		0
Total		70

9. **MOU Targets and achievements:**

Particulars	**2018-19**		**2019-20**		**2020-21**	
	Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**
Turnover from Operations (Rs. cr.)	1889.00	2,051.85	2350.00	2,041.14	1900.00	1,098.39
Operating profit (Rs. Cr)	130.00	372.99	350.00	368.19	160.00	209.44
Return on Investment (%)	3.97%	11.40%	10.69%	11.25%	4.88%	6.40%
Overall rating	100	92.87	100	86.70	100	70

10. **COMPUTERIZATION :**The company is using FINMAT Accounting System (Oracle based) for recording accounting transactions. However, FINMAT is not ERP, transactions both at site and HQ are manually integrated for preparation of Financials of the company.

11. **INTERNAL AUDIT :**Company has Internal Audit mechanism in place on annual basis. The work of internal audit is outsourced to Chartered Accountant Firms

12. **ACT, RULES, OTHER DOCUMENTS APPLICABLE to the ORGANIZATION:** Companies Act 2013, Electricity Act, 2003, Indian Contract Act, GST Act CERC Regulations and other relevant Acts and Regulations

13. **OPERATING RESULTS :**

S.No.	Particulars	2018-19	2019-20	2020-21
1.	Turnover from operations (Rs. In crore)	2,051.85	2,041.14	1,098.39
2.	Operating profit	372.99	368.19	209.44
3.	Return on Investment (%)	11.40%	11.25%	6.40%
4.	Overall rating	92.87	86.70	70

14. **FINANCIAL WORKING RESULTS :**

Particulars	Amount (Rs in Crore)		
	2018-19	2019-20	2020-21
INCOME			
Revenue from operations	2,051.85	2,041.14	1,098.39
Other Income	66.20	75.68	40.57
Total Income (A)	**2,118.05**	**2,116.82**	**1,138.96**
Total Expenditure (B)	**2,692.09**	**2,290.93**	**1,263.42**
Profit before Tax (A-B)	**(574.04)**	**(174.11)**	**(124.46)**

15. **Disinvestment** NIL

16. **ENVIRONMENT MANAGEMENT**

(a) RGPPL as an ISO-14001 certified company, continuously striving for the Environmental goals.

(b) RGPPL is having the its Environment Policy to minimize environmental impact concerning our activities.

(c) As an environment protection mechanism, RGPPL continuously monitoring the Effluent, Emission and Ambient quality as specified by the SPCB/CPCB.

OTHERS:

LIST OF RECORDS AND BOOKS MAINTAINED BY THE COMPANY

RGPPL maintains/ holds various categories of document which are broadly as detailed below:

a. Memorandum & Articles of Association, Statutory Registers under the Companies Act, 2013. Annual Reports, Annual Returns, Returns & Forms filed with the Registrar of Companies, etc.
b. Notices and Minutes Book of General Meetings of the shareholders, Tender Documents, Tender Specifications & drawings for projects, Test & Inspection Reports (CHPs)
c. Other records as per statutory requirement.

PROJECTS IN HAND/ ORDER IN HAND

None

PRODUCTS AND PROCEDURES, BY-PRODUCTS.

Power generation from all three power blocks

INSTALLED, BUDGETED AND ACTUAL CAPACITY OF EACH PRODUCT/PLANNING AND PROGRAMME

Power Plant

Unit No.	Actual Installed Capacity
Block-I	640.00 MW
Block-II	663.54 MW
Block-III	663.54 MW

PURCHASE POLICY & PROCEDURE

Purchase of materials is governed by NTPC's procurement and works policy. Its function is to make available, the needed equipment, materials in the right quality and quantity, at the right time and at the right place after giving fair and equal chance to tenderers.

- The contract and material management (purchase) department receives the requisition or indents for the procurement of materials from various departments.
- The department keep themselves updated concerning sources of supply, prices etc. and plan and organise procurement action

SALES POLICY & PROCEDURE.

Sale of electricity is regulated and governed by CERC regulated regime, Electricity Act 2003.

PRICING POLICY

Power: Pricing of power is as per CERC regulated tariff norms.

POLICY ON FRAUD AND CORRUPTION

The Company has a "Fraud Prevention Policy" which has been framed to provide a system for detection and prevention of fraud, reporting of any fraud, that is detected or suspected and fair dealing of matters pertaining to fraud.

INVENTORY CONTROL PROCEDURES

Inventory Control procedures available in the company are as per "NTPC Stores management system manual" wherein detailed procedure for inventory control has been given.

WORKS POLICY

Company has a proper Works Policy and they follow it.

HUMAN RESOURCE MANAGEMENT

Company has a Human Resource Management System which covers Employee Benefits, Employee Services, Employee Development, Recruitment Welfare Activities, Industrial Relations, CSR, Office Management and Stores Management. As on 31st March, 2019, the Company had total strength of 79 employees out of which 48 employees were on Secondment from NTPC and 31 employees were on the rolls of the company. All the employees in RGPPL are at executive level. Further, out of 79 employees 4 are women employees.

PERFORMANCE APPRAISAL SYSTEM

The Performance Management System of RGPPL Cadre Employees have been introduced and implemented in March 2011. With the objective to motivate executives and managers for better and more effective performance by rewarding them with promotion to positions of higher responsibility, commensurate with their merit and ability, promotion policy for RGPPL employees has also been formalized.

AUDIT COMMITTEE

In order to compliance with the good governance practice, company has constituted the Audit Committee as per section 177 of the Companies Act 2013.

Audit Committee consists of three Directors and one of them is designated as Chairman of the Audit Committee.

RESEARCH & DEVELOPMENT DETAILS INCLUDING ACTIVITIES UNDERTAKEN

No research and development activities carried till date.

IV. MEJA URJA NIGAM PRIVATE LIMITED

1. INTRODUCTION

Meja Urja Nigam Private Limited (MUNPL) was set up on 02nd April 2008 as a 50:50 Joint Venture of NTPC Ltd. and Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited (UPRVUNL), a Govt. of Uttar Pradesh PSU, to set up 2x660 MW Meja Thermal Power Project with management control by NTPC. The company does not have any subsidiary, associate or Joint Venture Company. Further, the company has no branch/sub-branch. Unit#1 achieved full load on 31.03.2018 and TG erection for Unit#2 started in January 2018.

2. OBJECTIVES OF THE COMPANY

To set up 2x660 MW Meja Thermal Power Project at Village Kohdar in Meja Tehsil of Allahabad District of Uttar Pradesh.

3. CAPITAL STRUCTURE (as on 31 March 2021)

Authorized Capital (Rs in crore)	Paid Up Capital(Rs in crore)	Contribution of shareholders (%)
3500	3448.48	NTPC Limited-50% UPRVUNL- 50%

4. ORGANISATIONAL SET UP :

5. ACTIVITIES OF THE ORGANIZATION:

To set up 2x660 MW Meja Thermal Power Project at Village Kohdar in Meja Tehsil of Allahabad District of Uttar Pradesh. Unit#1 achieved full load on 31.03.2018 and TG erection for Unit#2 started in January 2018. Construction & Erection activities are in progress.

6. BUDGET AND PLANNING

(Rs. In crore)

S. No.	Particulars*	2018-19		2019-20		2020-21	
		Budgeted	Actual	Budgeted	Actual	Budgeted	Actual
1.	**Capital Expenditure****	1258.65	1460.96	1220.00	974.10	1054.71	885.06
2.	**Revenue Expenditure****	125.60	0.11	1500.00	1,220.50	2224.58	2,093.07

7. ACCOUNTING SYSTEM : Account of the company is being maintained in FINMAT which is Oracle based.

8. MANPOWER ANALYSIS (As on 31.3.2021):

	Sanctioned	Actual
Executives	201	239
Non Executives	50	18 (Diploma Trainees)
Total	251	257

9. MOU TARGETS and ACHIEVEMENTS for the last three financial years 2018-19 to 2020-21:

	2018-19*		2019-20		2020-21	
Particulars	**Target**	**Actual**	**Target**	**Actual**	**Target**	**Actual**
Turnover from Operations (cr)	Not Applicable	Not Applicable	1450	578.24	2134	2136.13
Operating profit			NA	(238.93)	NA	2544.69
Return on Investment (%)			NA	(6.10%)	NA	0.38%
Overall rating	NA	NA		Not communicated by Promoter company.		Under Evaluation

*Plant was under construction phase during FY 2018-19.

Company does not have any MOU with the Govt. of India. However, Company has internal MOU with Promoter Company.

10. COMPUTERIZATION: NA

11. INTERNAL AUDIT: Internal Audit is conducted in two phases by Chartered Accountants firm.

12. ACT, RULES, OTHER DOCUMENTS APPLICABLE to the ORGANIZATION

Companies Act 2013, CERC Tariff Regulation, Electricity Act and all other relevant acts are applicable to the company.

13. OPERATING RESULTS (Targets vis –a-vis achievements) :

	2018-19*	2019-20	2020-21
Turnover from Operations (cr)	-	578.24	2136.13
Operating profit	-	(238.93)	2544.69
Return on Investment (%)	-	(6.10%)	0.38%
Overall rating	-	Not communicated by Promoter company.	Under Evaluation

*Plant was under construction phase during FY 2018-19.

14. FINANCIAL WORKING RESULTS:

	(Rs. in Crore)		
Particulars	**2018-19**	**2019-20**	**2020-21**
INCOME			
Revenue from operations	Nil	578.24	2136.13
Other Income	Nil	19.13	38.92
Tatal Income (A)	**Nil**	**597.37**	**2175.05**
Total Expenditure (B)	**0.12**	**1220.51**	**2093.07**
Profit before Tax (A-B)	Nil	(623.14)	50.31

15. Disinvestment.-Nil

16. ENVIRONMENT MANAGEMENT

Steps taken to control the impact of Meja Power Plant on environment:

1) ESP installed and commissioned.
2) FGD being installed by Dec'2021.
3) Regular testing of stack and environment parameters (in house & Third party)

4) Various DE /DS/DF in service for coal dust etc. suppression.
5) ZLD (zero liquid discharge) being implemented.
6) TSDF hired to dispose hazardous waste, etc.
7) BMW being disposed to Authorised agencies approved by UPPCB.
8) Plastic waste segregation being done and is being disposed to UPPCB Approved agency.
9) 100 *per cent* Ash water being recycled.
10) Fly ash being disposed to Cement factories and Other Ash users.
11) Green belt being developed as per the requirement of MoEF.
12) Steps are being taken to maintain biodiversity (study to be awarded soon).
13) Water harvesting being implemented.
14) Hydro geological study being carried out by NIH Roorkee.

V. KONKAN LNG PRIVATE LIMITED

1. INTRODUCTION OF THE ORGANIZATION

A) Date of Incorporation : 04TH DEC-2015

B) Administrative Ministry : Ministry of Petroleum & Natural Gas (MOPNG)

C) Vision and mission :

i. **Vision:** "Be a Significant player in LNG value chain with international presence focused towards satisfying clean energy needs of the nation."

ii. **Mission:** "Making clean energy available to the nation by operating LNG facilities in efficient, sustainable & environment friendly manner and striving towards excellence & new opportunities for creating maximum value for stakeholders."

D) Nature of business including geographical scope: LNG Regasification &Natural Gas throughput to GAIL Pipeline (National Gas Grid).

E) Offices/regions/ sub offices etc.

Registered Office: GAIL Bhawan, 16 BhikajiCamapLcae, R K Puram, Delhi - 110066

Site office: LNG Terminal Village + PO :Anjanwel, Taluka – Guhaghar, Distt:- Ratnagiri, Maharashtra - 415 634

2. OBJECTIVES OF THE ORGANIZATION :

As per Memorandum Of Association (Copy attached for reference).

3. CAPITAL STRUCTURE (as on 31 March 2021)

A) Authorized Capital of your Company is Rs.5000 Crores divided into 350 Crores equity shares of Rs.10/- each and 150 Crores Preference Shares of Rs. 10/- each

B) Paid up capital: Paid-up Equity Share Capital of the Company is Rs. 690.99 Crores divided into:

- Rs. 547.98 Crores comprising of 54.79 Crores Equity Shares of Rs. 10 each fully Paid up

- Rs.143.01 Crores comprising of 26.00 Crores Equity Shares of Rs. 5.5 each partly paid up.

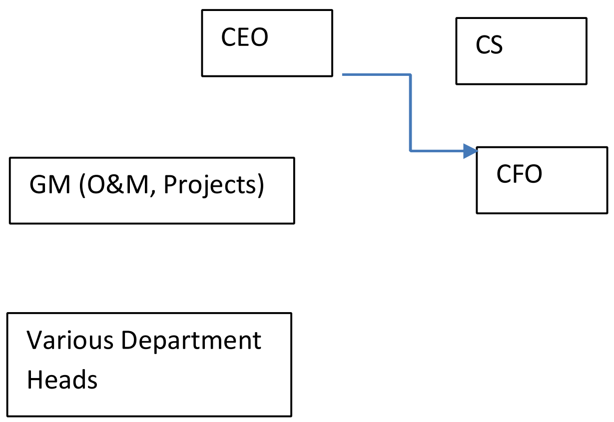
The Preference Share Capital of the Company is Rs.252 Crores comprises of 25.20 Compulsory Convertible Cumulative Preference Shares (CCCPS) of Rs.10 each fully paid up.

C) Contribution of Shareholders

Share Holders	Paid up Equity Capital in Rs. Cr.	Paid Up Equity Capital (In %)	CCCPS Shares Capital in Rs. Cr.	CCCPS Share In %	Total Capital in Rs. Cr.	Total Capital in %
GAIL	616.94	89.28	252	100.00	868.94	92.15
MSEB	74.05	10.72	0	-	74.05	7.85
GAIL Nominee	-	-	-	-	-	-
Total	690.99	100.00	252.00	100.00	942.99	100.00

4. ORGANISATIONAL SET UP (in organogram form)

Company has following organizational setup**.**



5. ACTIVITIES OF THE ORGANIZATION

Konkan LNG Limited (KLL) has been formed to operate LNG Import and regasification terminal at Dabhol, Maharashtra as a subsidiary company of GAIL(I) Limited. KLL main business includes operating an LNG Import port and an LNG regasification unit. The main raw material is LNG imported through LNG Ships. Re-gasified LNG(R-LNG) i.e., Natural Gas is the main product of the CPSE. GAIL (I) Ltd, is the sole customer utilizing the terminal.

6. BUDGET AND PLANNING

(Rs in Crore)

S. No.	Particulars	2018-19		2019-20		2020-21	
		Budgeted	Actual	Budgeted	Actual	Budgeted	Actual
1	Capital Expenditure	71.00	**16.80**	347.00	**59.39**	441.79	**136.39**
2	Revenue Expenditure (Including Interest & Depreciation)	299.96	**606.21**	261.16	**484.87**	271.04	**644.98**

7. ACCOUNTING SYSTEM IN THE COMPANY AS WELL AS IN THE R.O'S/ BRANCH OFFICES ETC

Accounting System maintained under SAP Business One System since July-2019.

8. MANPOWER ANALYSIS (As on 31.3.2021):

	Sanctioned		Actual	
	KLL	**Gail Deputed Emp.**	**KLL**	**Gail Deputed Emp.**
Executives	-	-	3	54
Non- Executive	-	-	-	-
Total	-	-	3	54

9. MOU TARGETS and ACHIEVEMENTS

KLL has become subsidiary of GAIL(I) Limited on 27.03.2020. As per DPE guidelines, KLL do not have MoU with MoPNG

S.No.	Particulars	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
1.	Turnover from operations (Cr)						
2.	Operating profit (Cr)						
3.	Return on Investment (%)						
4.	Overall rating						

10. COMPUTERIZATION

ERP Software – SAP B1, Datacenter with 2 High spec servers with virtualization, one backup server, 2 tower servers, 1 SAN storage, 2 Firewalls in High Availability mode and PCs allotted to all employees. No separate IT Audit was carried out in past. However same is viewed by Internal Audit.

11. INTERNAL AUDIT

Internal Audit is done by outside agency. Selection is being done on the basis of open tendering mode. The Internal Audit is done in two phases annually, its report is presented to Board of Director. The Scope of Audit is clearly defined in the tendering document.

12. ACT, RULES, OTHER DOCUMENTS APPLICABLE to the ORGANIZATION.

a. Companies Act, 2013 & rules made Thereunder

b. Department Of Public Enterprises (DPE) Guidelines

c. All other significant laws applicable to KLL (List attached).

13. OPERATING RESULTS

KLL has become subsidiary of GAIL (I) Limited on 27.03.2020. As per DPE guidelines, KLL do not have MoU with MoPNG

S.No.	Particulars	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
1.	Turnover from operations (Cr)						
2.	Operating profit (Cr)						
3.	Return on Investment (%)						
4.	Overall rating						

14. FINANCIAL WORKING RESULTS :

(Rs in Crore)

Particulars	2018-19	2019-20	2020-21
Income			
Revenue from operations	328.49	484.86	620.07
Other Income	6.20	293.31	15.47
Total Income(A)	334.69	778.16	635.55
Total Expenditure(B)	605.86	484.86	644.98
Profit before Tax (A-B)	271.17	293.30	-9.44

15. DISINVESTMENT

Shareholding Pattern of Konkan LNG Limited

Name of Shareholder	Total paid-up capital share capital (Equity) in Rs. Crore	% of holding as per paid-up Equity Share capital	Total paid-up capital share capital (Equity) in Rs. Crore	% of holding as per paid-up Equity Share capital	Total paid-up capital share capital (Equity) in Rs. Crore	% of holding as per paid-up Equity Share capital	Total paid-up capital share capital (Equity + CCCPS) in Rs. Crore	% of holding as per paid-up Share capital	Total paid-up capital share capital (Equity + CCCPS) in Rs. Crore	% of holding as per paid-up Share capital	Total paid-up share capital (Amt. in Rs.) (Equity + CCCPS)	% of holding as per paid-up capital (Equity + CCCPS)	Total paid-up share capital (Amt. in Rs.) (Equity + CCCPS)	% of holding as per paid-up capital (Equity + CCCPS)
Capital contribution	Implementation of Demerger scheme (reduction from RGPPL paid-up share capital and allotment in KLPL)		including Rs. 3/- per share on 260016509 equity shares (Rs 78 crores)		including Rs. 5.5/- (Initial Rs. 3 + additional Rs. 2.5) per share on 260016509 equity shares (Total Rs. 143 crores i.e. Rs. 78 crores + Rs. 65 crores)		including Rs. 5.5/- per share on 260016509 equity shares + Rs.3/-per share on 252003718 Preference Shares (Total Rs. 218.61 crores) (Rs. 143 crores Equity + Rs. 75.60 crores Preference)		including Rs. 5.5/- per share on 260016509 equity shares + Rs.10/- per share on 252003718 Preference Shares (Total Rs. 395.01 crores) (Rs. 143 crores Equity + Rs. 252 crores Preference)		including Rs. 5.5/- per share on 260016509 equity shares + Rs.10/-per share on 252003718 Preference Shares+ Rs. 194.41 crores of equity share capital transfer by Lenders to GAIL on		After Swapping of Shares Agreement	
	1		2 = (1 + Rs. 78 cr.)		3 = (2 + Rs. 65 cr.)		4 = (3 + Rs. 75.60 cr.)		5 = (4 + Rs. 176.40 cr.)				NTPC Transfer its shares TO GAIL, RGPPL Transfer shares to GAIL & MSEB	
Period	From 26.03.2018 till 26.08.2018		From 27.08.2018 till 21.10.2018		From 22.10.2018 till 20.11.2018		From 21.11.2018 till 21.03.2019		From 22.03.2019 onwards		From 27.03.2020 onwards		From 10.03.2021	
GAIL (India) Ltd.	139.75	25.503	217.76	34.786	282.76	40.921	358.36	46.748	534.76	56.709	729.18	77.326	868.94	92.147
NTPC Ltd.	139.75	25.503	139.75	22.325	139.75	20.225	139.75	18.230	139.75	14.820	139.75	14.820	-	0.000
MSEB Holding Co. Ltd.	74.05	13.514	74.05	11.830	74.05	10.717	74.05	9.660	74.05	7.853	74.05	7.853	74.05	7.853
IDBI Bank Limited	69.09	12.608	69.09	11.037	69.09	9.999	69.09	9.013	69.09	7.327		0.000		0.000
State Bank of India	54.99	10.035	54.99	8.784	54.99	7.958	54.99	7.173	54.99	5.831		0.000		0.000
ICICI Bank	48.84	8.913	48.84	7.802	48.84	7.068	48.84	6.371	48.84	5.179		0.000		0.000
Canara Bank	11.79	2.152	11.79	1.884	11.79	1.707	11.79	1.538	11.79	1.250		0.000		0.000
IFCI Ltd.	9.70	1.770	9.70	1.549	9.70	1.404	9.70	1.265	9.70	1.028		0.000		0.000
RGPPL	0.01	0.002	0.01	0.002	0.01	0.001	0.01	0.001	0.01	0.001	0.01	0.001		0.000
Pankaj Patel	0.00	0.000	0.00	0.000	0.00	0.000	0.00	0.000	0.00	0.000	0.00	0.000		0.000
Total	547.98	100.000	625.98	100.000	690.99	100.000	766.59	100.000	942.99	100.000	942.99	100.000	942.99	100.000

16. ENVIRONMENT MANAGEMENT

Company has Environment Policy in Place. Company is certified for Environment Management System (EnMS: 14001:2018). As the LNG business is clean and involves no harming agents to environment, KLL releases Zero Effluents into environment in the process of its operation. Company monitors all the Environment related parameters like SOx, NOx, CO, PM 2.5, PM 10 etc. Regularly and ensures to keep them within limits as per NAAQS, 2009 standards. Company is strictly complying all the rules & guidelines prescribed by MoEF&CC, MPCB etc. Company has well-built Environment Management Plan in place & also ensures its implementation. Company has taken various initiatives to preserve natural resources like Rainwater harvesting (3000m3 Tank built for this purpose), Planting saplings of wide local varieties on regular basis. Company has already planted around 300 saplings in F 21-22 till date on various environment conservation promoting programs.

VI. ENERGY EFFICIENCY SERVICES LIMITED

1 . INTRODUCTION OF THE ORGANIZATION

EESL was incorporated on 10th December 2009 as a joint venture of four CPSEs viz. NTPC Limited, Power Finance Corporation (PFC), REC Limited and POWERGRID by Ministry of Power, Govt. of India to carry on and promote the business of energy efficiency and climate change including manufacture and supply of energy efficiency services and products. It acts as the resource center for capacity building for State Distribution Companies (DISCOMs), Energy Regulatory Commissions (ERCs), State Development Authorities (SDAs), upcoming ESCOs, financial institutions, etc.

EESL is set up to create and sustain markets for energy efficiency in the country. EESL works closely with Bureau of Energy Efficiency (BEE) and is leading the market related activities of the National Mission for Enhanced Energy Efficiency (NMEEE), one of the eight national missions under the Prime Minister's National Action Plan on Climate Change.

a) Date of Incorporation: 10/12/2009

b) Administrative Ministry: Ministry of Power

c) Vision and mission:

> **Vision:** Universal access to sustainable energy solutions to enable a low carbon future, with significant economic and social impact
>
> **Mission:** To enable ecosystems for responsible energy adoption with innovations and market creation approaches

d) Nature of business including geographical scope: Energy Efficiency & Clean Energy Sector; Entities in India, UK, Thailand & UAE; Scope of programmes is global.

e) Offices/regions/ sub offices etc. Though EESL has branch offices in almost all States/UT of India, but major accounting is being done centrally at Corporate Office, New Delhi.

2. OBJECTIVES OF THE ORGANIZATION

- To carry on and promote the business of Energy Efficiency and climate change including manufacture and supply of energy efficiency services and products.
- To provide Consultancy Services in the field of Clean Development Mechanism, Carbon Markets, Demand Side Management, Energy Efficiency, Climate change and other related areas.
- To act as resource center in the field of Energy Efficiency and take up the activities of Capacity Building, Training and other related activities.
- To carry out such other activities as offered by the Central Govt., Bureau of Energy Efficiency or any other agency related to Energy Efficiency and climate change.
- To carry on, manage, supervise and control the business of establishing, commissioning, setting up, operating and maintaining non-conventional Grid Connected Solar Photo- Voltaic (PV) based Solar Power Plants with maximum capacity up to 10MW per plant for Government/ Private entities primarily for Solarisation of Agri. Feeders, Grid Connected Solar Photo-Voltaic (PV) based Roof top Programs, Grid Connected Solar Photo-Voltaic (PV) based Agricultural Pump Sets Programs in any manner including build, own and transfer (BOT), and/or build, own and operate (BOO) and/or build, own, lease and transfer (BOLT) and/or build, own, operate and transfer (BOOT) basis or otherwise and to design, develop and manufacture customized energy storage solutions in this connection and to do all the ancillary, related or connected activities as may be considered necessary or beneficial or desirable for or along with any or all of the aforesaid purposes which can be conveniently carried on these systems, networks or platforms.

3. CAPITAL STRUCTURE (as on 31 March 2021)

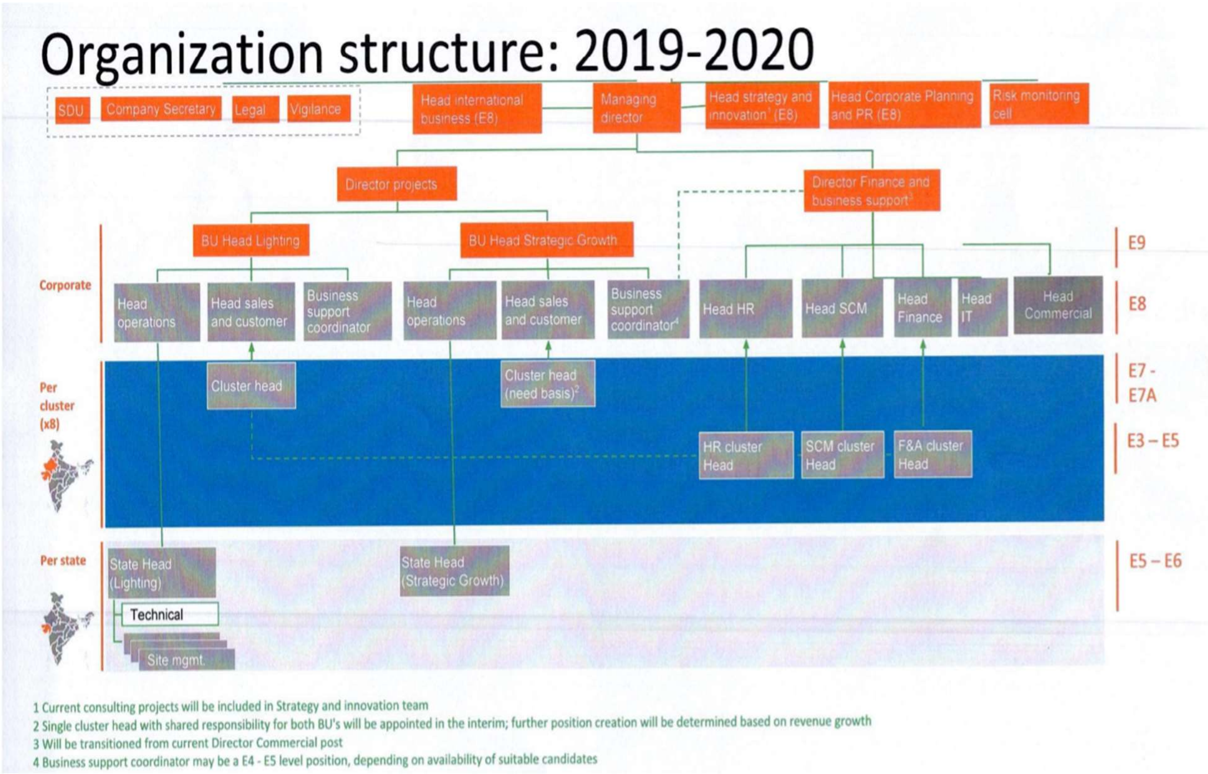
a. Authorised Capital: 350,00,00,000 equity shares of par value Rs.10/- each amounting to Rs. 3,50,000 lakhs

b. Paid up capital: 98,33,28,350 equity shares of par value Rs.10/- each amounting to Rs. 98,332.84 lakhs

c. Contribution of Shareholders:

Particulars	No. of Shares	%age Holding
Power Finance Corporation Limited	24,55,00,000	24.97%
NTPC Limited	46,36,10,000	47.15%
REC Limited	21,81,00,000	22.18%
PowerGrid Corporation of India Limited	5,61,18,350	5.70%

4. ORGANISATIONAL SET UP (in organogram form):



5. ACTIVITIES OF THE ORGANIZATION:

Energy Efficiency Services Limited (EESL), a JV of PSUs under MoP is implementing of energy efficiency and climate change projects under National Mission for Enhanced Energy Efficiency (NMEEE). As South Asia's first and foremost energy efficiency leader, EESL leads the market-related activities of the NMEEE. It has pioneered innovative business approaches to successfully roll-out large-scale programs that allow for incentive alignment across the value chain and rapidly drive transformative impact.

The following programmes of EESL has targeted energy efficiency in stated segments and has resulted in significant energy savings and Green House Gases (GHG) mitigation-

Unnat Jyoti by Affordable LEDs for ALL (UJALA):

- UJALA program was Launched on 5thJanuary, 2015 by Hon'ble Prime Minister. The programme was started as an attempt to provide energy efficient LED bulbs to consumers at an affordable price. The programme has been successful in bringing down the retail price of the LED bulbs from Rs 310-350 per LED bulb in the year 2014 to Rs 70 per bulb in a short span of 3 years. As on date 36.78 Crore LED bulbs have been distributed under UJALA programme.

- The program has resulted in energy saving of 47,767 MU (million unit) of electricity per year, peak demand reduction of 9,563 MW and 38.69 million tonnes of CO2 emission reduction per year. The program has provided economies of scale to manufacturers through regular bulk procurement which helped the manufacturers to reduce the cost of LED bulbs for retail segment as well. It Encouraged Make in India with domestic manufacturing of LED bulbs increased from about 100,000 per month to 40 million per month. The procurement price reduced by almost 90 *per cent* between 2014 and 2017; from Rs. 310 to Rs. 38

- Additionally, EESL has distributed over 72.17 lakh LED tube lights and 23.58 lakh energy efficient fans under the program.

1. **UJALA 2.0/ Gram UJALA:**

- Building on the UJALA Scheme, EESL/CESL (100 *per cent* owned subsidiary of EESL) has rolled out Gram Ujala program to provide LED bulbs at INR10 per bulb and in time create an ecosystem of energy efficient appliances for rural homes. It is targeting to reach 15 million people and save 1.8million tCO2e per year. The scheme was launched by MoSP (IC) on 19.03.2021 In Bihar. Gram UJALA program is currently running successfully in the states of Bihar & UP and more than 23.14 lakh LED bulbs have already been distributed. The real time dashboard of Gram Ujala Scheme can be seen at- https://gramujala.ceslindia.co.in . It may be noted that Carbon financing is being used for funding of this program.

2. **Street Lighting National Programme (SLNP):**

- SLNP was launched on 5th January 2015 by Hon'ble Prime Minister Shri Narendra Modi as "Prakash Path" – National Program for adoption of LED in Home and Street Lighting. The main objective was to convert conventional Street Lights with energy efficient LED Street Lights. Under this Programme, replacement of 1.34 crores conventional street light was targeted. As on date, EESL has installed about 1.19 crore LED street lights across India. This has resulted in estimated energy savings of 8.01 billion kWh per year with avoided peak demand of 1,334 MW and estimated GHG emission reduction of 5.51 million t CO2 per year and estimated annual monetary savings of INR 5,605 crore in electricity bills of municipalities.

3. **Smart Meter Programme:**

- EESL with its JV IntelliSmart is currently doing Implementation of Smart Metering Program to significantly improve the billing and collection efficiencies of Distribution Companies (DISCOMs). Smart Meters will be the foundation for smart grid programme which will be crucial to meet challenges of the newly evolving energy mix and the target of providing uninterrupted 24x7 power supply to every Indian.

- EESL has signed MoUs/Agreement for smart meters with the states of Andhra Pradesh, Uttar Pradesh, Haryana, Bihar, NDMC-Delhi, and Telangana. Till date, over 18.29 lakh smart meters have been installed in the state of Uttar Pradesh, Haryana, Bihar and NDMC-Delhi. NDMC became the first utility by replacing the conventional meter with smart meter of all its consumers through EESL without any upfront investment from NDMC.

4. **Decentralized Solar Program:**

- Building on the PM- KUSUM scheme of MNRE, CESL aims to create more than 8 GW of solar generation in the next 5-6 years specifically focusing on Decentralised mode and has already signed agreements for approx. 800 MW of generation. As on date approx 200 MW of Solar Power Plants are commissioned. In addition to that CESL has also devised a unique and innovative model of convergence wherein various kinds of value added offering like streetlights, battery storage, energy efficient agriculture pumps, energy efficient LED lights, induction cook stove etc., are being offered to distribution utilities to build a sustainable eco-system.

5. **Electric Mobility:**

- Building on FAME-II Scheme of NITI Aayog, CESL is deploying 2-wheelers, 3- wheelers and 4- wheelers mobility solutions through lease/buy options, setting up solar car-ports and public charging infrastructure. CESL aims to create a suite of awareness building, O&M, scrapping value optimisation and financing schemes by stacking central/state/OEM offerings to reduce upfront costs by 40 *per cent*.

- CESL is currently operating more than 1,670 electric cars in more than 160 central and state government ministries/department in 50 cities under the National Electric Mobility Programme.

- Under the aegis of electric mobility, CESL is also working aggressively to install public charging stations across the country and have already installed more than 370 public charging stations across the country.

6. **Building Energy Efficiency Programme (BEEP):**

- Building Energy Efficiency Program was launched to implement energy efficiency measures in government buildings across India. Under this Program 10,423 Buildings have been retrofitted with energy efficient equipment like LED Lights, 5 Star rated Fans and super-efficient Air-condition. This include 7,000 railways stations/service buildings and 66 Airports buildings under BEEP program. The program results in annual energy savings of 224 million units.

7. **Atal Jyoti Yojana (AJAY):**

- MNRE has designated EESL as an implementing agency for AJAY scheme i.e. Installation of Solar Street lights along with their repair and maintenance. EESL has installed 2.44 lakh solar street lights which along with energy savings has resulted in following social benefits:
    - Direct and Indirect employment of around 40,000 jobs in urban and rural areas.
    - Reduction in expenses for ensuring grid connectivity, laying of transmission and distribution system, T & D Losses, Metering etc.
    - Women Safety & Security of villagers.

8. **Agriculture Demand Side Management (AgDSM):**

- EESL is implementing AgDSM for replacement of old pumps with BEE 5 Star rated pumps. As on date, EESL has installed 77,196 nos. of pumps in the state of Andhra Pradesh and Uttar Pradesh. The program has resulted in energy savings of about 200 million units per year and 149 Kilo tones of CO_2 reduction.

9. **Super-Efficient Air Conditioning Programme:**

- With the goal of integrating energy efficiency into India's cooling sector, EESL has initiated a first of its kind, Super-Efficient Air Conditioning programme. Consumers can buy the Super-Efficient Air Conditioners distributed by EESL at prices that are comparable to the most energy efficient ACs in the market. These Super-Efficient ACs provides 1.5-TR cooling capacity at high ambient temperature while also reducing the cost of cooling by 50 *per cent*. As on date, about 2,500 Super-Efficient Air Conditioners have been sold.

  Business Model: Under this through demand aggregation and bulk procurement, EESL is providing super-efficient ACs having superior specifications and efficiency than the best available BEE-5 star rated ACs in Indian market at much lower price. The ACs can be purchased through an online portal EESLmart.in, on upfront and monthly EMI basis.

10. **Battery Energy System Solutions (BESS):**

- To integrate such high volumes of Renewable Energy (450 GW by 2030), given the RE's intermittent generation would pose a challenge to grid security & safety. Thus, there will be a requirement of ancillary services (Refer CERC draft notification No. RA-14026(11)/3/2019- CERC dated 29th May 2021), and many other ways to achieve grid stability. Battery energy storage systems (BESS) are expected to play a key role in stabilisation of the grid and enhance the penetration of higher volumes of RE in to the overall energy mix of the country. BESS can be used for energy arbitrage, demand response, ancillary services, network management, reduction in DSM charge and electric mobility, etc.

- CESL has initiated work on BESS technology and is aggressively taking prospective BESS opportunities in couple of Distribution utilities that shall help co-create a robust and sustainable ecosystem.

6. BUDGET AND PLANNING

(Rs in Crore)

S. No.	Particulars*	2018-19		2019-20		2020-21	
		Budgeted	**Actual**	**Budgeted**	**Actual**	**Budgeted**	**Actual**
1.	Capital Expenditure**			3455.00	1476.59	-	753.97
2.	Revenue Expenditure**			1055.00	1852.10	-	16.5.15

7. ACCOUNTING SYSTEM IN THE COMPANY AS WELL AS IN THE R.O'S/ BRANCH OFFICES ETC

We are maintaining the DATA in SAP.

8. MANPOWER ANALYSIS (As on 31.3.2021):

	Sanctioned	**Actual**
Executives	1700	570 (Including, 228 regular, 99 FT, 243 outsource)
Non- Executive		213 (Including, 38 regular, 7 FT, 168 outsource)
Total		783

9. MOU TARGETS and ACHIEVEMENTS for the last three financial years 2018-19 to 2020-21 : Will be submitted later.

S.No.	Particulars	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual (As per LR Figures)
1.	Turnover from operations (Cr)	1800	1837.65	2200	1797.09	1200	1500.08
2.	Operating profit						
3.	Return on Investment (%)						
4.	Overall rating	Excellent	Excellent	Not finalized yet		Not finalized yet	

10. COMPUTERIZATION

- ✓ OEM M/S SAP India was onboarded from June 2019 till 31st May 2021 for system related changes and enhancements
- ✓ Regular Security Audits (Vulnerability assessment) is under process since June 2021

11. INTERNAL AUDIT

Internal Audit is outsourced to M/s Jain & Malhotra, Chartered Accountants. It is being conducted on Half-Yearly basis and has been conducted for the period from 01.04.2014 to 31.03.2021. It is being done on the basis of Scope of work duly approved by EESL Board.

12. ACT, RULES, OTHER DOCUMENTS APPLICABLE to the ORGANIZATION.

The company is registered under Companies Act, 2013 and all acts, rules etc., applicable to company, are being followed by us.

13. OPERATING RESULTS (Targets vis –a-vis achievements) : Will be submitted later.

S.No.	Particulars	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual (As per LR figures)
1.	Turnover from operations (Cr)		1837.65		1797.09		1500.08
2.	Operating profit						
3.	Return on Investment (%)						
4.	Overall rating	Excellent	Excellent	Not yet finalized		Not yet finalized	

14. FINANCIAL WORKING RESULTS : (Amount in lakhs)

Particulars	**2019-20**	**2020-21 (As per LR figures)**
Income		
Revenue from operations	179709.13	150007.73
Other Income	7600.94	13324.15
Total Income(A)	**187310.07**	**163331.88**
Total Expenditure(B)	**185209.70**	**158506.44**
Profit before Tax (A-B)	**2100.37**	**4825.44**

15. DISINVESTMENT Nil

16. ENVIRONMENT MANAGEMENT

Sustainable Development Unit (SDU) is working in EESL since 2018. Details regarding Environment protection mechanism and steps taken to be provided by SDU.

OTHERS:

LIST OF RECORDS AND BOOKS MAINTAINED BY THE COMPANY

Board Minutes and Agenda, Annual accounts, General Ledger, Trial Balance, Subsidiary Books, Vouchers, Invoices, Payment Voucher and other records as per statutory requirements.

1. PURCHASE POLICY & PROCEDURE

Company has an approved Guidelines, Policy and Procedure for Procurement of Goods, Works and Non-Consulting Services for EESL.

2. POLICY ON FRAUD AND CORRUPTION

Company has a Fraud Prevention Policy designed to ensure that officials dealing and undertaking transactions for the company conduct themselves in a transparent and consistent manner.

3. VIGILANCE

To monitor transparency, objectivity and quality decision making in its operation, EESL has vigilance department. In compliance with requirement of Companies Act, 2013, the company has also formulated the Whistle Blower Policy which provides for the mechanism to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct and adequate safeguards against victimization.

4. CASH MANAGEMENT/FINANCING PATTERN/SCHEMES(PROCEDURES AND PRACTICES)

Appropriate system/procedure for cash management is in place.

5. WORKS POLICY

The work policy of EESL is in accordance to work profile of the business units.

6. HUMAN RESOURCE MANAGEMENT

The Total manpower of EESL as on 31st March 2019 stood at 955 which included 263 regular employees, 136 fixed term employees, 33 consultants, 523 third party employees.

7. MANAGEMENT INFORMATION SYSTEM

Management Information system is as per the weekly performance review of different divisions reviewed by MD in weekly review meetings.

8. PERFORMANCE APPRAISAL SYSTEM

Company is following Performance Appraisal System in accordance to NTPC PMS policy with minor modification.

9. ISO CERTIFICATION

Company has not received any ISO certification.

10. AUDITING METHODOLOGY

Auditing Standard and Checklist for Accounts Audit, Phase Audit, Contract Audit mentioned in **Chapter II** and given in Annexures should be followed.

11. AUDIT PLAN & MANDAYS ALLOCATION

Allocation of mandays for EESL audit in annual audit plan for the year 2019-20 was as under:

Nature of Audit	Mandays allocated in annual audit plan
Accounts Audit	42
Compliance Audit	60
Total	**102**

VII NTPC EDMC Waste Solution Pvt. Ltd.

1. INTRODUCTION OF THE ORGANIZATION

a) Date of Incorporation - 01/06/2020

b) Administrative Ministry – Ministry of Power

c) Vision and mission – As part of the NTPC Ltd group, the vision is to "To Be the World's Leading Power Company, Energizing India's Growth". And mission is to "Provide Reliable Power and Related Solutions In An Economical, Efficient And Environment Friendly Manner, Driven By Innovation And Agility."

d) Nature of business including geographical scope - The Company is setup as a joint v sspe5orszeszzzzzzesssssssss o enture of NTPC Ltd and East Delhi Municipal Corporation for providing waste management solutions, waste to energy power project being the flagship project to begin with.

e) Offices/regions/ sub offices etc. – Corporate office at NTPC Bhawan, SCOPE Complex, Institutional Area, Lodhi Road, New Delhi - 110003

2. OBJECTIVES OF THE ORGANIZATION

To develop & operate state of art/modern integrated waste management & energy generation facility using municipal solid waste on Build Own Operate (BOO) basis.

3. CAPITAL STRUCTURE (as on 31 March 2021)

a. **Authorised Capital – Rs. 20,00,000/-**

b. **Paid up capital – Rs. 20,00,000/-**

c. Contribution of Shareholders – NTPC Ltd. Rs. 14,80,000/- and EDMC Rs. 5,20,000/-

4. ORGANISATIONAL SET UP(in organogram form) – The organization is at formative stage and hence a detailed organization set up is still being formed.

5. ACTIVITIES OF THE ORGANIZATION : The Company has been formed for waste management solutions primarily being waste to energy production. However, the company is in nascent stage of initial surveys and the construction phase has not commenced.

6. BUDGET AND PLANNING

S. No.	Particulars*	2018-19		2019-20		2020-21	
		Budgeted	**Actual**	**Budgeted**	**Actual**	**Budgeted**	**Actual**
1.	Capital Expenditure**	NA	NA	NA	NA	0.11	0.11
2.	Revenue Expenditure**	NA	NA	NA	NA	0.91	0.91

7. ACCOUNTING SYSTEM IN THE COMPANY AS WELL AS IN THE R.O'S/ BRANCH OFFICES ETC (whether accounting centralized or decentralized, costing system /records etc.). – Accounting is centralized in SAP environment**.**

8. MANPOWER ANALYSIS (As on 31.3.2021):

	Sanctioned	Actual
Executives	5	5
Non- Executive	0	0
Total	5	5

9. MOU TARGETS and ACHIEVEMENTS for the last three financial years 2018-19 to 2020-21 :

S.No.	Particulars	2018-19		2019-20		2020-21	
		Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**
1.	Turnover from operations (Cr)	NA	NA	NA	NA	NA	NA
2.	Operating profit	NA	NA	NA	NA	NA	NA
3.	Return on Investment (%)	NA	NA	NA	NA	NA	NA
4.	Overall rating	NA	NA	NA	NA	NA	NA

10. COMPUTERIZATION.

The Company being part of the NTPC Ltd group has implemented the same SAP architecture.

11. INTERNAL AUDIT

The Company has not yet started operations and hence separate internal audit is not being done.

12. ACT, RULES, OTHER DOCUMENTS APPLICABLE to the ORGANIZATION.

13. OPERATING RESULTS (Targets vis –a-vis achievements) :

S.No.	Particulars	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
1.	Turnover from operations (Cr)	NA	NA	NA	NA	NA	NIL
2.	Operating profit	NA	NA	NA	NA	NA	(90.97)
3.	Return on Investment (%)	NA	NA	NA	NA	NA	NA
4.	Overall rating	NA	NA	NA	NA	NA	NA

14. FINANCIAL WORKING RESULTS :

(Rs in Lakh)

Particulars	2019-20	2020-21
Income	NA	NIL
Revenue from operations	NA	NIL
Other Income	NA	NIL
Total Income(A)	NA	NIL
Total Expenditure(B)	NA	90.97
Profit before Tax (A-B)	NA	(90.97)

15. DISINVESTMENT

The company is still at formative stages and hence disinvestment is not part of the foreseeable period.

16. ENVIRONMENT MANAGEMENT

The company is still at formative stages and operations are yet to start. Hence no environment management system has been set up in the organization.

VII. NTPC Renewable Energy Limited

1. INTRODUCTION OF THE ORGANIZATION

a) Date of Incorporation : 07 Oct 2020

b) Administrative Ministry : Ministry of Power

c) Vision and mission : Under Preparation

d) Nature of business including geographical scope : Generation of Renewable Power, Pan India (presently plants under construction in Rajasthan & Gujarat)

e) Offices/regions/sub offices etc. : Registered Office - New Delhi

Corporate Office - Gautambudh Nagar

2. **OBJECTIVES OF THE ORGANIZATION:** To Plan, promote and organise an integrated development of power generation through all kind of non-conventional/ renewable energy sources.

3. CAPITAL STRUTURE (AS ON 31 March 2021)

a. **Authorised Capital** : Rs.4000.00 Cr

b. **Paid up capital** : Rs.295.05 Cr

c. **Contribution of Shareholders**: Rs.295.05 Cr

4. **ORGANISATIONAL SET UP (in organogram form):**

Organizational Chart For NTPC Renewable Energy Ltd

Sh. Mohit Bhargava
Emp. No. 003481

Sh. D.V. LAKSHMIPATHY
Emp. No. 003286

Sh. Rajpal Singh
Emp. No. 007616

Sh. Vinay Gurudev
Emp. No. 007370

Sh. B. KAMATH
Emp. No. 003357

Sh. Vishal Garg
Emp. No. 008269

Sh. Balaji Malepati
Emp. No.009083
DGM (Business

Sh. Kunal Prasad
Emp. No. 009450
Sr. Mgr. (Contract Services)

Sh. Sneh Sagar Singh Gusain
Emp. No. 100191

Sh. Samyak Samagyan Sarangi
Emp. No. 102631
Manager (Engineering)

5. **ACTIVITIES OF THE ORGANIZATION:** Presently, developing Solar Power projects of 820 MW capacity in Gujarat & Rajasthan.

6. **BUDGET AND PLANNING**

Please note that the company was incorporated only on 7th Oct. 2020. The budgeted and actual expenditure for FY 2020-21 of the company has already been included in those of NTPC in the form of equity contribution by NTPC.

(Rs. in crore)

		2019-20	2020-21
Capital Expenditure		-	296.69
Revenue Expenditure		-	3.513
Turnover		-	-
Profit/Loss before tax		-	(3.51)
Grant Received	**Revenue**	-	-
	Capital	-	-

7. ACCOUNTING SYSTEM IN THE COMPANY AS WELL AS IN THE R.O'S/ BRANCH OFFICES ETC

Centralised Mercantile accounting system complying with IND AS.

8. MANPOWER ANALYSIS (AS ON 31.03.2021)

	Sanctioned	Actual
Executives	-	12
Non- Executive	-	0
Total	-	12

9. MOU TARGETS and ACHIEVEMENTS for the last three financial years 2018-19 to 2020-21: Company has been incorporated on 7 October 2020. All projects are under construction phase only.

S.No.	Particulars	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
1.	Turnover from operations (Cr)	N/A	N/A	N/A	N/A	N/A	N/A
2.	Operating profit	N/A	N/A	N/A	N/A	N/A	N/A
3.	Return on Investment (%)	N/A	N/A	N/A	N/A	N/A	N/A
4.	Overall rating	N/A	N/A	N/A	N/A	N/A	N/A

10. COMPUTERIZATION

Company is using SAP which is extended to the company by the holding company (NTPC Ltd) and requirements of systems audit is taken care of by NTPC Ltd.

11. INTERNAL AUDIT

NTPC (holding company) has separate Internal audit department and it is envisaged that at present internal audit requirement of this company shall be met in-house by NTPC as per it systems & procedures.

12. ACT, RULES, OTHER DOCUMENTS APPLICABLE to the ORGANIZATION:

Company is formed as wholly owned subsidiary of NTPC Ltd so all act rules which are applicable to wholly owned subsidiary of government company are applicable to the company.

13. OPERATING RESULTS (Target's vis –a-vis achievements): Company has been incorporated on 7 Oct 2020. All projects are under construction phase only.

S.No.	Particulars	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
1.	Turnover from operations (Cr)	N/A	N/A	N/A	N/A	N/A	N/A
2.	Operating profit	N/A	N/A	N/A	N/A	N/A	N/A
3.	Return on Investment (%)	N/A	N/A	N/A	N/A	N/A	N/A
4.	Overall rating	N/A	N/A	N/A	N/A	N/A	N/A

14. FINANCIAL WORKING RESULTS:

(Rs in Lakh)

Particulars	2019-20	2020-21
Income		
Revenue from operations	N/A	0.00
Other Income	N/A	0.35
Total Income(A)	N/A	0.35
Total Expenditure(B)	N/A	351.31
Profit before Tax (A-B)	N/A	-350.96

15. DISINVESTMENT Not Applicable.

16. ENVIRONMENT MANAGEMENT

Company is engaged in the business of generation of energy using renewable sources and thereby using eco-friendly source of generation of energy. As per Ministry of Environment & Forest

Office Memorandum (OM) dated 13.05.2011, Solar PV Power Project are not covered under the ambit of EIA Notification, 2006 and no environment clearance is required for such project. The same has again been clarified vide MNRE Office Memorandum Reference No. F. No. 320/14/2017-NSM Dated 14.08.2017.

VIII. NTPC Mining Limited

1. INTRODUCTION OF THE ORGANIZATION

a) Date of Incorporation : 29th August 2019

b) Administrative Ministry : Ministry of Power

c) Vision and mission : The Company was incorporated on 29.08.2019 and it is yet to start commercial operations. The vision and mission statement of the Company will be approved in due course.

d) Nature of business including geographical scope: To carry on in India and elsewhere the trade or business of coal mining including the management of coal mines, to acquire coal mines by purchase, lease, license, grant, amalgamation or otherwise in India and elsewhere, to produce or otherwise engage generally in the production, sale and disposal of coal and its by-products.

e) Offices/regions/ sub offices etc. : Registered Office- NTPC Bhawan, SCOPE Complex, Lodhi Road, New Delhi-110003.

2. OBJECTIVES OF THE ORGANIZATION

Some of the objects mentioned in the object clause of Memorandum of Association are as under:

a) To carry on business of coal mining, acquisition of Coal Mining, sale and disposal of coal.
b) Acquire, develop & Operate Mines & related activities.
c) Mining of Coal, lignite, manganese, limestone, manufacturing coke & other Minerals and other business.

3. CAPITAL STRUCTURE (as on 31 March 2021)

d. **AuthorisedCapital :** Rs 10 Lakhs
e. **Paid up capital :** Rs 5 Lakhs
f. **Contribution of Shareholders :** 100 *per cent* equity share capital of the company is held by NTPC Limited and its nominees.

4. ORGANISATIONAL SET UP(in organogram form): Company is yet to commence commercial operation and recruit employees.

5. **ACTIVITIES OF THE ORGANIZATION :**Company is yet to commence commercial operation.

6. BUDGET AND PLANNING

(Amount in Rs)

S. No.	Particulars*	2018-19		2019-20		2020-21	
		Budgeted	Actual	Budgeted	Actual	Budgeted	Actual
1.	Capital Expenditure**	N/A**	N/A**	Nil	Nil	Nil	Nil
2.	Revenue Expenditure**	N/A**	N/A**	27,167.00	27,167.00	46,857.00	46,857.00

* No grants had been received during mentioned period from any Government for implementation of Govt. Schemes.

** NTPC Mining Ltd was incorporated on 29.08.2019.

7. ACCOUNTING SYSTEM IN THE COMPANY AS WELL AS IN THE R.O'S/ BRANCH OFFICES ETC

Centralised mercantile accounting system complying with IND AS.

8. MANPOWER ANALYSIS (As on 31.3.2021):

	Sanctioned	Actual
Executives	Nil	Nil
Non- Executive	Nil	Nil
Total	Nil	Nil

9. MOU TARGETS and ACHIEVEMENTS for the last three financial years 2018-19 to 2020-21 :

S.No.	Particulars	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
1.	Turnover from operations (Cr)	N/A	N/A	N/A	Nil	N/A	Nil
2.	Operating profit	N/A	N/A	N/A	Nil	N/A	Nil
3.	Return on Investment (%)	N/A	N/A	N/A	-4.60%	N/A	-4.66%
4.	Overall rating	N/A	N/A	N/A	N/A	N/A	N/A

10. COMPUTERIZATION

Company is using SAP systems, which is extended to the company by the holding company (NTPC Ltd) and requirements of systems audit is taken care of by NTPC Ltd.

11. INTERNAL AUDIT

NTPC Ltd (holding company) has separate Internal audit department and it is envisaged that at present internal audit requirement of this company shall be met in-house by NTPC as per its systems & procedures.

12. ACT, RULES, OTHER DOCUMENTS APPLICABLE to the ORGANIZATION.

Company is formed as wholly owned subsidiary of NTPC Ltd, so all such rules which are applicable to wholly owned subsidiaries of a government company are applicable to the company.

13. OPERATING RESULTS (Targets vis –a-vis achievements) :

S.No.	Particulars	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
1.	Turnover from operations (Cr)	N/A	N/A	N/A	Nil	N/A	Nil
2.	Operating profit	N/A	N/A	N/A	Nil	N/A	Nil
3.	Return on Investment (%)	N/A	N/A	N/A	-4.60%	N/A	-4.66%
4.	Overall rating	N/A	N/A	N/A	N/A	N/A	N/A

14. FINANCIAL WORKING RESULTS :

(Amount in Rs.)

Particulars	**2019-20**	**2020-21**
Income		
Revenue from operations	0.00	0.00
Other Income	6,834.00	23,848.00
Total Income(A)	**6,834.00**	**23,848.00**
Total Expenditure(B)	**27,167.00**	**46,857.00**
Profit before Tax (A-B)	**(20,333.00)**	**(23,009.00)**

15. DISINVESTMENT

Company was incorporated on 29th August 2019. Since incorporation, the Company proposal for disinvestment has been initiated till date.

16. ENVIRONMENT MANAGEMENT

Company is yet to commence commercial operations and measures for Environment management by the Company will be implemented in due course.

IX. CONVERGENCE ENERGY SERVICES LIMITED

1. INTRODUCTION OF THE ORGANIZATION

a) Date of Incorporation - 29/10/2020
b) Administrative Ministry- Ministry of Power, Convergence Energy Services Limited, a wholly owned subsidiary of the Energy Efficiency Services Limited, itself a joint venture of four public sector companies under the Ministry of Power.
c) Vision and mission - Universal access to sustainable energy solution to enable a low carbon future with significant economic and social impact. To enable ecosystems for responsible energy adoption with innovations and market creation approaches.
d) Nature of business including geographical scope: - CESL is focused on delivering clean, affordable, and reliable energy on pan India basis including cross border transactions.
e) Offices/regions/ sub offices etc. - NFL Building 5th & 6th Floor, Core - III , Scope Complex. Lodhi Road, New Delhi -110003 (Registered office)

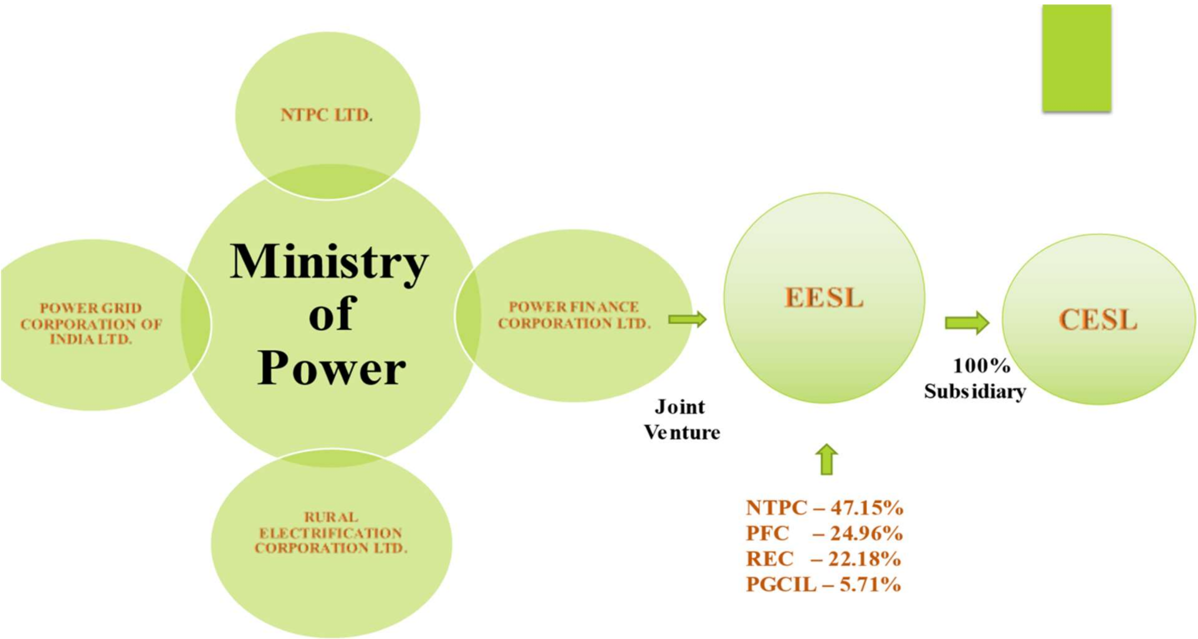
2. OBJECTIVES OF THE ORGANIZATION –

f) To engage in the business of clean energy, energy efficiency including mobile and stationery battery energy storage through either the provision of energy supply or energy services.
g) To prepare, monetize and hold carbon assets arising from clean energy generation, battery energy storage and/or energy efficiency.
h) Provide consultancy services in the field of clean energy, climate change, carbon markets, demand side management, clean technology, energy efficiency, climate change and other related areas.
i) To provide any and all of the above businesses anywhere in the world.

3. CAPITAL STRUCTURE (as on 31 March 2021)

a. **Authorised Capital –** Rs 1,000
b. **Paid up capital –** Rs 1,000
c. **Contribution of Shareholders -** 100 *per cent*

4. ORGANISATIONAL SET UP (in organogram form) –



5. ACTIVITIES OF THE ORGANIZATION –

Convergence focuses on energy solutions that lie at the confluence of renewable energy, electric mobility, and climate change. It builds upon the decentralized solar development experience in under-served rural communities in India, and over time, using battery energy storage, will deliver renewable energy solutions to power agricultural pumps, street lighting, domestic lighting, and cooking appliances in villages. CESL will also work to enable battery powered electric mobility and its infrastructure and design business models to increase the uptake of electric vehicles in India. To enable commercialization of these solutions at scale, Convergence will employ business models that utilize a blend of concessional and commercial capital, carbon finance and grants as appropriate.

- **Solar**:-Convergence business models would essentially operate closer to consumption thereby improving efficiencies. Distribution companies will benefit from the cheaper power and better serviceability. Governments will save on subsidy costs and efficiently utilise schemes like the PM-KUSUM program while users, especially farmers and last mile users, will benefit from reliable energy access. Certified Emissions Reductions will be traded in the carbon markets

- **EV (Electric Vehicle) and EVCI (Electric Vehicle Charging Station)**:- The company has plan to replace the self-propelled vehicles running with traditional fuel into vehicles running on electric charging. In consideration of the huge market potential and aspiration of Government of India to have 100 *per cent* Electric Vehicles on the road by 2030 under National Mission on Electric Mobility, Convergence has entered into the domain as a demand aggregator.
- **Gram Ujala** :- is a new scheme being launched by CESL that will be supported by carbon finance. It involves distribution of LED bulbs at a subsidized rate of 4¢ in rural areas. The remaining cost of the bulb is funded through CDM revenues. The scheme has been covered as a Program of Activities under Article 12 of UNFCCC

6. BUDGET AND PLANNING

Not applicable as the company Incorporated on 29/10/2020.

(In Rupees)

S. No.	**Particulars**	**2018-19**		**2019-20**		**2020-21**	
		Budgeted	**Actual**	**Budgeted**	**Actual**	**Budgeted**	**Actual**
1.	**Capital Expenditure**	N/A	N/A	N/A	N/A	4,45,09,051	4,45,09,051
2.	**Revenue Expenditure**	N/A	N/A	N/A	N/A	2,86,06,308	2,86,06,308

7. ACCOUNTING SYSTEM IN THE COMPANY AS WELL AS IN THE R.O'S/ BRANCH OFFICES ETC.-

Accrual basis of accounting(Centralized Accounting)

8. MANPOWER ANALYSIS (As on 31.3.2021):

	Sanctioned	**Actual**
Executives	2	2
Non- Executive	-	-
Total	**2**	**2**

9. MOU TARGETS and ACHIEVEMENTS for the last three financial years 2018-19 to 2020-21 : Not applicable

S.No.	Particulars	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
1.	Turnover from operations (Cr)						
2.	Operating profit						
3.	Return on Investment (%)						
4.	Overall rating						

10. COMPUTERIZATION

Tally Prime, IT Audit yet to be conducted (SAP would be implemented).

11. INTERNAL AUDIT

No Internal Audit separate wing. Considering the nature and size of the operations of the company during the financial year 2020-21, the provisions of the Companies Act regarding Formal process of Internal Financial Control and assessment of its adequacy including internal Audit are not applicable on the company. However, the procedure adopted from parent company have been followed in respect of all the financial transactions, which involves control mechanism to identify and eliminate the element of risk of fraud or error at each stage of the transaction since inception to final recognition in the financial. Moreover, there is no material risk which in the opinion of the management might threaten the existence of the company.

12. ACT, RULES, OTHER DOCUMENTS APPLICABLE to the ORGANIZATION.

– All corporate Laws

13. OPERATING RESULTS (Targets vis –a-vis achievements) :

S.No.	Particulars	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
1.	Turnover from operations (Cr)	-	-	-	-	-	00.01
2.	Operating profit	-	-	-	-	-	(2.13)
3.	Return on Investment (%)	-	-	-	-	-	-
4.	Overall rating	-	-	-	-	-	-

14. FINANCIAL WORKING RESULTS:

(Amount in Rs)

Particulars	**2019-20**	**2020-21 (INR)**
Income		
Revenue from operations	-	1,08,661
Other Income	-	0.00
Total Income(A)	-	1,08,661
Total Expenditure(B)	-	2,86,06,308
Profit before Tax (A-B)	-	(2,84,97,647)

15. DISINVESTMENT

Not applicable

16. ENVIRONMENT MANAGEMENT

Convergence focuses on energy solutions that lie at the confluence of renewable energy, electric mobility, and climate change. It builds upon the decentralised solar development experience in under-served rural communities in India, and over time, using battery energy storage, will deliver renewable energy solutions to power agricultural pumps, street lighting, domestic lighting, and cooking appliances in villages. CESL will also work to enable battery powered electric mobility and its infrastructure and design business models to increase the uptake of electric vehicles in India.

X. NATIONAL HIGH POWER TEST LABORATORIES PRIVATE LTD

1. Introduction

National High Power Test Laboratory Private Limited is aCompany domiciled and incorporated in India under the provisions of Companies Act as a joint venture of NTPC Ltd, NHPC, PGCIL, DVC & CPRI and its shares are not listed. It functions under the Ministry of Power. It was incorporated on 22 May 2009.

b) **vision and mission**:

i) Vision: Ensure quality and reliability of high power electrical equipment to enhance global quality standards.

ii) Mission: Become the world's preferred test station for high power electrical equipment.

c) nature of business including geographical scope: All over India, Testing of Transformers

d) offices/region/sub-offices etc.: Registered Office, Corporate office & Plant situated at National High Power Test Laboratory, POWERGRID Complex, 765/400 Kv Substation, Khimlasa Road, Bina, Distt.:Sagar, Madhya Pradesh, India

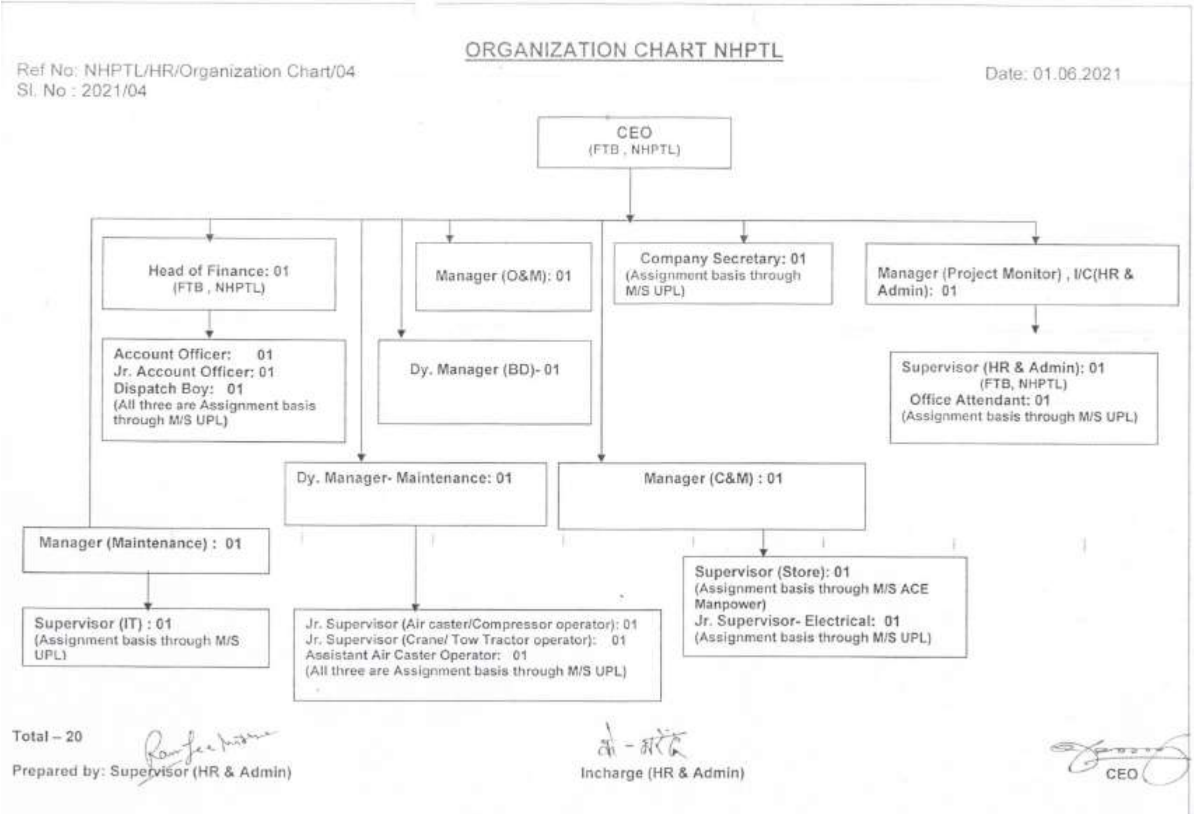
2. Objectives of the Organization.:

The main objective of the Company is to construct, establish & efficient development of On Line High Power Test laboratory facility in India for testing of electrical equipments such as Power Transformers at present and in future busduct, circuit breakers, switchgears and all other transmission & distribution components / equipment etc.

3. Capital Structure as on 31.03.2021.:

Total Share Capital is 15,20,00,000 Equity Shares having equal voting rights of Rs 10/- each. (Rs 152.00 Crores). 20 *per cent* Shares contributed by each JV Partners (NTPC Limited, NHPC Limited, Power Grid Corporation of India Limited, Damodar Valley Corporation, Central Power Research InstituteRs 30.40 Crores each).

4. Organizational Set up (in organogram form). :



5. Activities of the Organisation.:

Testing of Transformers

6. **Budget and Panning (**Details **of system and grants with last three financial years' i.e. 2018-19, 2019-20 and 2020-2 l**

(Rs. in lakhs)

SL No	**Particulars**	**2018-19**		**2019-20**		**2020-21**	
		Budget	**Actual**	**Budget**	**Actual**	**Budget**	**Actual**
1	Capital Expenditure	0	1.01	8,180.00	34,55.00	7,155.06	2,48.30
2	Revenue Expenditure**	3,881.90	3,381.49	3,478.49	3,297.58	3,909.09	3,462.43

b) No Grants received during the FY 2018-19 to 2020-21.

7) Accounting System in the company as well as in the R.O's/Brcinch offices

Not Applicable as no other Branch/ office exists. No Costing system is applicable for the companies either as per requirement of CERC or CEA or Companies act as the company is a service enterprise.

8) Manpower Analysis viz., Executive/Non-Executive and Sanctioned/Actual etc. as on 31.03.2021.

Classification of Manpower	Category	Sanctioned manpower	Actual Manpower	Details
Executive	CEO	1	1	FTB (Retd.)
	HOF	1	1	FTB (Retd.)
	CS	1	1	Contractual
	Project Coordinator	1	0	
	Others	9	6	Regular
Non-Executive	Supervisory	5	4	FTB 1, Contractual 3
	Technician, Electrician& Asst. technician	4	5	All Contractual
	Office Assistant, Courier boy,	2	2	All Contractual
Total		24	20	6 Regular, 3 FTB, 10 Contractual

9) MoU Targets and Achievements for last three financial years (2018-19 to 2020-21)::

SL No	Particulars	2018-19		2019-20		2020-21	
		Target*	Actual	Target*	Actual	Target*	Actual
1	Turnover from Operations	2616.97	2,639.39	2358.07	1,156.02	3687.38	1,554.51
2	Operating profit (Loss)	(1,264.93)	(742.10)	(1,120.42)	(2,141.56)	(221.71)	(1,929.27)
3	Capital Employed	13,172.75	13,172.75	11,031.19	11,031.19	9,101.92	9,101.92
4	Return on investment	-9.60%	-5.63%	-10.16%	-19.41%	-2.44%	-21.20%
6	Overall rating						

**Target : Budget is considered as target for reporting for point no 9.*

10) Computerisation:

Tally is being used for the purpose of accounting only as implementation of ERP is not feasible based on the size of the organisation and volume of the work. No IT audit has been conducted by CAG/Internal experts/any other agency.

11) Internal Audit

Annual Internal audit is conducted by Chartered Accountant in Practice as a third party Internal Audit. No Audit wing exists in the company.

12) Act, Rules, other documents applicable to the Organisation.

Companies Act 2013, Income Tax Act 1961, Provident Fund Act 1952, M.P. Professional Tax Act, Indian Labour Laws including Gratuity Act, Goods and Service Tax, MP VAT and Entry Tax Act to the extent applicable, Department of Public Enterprise Guidelines and Notifications, HR Rules and Delegation of power (DOP) of Power Grid Corporation India limited to the extent approved by Board, NABL compliances for testing activity and CEA/ CERC guidelines/ Orders.

13) Operation Results (Target vis-ã-vis Achievement) for last three financial years (2018-19 to 2020-21).

(Rs. in Lakhs)

SL No	Particulars	2018-19		2019-20		2020-21	
		Budget	Actual	Budget	Actual	Budget	Actual
1	Turnover from Operations	2616.97	2,639.39	2358.07	1,156.02	3687.38	1,554.51
2	Revenue Expenses	3,881.90	3,381.49	3,478.49	3,297.58	3,909.09	3,483.78
3	Operating profit (Loss)	(1,264.93)	(742.10)	(1,120.42)	(2,141.56)	(221.71)	(1,929.27)

14) Financial Working Result for last three financial years (20 I 8-19 to 2020-21).

(Rs. in Lakhs)

	2018-19	*2019-20*	*2020-21*
Income			
Revenue from operations	*2,603.50*	*1,136.55*	*1,539.23*
Other Income	*35.89*	*19.47*	*15.28*
Total income (A)	*2,639.39*	*1,156.02*	*1,554.51*
Total Expenditure (B)	*3,381.49*	*3,297.58*	*3,483.78*
Net Profit/(loss) (A-B)	*-742.10*	*-2,141.56*	*-1,929.27*

15) Disinvestment

No Disinvestment proposal

16) Environment Management

The Company is not having any environmental impact except occasional flow of transformer oil while testing of the transformer which is being separated from water in the oil separator/ treatment plant.

NHPC LIMITED

1. Introduction

NHPC LTD (formerly known as National Hydroelectric Power Corporation) was incorporated under the Companies Act 1956 on 7thNovember 1975 as Central Government Enterprise for development of Hydro Power in Central Sector. Initially, on incorporation, NHPC Limited took over the execution of Salal (Stage-I), Bairasiul and Loktak hydroelectric projects from Central Hydroelectric Project Construction and Control Board. It has acquired a new identity, "NHPC Limited" in March 2008. NHPC is a mini RATNA Category – I Enterprise of the Governement of India. The Company was sucessful in its Initial Public Offer (IPO) worth over ` 6000 crore and became listed company on NSE & BSE with effect from Ist September 2009.

So, far, NHPC has completed 14 proejcts with a total installed capaicty of 5295 MW which includes 1000 MW Indira Sagar Proejct and 520 MW Omkareshwar Project through NHDC Limited- a joint Venture of NHPC with Govt. Of Madhaya Pradesh. NHPC has also executed 5 projects with an installed capacity of 89.35 MW on deposit basis of including two projects in neighbouring countries i.e. Nepal and Bhutan. Presently, the Government of India (GoI) holds 86.36 per cent of Company's shares and the remaining shares are held by FIIs, domestic institutions and general public. It functions under the Administrative control of the Ministry of Power.

a) Vision and Mission:

Vision:

To be a global leading organization for sustainable development of clean power through competent, responsible and innovative values

Mission:

To achieve excellence in development of clean power at international standards.

To execute & operate projects through efficient and competent contract management and innovative R&D in environment friendly and socio-economically responsive manner.

To develop, nurture and empower the human capital to leverage its full potential.

To practice the best corporate governance and competent value based management for a strong corporate identity and showing concern for employees, customer, environment and society.

To adopt & innovate state-of-the-art technologies and optimize use of natural resources through effective management.

a. Nature of business including geographical scope:

The Company is in the business of generation of electricity and main objects of the Company are to plan promote and organize an integrated and efficient development of power in all its aspects through conventional and non-conventional sources.

b. Offices/region/sub-offices etc:

Registered Office:

Address: NHPC
Office Complex,
Sector-33,
Faridabad - 121003
(Haryana

2. Objectives Of The Company

- To Plan, promote and organize an integrated and efficient development of power in all its aspects through Conventional and Non conventional Sources in India and Abroad, including planning, investigation, research, design and preparation of preliminary, feasibility and definite project reports, construction, generation, operation and maintenance of power stations and projects, transmission, distribution, trading and sale of power generated at Stations in accordance with the national economic policy and objectives laid down by the Central Government from time to time and release of water and other needs to the State Govt
- as per the agreed parameters.
- To undertake, where necessary, the construction of inter-state transmission lines and ancillary works for
- timely and coordinated inter-state exchange of power.
- To coordinate the activities of its subsidiaries, to determine their economic and financial objectives / targets and to review, control, guide and direct their performance with a view to secure optimum utilization of all resources placed at their disposal.
- To act as an agent of Government / Public Sector financial institutions, to exercise all the rights and powers exercisable at any meeting of any Company engaged in the planning, investigation, research, design and preparation of preliminary, feasibility and definite project reports, construction, generation, operation, maintenance of Power Stations and Projects, transmission, distribution, trading and sale of power in respect of any shares held by the Government, Public financial institutions, nationalized banks, nationalized insurance companies with a view to secure the most effective utilization of the financial investments and loans in such companies and the most efficient development of the concerned industries.
- To carry on the business of purchasing, selling, importing, exporting, producing, trading, manufacturing or otherwise dealing in all aspects of planning, investigation, research, design and preparation of preliminary, feasibility and definite project reports, construction, generation, operation and maintenance of Power Stations and Projects, transmission, distribution and sale of Power, Power Development, including forward, backward or horizontal integration ancillary and other allied industries and for

that purpose to install, operate and manage all necessary plants, establishments and works.

3. Capital Structure

Authorised Share Capital- Rs. 150,00,00,00,000/- divided into 15,00,00,00,000 equity shares of Rs.10/- each.

Paid-up Share Capital- Rs. 100,45,03,48,050/- divided into 10,04,50,34,805 equity shares of Rs.10/-each.

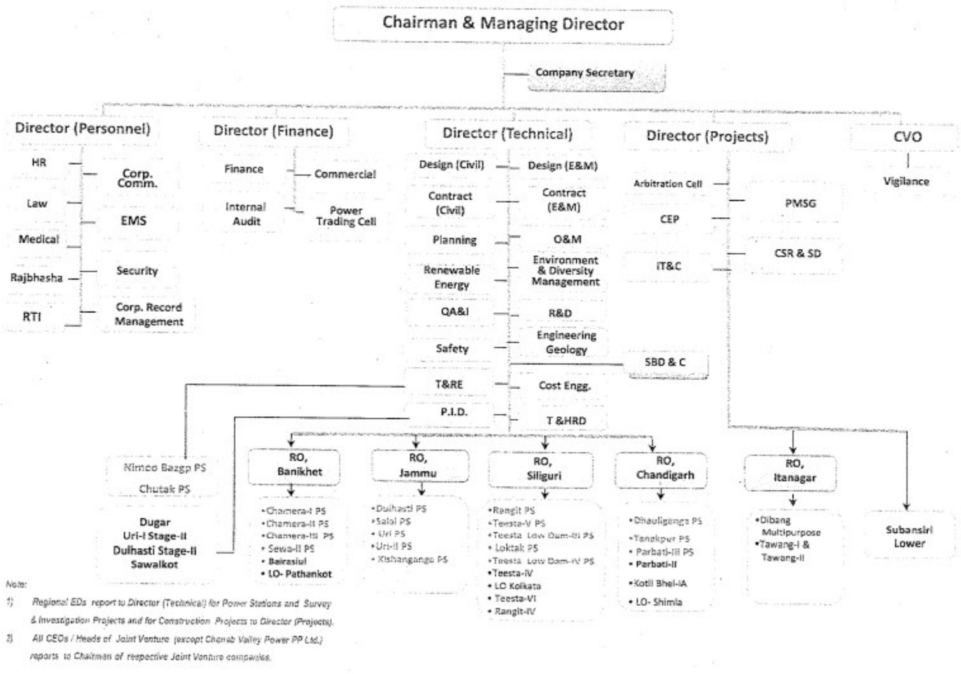
As on 31.03.2021 .

Further other Equities of Rs. 21602.28Crore as on 31.03.2021 comprises the following

(Rs in crore)

Sr. No.	Description	Amount
A	Capital Redemption Reserve (CRR)	2255.71
B	Bond Redemption Reserve	1641.95
C	General Reserve	9724.72
D	Retained Earning	7853.15
E	FVTOCI Debt Instruments	45.71

4. Organisational Set Up



5. Activities

So far, NHPC has commissioned 24 projects with a total installed capacity of 7071.2 MW which includes 50 MW through Wind Power Project in Jaisalmer, Rajasthan, 50 MW Solar Power Project, Tamil Nadu and 1520 MW through NHDC Limited – a joint venture of NHPC with govt. of Madhya Pradesh. Besides this, NHPC has commissioned 14.1 MW Devighat Project in Nepal, 60 MW Kurichu Project in Bhutan, 5.25 MW Kaplong Project in Andaman & Nicobar Islands and 4 MW Sippi& 6 MW Kambang Projects in Arunachal Pradesh as deposit work. NHPC is presently engaged in the construction of 6 projects aggregating to a total installed capacity of 5774 MW which includes 2 hydro electric projects viz., 2000 MW Subansiri Lower HEP and 800 MW Parbati-II HEP being executed on ownership basis and 4 projects being executed through Subsidiary/ JV Companies viz., 500 MW Teesta-VI HE Project, 1000 MW PakalDul HE Project, 624 MW Kiru HE Project & 850 MW Ratle HE Project. In addition, 16 Projects with aggregate capacity of 10382 MW are under clearance stage which includes 10 Schemes of NHPC's own and 6 in JV mode. Further, 4 projects with aggregate capacity of 1628 MW are in S&I stage.During the financial year 2020-2021, NHPC Power Stations achieved the generation of 24471 MU.

6. Budget And Planning :

(i) The details of Budget & Planning in respect of Annual Plan (Planned CAPEX) is as under:

(Rs. In Crore)

Years	Budget and Planning (RBE)			Actual Achievement		
	GBS #	IEBR	Total	GBS #	IEBR	Total
2018-19	482.00	2095.40	2577.40	482.00	1731.41	2213.41
2019-20	554.64	4083.32	4637.96	554.64	3600.07	4154.71
2020-21	170.31	6134.69	6305.00	65.31	3502.59	3567.90

(ii) The details of Budget & Planning in respect of Revenue Budget (O&M & other units except projects covered under Annual Plan) is as under:

(Rs. In Crore)

Years	Budget and Planning (RBE)	Actual Achievement (##)
2018-19	6732.69	5673.55
2019-20	6582.62	6097.35
2020-21	5967.31	5672.75

GBS: Budgetary Support received from GoI in the form of Subordinate Debt.

After reduction of RDA

7. Accounting System

There is an ERP system for maintaining Accounts of NHPC Limited. Further, Accounting System/Costing System/records are decentralized at each unit level.However, some of the functions of Finance like EPF, Salary are centralized at Corporate Office.

8. Manpower Analysis

Manpower Analysis viz., Executive / Non-Executive and Sanctioned / Actual etc. as on 31-03-2021 .

Grade	Sanctioned	In-position
Executive (E2-E9)	**3558**	**3111**
Supervisor & E1	**944**	**361**
Workmen	**1227**	**2092**
Total	**5729**	**5564**

** The above Strength excludes Board Level Post (CMD/Directors)*

9. MoU Targets AndAchievements

S.No.	Particulars	2018-19		2019-20		2020-21	
		Target ###	Actual @	Target ###	Actual @	Target ###	Actual
1.	Turnover from Operations (Crore)	7900	8161.18	8100	8501.28	8500	8294.21
2.	Operating Profit (as percentage of Revenue from operation) (%)	27%	34.81%	28%	31.03%	31%	36.40%
3.	Return on investment (PAT as percentage of average Net Worth) (%)	8.50%	9.18%	8.50%	10.19%	10%	11.10%
4.	Overall rating	Very Good		Yet to be Finalized by DPE		Data for evaluation is yet to be submitted by NHPC	

p – 6
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3

Target has been taken at Very Good Scale
@Actual as submitted by NHPC to MoP/DPE

10. Computerization

ERP in NHPC

NHPC is- leveraging Information Technology in its goal of sustainable growth in business. NHPC hasimplemented Enterprise Resource Planning (ERP) application to integrate all its business functions toimprove information availability, transparency and decision making. Various units of the Companyacross India are connected to Corporate Office through multimode & fail-safe communication links.Information Technology (IT) and Cyber Security Policy are in place to ensure optimum and secureutilization of the IT&C assets owned by NHPC. The key servers have been co-located at TIER-Ill datacentre of M/s BSNL Jt Faridabad. Disaster Recovery (DR) site for ERP data is operational at NHPC office,Kolkata and a near DR site is operational at a data centre of M/s National Informatics Centre ServicesInc. (NICSI) at New Delhi. ERP System was implemented in NHPC in phased manner from Dec'2008 toApr-'2011 at 54 locations and the implementation partner of ERP is M/s IFS which is a Sweden basedCompany.

ERP Controls

The System Audit of ERP System was also performed by M/s KPMG (Certified Auditors) in June'2014tocheckcontrols of ERP System. Further, the System Audit is under process since 24 March 2021 byM/sKPMG.Forsmooth functioning of ERPSystem,necessary,SystemControlsareimplementedonthe following:

- AIX/WindowsOperatingSystem
- Database System
- o Router System
- o NetworkArchitecture
- Access Management System
- o InternalVulnerability
- o Finance/Human Resource/Payroll/Purchase&Contracts/EnergySales&AccountingERP Modules

Following ERP modules are implemented in NHPC-

- ProjectManagementModule
- Operation&MaintenanceModule

- Procurement &ContractsModule
- EnergySales&AccountingModule
- InventoryModule
- FinanceModule
- Payroll Module
- HRModule
- EmployeeSelfService

Benefit of ERP System envisaged before Implementation-

- Standardization of Business Processes, business rules, reports across theOrganization
- Uniformlookandfeelacrossbusinessapplications
- On--line approval process, on-line availability of information in real-time
- Quick,easyandtransparentaccesstoinformation
- ComprehensiveFunctionalityandControls
- Increased relianceon automatic control
- Lesshuman interventioninallprocesses
- Centralizedstorage,opcrotionandmanagementofERPdataandinformationwithMultiple pointsofIT security

ERP System Benefits in NHPC-

- Reducedpaperdocumentsbyprovidingon-lineformatsforquicklyenteringandretrievinginformation.
- Standardization of businessProcesses,Rules, formats, reports resulting in greater accuracyofinformation,detailedcontent,betterpresentation
- Quickresponsetochangein businessoperationsandmarketconditions.
- ESS(ErnployceSelfService)facilityprovideson-lineformatsforquicklyentering,retrievinginformationandcurrentstatus.Allemployeesfill theirleavesandclaimsonline
- Timelyflow ofinformationbypermitting,postinginstantly
- On-line FinancialApproval of Paymentsas per DoP

- Real time energy billingaspertheCERC:Guidelines
- TimeforGenerationofEnergyBillshasbeenreducedconsiderably(from2-3daysto2-3 hours)
- Financialclosureof accountsdoneinERP
- Considerablereductionofpaperwork
- Universalcodificationfor materials,assetsandsuppliersacrossNHPC
- Bookingof GRNandMINinrealTimeforstoreitems.
- Synchronization of stores and PSL
- Real time monitoring of transactions & Trial Balance from Corporate office
- Object wise maintenance of Fixed Assets Register
- DepreciationcalculationbyERPsystem
- FixedAssettrackingforphysicalverification
- AutomaticInter-UnitReconciliation
- Document maintenance System
- Greater monitoringandquickerresolutionofqueries.

Major ERP processes are Re-Engineered

- CentralizedPayroll
- Inter-unitreconciliation
- CentralizedEPF
- CentralizedEmployeeAdvances
- CentralizedVendorPayment
- FundTransfer&FundCollection

11. Internal Audit

The Corporate Internal Audit Department coordinates all activities related to internal audit as per Internal Audit Manual and SOP.

Internal audit of Corporate Office, Power Stations and Projects/LO/Units are conducted in-house by Internal Audit Department (including Regional Internal Audit Groups) headed by General Manager (IA) at present and as per approved audit programme / calendar. The Special audits of units / office is also conducted by the Internal Audit, whenever required.

Audit is conducted in two phases covering full year period in respect of Power Stations, Construction Projects and some Divisions of Corporate Office and on yearly basis in respect of Projects under Survey & Investigations, Regional Offices, Liaison Offices and few Divisions of

Corporate Offices. Areas covered by Internal Audit at Projects/Power Station/Units includes audit of Major Work Contracts, Other works, financial concurrence, vetting of estimates, O&M Contracts, Procurement of goods, Stores accounts, Payroll and Establishment accounts, Township records, Guest House records, Hospital records, Cash & Bank Books, Journal and General Ledger. Sales (Billing) and debtors are included in the scope of audit of Commercial Division, CO. After the audit is concluded, internal audit reports received from Regional Internal Audit teams / Corporate Internal Audit Department are sent to the Heads of Project/Power Station/Units for compliances / replies to the audit observations.

12. Acts Applicable To The Company

S. No.	Name of Act/ Law/ Rule
1	Factories Act, 1948
2	Industrial Disputes Act, 1947
3	Payment of Wages Act, 1936
4	Minimum Wages Act, 1948
5	Employees State Insurance Act, 1948
6	Employees Provident Fund and MiscellaneousProvisions Act, 1952
7	Payment of Bonus Act, 1965
8	Payment of Gratuity Act, 1972
9	Contract Labour (Regulation And Abolition) Act,1970
10	Maternity Benefit Act, 1961
11	Child Labour (Prohibition And Regulation) Act,1986
12	Industrial Employment (Standing Orders) Act,1946
13	Employees Compensation Act, 1923
14	Apprentices Act, 1961
15	Equal Remuneration Act, 1976
16	Employment Exchange (CompulsoryNotification of Vacancies) Act, 1959
17	Sexual Harassment Act, 2013
18	Companies Act, 2013
19	Building And other Construction Workers (regulation of employment and condition of service) Act, 1996
20	Trade Union Act, 1926
21	Right to Information Act, 2005
22	Electricity Act, 2003
23	Environmental Protection Act, 1986
24	Land Acquisition Act, 1894
25	Water (Prevention and control of pollution) Act,1974
26	Air (Prevention and Control of pollution) Act,1981
27	Forest (Conservation) Act and Rules, 1981
28	Wildlife Protection Act, 1972 and Rules
29	Shop And Establishment Act of the state.
30	The Income Tax Act, 1961
31	Foreign Exchange Management Act, 2000
32	Dangerous Machines (Regulations) Act, 1993
33	The Mines Act, 1952
34	The Inter-state Migrant Workers (Regulation ofEmployment and Conditions of Service Act),1979
35	Building and other construction workers CessAct, 1996
36	The Central Goods and Services Tax Act, 2017
37	Public Liability Insurance Act,1991
38	Central Motor Vehicle Act, 1988
39	Information Technology Act 2000
40	The Patents Act, 1970
41	Trade Mark Act, 1999
42	The Designs Act, 2000
43	The Copyright Act, 1957
44	E-waste Management Rules, 2016
45	Applicable State and Local Laws
46	Regulations/ circulars issued by Securities and Exchange Board of India (SEBI)
47	Guidelines/ Circulars issued by Department of Public Enterprises/ Niti Aayog/ other Central Government Authorities

	Applicable laws and regulations for Commercial division
1	Electricity Act 2003
2.	National Electricity Policy, 2005

3.	National Tariff Policy, 2016
4.	Hydropower Policy, 2008
5.	CERC (Terms & Condition of Tariff) Regulation, 2019
6.	CERC (Terms & Condition of Tariff) Regulation, 2014
7.	CERC (Terms & Condition of Tariff) Regulation, 2009
8.	CERC (Rates, Charges and Terms and Conditions for use of Intervening Transmission Facilities) Regulations, 2010.
9.	CERC (Terms and Conditions for Tariff Determination from Renewable Energy Sources) Regulation 2012.
10.	CERC (Regulation of Power Supply) Regulation, 2010
11.	CERC (Terms and Conditions for Recognition and Issuance of Renewable energy Certificate for Renewable Energy Generation) Regulation 2010.
12.	CERC (Power Market) Regulation, 2010
13.	CERC (Terms and Conditions for Tariff Determination from Renewable Energy Sources) Regulations, 2017.
14.	CERC (Terms and Conditions for Tariff Determination from Renewable Energy Sources) Regulations, 2020.
15.	CERC (Communication System for Inter-State Transmission of Electricity) Regulations 2017.
16.	CERC (Fee And Charges Of Regional Load Dispatch Centre And Other Related Matters) Regulations 2019.
17.	CERC (Indian Electricity Grid Code) Regulations, 2010.
18.	CERC (Open Access in Inter State Transmissions) Regulations, 2008.
19.	CERC (Grant of Connectivity, Long – term access and Medium – term open access in inter-state transmissions and related matters) Regulations, 2009.
20.	CERC (Measures to relieve congestion in real time operation) Regulation 2009.
21.	CERC (Grant of Regulatory Approval for Execution of Inter State Transmission Scheme to Central Transmission Utility) Regulations , 2010.
22.	CERC (Deviation settlement Mechanism and related mater) Regulation, 2014
23.	CERC (Sharing of Inter State Transmission Charges and Losses) Regulation, 2010.
24.	CERC (Sharing of Inter State Transmission Charges and Losses) Regulation, 2020.
25.	CERC (Ancilliary Services Operations) Regulations 2015.
26.	CERC (Procedures, Terms and Conditions for grant of Transmission Licence and other related matters) Regulations, 2014.
27.	CERC (Procedures, Terms and Conditions for grant of Transmission Licence and other related matters) Regulations, 2009.
28.	CERC (Standards of Performance of Inter-State Transmission Licensees) Regulations 2012.
29.	CERC (Payment of Fee) Regulation, 2012.
30	CERC (Procedure for making of application for determination of tariff, Publication of the application and other related matter),Regulation, 2004
31.	CERC (Power System Development Fund) Regulations, 2019.

32.	CERC (Procedures for calculation of the expected revenue from tariffs and charges) Regulations, 2010.
33.	CERC(Furnishing of Technical Details for the Generating Companies) Regulation 2009
34.	CERC (Regulation of Power Supply) Regulation, 2010.
35.	CERC (Code of Business) Regulations 1999.
36.	CERC (Terms and Conditions for dealing in Energy Saving Certification) Regulations, 2016.

13. Operational Resutls:

Operational results of the NHPC Ltd. for the last three years are summarized below:

PARTICULARS	UNIT	2020-21		2019-20		2018-19	
Income		Target	Actual	Target	Actual	Target	Actual
Power Generation MU	MU	27500	24471	26000	26121	25400	24193
Power Generation MU (With Deemed Generation)*			24471		26303*		24472*
Capacity	MW		5551.2		5551.2		5551.2
Plant Availability Factor (except RoR & Restricted plants) $	%	95.60**	91.39	95.60	89.30	94.80	95.00
Plant Availability Factor - Overall #	%	86.00	84.87	86.00	84.04	85.30	84.97

Note:	
*	Generation included Deemed generation of ChutaK & Nimmo Bazgo Power Station
$	MoU Target were fixed for Pondage Power Stations i.e except ROR & Restriced Plants.
#	Plant Availability Factor of All NHPC Hydro Power Stations. The corresponding targets fixed for computation of sales/revenue of NHPC Power Stations.
**	Internal Target

14. Financial Working Results

Financial Working Result for last three years

(Rs in Crore)

Particular	**2018-19**	**2019-20**	**2020-21**
Revenue from Operation	8161.18	8735.41	8506.58
Other income	1748.18	1379.79	1377.90
Total Income	9909.36	10115.20	9884.48

Total Expenditure (B)	7278.81	7108.03	6651.11
Net Profit/(Loss) A-B (Note 3)	2630.55	3007.17	3233.37

Noe:1 Other Income includes Movement in Regulatory Deferral Account Balances of Rs 823.40 crore, 343.61 Crore and 227.09 crore for the FY 2018-19, 2019-20 and 2020-21 respectively.

Note :2 Total Expenditure includes tax expenses of Rs 1114.23 crore, 601 crore and 680.13 crore for the FY 2018-19, 2019-20 and 2020-21 respectively.

Note:3 Net profit/(loss excludes other Comprehensive Income (OCI)

15. Disinvestment :

Detail of disinvestment during 2018-19 to 2020-21 year is as follows:

FinancialYear	DetailofDisinvestment
2018-19	(i)**Bharat22ETF(Tranche2}: 2018**
	Periodofsaleofshares:**June/July2018**No. of Equity Sharesdivested:**2,93,54,564**Price:**Rs.24.42/EquityShare** ProceedstoGOI:**Rs.71.69Crore***
	(ii) **<u>BuybackSnapshot</u>2018** BuybackApprovedbyBoard:November**14,2018**No. of Equity Shares divested : **14,22,71,903**BuybackPrice:**Rs.28.00/EquityShare** ProceedstoGOI:**Rs.398.36Crore***
	(iii)**Bharat22**ETF**(Tranche3}:2019**
	Periodofsaleofshares:**Feb2019** No.ofEquitySharesdivested:**4,98,89,622** Price:**Rs.22.382/EquityShare** ProceedstoGOI:**Rs.111.66Crore***
2019-20	**(i)Bharat22ETF(Tranche4):2019**
	Periodofsaleofshares:**Oct2019** No.ofEquitySharesdivested:**2,20,34,198** Price:**Rs.21.485/EquityShare** ProceedstoGOI:**Rs.47.34Crore***
	(ii)FFO-**6ofCPSEETF** Periodofsaleofshares:**Feb2020** No.ofEquitySharesdivested:**21,71,58,119** Price:**Rs.23.86/EquityShare** ProceedstoGOI:**Rs.518.15Crore***
2020-21	NoDisinvestmentduringF.V.2020-21

***Proceeds to GOI are on estimated basis as actual amount has directly been credited to exchequer account.**

16. Environment Management

As an environmentally conscious entity, NHPC, since inception, has always given due diligence to the environmental issues of concern and has put in earnest efforts to develop hydropowcr in a sustainable manner. The following steps are undertaken lo preserves the environment:

Pre-Construction phase:

- In compliance with the Environment (Protection) Act, 1986 and as per the Terms of Reference (ToR) issues by the MoEF&CC, Govt. or India, Environment Impact Assessment study is undertaken during investigation stage or a project to identify probable impacts (positive as well as negative) on land, flora, fauna, air, water, socio-economic status of the area and accordingly Environment Management Plans (EMPs) are proposed. Based on the EIA/EMP study, the Environment Clearance is accorded for the projects by MoEF&CC.
- If forestland is involved, Forest Clearance is obtained from MoEF&CC for the diversionof requisite forestlands as per provisions of Forest (Conservation) Act 1980
- In case the project area falls in the protected areas, wildlife clearance is also obtained under Wildlife (Protection) Act, l 972.

Construction Phase

- During the Construction phase, the stipulations of Environment Clearance, Forest Clearance and wildlife clearance arc implemented. The Environment Management Plans as suggested in the EIA/EMP study are implemented to minimize any adverse impact on environment.
- The EMPs being implemented al various projects are: Compensatory Afforestation, Catchment Area Treatment (CAT) Plan, Biodiversity Conservation Plan, Fishery Management, Landscaping and Beautification and Green Belt Development Plan, Rejuvenation of muck disposal and quarry sites etc. arc implemented through State Government involving Forest Department, Fisheries Department etc.
- Sufficient financial allocations are made for smooth implementation of these plans. NHPC, as an environmentally conscious organization, implements all the environmental management plans with utmost sincerity.
- For the monitoring of implementation of various EMPs and the stipulation of clearance letters, Multidisciplinary Committees arc formed at the project level including representatives of project proponent, regulatory authorities of Central and State Governments, NGOs, Project affected people etc. These committees meet periodically to monitor the progress of implementation of the EMPs.
- Six monthly progress reports regarding the progress ofEMPs are submitted to MoEF&CC.
- Afforestation programmes: In addition to afforestation activities under various Environmental Management Plans such as Compensatory Afforestation, Catchment Arca

Treatment, Green Belt Development, Biodiversity conservation etc., voluntary plantation activities arc also being undertaken by NHPC at its projects and offices on the occasion of World Environment Day, Van Mahotsava, apnaped program etc.

- **<u>Post Construction/Operation Phase</u>**
- Consent to Operate is obtained from the State Pollution Control Board.
- To maintain the continuity of the flow in the original river course e-flow as legally stipulated is maintained.
- In compliance to the EC condition six monthly progress reports arc submitted to MoEF&CC.
- NHPC has put in place a Corporate Environment Policy (CEP), to ensure policy driven compliance as well as establishment of an environmental management system to measure and monitor operational activities having environmental impacts. The environmental policy adopted by the NHPC aims at addressing the environmental concerns in the sector of hydropowcr development and to maintain and continually improve Environment Management System to conform to International standards.
- As included in the Corporate Environment Policy, Post Construction Environment Impact Assessment is undertaken after 5 years of commissioning of the projects.
- Establishment of Orchidarium and Arboretum for the conservation of local species of orchids in Arunachal Pradesh and West Bengal, In-situ Conservation of Vultures in NagrotuSnrian under Hamirpur Wildlilc division for one of the NHPC Project through Great Himalayan National Parle
- NHPC has always shown its commitment to comply with all the legal requirements as per Environment (Protection) Act, l 986, Forest (Conservation) Act, 1980 and Wildlife (Protection) Act, l 972.

Subsidiaries of NHPC LTD.

I. NHDC LTD

NARMADA HYDRO DEVELOPMENT CORPORATION(NHDC)

1. **Introduction:-**

NHDC Limited (A Joint Venture of NHPC Limited & Govt. of Madhya Pradesh), formerly known as Narmada Hydroelectric Development Corporation Limited was incorporated on 1st August 2000 with its corporate office at Bhopal.

(a) Vision and Mission:

VISION

A premier organization for sustainable development of conventional & non-conventional power.

MISSION

- To achieve excellence in all aspects of Power.
- To execute and operate projects in a cost effective, environment friendly and socio economically responsive manner.
- To foster competent, trained and multi-disciplinary human capital.
- To maximize creation of wealth through generation of internal funds and effective management of resources.

(b) Nature of business including geographical scope:-

Generation of Power through all conventional, non- conventional/ renewable energy sources in India.

(c) Offices/region/sub-offices etc.: -

Corporate Office –
NHDC Parisar,
Near Hotel Lake View Ashoka, Shyamla Hills,
Bhopal (M.P) - 462013

2. **Objective of the NHDC Ltd:-**

The main objectives of the company are:

(i) To plan, promote and organize an integrated and efficient development of power through all conventional, non- conventional / renewable energy sources in India.

(ii) To undertake, where necessary, the construction of inter-state transmission lines and ancillary works for timely and coordinated inter- state exchange of Power.

(iii) To coordinate the activities of its subsidiaries to determine their economic and financial objectives/ targets and to review, control, guide and direct their performance with a view to secure optimum utilisation of all resources placed at their disposal.

(iv) To act as an agent of Government/ Public Sector Financial Institutions.

(v) To carry out the business of purchasing, selling, importing, exporting, producing, trading, manufacturing or otherwise dealing in all aspects of development of conventional, non-conventional / renewable energy sources.

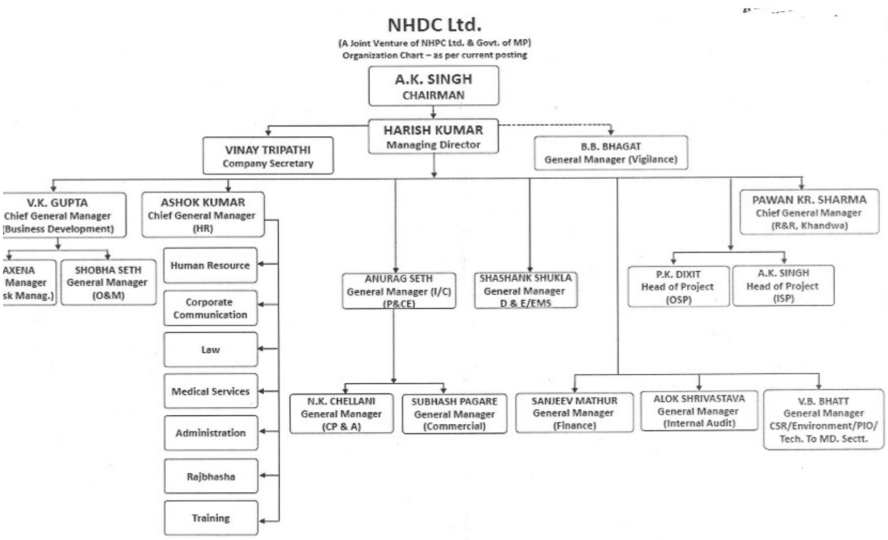
3. **Capital Structure as on 31.03.2021:-**

The authorized capital of the company as on 31.03.2021 is Rs.3,000 crores divided into 300 lakh equity shares of Rs.1,000/- each.

The paid up capital of the company as on 31.03.2021 is Rs. 1962.58 crores contributed by NHPC Ltd and Govt. of Madhya Pradesh in the ratio of 51.08% and 48.92 *per cent* respectively.

4. **Organisational set up:-**

The business of the company is managed by Board of Directors. The composition of Board includes Managing Director and other directors including independent directors.



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5. **Activities of the Company:-**

The company is presently involved in generation of hydro power within Madhya Pradesh.

6. **Budget and planning:-**

a) Annual plan is the planning of Budget for different heads of the approved project cost and Budget for any new project. Annual plan is comprise of the Revised Budget Estimate (RBE) for the running financial year and Budget Estimate (BE) for following financial year for all capital works under different heads of approved Project cost and for works of any new project. Presently in both the projects i.e. ISP and OSP, all capital works in original scope under different heads have been completed and only environmental works and R&R works are going on. Annual plan of ISP and OSP mainly comprise of the proposed expenditure for R&R works, environmental works and provision to discharge running capital liability under different head e.g. C-Works, J-Power Plant and Q- Spl. T&P etc.

Every year budget proposal from Projects/Offices are collected and compiled. Accordingly, Annual plan is submitted to the NHDC Board for its approval.

(Rs. in crore)

Sl.No.	**Particulars**	**2018-19**		**2019-20**		**2020-21**	
		Budgeted	**Actual**	**Budgeted**	**Actual**	**Budgeted**	**Actual**
1	**Capital Expenditure**	47.27	33.51	174.27	69.69	202.25	53.17
2	**Revenue Expenditure**	386.40	371.28	403.79	415.00	378.94	476.91
		433.67	**404.79**	**578.06**	**484.69**	**581.19**	**530.08**

b) NHDC Limited has not received Grants against any Government Schemes during FY 2018-19 to FY 2020-21**.**

7. **Accounting system:-**

Accounting system in NHDC Limited is decentralized.

The cost accounting records are required to be maintained as per section 148 of the Companies Act, 2013 and accordingly the records are being made and maintained both at Indira Sagar Project (ISP) and Omkareshwar Project (OSP), following the applicable Cost Accounting Record Rules and Cost Accounting Standards in this regard.

All the financial records as required to be maintained under Section 128of the Companies Act, 2013 are duly maintained at units as well as Corporate Office of NHDC Limited. Further other statutory records as required are also being maintained. The financial statements of the corporation are prepared on accrual basis of accounting and comply with the Indian Accounting

Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013 (to the extent notified and applicable), applicable provisions of the Companies Act, 1956, and the provisions of the Electricity Act, 2003 to the extent applicable.

8. **Manpower Analysis:-**

Executive (Nos.)		Non- Executive (Nos.)		Total (Nos.)	
Sanctioned	**Available**	**Sanctioned**	**Available**	**Sanctioned**	**Available**
300	**298**	**239**	**228**	**539**	**526**

9. **MoU Targets:-**

MoU Targets and Achievements for last three financial years 2018-19 , 2019-20 and 2020-21 are detailed as under:

MoU Targets and Achievement for last three Financial Years (2018-19 to 2020-21)

S No	Particular	Unit	2018-19		2019-20		2020-21	
			Target (Excellent)	Actual *	Target (Excellent)	Actual *	Target (Excellent)	Actual *
1	Turnover from Operation (Net)	Rs in Crore	860	775.49	930	1211.26	1310	1075.93
2	Operating profit/Surplus							
a	Operating profit as a percentage of Revenue from operations (net).	%	65	67.22	63	70.87	78	63.34
3	Return on investment							
a	PAT as a % of Average Net Worth	%	9	8.36	10.25	16.23	17.5	3.63
4	Overall Rating		**Very Good**		Claimed 'Very Good' Rating with evaluated composite score of 88.59. The Rating is yet to be notified by OPE		MoU Evaluation under finalization and will be Submitted by 30.09.2021 to OPE as per Schedule.	

10. **Computerisation:-**

In NHDC all the IT Divisions are Work independently at respective location and provide supports for all divisions / sections at their respective project location.

► **NHDC has Three(03) locations :**

1. ***Corporate Office, Bhopal***
2. ***Indira Sagar Power Station (ISPS)- 1000MW***
3. ***Omkareshwar Power Station (OSPS)- 520MW***

- **All locations are using the Oracle Based Integrated Application Software for Finance/HR/store deployed in NHDC in the year 2004. (With Oracle 9i Database and D2K as front end application).**
- **Additionally HRMS has been implemented since the year 2018-19 with MS-SQL database (Express version).**
- **Support to project location on these Software are provided by Corporate Office.**
- **NHDC project locations are interconnected through MPLS (Distributed Network).**
- **Each location have their own IT infrastructure which is managed & controlled by respective IT division.The details IT assets of each locations are given below.**

<u>**Assets of IT Division, Corporate Office**</u>

- **Corporate Office, NHDC is equipped with –**
- **Servers : 05(03 Towers & 02 Rack servers)**
- **Computers : 129**
- **Laptop : 04**
- **Printers : 98**
- **Managed Switch : 16**
- **Firewall Two(2)**
- **Most of the computers & peripherals are installed with License OS at Corporate Office.**
- **Internet Services**
    1. **50 Mbps Internet Lease Line (M/s BSNL Ltd.)**
    2. **Internet Services – 50 Mbps Internet Lease Line (RAILTEL Corporation of India Ltd.)**
- **LAN / Internet Security – Sophos XG Firewall &Cyberaom 50ing.**
- **Other Security – Cloud based Antivirus End Point Solution of Sophos are using.**
- **Website: nhpcindia.com domain is running on out sourced by M/s ESDC Ltd.**

► Corporate e-mail service (http://mail.nhdcl.com) is using through outsourced (XGEN PLUS) by Data Ingenious Global Limited.

► IT Policy / IT Disposal Policy / IT Security Policy has been implemented in NHDC.

► IT & Cyber Security Policy is under amendment.

Assets of IT Division, Omkareshwar Power Station (OSPS)

S.No.	Items	Configuration
1.	Servers	IBM Server X3500, Intel Dual Core Xeon 3.2 GHz, 1066 MHz FSB, 8 GB RAM, 4 MB L2 Cache, Intel 5000Z Chipset, 4 x 72 GB HDD, RAID Controller, Dual Gigabit LAN Card, Redundant Power Supply, Window Server 2003.
		Cannoi Server SR2PE5V3TW, Intel Xeon E5-2609v3, Intel C612 Chipset, 16GB DDR4 ECC RAM, 4 x 600 GB SAS HDD, Redundant Power Supply/Fans, ATX chassis, MS Windows Server 2012.
		PCS SIIRUS, Intel Xeon 2.80GHz, 1 GB RAM, 40 GB HDD, Redundant Power Supply, Window Server 2003 (01 No. Server)
2.	Computers	121 Computers (Including 03 Servers, 6 Laptops) all computers are connected with LAN &
3.	Switches	16 nos. - 24 Port, 1 No – 16 Port and 2 Nos – 8 Port Unmanaged Switch.
5.	Firewall	Sonicwall NSA2400 UTM Firewall, 2 x 500 MHz Mips64 Octeon Processor, 512 MB RAM, 512 MB Flash, Connections: Max – 32000, 775 Mbps Stateful Throughput, 160Mbps Gateway Anti-Virus Throughput.
6.	LAN Topology	Static IP address on each m/c with mix topology (IP Class - 192.168.10.x)
7.	Power Backup	Centralized power backup in Administrative Building and Individual backup on rest of systems provided through UPS.
8.	Internet	Internet Broadband Connection from M/s BSNL.
9.	Attendance System	Biometric Finger Recognition Attendance System (5 Nos. Biometric Scanner)
10.	Network Racks	24U Network Rack (01 No.), 9U Network Rack (09 Nos.) and 4U Network Rack (02 Nos.)
11.	Other Accessories	73 Nos. Printers (including 01 Line Printer) and 50 Nos. UPSs

Assets of IT Division, Indira Sagar Power Station (ISPS)

S.No.	Items	Configuration

1.	**Servers**	**01 No. -IBM Server X3500 M4, 2 Nos. Intel Xeon E5-2600, 6 Cores, Intel C600 Series Chipset, 16 GB DDR3, HDD 4*600 GB SAS, 10 MB L3 Cache, Smart Array Controller 0,5, Intel 1 GB Ethernet Dual Port, Redundant Power Supply/Fans, MS Windows Server 2012.**
2.	**Computers**	**169 Computers (Including 06 Laptops) having Windows XP/7/8.0/8.1Pro/Server2003/2012 Operating System)**
3.	**Switches**	**1 Nos. – 48 Port Managed Switch, 10 Nos. – 24 Port managed Switch, 26 Nos-8 port Managed Switch, 10 Nos. –Unmanaged Switches (24/16/8 port)**
4.	**Firewall**	**Cyberoam CR100iNG UTM Firewall, Unrestricted Users, Gateway Antivirus, Antispam, IPS/IDS, VPN, Web-Content filtering, Identity based firewall, Bandwidth Mgmt, Proxy, One WAN and Seven LAN Port**
5.	**LAN Topology**	**Static IP address on each m/c with mix topology (IP Class - 192.168.20.x). DHCP at 192.168.10.x enabled for Wi-Fi Devices.**
6.	**Power Backup**	**Centralized & Individual power backup provided through UPS (I-Ball/Microtek/Emerson etc.)**
7.	**Internet**	**Internet Broadband Lease Line Connection from M/s BSNL and Internet Services from RailTel and MPLS Services from Ishan Networks.**
8.	**Attendance System**	**Biometric Finger Recognition Attendance System (20 Nos. Biometric Machine) all are connected via LAN**
9.	**CCTV Camera**	**59 Nos. CCTV Cameras are connected via LAN with 04 No. NVR for monitoring DAM, Power House Entry/Exit Points, Office Complex and Colony Area etc..**
10.	**Photocopier & LAN Printer**	**07 Nos. Photocopiers, 19 Nos. LAN Printers on Network.**

<u>The details of IT security Audit conducted by External Agencies in NHDC</u>

Each NHDC locations were conducting IT security Audit independently at their level as given below up to the year 2015.after that the IT security audit has been conducted centrally through CO, IT division. Details are given below.

S.No.	**NHDC Location**	**Completion date**	**Scope of Security Audit**
1.	**Corporate Office, Bhopal**	**Feb'15**	**Complete IT Asset**
2.	**Indira Sagar Power Station (ISP)**	**Apr'17**	**Only PH IT Asset**
		Mar'16	**Other than PH Asset**
3.	**Omkareshwar Power Station (OSP)**	**Jul'15**	**Both Admin Office & PH IT Asset**

4.	**R&R Office, Khandwa**	**Sept'15**	**Complete IT Asset**

The centralised contract was awarded for conducting IT security Audit at CO, Bhopal as well as NHDC locations i.e. ISPS, OSPS & R&R Office, Khandwa for three (3) years for 2018-19 to 2020-21. The detail of the centralised security audit conducted are as given below.

	Date of Audit	NHDC Locations	Report Submitted	Scope of Security Audit
1st Audit	**1st Scan 04-07-2018 to 06-07-2018 Re-scan: 20-02-2019 to 22-02-2019**	**ISPS, OSPS & R&R Office**	**25-09-2018 10-04-2019**	**Complete IT Asset Other than PH Asset**
2nd Audit	**1st Scan: 04-11-2019 to 06-11-2019 Re-scan: 06-08-2020 to 07-08-2020**		**15.11.2019 07-08-2020**	
3rd Audit	**1st Scan : 24-03-2021 to 04-05-2019 Re-scan: yet to done**		**02/04/2021 -----------**	

11. **Internal Audit:-**

Company has its own Internal Audit Department. Internal Audit Manuals are in place in the Company. Internal Audit is taken up three times in a year at all locations.

12. Act, Rules, other documents applicable to the company:-

The applicable Act, Rules, other documents to NHDC are broadly as under:-

1. The Industrial Disputes Act, 1947.
2. The Contract Labour (Regulation & Abolition) Act, 1970.
3. The Building and other Construction Workers' (Regulation of Employment and Condition of Service) Act, 1996.
4. Building and other Construction Workers' Welfare Cess Act, 1996.
5. The Factories Act, 1948.

6. The Employees Provident Funds and Miscellaneous Provisions Act, 1952.
7. The Minimum Wages Act, 1948.
8. The Payment of Gratuity Act, 1972.
9. The Maternity Benefit Act, 1961
10. The Trade Union Act, 1926.
11. The Employees Compensation Act, 1923.
12. The Right to Information Act, 2005.
13. The Electricity Act, 2003.
14. The Right to Fair Compensation, Transparency in Land Acquisition, Rehabilitation & Resettlement Act, 2013
15. The Child Labour (Prohibition and Regulation) Act, 1986.
16. The Industrial Employment (Standing Orders) Act, 1946.
17. The Water (Prevention and Control of Pollution) Act, 1974.
18. The Air (Prevention and Control of Pollution) Act, 1981.
19. The Forest Conservation Act, 1980.
20. The Wildlife (Protection) Act, 1972.
21. The Equal Remuneration Act, 1976
22. The Payment of Wages Act, 1936.
23. The Companies Act 2013.
24. The Employees' State Insurance Act, 1948
25. Income Tax Act 1961.
26. Goods and Service Tax Act 2017
27. Foreign Exchange Management Act 2000.
28. Securities and Exchange Board of India Act 1992 (to the extent only being material subsidy of NHPC Ltd.)
29. The Land Acquisition Act, 1894.
30. The Public Records Act 1993.
31. The code on social security 2020 (code)-not yet notified.
32. Any other Local Laws as applicable- The Madhya Bharat Taxes on Income (Validation) Act, 1954.

In addition to above all other Acts, Rules, Notifications, Ordinances enacted by concerned Government as usually applicable on a CPSE engaged in hydropower generation and distribution are also applicable on NHDC.

13. Operational Results:-

Financial Year	Indira Sagar Project		Omkareshwar Project		Total	
	Target Generation (CEA) (in MU)	Actual Generation (CEA) (in MU)	Target Generation (CEA) (in MU)	Actual Generation (CEA) (in MU)	Target Generation (CEA) (in MU)	Actual Generation (CEA) (in MU)
2018-19	1424	1309.22	726	612.01	2150	1921.24

2019-20	1528	2877.34	772	1232.29	2300	4109.63
2020-21	1775	2793.55	925	1442.57	2700	4236.12

14. **Financial results:**

Particulars	**Financial Years**		
	2020-21 As per Ind AS (Rs. in lakh)	2019-20 As per Ind AS (Rs. in lakh)	2018-19 As per Ind AS (Rs. in lakh)
Turn Over	115841	127337	80454
Other Income	19000	22120	23276
Cost of Production	47691	41501	37128
Income Tax	19713	(79442)	19532
Net Profit	66463	94016	49072

15. **Disinvestment:-**

Nil

16. **Environment management:-**

NHDC Ltd as an organization believes in giving equal importance to environmental, social and economic development which are three pillars of sustainable development. Due diligence is given by NHDC Ltd to execute its projects in an environment friendly and socially responsive manner.

Hydropower development results in benefiting the human society especially when thoughtful, innovative mitigation measures are planned along with the assessment of overall needs of the area. It realizes the fact that the potential for utilization of water resources should not be exploited for the sole purpose of generating hydro power.

NHDC Ltd, since its inception, is committed for hydropower generation in sustainable and socially responsive manner. NHDC Ltd aims for minimum disturbance and exploitation of natural resources and goes for various conservation measures to counter the inescapable impacts on environment.

Environmental Clearance for Hydropower Projects

The Environmental Clearance of the project is obtained from Ministry of Environment and Forests & Climate Change (MoEF& CC) following the procedure specified in EIA Notification 2006. The projects have been divided into different categories viz. A, B1 & B2, depending upon potential of environmental impacts and capacity.

As per EIA notification 2006, clearance for pre-construction activities and approval to Terms of Reference (ToR) for undertaking the Environmental Impact Assessment (EIA) studies and preparation of Environmental management plans (EMP) is given by MOEF & CC at scoping stage. ToR provides a format and structure for EIA and EMP reports and parameters to be considered while appraising the project proponent to have all detailed information to address all issues, undertake field data collection, identify impacts and propose mitigation measures as part of EMP. Thereafter, comprehensive EIA studies are conducted through accredited/ reputed consultants. After completion of EIA/ EMP studies, Public Hearing is conducted through the concerned State Pollution Control Board.

After completion of the public hearing, the environmental concerns expressed during the process are addressed in the draft EIA & EMP reports. The final EIA & EMP reports and executive summary, Detailed Project Report (DPR) and proceedings of Public Hearing are submitted to MoEF for appraisal by the Expert Appraisal Committee (EAC) of MoEF. After recommendation of EAC, Environmental clearance is issued to the project subject to compliance of conditions stipulated in the clearance letter.

Since Environmental Clearances for Indira Sagar Project (1000 MW) was accorded by Ministry of Environment & Forest, Govt of India vide letter No. 3-87/80-IA dated 24th June 1987 (copy enclosed for ready reference) and for Omkareshwar Project (520 MW) vide Letter No. J-11016/ 5/84/IA-I dated 13th October 1993 (copy enclosed for ready reference), which were well before the publication of EIA Notification 2006, accordingly detailed EIA studies (as required under EIA notification) were not carried out for these projects of NHDC Ltd.

Key areas in Environmental Management & Conservation:

Major key areas of NHDC in the field of Environmental Management include the following:

1. Catchment Area Treatment (CAT):

Continuous soil erosion from the catchment of a reservoir may result in the sedimentation of the same, thereby reducing the efficiency of a project. The removal of top fertile soil from catchment also adversely affects the agricultural production. To check the menace of soil erosion, extensive Catchment Area Treatment measures have been adopted by NHDC at its projects. Various Engineering measures like check dams, gabion walls, catch water drains and biological measures like plantation of native tree and horticulture species etc. have been implemented at different projects of NHDC. These measures have resulted into treatment of vast areas of degraded land and have checked soil erosion to a great extent. In some of the areas, natural regeneration and plantation have resulted into formation of luxuriant vegetation cover.

2. Compensatory Afforestation:

NHDC projects require diversion of forest land for project purpose. In order to compensate the forest land diverted, compensatory afforestation is undertaken on non-forest land equivalent to the area of forest land diverted or undertaken over twice the forestland diverted, if done on degraded forest land. Compensatory Afforestation is undertaken through concerned Forest

Department at the cost of project. It includes soil conservation and moisture retention measures, plantation of tree species of local importance, which also provide with nesting grounds for birds, butterflies and local wildlife. These plantations are of aesthetics importance and also enhance the environment of the area.

3. Restoration of Muck Dumping/ Quarry Sites:

Dumping of the muck may blemish the natural landscape, if the portion of the land is not restored properly. At NHDC projects, every possible effort is being made to restore the dumping areas/ quarry sites. Muck generated, is used in concrete production upto the extent possible and remaining muck is piled up and stacked with proper slopes at pre-identified dumping sites for reclamation preferably in and around quarry sites.

4. Supply of adequate free fuel for cooking/ common mess facility for labour force during project construction:

In order to prevent those labourers which were engaged in the construction work for projects, adequate free fuel facility for cooking/ common mess facilities were provided to ensure that neighbouring forest areas are not encroached for fuel wood purpose. The work force engaged during construction was provided only temporary accommodation outside the forest areas.

5. Monitoring of Seismic activities

The Indira Sagar reservoir has a gross capacity of 12,200 million cubic meters, or about 9.9 million acre-feet, by far the largest-capacity reservoir, planned in Narmada River Basin. Therefore the issues of seismicity, the potential for reservoir-induced seismicity needs to be carefully monitored and addressed.

In order to study the seismic effects in the Indira Sagar Complex Zone based on the recommendations of erstwhile Dam Review Panel, Central water Power Research Station (CWPRS), Pune and Indian Meteorological Department (IMD) a network of 10 seismological observatories with sophisticated instruments like Micro Earthquake (MEQ) recorders and Wood Anderson Seismometers etc. have been established at (1) Bagli), (2) Barwani, (3) Chhanera, (4) Harda, (5) Indore,(6) Kannod, (7) Khandwa, (8) Maheshwar, (9) Narmada Nagar and (10) Omkareshwar.

Hydropower: A climate resilient power

Since Hydropower involves non-consumptive use of water for electricity generation, is a renewable energy source, which is the main factor in the global energy transition towards mitigating anthropogenic climate change. Conventional hydroelectric power is a potentially important alternative to coal-based power stations in the country in terms of avoidable carbon emissions. Moreover, the massive afforestation activities undertaken in the project areas beyond statuary compliance requirements, not only bring out visible green transition, but will also act as carbon sink and improve carbon sequestration in the region.

II. BUNDELKHAND SAUR URJA LIMITED

1. **Introduction of the Organisation**
   a) date of formation - 02.02.2015
   b) administrative ministry - Ministry of Power, GoI
   c) vision and mission - Yet to be framed
   d) nature of business including geographical scope - Solar Power Generation
   e) offices/region/sub-offices etc. - TC-43/V , Vibhuti Khand , Gomati Nagar , Lucknow

2. **Objectives of the Organization**.
   Development of Solar Power Projects and non-conventional power projects

3. **Capital Structure as on 31.03.2021**.
   Authorized Share Capital – 100 Crore
   Paid up Share Capital - 21.98 Crore

4. **Organizational Set up**

The Board of Directors of Bundelkhand Saur Urja Limited as on 30.06.2021

S. No	Name of Director	Designation	DIN	Representative of
1	Shri Y.K. Chaubey	Chairman-Nominee Director	08492346	NHPC Limited
2	Shri BiswajitBasu	Nominee Director	09003080	NHPC Limited
3	Shri H.S. Puri	Nominee Director	08918860	NHPC Limited
4	Ms. NamrataKalra	Nominee Director	07196189	UPNEDA

5. **Activities of the Organisation**.
   Works related to development of solar power projects.

6. **Budget and Planning**

Year	2018-19	2019-20	2020-21
Budget Estimate	19.49 Crs	79.37 Crs	57.52Crs

7. **Accounting System in the company as well as in the R.O's/Branch offices**
   Centralised, Record maintenance both in file and digitized form

8. **Manpower Analysis viz., Executive/Non-Executive and Sanctioned/Actual etc. as on 31.03.2021 .**

Sanctioned manpower - 06 Nos. Executive

Actual manpower - 06 Nos. Executive

9. **MoU Targets and Achievements for last three financial years (2018-19 to 2020-21) in the format given below:**

Construction activity is yet to start, as such, power generation has not started till date.

S.No.	PARTICULARS	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
	Turnover from operations	Nil	Nil	Nil	Nil	Nil	Nil
	Operating profit	Nil	Nil	Nil	Nil	Nil	Nil
	Return on investment	Nil	Nil	Nil	Nil	Nil	Nil
	Overall rating						

10. **Computerization.**

ERP system has not been implemented as the organizational structure is very small. However ,Accounts and financial accounts are being maintained in Tally Package. No IT Audit has been carried out by CAG/Internal experts/any other agency.

11. **Internal Audit**

Not Applicable as per the Companies Act in the financial year 2020-21.

12. **Act, Rules, other documents applicable to the Organisation.**

Companies Act, Labour Laws, Income Tax , GST, Accounting Standards, Corporate Governance , EPF , etc

13. **Operation Results (Target vis-à-vis Achievement) for last three financial years (18-19, 2019-20 and 2020-21)**

Construction activity is yet to start, as such, power generation has not started till date thereby revenue generation/operation result is Nil.

14. **Financial Working Result for last three financial years (2018-19 to 2020-21) in the following format:**

(Rs. in lakh)

Particulars	2018-19	2019-20	2020-21
Income	-----	-----	-----
Revenue from operations	-----	-----	-----
Other Income	2.30	0.70	13.42
Total Income(A)	2.30	0.70	13.42
Total Expenditure(B)	22.03	17.86	26.63
Net Profit/(loss) (A-B)	-19.72	-17.16	-13.21

15. **Disinvestment**

Nil

16. **Environment Management**

Not applicable for solar power projects.

III. LANCO TEESTA HYDRO POWER PROJECT LIMITED

1. **Introduction of the Organisation**

a) **Date of formation** :

NHPC Limited acquired LancoTeesta Hydro Power Limited (LTHPL) through the Corporate Insolvency and Resolution Process of the Insolvency and Bankruptcy Code.
LancoTeesta Hydro Power Limited (LTHPL) became a wholly owned subsidiary of NHPC Ltd on 09.10.2019 after payment of Resolution amount of Rs. 897.50 Crores to Resolution Professional / NCLT for full and final settlement of various creditors.
LTHPL is now a wholly owned subsidiary of NHPC Ltd. The Company is executing the Teesta VI HEP (500 MW) in Sikkim. The project is scheduled to be completed in a period of 5 years at an estimated cost of Rs. 5748.04 crore (at July 2018 price level), which includes the bid amount of Rs. 897.50 crore paid for acquisition.

b) **administrative ministry** - Ministry of Power, GoI

c) **vision and mission** - Same as that of NHPC

d) **nature of business including geographical scope** - Construction of Teesta VI HEP (500 MW) in Sikkim

e) **offices/region/sub-offices etc.** - The project office is located at Teesta VI HEP site, Balutar, Singtam, East Sikkim, Pin - 737134

2. **Objectives of the Organization**.

The Company is executing the Teesta VI HEP (500 MW) in Sikkim. The project is scheduled to be completed in a period of 5 years at an estimated cost of Rs. 5748.04 crore (at July 2018 price level), which includes the bid amount of Rs. 897.50 crore paid for acquisition. The process for merger of the project with NHPC Limited is underway.

3. **Capital Structure as on 31.03.2021**.

Authorized Share Capital – 150 Crore
Paid up Share Capital - 97.05 Crore

4. **Organizational Set up**

The project is headed by CEO, a GM level officer from NHPC. The project organization hierarchy is enclosed. (As on 30.06.2021)

BOARD ORGANIZATION :

Chairman (Nominee of NHPC)	Sh. BiswajitBasu, Director (Projects), NHPC
Director (Nominee of NHPC)	Sh. Vinod Kumar Maini, Executive Director, NHPC
Director (Nominee of NHPC)	Sh. KeshavDeshmukh, Executive Director, NHPC
Director (Nominee of NHPC)	Dr.KamlaFartyal, Chief General Manager, NHPC
Director (Nominee of NHPC)	Sh. H. S. Puri, CGM, NHPC
Independent Director	Nil
CEO (Nominee of NHPC)	Sh. Shyama Prasad Mukherjee, General Manager , NHPC

5. **Activities of the Organisation**.

The Company is executing the Teesta VI HEP (500 MW) in Sikkim. The project is scheduled to be completed in a period of 5 years at an estimated cost of Rs. 5748.04 crore (at July 2018 price level), which includes the bid amount of Rs. 897.50 crore paid for acquisition. The process for merger of the project with NHPC Limited is underway.

6. **Budget and Planning (Details of system and grants with last three financial years' i.e. 2018-19, 2019-20 and 2020-21 information etc**.)

Year	**2018-19**	**2019-20**	**2020-21**
Budget Estimate	19.49 Crs	79.37 Crs	57.52Crs

7. **Accounting System in the company as well as in the R.O's/Branch offices**

The operations of the Company are at only one location, viz, Teesta-VI HE Project. Hence, there is no R. O's/ Branch Office. The Company has adopted ERP and Oracle base Centralized Accounting System.

8. **Manpower Analysis viz., Executive/Non-Executive and Sanctioned/Actual etc. as on 31.03.2021 .**

Sl.No.	Cadre	Sanctioned Strength	Actual Strength
1	Executive	60	54
2	Non-Executive	16	5
	Total	76	59

9. **MoU Targets and Achievements for last three financial years (2018-19 to 2020-21) in the format given below:**

Not applicable. The Company has a single project ,i.e. Teesta-VI HE Project which is still under construction phase.

10. **Computerization**

Oracle D2K based Salary, Leave, HR module is being used by LTHPL and IFS ERP software is being used for Purchase, Inventory and Finance module. 45 nos. of new computers have been installed. Presently IT infrastructure is being developed at the project sites in a phased manner. Till now no IT audit has been done by any agency.

11. **Internal Audit**

The Company has appointed the Holding Company, NHPC's Internal Audit Wing to conduct internal audit. Periodicity of internal audit is as per NHPC Internal Audit Manual which has been adopted by LTHPL.

12. **Act, Rules, other documents applicable to the Organisation.**

S. No.	Name of Act/ Law/ Rule
1	Factories Act, 1948
2	Industrial Disputes Act, 1947
3	Payment of Wages Act, 1936
4	Minimum Wages Act, 1948
5	Employees State Insurance Act, 1948
6	Employees Provident Fund and MiscellaneousProvisions Act, 1952
7	Payment of Bonus Act, 1965
8	Payment of Gratuity Act, 1972
9	Contract Labour (Regulation And Abolition) Act,1970
10	Maternity Benefit Act, 1961
11	Child Labour (Prohibition And Regulation) Act,1986
12	Industrial Employment (Standing Orders) Act,1946
13	Employees Compensation Act, 1923
14	Apprentices Act, 1961
15	Equal Remuneration Act, 1976
16	Employment Exchange (CompulsoryNotification of Vacancies) Act, 1959
17	Sexual Harassment Act, 2013
18	Companies Act, 2013
19	Building And other Construction Workers (regulation of employment and condition of service) Act, 1996
20	Trade Union Act, 1926
21	Right to Information Act, 2005
22	Electricity Act, 2003
23	Environmental Protection Act, 1986
24	Land Acquisition Act, 1894
25	Water (Prevention and control of pollution) Act,1974
26	Air (Prevention and Control of pollution) Act,1981
27	Forest (Conservation) Act and Rules, 1981
28	Wildlife Protection Act, 1972 and Rules
29	Shop And Establishment Act of the state.
30	The Income Tax Act, 1961
31	Foreign Exchange Management Act, 2000
32	Dangerous Machines (Regulations) Act, 1993
33	The Mines Act, 1952
34	The Inter-state Migrant Workers (Regulation ofEmployment and Conditions of Service Act),1979
35	Building and other construction workers CessAct, 1996
36	The Central Goods and Services Tax Act, 2017
37	Public Liability Insurance Act,1991
38	Central Motor Vehicle Act, 1988
39	Information Technology Act 2000
40	The Patents Act, 1970
41	Trade Mark Act, 1999
42	The Designs Act, 2000
43	The Copyright Act, 1957
44	E-waste Management Rules, 2016
45	Applicable State and Local Laws
46	Regulations/ circulars issued by Securities and Exchange Board of India (SEBI)
47	Guidelines/ Circulars issued by Department of Public Enterprises/ Niti Aayog/ other Central Government Authorities

13. **Operation Results (Target vis-à-vis Achievement) for last three financial years (2018-19, 2019-20 and 2020-21)**

Not applicable. The Company has a single project ,i.e. Teesta-VI HE Project which is still under construction phase

14. **Financial Working Result for last three financial years (2018-19 to 2020-21) in the following format:**

(Rs. in crore)

Particulars	2018-19	2019-20	2020-21
Income			
Revenue from operations	Nil	Nil	Nil
Other Income	Nil	Nil	Nil
Total Income(A)	Nil	Nil	Nil
Total Expenditure(B)	0.52	138.34	0.21

Net Profit/(loss) (A-B)	(-)10.02	(-)2955.75	(-)0.21

15. **Disinvestment**

Not applicable

16. **Environment Management**

After date of acquisition, the compliances as per Environment Management Mechanism of NHPC Projects.

POWERGRID CORPORATION OF INDIA LIMITED

1. INTRODUCTION

National Power Transmission Corporation Limited which was renamed Power Grid Corporation of India Limited (PGCIL) in October 1992. According to the mandate, PGCIL, apart from providing transmission system for evacuation of central sector power, is also responsible for establishment and operation of regional and national power grids to facilitate transfer of power within and across the regions with reliability, security and economy on sound commercial principles. The Company has diversified its operations to other activities viz. telecom in addition of providing consultancy services in transmission sector. Based on its performance PGCIL was recognized as a **Mini-ratna** Company by the Government of India in October 1998, conferred with the status of **Navratna** in May 2008 and go on to attain Maharatna Status .The Company has 20wholly owned subsidiaries and 13 Joint Ventures (JVs) companies.As at December 2019, PGCIL had 161,864 ckm Transmission Lines, 248 Sub-Stations, >99 % System Availability and 399,897 MVA Transformation Capacity. Besides, in consultancy, the company has (i) Transmission related consultancy to more than 150 domestic clients and (ii) Global footprints in 20 countries catering more than 25 clients.

A) Was incorporated on 23rdOctober,1989 as a limited Company wholly owned by the Government of India.

B) Under administrative control of Ministry of Power .

C) Vision and mission of the company is to be world class integrated, global transmission company with dominant leadership in emerging power markets ensuring reliability ,safety and economy.

D) With the Corporate office in Gurugram, the company has Regional Offices in Delhi(Northern Region Transmission System-I), Jammu(Northern Region Transmission System -II), Lucknow (Northern Region Transmission System -III), Patna (Eastern Region Transmission System -I), Kolkata(Eastern Region Transmission System -II), Shillong (North Eastern Region Transmission System), Secunderabad (Southern Region Transmission System -I), Bangalore (Southern Region

Transmission System -II), Nagpur(Western Region Transmission System -I), Vadodara(Western Region Transmission System -II).

2. OBJECTIVES OF THE COMPANY

The Company has the following objectives: -

- Undertake transmission of electric power through Inter-State transmission system.
- Discharge all functions of planning and coordination relating to Inter-State transmission system with –

  i. State Transmission Utilities;

  ii. Central Government;

  iii. State Governments;

  iv. Generating companies;

  v. Regional Power Committees;

  vi. Authority;

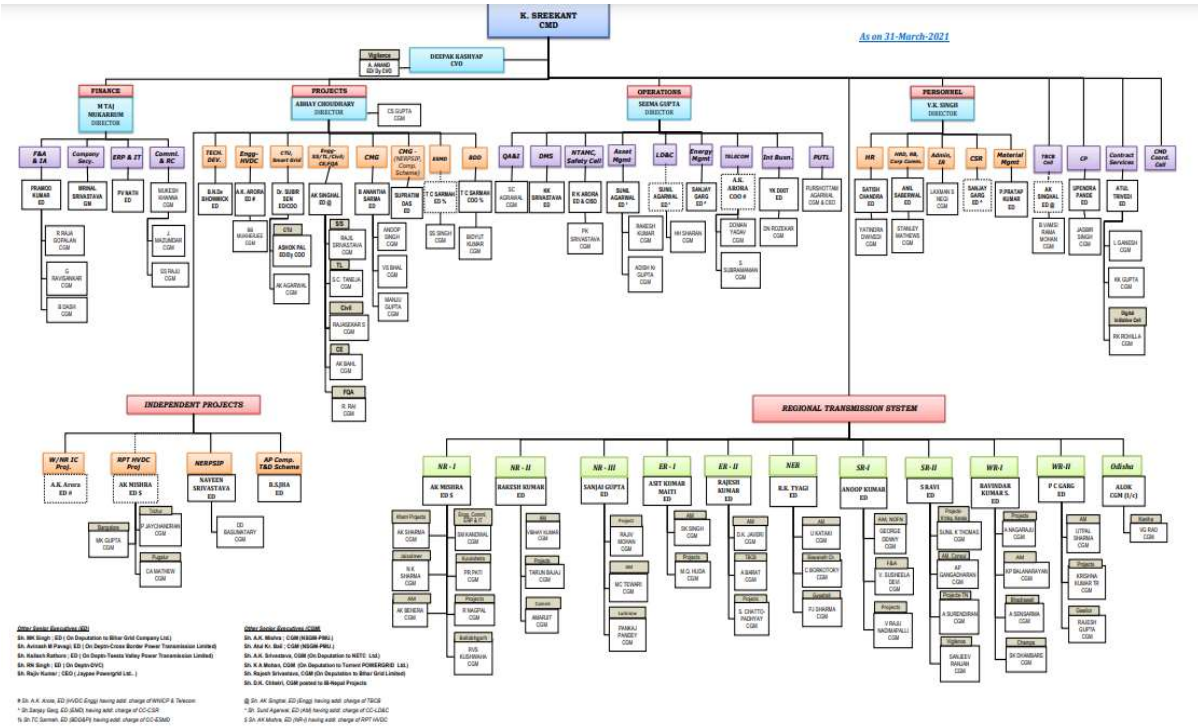
  vii. Licensees;

  viii. Any other person notified by the Central Government in this behalf.
- To ensure development of an efficient, co-ordinated and economical system of inter-State transmission lines for smooth flow of electricity from generating stations to the load centres.
- Efficient Operation and Maintenance of Transmission systems.
- Restoring power in quickest possible time in the event of any natural disasters like super cyclone, flood etc. through deployment of Emergency Restoration Systems.
- Provide consultancy services at national and international level in transmission sector based on the in-house expertise developed by the organisation.
- Participate in long distance telecommunication business ventures.
- Ensure principles of Reliability, Security and Economy matched with the rising/desirable expectation of a cleaner, safer, healthier Environment of people, both affected and benefited by its activities.

3. CAPITAL STRUCTURE (as on 31 March 2021)

Authorized Capital (Rs in crore)	**Paid Up Capital(Rs in crore)**	**Contribution of shareholders (%)**
10000	5231.59	Government:51.34%
		Public shareholding:48.66%

4. ORGANISATIONAL SET UP:



5. ACTIVITIES OF THE ORGANIZATION

POWERGRID is involved in bulk transmission of power, telecommunication and Consultancy services. The Company continues to wheel the power generated through its transmission network. The Company maintains high availability of its transmission network by implementing technologically advanced operational techniques such as Hot Line Maintenance, Washing of Insulators hotline with the use of helicopters, Equipment Condition Monitoring techniques including Dynamic Testing of relays, Thermo-vision Scanning, Frequency Response Analysis (FRA) for transformers and reactors, large scale automation of sub-stations, etc. Presently, 248 sub-stations of the Company are being operated remotely.

6. BUDGET AND PLANNING

(Rs in Crore)

S. No.	Particulars*	2018-19		2019-20		2020-21	
		Budgeted	Actual	Budgeted	Actual	Budgeted	Actual
1.	Capital Expenditure**	25,000.00	24,307.00	13,987.00	13,812.00	10,500.00	11,150.00

2.	**Revenue Expenditure****	**4,269.00**	**4,585.06**	**4,776.00**	**4,041.72**	**4,817.00**	**4,695.00**

7. ACCOUNTING SYSTEM IN THE COMPANY AS WELL AS IN THE R.O'S/ BRANCH OFFICES ETC

Decentralized

8. MANPOWER ANALYSIS (As on 31.3.2021):

	Sanctioned	**Actual**
Executives	4774	4434
Non-Executives	5909	4332
Total	10683	8766

9. MOU TARGETS and ACHIEVEMENTS for the last three financial years 2018-19 to 2020-21:

	2018-19		**2019-20***		**2020-21***	
Particulars	**Target**	**Actual**	**Target**	**Actual**	**Target**	**Actual**
Turnover from Operations (Rs. in crore)	32,000	34,119.12	38,000	37,743.54	38,000	39,639
Operating profit	30.00	30.02	30.50	33.29	34.52	37.17
Return on Investment (%)	15.25	17.55	15.75	17.88	17.90	17.90
Overall rating		Excellent		Awaited from DPE		Evaluation report yet to be submitted

* On consolidated basis

10. COMPUTERIZATION

ERP has been implemented in February, 2015 all the major process are integrated and The company is having ERP system (SAP) in place for processing all accounting transactions .

11. INTERNAL AUDIT

All the units and Corporate Centre of POWERGRID are subject to internal audit. There exist separate Internal Audit wing which conduct audit as per Internal Audit Manual.The regular and exhaustive Internal Audit on half yearly basis is carried out by the experienced Cost/Chartered Accountant Firms in close co-ordination with Company’s own Internal Audit department to ensure that all checks and balances are in place and all internal controls/systems are in order. The Corporate Internal Audit department also carries out System Audit and Management Audit to reassure the effectiveness of internal control mechanism. The scope and authority of the Internal Auditor is derived from the Internal Audit Plan approved by the Audit Committee. The Audit Committee meets at regular intervals and keeps a close watch on compliance with internal control mechanism. The significant /material audit findings are placed before the Audit Committee for review, discussion and subsequent action.

12. ACT, RULES, OTHER DOCUMENTS APPLICABLE to the ORGANIZATION.

The Companies Act 2013, SEBI(Listing obligations and Disclosures Requirement) Regulation, 2015 and other corporate Laws.

13. OPERATING RESULTS (Targets vis –a-vis achievements) :

S.No.	Particulars	2018-19	2019-20	2020-21
1.	Turnover from operations (Cr)	₹ 34,119.12	₹ 37,743.54	39,639
2.	Operating profit	30.02	33.29	37.17
3.	Return on Investment (%)	17.55	17.88	17.90

14. FINANCIAL WORKING RESULTS:

	Amount (Rs in Cr)		
Particulars	**2018-19**	**2019-20**	**2020-21**
INCOME			
Revenue from operations	34119.12	36185.54	37665.65
Other Income	1498.95	2132.43	2861.46
Total Income (A)	**35618.07**	**38317.97**	**40527.11**
Total Expenditure (B)	24129.09	25670.62	25901.04
Profit before Tax (A-B)	**11488.98**	**12647.35**	**14626.07**

15. Disinvestment

Disinvestment made from 2017 to 2021 are as under:

Bharat ETF June, 2018		**No. of Shares**
Pre Issue Capital	**5,23,15,89,648**	
Bharat ETF sale	0.57%	2,99,37,858
MoP	54.40%	2,84,61,07,101
DoNER	1.94%	101269800
Public	43.66%	2,28,42,12,747
Equity Capital After the Issue		**5,23,15,89,648**

Bharat ETF Feb., 2019		**No. of Shares**
Pre Issue Capital	**5,23,15,89,648**	
Bharat ETF sale	0.97%	5,08,80,959
MoP	53.43%	2,79,52,26,142
DoNER	1.94%	101269800
Public	44.63%	2,33,50,93,706
Equity Capital After the Issue		**5,23,15,89,648**
Bharat ETF Oct., 2019		**No. of Shares**
Pre Issue Capital	**5,23,15,89,648**	
Bharat ETF sale	0.40%	2,10,57,472
MoP	53.03%	2,77,41,68,670
DoNER	1.94%	101269800
Public	45.04%	2,35,61,51,178
Equity Capital After the Issue	100.00%	**5,23,15,89,648**
CPSE ETF Jan., 2020		**No. of Shares**
Pre Issue Capital	**5,23,15,89,648**	
CPSE ETF sale	3.62%	18,95,66,062
MoP	49.40%	2,58,46,02,608
DoNER	1.94%	101269800
Public	48.66%	2,54,57,17,240
Equity Capital After the Issue	100.00%	**5,23,15,89,648**

16. ENVIRONMENT MANAGEMENT

POWERGRID's commitment towards practicing environmental and social prudence stems from the realization that the ultimate goal of any business activity is not limited to financial profitability only but also includes wider and much desired sustainable development. POWERGRID, as part of its corporate philosophy is committed at all levels to internalize the possible Environmental and Social (E & S) impacts associated with its business processes. The above approach is reflected in our corporate policy namely **Environmental and Social Policy & Procedures (ESPP)** which was developed way back in 1998 through extensive national consultations. Further, the provisions of ESPP were updated in 2005 and 2009 in line with the requirement of new enactment by Govt. of India, changed rules and guidelines including that of multilateral funding agency like The World Bank, ADB, JBIC etc. and suggestion/best practices & feedback received from different sites. ESPP outlines the POWERGRID's approach to deal with environment & social issues and lays out management procedures and protocols to address the same. It provides a framework for identification, assessment, and management of environmental and social concerns at both organizational and project levels, within the adopted principles of

Avoidance, Minimization and Mitigation. The comprehensive coverage and content of the ESPP can be judged by the fact that it has been accepted by two leading Multilateral Agencies of world i.e. The World Bank and ADB under their Use of Country System (UCS) and Country Safeguard System (CSS) policy in 2009 and 2017 respectively.

POWERGRID undertakes detailed Environmental & Social Assessment of its projects as prescribed in its ESPP, though not mandated by the applicable laws. Another important feature of ESPP is that E & S management measures are dovetailed into project cycle for timely appropriate action. Accordingly, a comprehensive Environment Management Plan (EMP) dividing three different stages of project implementation like Pre-construction, Construction and Operation & Maintenance (O & M) is prepared identifying all possible E & S impacts associated with the projects. The EMP also contains mitigation measures including monitoring indicators with responsibility allocation. This EMP is also made part of contract condition to ensure its proper implementation even by the contractors. Further, during O & M stage measures like disposal of used transformer oil, used batteries, electronic wastes as per applicable regulations including SF6 leakage and management through regular monitoring using sophisticated instruments and inventory control has resulted not only in compliance with the regulatory framework but moving beyond it.

OTHERS:

DETAILS OF THE UNITS / DEPARTMENT OF THE ORGANISATION

With the Corporate office in Gurugram, the company has Regional Offices in Delhi (Northern Region Transmission System-I), Jammu (Northern Region Transmission System -II), Lucknow (Northern Region Transmission System -III), Patna (Eastern Region Transmission System -I), Kolkata (Eastern Region Transmission System -II), Shillong (North Eastern Region Transmission System), Secunderabad (Southern Region Transmission System -I), Bangalore (Southern Region Transmission System -II), Nagpur (Western Region Transmission System -I), Vadodara (Western Region Transmission System -II).

DIVERSIFICATION

POWERGRID has diversified into Telecom business. POWERGRID with its brand name 'POWERTEL' in Telecom business is the only utility in the Country having overhead optic fibre network using Optical Ground Wire on power transmission lines.

POWERGRID has an all India Broad Band Telecom Network and owns & operates ≍ 60,946 km of Telecom Network. Points of Presence in 688 locations and intra City network in 105 cities across India.

LIST OF RECORDS AND BOOKS MAINTAINED BY THE COMPANY

PGCIL mainly maintains/ holds various categories of document which are broadly as detailed below:

(i) Memorandum & Articles of Association, Statutory Registers under the Companies Act, 2013. Statutory Registers under other applicable Acts and Rules & Regulations, Annual Reports, Annual Returns, Returns & Forms filed with the Registrar of Companies, etc.

(ii) Notices and Minutes Book of General Meetings of the shareholders, etc.

(iii) Tender Documents, Tender Specifications for projects,

(iv) Detailed Project Report/ Feasibility Reports (as applicable) of the transmission lines implemented and those under implementation.

(v) All other records/documents as per statutory requirements.

PURCHASE POLICY & PROCEDURE.

Company has Written 'Works & Procurement Policy and Procedure' (WPP&P).

PRICING POLICY.

As per CERC Tariff Regulations for Transmission Line Tariff

POLICY ON FRAUD & CORRUPTION.

The Company has separate Vigilance Department which deals with fraud or suspected fraud involving employees / representatives of suppliers, contractors, consultants, service provider, or any other party doing business with POWERGRID. Whistle Blower and Fraud Prevention Policy have been approved by the Board of Directors.

VIGILANCE

POWERGRID has a Vigilance department in place headed by full time CVO, reporting to CVC. All CVC guidelines on vigilance matters are complied with by POWERGRID.

CASH MANAGEMENT /FINANCING PATTERN / SCHEMES (PROCEDURES AND PRACTICES)

As per CERC norms, the projects are to be funded in the ratio of 70:30 i.e. 70 *per cent* borrowing/debt and 30 *per cent* through Equity.

COSTING AUDIT

PGCIL appointed M/s R. M. Bansal & Co., Cost Accountants and M/s Chandra Wadhwa & Co., Cost Accountants as Cost Auditors for the Financial Year 2018-19 under Section 148 of the Companies Act, 2013. The Cost Audit Reports for the FY 2018-19 has been filed with the Cost Audit Branch, Ministry of Company Affairs.

INVENTORY CONTROL PROCEDURES

A detailed Inventory Control mechanism is in place in POWERGRID.

WORK POLICY.

POWERGRID has in place, 'Works Procurement Policy and Procedures'.

HUMAN RESOURCE MANAGEMENT

PGCIL has established 'POWERGRID Academy of Leadership (PAL)', a state-of-the-art, world class institute at its Manesar complex near Gurgaon. The facility provides a wide range of training including induction, hands-on, managerial and behavioral programs to its employees. These programs, in the electricity sector, cover areas such as sector overview, transmission technology & system management, hotline maintenance, Smart Grid & Distribution Management, behavioral/ leadership development programs etc. During 2018-19, the Company conducted 825 training and development programs, at its PAL facility, its Employee Development Centres in regions and also at premium educational institutes and centres of learning in India and abroad. Further, the Company's web based competency based training management system has been upgraded with updated competency directory. An android-based mobile app 'PAL Manesar' has been developed to make it easy for employees to access many web based applications from their handheld devices.

As on March 31, 2019, the employee strength of the Company stood at 9,255.

MANAGEMENT INFORMATION SYSTEM

Depending on the requirements MIS is generated and circulated amongst the concerned employees/authorities

PERFORMANCE APPRAISAL SYSTEM

There is a defined system of appraisal of performance of every employee on yearly basis.

AUDIT COMMITTEE

The Company has an Audit Committee in place as per clause 49 of the Listing Agreement, which had four independent directors and one Govt. Nominee director. The Company Secretary is also the Secretary of the Committee. The constitution, quorum, scope, etc. of the Audit Committee is in line with the Guidelines on Corporate Governance for Central Public Sector Enterprises.

ISO CERTIFICATION

POWERGRID is accredited with a Publicly Available Specification, PAS 99:2012 based Integrated Management System (IMS) that includes ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environment Management System) and OHSAS 18001:2007 (Occupational Health & Safety Management System).

RESEARCH & DEVELOPMENT DETAILS INCLUDING ACTIVITIES UNDERTAKEN

POWERGRID Advanced Research and Technology Centre

POWERGRID has established world class laboratories and test facilities at Manesar, Gurgaon for carrying out research and development in power transmission area. This R&D centre shall cater to the research needs of POWERGRID and of the Country to a large extent with state-of-the-art laboratories for power system analysis, advanced equipment diagnostics, smart grid, control and automation, material science, engineering design etc. TECHNOLOGY DEVELOPMENT POWERGRID adopts and encourages the research & development (R&D) activities in pursuit of technological excellence in power transmission. Notable among them, are the prestigious 1200kV National Test Station project at Bina, Madhya Pradesh and the Process bus in Substation Automation System Specific areas in which R&D has been carried out by the company and benefits derived thereby.

CSR ACTIVITIES

The Company discharges its Corporate Social Responsibility (CSR), by committing itself to contribute to the society, through initiatives that have positive impact on society at large, especially the community in the neighbourhood of its operations. The main objective of CSR initiatives is improvement in the quality of life of marginalized and under-privileged sections of the society residing around its areas of operation. With this approach, the Company carries out various CSR activities with thrust on Rural Development, Infrastructural Development, Skill Development, Health, Education, Environment etc. During FY 2018-19, the Company spent Rs.195.52 crore and sanctioned more than 200 CSR projects of value of approx. Rs.360 crore that will be executed over the next 2-3 years. Focus area of the Company's CSR activities during FY 2018-19 were education and health initiatives in line with Govt. of India targets besides infrastructure development in rural areas like construction of community centres, internal roads, culverts as well as projects like installation of solar street lights, drinking water facility etc. The company provided ambulances, conducted health check-up camps and provided infrastructural support to government hospitals/ Community Health Centre/Primary Health Centre, etc. and organized livelihood generating skill development programmes for youths through various government agencies. To help economically weak patients and their attendants, creation of patient support infrastructure at prominent health centres, like AIIMS, State Govt. Medical Colleges, and Hospitals etc., has been given special focus over the last few years.

DETAILS OF SUBSIDIARIES OF THE COMPANY

A) Power Grid N M Transmission Limited:

POWERGRID NM Transmission Company Limited (PNMTL), formerly known as Nagapattinam-Madhugiri Transmission Company Limited was acquired by POWERGRID on 29thMarch, 2012 under Tariff Based Competitive Bidding for establishing Transmission System associated with IPPs of Nagapattinam / Cuddalore Area (Package A). Consequent to such acquisition, PNMTL become the wholly owned subsidiary of POWERGRID w.e.f. 29th March, 2012. PNMTL has been engaged in the implementation of Nagapattinam-Salem 765 kV D/C Line (about 203 kms.) and Salem- Madhugiri 765 kV S/C Line (about 220 kms.). Nagapattinam-Salem 765 kV D/C Line is under commercial operation w.e.f 23.10.2016 and Salem- Madhugiri 765 kV S/C Line is under commercial operation w.e.f 26.01.2019.

The Authorized &Paid up Share Capital as on 31st March, 2019 of the Company were Rs.264 crore. Subsequently the Authorised Share Capital was increased from 264 crore to Rs.307.43 Crore on 17th June, 2019.

B) Powergrid Vizag Transmission Limited:

POWERGRID Vizag Transmission Limited was acquired by Power Grid Corporation of India Limited (POWERGRID) on 30th August, 2013 under Tariff Based Competitive bidding from REC Transmission Projects Company Limited (the Bid Process Coordinator) for establishment of Transmission System for 'System strengthening in Southern region for import of power from Eastern Region. The Transmission system comprises KhammamNagarjunasagar 400kV D/c Line and Srikakulam-Vemagiri 765kV D/c Line. Consequent to such acquisition, VTL became wholly owned subsidiary of POWERGRID. The transmission system comprising 765kV d/C and 400kV d/C is to traverse the state of Andhra Pradesh. The company has been granted transmission license by CERC in January, 2014.

As on 31st March 2019, the Authorised and Paid up Share Capital of PVTL was `220 crore and `209.73 crore respectively.

C) PowergridUnchahar Transmission Limited:

POWERGRID Unchahar Transmission Limited (PUTL) was acquired by Power Grid Corporation of India Limited (POWERGRID) on March 24, 2014 under Tariff Based Competitive bidding from REC Transmission Projects Company Limited (the Bid Process Co-ordinator) for establishment of Transmission System for ATS of Unchahar TPS on build, own, operate and maintain (BOOM) basis. The transmission system comprising 400 kV D/C is to traverse the state of Uttar Pradesh. The Company was granted transmission license by CERC in July, 2014. The Project has been commissioned on 23.09.2016.

The Authorized Share Capital and Paid up Share Capital as on 31st March, 2019 of the Company were Rs. 14 Crore and Rs. 12.96 Crore, respectively.

D) POWERGRID Vemagiri Transmission Limited:

POWERGRID Vemagiri Transmission Limited, formerly known as Vemagiri Transmission System Limited was acquired by Power Grid Corporation of India Limited (POWERGRID) on April 18, 2012 under Tariff Based Competitive bidding for establishing Transmission system associated with IPPs of Vemagiri Area (Package A) from REC Transmission Projects Company Limited (the Bid Process Co-ordinator). The transmission system comprising 765kV D/C was to traverse the state of Andhra Pradesh and Telangana. CERC vide Order dated 06.04.2015 stated that Vemagiri-Khammam-Hyderabad 765 kV D/C lines under the project is neither required as an evacuation line nor as a system strengthening line, no useful purpose will be served by adopting the transmission charges and granting license to the petitioner for the said transmission line and has withdrawn the regulatory approval for the Transmission project.

As on March 31, 2019, the Company had Authorized, Subscribed and Paid up Share Capital of Rs. 5 lakh divided into 50,000 equity shares of Rs. 10/- each.

E) POWERGRID Southern Interconnector Transmission System Limited

POWERGRID Southern Interconnector Transmission System Limited (PSITSL) (formerly Vemagiri II Transmission Limited) was acquired by Power Grid Corporation of India Limited (POWERGRID) on 4P th P December, 2015 under Tarrif based Competitive bidding from REC Transmission Projects Company Limited (the Bid Process Co-ordinator) for "Strengthening of Transmission System Beyond Vemagiri' Project on build, own operate and maintain (BOOM) basis. The transmission project comprising of 765 kV & 400 kV, D/C transmission lines is to traverse the states of Andhra Pradesh, Telangana & Karnataka and include establishment of one 765/400 kV Substation as well as 400kV bay extension at two existing sub-stations in the state of Andhra Pradesh. The Company was granted transmission license by CERC in March, 2016. Three elements of projects have been commissioned on 06.08.2018, 28.02.2019 and 31.07.2019 and remaining elements of the project are planned for commissioning in the year 2019.

The Authorized Share Capital and Paid up Share Capital as on 31st March, 2019 of the Company were Rs. 675 Crore and Rs. 515.504 Crore respectively. Further the Subscribed and Paid up

Capital was increased to Rs. 670.004 Crore divided into 67,00,04,000 equity shares of Rs.10/- each.

F) POWERGRID Medinipur Jeerat Transmission Limited

POWERGRID Medinipur Jeerat Transmission Limited (PMJTL), formerly known as Medinipur Jeerat Transmission Limited was acquired by POWERGRID on 28th March, 2017 under Tariff Based Competitive Bidding from PFC Consultancy Limited (the Bid Process Coordinator) for Transmission System associated with "765 kV strengthening in Eastern Region (ERSS-XVIII). The Transmission System includes establishment of 765 kV and 400 kV Transmission lines which is traverse the state of West Bengal and Jharkhand including establishment of two new 765/400 kV substation in West Bengal. The Company was granted transmission license by CERC in June, 2017. The work is under progress and scheduled date of completion is July, 2020. As on 31.03.2019, PMJTL has an Authorized share capital of Rs. 1 Crore and Paid up share capital of Rs. 1.00 lakh. The project is under implementation. The POWERGRID Medinipur Jeerat Transmission Limited is implementing ERSS-XVIII Transmission System.

G) POWERGRID Varanasi Transmission System Limited

POWERGRID Varanasi Transmission System Limited (PVTSL), formerly known as WRNR Power Transmission Limited was acquired by POWERGRID on March 27, 2018 under Tariff Based Competitive Bidding from REC Transmission Projects Company Limited (the Bid Process Co-ordinator) for establishing Transmission System for new Western Region – Northern Region 765kV Inter Regional Corridor. The Transmission System includes establishment of a 765kV D/C Transmission Line from Vindhyachal pooling station to Varanasi and traverses the states of Madhya Pradesh and Uttar Pradesh. The Company was granted transmission license by CERC in August, 2018. The work is under progress and scheduled date of completion is 27.07.2021.

As on 31st March, 2019, the Company has Authorised and Paid up Share Capital of Rs.5Lakh each.

H) POWERGRID Kala Amb Transmission Limited

POWERGRID Kala Amb Transmission Limited (PKATL) (formerly NRSS XXXI (A) Transmission Limited) was acquired /taken over by POWERGRID on May 12, 2014 under Tariff

Based Competitive bidding from REC Transmission Projects Company Limited (the Bid Process Co-ordinator) for establishment of Transmission System for Northern Region system Strengthening Scheme, NRSS-XXXI (Part-A). Consequent to such acquisition, PKATL became wholly owned subsidiary of POWERGRID. The transmission system comprising 400/220 kV GIS substation, 400 kV D/C LILO and Series Compensation is contemplated in the state of Himachal Pradesh. The Company has been granted transmission license by Central Electricity Regulatory Commission (CERC) in September, 2014. The project elements have been progressively commissioned on 12th July, 2017.

The Authorised and Paid up Capital as on 31st March, 2019 of the Company were 61 Crore.

I) POWERGRID Parli Transmission Limited

POWERGRID Parli Transmission Limited (PPTL) was acquired by Power Grid Corporation of India Limited (POWERGRID) on April 24, 2015 under Tariff Based Competitive bidding from REC Transmission Projects Company Limited (the Bid Process Co-ordinator) for establishment of Transmission System Associated with Gadarwara STPS (2 x 800 MW) of NTPC (Part-B). The transmission system traverses through the State of Maharashtra and comprises 765kV D/C, 400kV D/C transmission lines and establishment of 2X1500 MVA 765/400 kV new substation in Parli. The Company was granted transmission license by CERC in July, 2015. The project had been progressively completed and declared for commercial operation on 04th June, 2018.

The Authorised Share Capital and Paid up Share Capital as on 31st March, 2019 of the Company were Rs. 350 crore and Rs. 228.50 crore respectively. Further the Subscribed and Paid up Capital was increased to Rs. 246.50 Crore.

J) POWERGRID Warora Transmission Limited

POWERGRID Warora Transmission Limited (formerly Gadarwara (A) Transco Limited) was acquired by Power Grid Corporation of India Limited (POWERGRID) on April 24, 2015 under Tariff Based Competitive bidding from REC Transmission Projects Company Limited (the Bid Process Co-ordinator) for establishment of Transmission System Associated with Gadarwara STPS (2 x 800 MW) of NTPC (Part-A). The transmission system is traversing the States of Maharashtra and Madhya Pradesh and comprises 765kV D/C, 400kV D/C transmission lines and establishment of 2X1500 MVA 765/400 kV new substation in Warora. The Company was granted transmission license by CERC in August, 2015. The project's elements have been progressively commissioned and the entire project has been commissioned on 10th July, 2019.

The Authorized Share Capital and Paid up Share Capital as on 31st March, 2019 of the Company were Rs. 425 crore and Rs. 326.30 crore, respectively. Further the Subscribed and Paid up Capital was increased to Rs. 340.30 Crore.

K) POWERGRID Jabalpur Transmission Limited

POWERGRID Jabalpur Transmission Limited (PJTL) was acquired by Power Grid Corporation of India Limited (POWERGRID) on February 26, 2015 under Tariff Based Competitive bidding from REC Transmission Projects Company Limited (the Bid Process Coordinator) for establishment of Transmission System Strengthening associated with Vindhyachal-V. Consequent to such acquisition, PJTL became wholly owned subsidiary of POWERGRID. The transmission system comprising 765kV D/C transmission line is to traverse the State of Madhya Pradesh. The Company has been granted transmission license by CERC in June, 2015. The project had been completed and declared for commercial operation on 01st January, 2019.

The Authorized Share Capital and Paid up Share Capital as on 31st March, 2019 of the Company were Rs.300 crore and Rs.173.15 crore, respectively. Further the Subscribed and Paid up Capital was increased to Rs.180.15Crore.

L) POWERGRID Mithilanchal Transmission Limited

POWERGRID Mithilanchal Transmission Limited (PMTL) (formerly known as ERSS XXI Transmission Limited) was acquired by POWERGRID on 12th January, 2018 under Tariff based competitive bidding from REC Transmission Projects Company Limited (the Bid Process Coordinator) for Transmission System associated with "Establish Transmission System for Eastern Region Strengthening Scheme – XXI (ERSS-XXI)". The transmission system includes establishment of 400kV Transmission lines in the state of Bihar including establishment of three new 400/220/132 kV Substations in Bihar. The Company was granted transmission license by CERC on 24th April, 2018. The work is under progress and scheduled date of completion is March, 2021.

The Authorised Share Capital and Paid up Share Capital as on 31st March, 2019 were Rs. 5 Lakh. Subsequently the Authorised Share Capital was increased from Rs. 5 Lakh to Rs. 100 Crore on 26th June, 2019.

M) POWERGRID Jawaharpur Firozabad Transmission Limited

POWERGRID Jawaharpur Firozabad Transmission Limited (PJFTL) (formerly known as Jawaharpur Firozabad Transmission Limited) was acquired by POWERGRID on 21 stDecember, 2018 under Tariff based competitive bidding from REC Transmission Projects Company Limited (the Bid Process Coordinator) for implementing Transmission system for evacuation of power from 2x660MW Jawaharpur Thermal Power Project and associated Transmission Lines of 400 kV Substation at Firozabad. The Company was granted transmission license by UPRC on 5th July, 2019. The work is under progress and scheduled date of completion March, 2021.

The Authorised and Paid up Share Capital as on 31st March, 2019 of the Company were Rs. 5 Lakh.

DETAILS OF JOINT VENTURES, PPP ETC OF THE COMPANY

A) POWERLINKS TRANSMISSION LIMITED (POWERLINKS):

POWERGRID and Tata Power Company Limited are the Joint Venture Partners in this Joint Venture Company and hold 49 *per cent* and 51 *per cent* equity respectively. POWERLINKS was incorporated to undertake the implementation of Transmission Lines associated with Tala HEP, East-North interconnector and Northern Region Transmission System from Siliguri in West Bengal via Bihar to Uttar Pradesh and was the first public - private partnership in Power Transmission.

As on 31.03.2019, POWERLINKS has Authorized share capital of `483.60 crore and paid-up capital of Rs 468.00 crore. POWERGRID’s share in the paid up capital is `229.32 crore. POWERLINKS had progressively commissioned the project by August, 2006. POWERLINKS has paid dividend amounting to Rs 16.05 crore (interim) and `18.35 Crore (final) for Fiscal 2019.

B) JAYPEE POWERGRID Limited (JPL):

POWERGRID and Jaiprakash Power Ventures Limited are the Joint Venture Partners in this Joint Venture Company and hold 26 *per cent* and 74 *per cent* equity respectively. The Company was incorporated to undertake the implementation of transmission system to evacuate power generated by 1000 MW KarchamWangtoo Hydro Electric Power Project in Kinnaur District in Himachal Pradesh, from Wangtoo to Abdullapur. As on 31.03.2019, JPL has Authorized share capital of `300 crore and paid-up capital of `300 crore. POWERGRID's share in the paid up capital is `78 crore. The project was progressively commissioned in April, 2012. JPL has paid dividend amounting to `5.07 crore (interim) for Fiscal 2019.

C) TORRENT POWERGRID Limited (TPL):

POWERGRID and Torrent Power Limited are the Joint Venture Partners in this Joint Venture Company and hold 26 *per cent* and 74 *per cent* equity, respectively. The Company was incorporated to undertake the implementation of transmission system associated with 1100MW Gas Based project (Sugen) Generation Station of Torrent Power Ltd. (TPL) at Akhakhol in Surat District of Gujarat. As on 31.03.2019, TPL has Authorized share capital of `125.00 crore and paid-up capital of `90.00 crore. POWERGRID's share in the paid up capital is `23.40 crore. The project was progressively commissioned in March, 2011. TPL has paid dividend amounting to Rs 3.28 crore (interim) and recommended final dividend of `0.70 Crore for Fiscal 2019.

D) PARBATI KOLDAM TRANSMISSION COMPANY LIMITED (PKTCL)

POWERGRID and Reliance Energy Limited (REL) now Reliance Infrastructure Ltd are the Joint Venture Partners in this Joint Venture Company and hold 26 *per cent* and 74 *per cent* equity, respectively. The Company was incorporated to undertake the implementation of transmission lines associated with Parbati-II (800 MW) HEP and Koldam (800 MW) HEP. As on 31.03.2019, PKTCL has Authorized share capital of `331.00 crore and paid-up capital of `272.84 crore. POWERGRID's share in the paid up capital is `70.94 crore. The Project commissioned progressively in Nov'2015. PKTCL has paid dividend amounting to ` 10.64 crore for Fiscal 2019.

E) TEESTAVALLEY POWER TRANSMISSION LIMITED (TPTL)

POWERGRID and Teesta Urja Ltd are the Joint Venture Partners in this Joint Venture Company and hold 26 *per cent* and 74 *per cent* equity, respectively. The Company was incorporated to undertake the implementation of transmission lines associated with 1200 MW Teesta-III Hydro

Electric Power Project to Kishanganj sub-station. As on 31.03.2019, TPTL has Authorized Share Capital of `500 Crore and Paid-Up Capital of `373.88 Crore. POWERGRID's share in the paid up capital was `105.56 Crore. The Project commissioned progressively in Feb'2019.

F) NORTH EAST TRANSMISSION COMPANY LTD.(NETCL):

POWERGRID entered into a Joint Venture Agreement with ONGC Tripura Power Project Company Ltd. (OPTC), Government of Tripura, 63 Manipur, Mizoram, Assam Electricity Grid Corporation Ltd, Meghalaya and Nagaland for establishment of Transmission Line of 400kV D/C Palatana- SilcharBongaigoan Transmission Project associated with 726.6 MW Palatana Gas base Power Project in the state of Tripura. As on 31.03.2019, NETC has Authorized capital of `600 crore and paid-up share capital of `411.40 crore. POWERGRID's share in the paid up capital is `106.96 crore. The project was progressively commissioned in February, 2015. NETCL has paid dividend amounting to Rs 5.35 crore (interim) and Rs 5.35 crore (final) for Fiscal 2019.

G) NATIONAL HIGH POWER TEST LABORATORY PRIVATE LIMITED (NHPTL):

NHPTL is a joint venture Company of NTPC, NHPC, POWERGRID, DVC & CPRI with equal equity participation of 20 *per cent* each. The main aim of the NHPTL is to establish an online high power short circuit test facility in the country. This Facility is being established for the first time in the country at Bina (M.P.) to provide a full range of short circuit testing for the electrical equipment in conformance to Indian and International Standards. As on 31.03.2019, the Authorized share capital of the Company was `153 crore while paid up share capital was `152 crore. POWERGRID's share in the paid up capital was `30.40 crore. High Voltage Transformer (HVTR) Section of Laboratory under Phase-I put under commercial operation with effect from 1st July, 17. The Phase-I is capable of catering the requirement of Short Circuit Test of Electric Transformer from 50MVA, 132kV Class to 315MVA, 400 kV Class which is being enhanced upto 500 MVA, 400 kV class and 500 MVA, 765 kV class. Medium Voltage Transformer (MVTR) Section is under implementation. The project has no operating profit.

H) ENERGY EFFICIENCY SERVICES LIMITED (EESL):

POWERGRID entered into a Joint Venture Agreement with NTPC Ltd., Power Finance Corporation Ltd. and Rural Electrification Corporation Ltd. The JV Company viz. Energy

Efficiency Services Limited will promote measures of Energy efficiency, Energy Conservation and Climate Change and is carrying out business related to energy audit of Govt. buildings, consultancy assignments etc. As on 31.03.2019, the Authorised Share Capital of EESL is `3500 crore and Paid-up Share Capital is `675.20 crore. POWERGRID's share in the paid up capital was `37.70 crore (5.58 *per cent*).

I) CROSS BORDER POWER TRANSMISSION COMPANY LIMITED (CPTCL):

POWERGRID entered into Shareholders' Agreement on 9th July, 2012 with IL&FS Energy Development Company Limited (IEDCL), SJVN Limited (SJVN) & Nepal Electricity Authority (NEA) of Nepal and formed a JV Company under the name "Cross Border Power Transmission Company Ltd" (CPTC) incorporated in India for implementation of Indian portion viz. Muzaffarpur - Sursand section (India Portion) of 400 kV D/C Muzaffarpur - Dhalkebar Indo-Nepal Cross Border transmission line. The Shareholding of POWERGRID, SJVN, IEDCL and NEA in the said JV Company is 26 *per cent*, 26 *per cent*, 38 *per cent* and 10 *per cent* respectively. The Audited cost of the India Portion is `242.55 crore and the Project is being implemented with debt: equity as 80:20. As on 31.03.2019, CPTC has Authorized share capital of `75 crore and paid-up capital of `48.50 crore. At present, POWERGRID equity is `12.61 crore. The India Portion is under commercial operation w.e.f. 19th February, 2016. CPTC has paid dividend (interim) of 10 *per cent* amounting to `1.26 crore for Fiscal 2019.

J) POWER TRANSMISSION COMPANY NEPAL LIMITED (PTCN):

POWERGRID entered into a "Joint Venture cum Share Purchase Agreement" on 5th April, 2014 with Nepal Electricity Authority(NEA), Hydroelectricity Investment & Development Company Ltd (HIDCL) of Nepal and IL&FS Energy Development Company Ltd (IEDCL), India and formed a JV Company under the Name "Power Transmission Company Nepal Ltd" (PTCN) incorporated in Nepal for implementation of Dhalkebar - Bhittamod 400 kV Transmission Line (Nepal Portion of 400 kV D/C Dhalkebar - Muzaffarpur Indo-Nepal Cross Border transmission line.) The Shareholding of NEA, POWERGRID, HIDCL and IEDCL in the said JV Company is 50 *per cent*, 26 *per cent*, 14 *per cent* and 10 *per cent* respectively. The Audited cost of the Nepal Portion is INR. 101 crore and the project has been implemented on 70:30 debt:equity ratio. As on 31.03.2019, PTCN has Authorized, issued & paid-up share capital of NPR 45 crore. At present, POWERGRID equity is NPR 11.70 crore including 1,30,000 equity shares of NPR 100/-

each of Bonus Shares. The line is under commercial operation w.e.f. 19th February, 2016. The Dhalkebar - Muzaffarpur Indo-Nepal Cross Border Transmission line is being used for Transmission of power between India & Nepal.

K) BIHAR GRID COMPANY LIMITED (BGCL):

POWERGRID entered into a Shareholders' Agreement on 29.12.2012 with Bihar State Power (Holding) Company Limited {BSP(H)CL} for implementation of Intra-State Transmission System in the State of Bihar on 50:50 equity participation basis. As on 31.03.2019, the authorized Share Capital of BGCL is `800 Crore and the Paid-up Capital is `343.37 Crore, POWERGRID's share in the paid up capital was `171.68 Crore. The Company is implementing Bihar Transmission System Strengthening Schemes in Phase IV, Part I worth `2041 crore. The majority of Part-I Project is under commercial operation. Further, Phase IV, Part II works worth `1,688 crore are under implementation.

L) KALINGA BIDYUT PRASARAN NIGAM PRIVATE LIMITED (KBPNL):

POWERGRID has entered into a Shareholders' Agreement on 04.01.2013 with Odisha Power Transmission Corporation Limited (OPTCL) for implementation of Intra State Transmission System in the State of Odisha on the basis of 50:50 equity participation. No business has been undertaken by this Company. The Board of Directors of POWERGRID and OPTCL had approved closure of the Company. The winding up proceeding of M/s KBPNL has already been taken up and NIL Accounts for F.Y-2018-19 has been prepared. Requisite formalities for closure of the Company under fast track exit mode are under process.

M) RINL POWERGRID TLT Private Limited

POWERGRID and RINL had formed a joint venture Company, "RINL POWERGRID TLT Private Limited (RPTPL)", on 50:50 equity participation basis, for setting up a Transmission Line Tower (TLT) manufacturing plant at Visakhapatnam with a view to exploit the emerging opportunity in transmission line tower manufacturing business. As on 31.03.2019, the JV Company has Authorized share capital of `50 crore and paid up share capital of `8.00 crore. However, keeping in view the business scenario of tower manufacturing, the Board of Directors of POWERGRID accorded in-Principle approval for closure of the Company. RINL is seeking approval of Ministry of Steel for Closure of RPTPL.

ACCOUNTING SYSTEMS

POWERGRID follows the Double Entry book keeping system. The accounting policies are being followed as per the ICAI and generally accepted principles. PGCIL has SAP ERP system for accounting of its all transactions.

Subsidiaries of Powergrid Corporation of India Ltd.

I. POWER GRID JABALPUR TRANSMISSION LIMITED

1. Introduction:

POWERGRID Jabalpur Transmission Limited (PJTL) was acquired by Power Grid Corporation of India Limited (POWERGRID) on February 26, 2015 under Tariff Based Competitive bidding from REC Transmission Projects Company Limited (the Bid Process Co-ordinator) for establishment of Transmission System Strengthening associated with Vindhyachal-V. Consequent to such acquisition, PJTL became wholly owned subsidiary of POWERGRID.The registered office of the Company is situated at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110 016, India.

The transmission system comprising 765kV D/C transmission line is to traverse the State of Madhya Pradesh from Vindhyachal to Jabalpur. The line length of the same is 745.05 Circuit kilometres. The Company has been granted transmission license by CERC in June, 2015. Till 31st December 2018, the company was under construction. All the expenses incurred are of capital nature and the same has been capitalized till 31st December 2018. The project had been completed and declared for commercial operation on 01st January,2019.

The company is engaged in business of Power Systems Network, construction, operation and maintenance of transmission lines and other related allied activities.

Consequent to the transfer of 74 *per cent* holding of the company by POWERGRID to POWERGRID Infrastructure Investment Trust (PGInvIT) on 12.05.2021, the company has ceased to be the subsidiary company of POWERGRID. .The date of incorporation of the company is 14 August 2014 and it functions under the administrative control of the Ministry of Power.

a)**Vision and Mission**:

Vision:World Class Transmission Company in Emerging Power Markets Ensuring Reliability, Safety and Economy.
Mission: We will become a Transmission Company in Emerging Power Markets with World Class Capabilities by:

- Setting superior standards in capital project management and operations for the industry and ourselves.
- Inspiring, nurturing and empowering the next generation of professionals.
- Achieving continuous improvements through innovation and state of the art technology.
- Committing to highest standards in health, safety, security and environment

b) **Nature of business including geographical scope**: Transmission of Power

c) **offices/region/sub-offices etc**. :List of the offices/region/sub-offices is as under:

i. Powergrid Corporation of India Limited
Patan Rd, Sukha village, Jabalpur
Madhya Pradesh – 482002

ii. Powergrid Corporation of India Limited
JaiswalAara Mill Building, Besides Gyan Traders,
South Karaudiya, Rewa Road, Sidhi
Madhya Pradesh – 486661

iii. Powergrid Corporation of India Limited
NH-3, Opp. NTPC Hospital, Old tiny tots Building
Vindhyanagar, Singrauli
Madhya Pradesh – 485886

iv. Powergrid Corporation of India Limited
Plot No. 54, Beside Riya-Revti Resort,
Sama-Savli Rd, Vadodara
Gujarat – 390008

2. **Objectives of the Organization.**

The Company has set following objectives in line with its mission to:

- Undertake transmission of electric power through Inter-State Transmission System.
- Efficient Operation and Maintenance of Transmission Systems.
- Restoring power in quickest possible time in the event of any natural disasters like super-cyclone, flood etc. through deployment of Emergency Restoration Systems.
- Ensure principles of Reliability, Security and Economy matched with the rising / desirable expectation of a cleaner, safer, healthier Environment of people, both affected and benefited by its activities.

3. **Capital Structure as on 31.03.2021.:**

The company has issued Equity share capital amounting to Rs. 226.91 Crores and has Loan payable amounting to Rs. 1,183 Crores as on 31.03.2021.

4. **Organizational Set up (in organogram form).**

As there is no employee on the payroll of the Company as on 31.03.2021, the company was operating through its Holding company – Power Grid Corporation of India Limited. However, the Key Managerial Personal are as below –

Name	Designation
Ms. Seema Gupta	Chairperson

Ms. V Susheela Devi	Director
Shri UpendraPande	Additional Director
Shri Prakash Chand Garg	Additional Director
Shri Ajaya Kumar Satapathy	CFO

5. **Activities of the Organisation.:**
Transmission of Power

6. **Budget and Planning :**

(Rs in Lakh)

S. No.	Particulars*	2018-19		2019-20		2020-21	
		Budgeted	Actual	Budgeted	Actual	Budgeted	Actual
1.	Capital Expenditure**		1699.63		2871.81		3842.84
2.	Revenue Expenditure**		24,331.18		24,185.03		25,377.07

7. **Accounting System in the company as well as in the R.O's/Branch offices**

There is centralized accounting system in the company with the proper maintenance of cost records.

8. **Manpower Analysis viz., Executive/Non-Executive and Sanctioned/Actual etc. as on 31.03.2021.:**

The company is operated through its Holding company – Power Grid Corporation of India Limited,as there is no manpower in the Company as on 31.03.2021.

9. **MoU Targets and Achievements for last three financial years (2018-19 to 2020-21) in the format given below:**

Not applicable.

10. **Computerization :**
The company is using IT & SAP (ERP System) of its Holding company (POWERGRID) for the purpose of maintenance of day to day records. POWERGRID has implemented ISO-27001:2013 (Information Security Management System -ISMS) and ISMS Audits are carried out annually.

11. **Internal Audit :**
The internal audit is being conducted through external auditors on annual basis. However, as the company has no separate employees on its payroll, the company follows the internal audit manual of the Holding company – Powergrid Corporation of India Limited, as applicable.

12. **Act, Rules, other documents applicable to the Organisation:**

The Electricity Act, 2003 and Rules and Regulations made thereunder is specifically applicable to the company.

13. **Operation Results (Target vis-a-vis Achievement) for last three financial years (2018-19 to 2020-21)**

Actual Cash DCO Reported of the company for last three financial years' i.e. 2018-19, 2019-20 and 2020-21 is as under:

(Rs. in crore)

FY	Target	Actual
2018-19	499	496
2019-20	46	46
2020-21	11	11

14. **Financial Working Result for last three financial years (2018-19 to 2020-21):**

The working result during last three financial years is as below:

(Rs in crore)

Particulars	2018-19	2019-20	2020-21
Income			
Revenue from Operations	61.05	250.57	250.61
Other Income	0.00	1.99	4.59
Total Income (A)	61.05	252.56	255.20
Total Expenditure (B)	50.90	204.17	165.50
Net Profit/(loss)(A-B)	10.15	48.39	89.70

15. **Disinvestment**
Not applicable.

16. **Environment Management**
"Transmission projects are considered by and large environmentally benign due to the fact that disposal of any pollutants/ waste in various environmental matrices, i.e. air, water or soil is not involved.

II. POWER GRID PARLI TRANSMISSION LIMITED

1. **Introduction:**

Ministry of Power vide its Gazette Notification no. 15/01/2013-Trans dated 08/07/2014 appointed REC Transmission Projects Company Limited (RECTPCL) as bid Process Coordinator (BPC) for transmission systems associated with Gadarwada STPS (2*800 MW) of NTPC (Part-B). RECTPCL incorporated (30/07/2014) GADARWARA (B) Transmission Limited as projects specific Special Purpose Vehicle (SPV) which was subsequently acquired by the Power Grid Corporation of India Limited (PGCIL) through bidding process and renamed as POWERGRID Parli Transmission Limited (PPTL) on 21.07.2015. The PPTL was wholly owned subsidiary of the PGCIL with an equity share capital of Rs. 322.10 crore as on 31.03.2021 (upto 12th May 2021) .The registered office of the Company is situated at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110 016, India. The company is engaged in business of Power Systems Network, construction, operation and maintenance of transmission lines and other related allied activities.

Powergrid Corporation of India Limited has monetized 5 of the TBCB SPV's including POWERGRID Parli Transmission Limited acquired under TBCB mechanism through POWERGRID Infrastructure Investment Trust (PGInvIT/Trust). Consequent upon Initial Public Offering (IPO) of units of POWERGRID Infrastructure Investment Trust(PGInvIT) and associated acquisition of 74 *per cent* shareholding in each of the Initial Portfolio Assets (IPAs) including the Company PPTL by PGInvIT from Power Grid Corporation of India Limited (POWERGRID), the Company has ceased to be wholly owned subsidiary of POWERGRID and thus, the company is not a Government Company in terms of provisions of Section 2(45) of the Companies Act, 2013(Act).

a) **Date of formation**: 30/07/2014
b) **administrative ministry**: Ministry of Power (W.e.f 13.05.2021 74 *per cent* shares of the company has been transferred to PGInVIT Trust).
c) **Vision and mission**:
Vision: World Class Transmission Company in Emerging Power Markets Ensuring Reliability, Safety and Economy.
Mission : We will become a Transmission Company in Emerging Power Markets with World Class Capabilities by:
- Setting superior standards in capital project management and operations for the industry and ourselves
- Inspiring, nurturing and empowering the next generation of professionals.
- Achieving continuous improvements through innovation and state of the art technology.
- Committing to highest standards in health, safety, security and environment

d) **nature of business including geographical scope:** The company is engaged in business of Power Systems Network, construction, operation and maintenance of transmission lines and other related allied activities. Geographical location is Maharashtra.

e) **Offices/region/sub-offices etc. –**

- The registered office of the Company is situated at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110 016, India.
- The Corporate office of the Company is situated at Sampriti Nagar, Nari Ring Road, Uppalwadi, Nagpur-440026
- The sub-station of the Company is situated at Gut No. 484, Village-Dhanora (Buzurg), Tah-Ambajogai, Dist-Beed, Maharashtra.

2. Objectives of the Organization.

The Company has set following objectives in line with its mission to:

- Undertake transmission of electric power through Inter-State Transmission System.
- Efficient Operation and Maintenance of Transmission Systems.
- Restoring power in quickest possible time in the event of any natural disasters like super-cyclone, flood etc. through deployment of Emergency Restoration Systems.
- Ensure principles of Reliability, Security and Economy matched with the rising / desirable expectation of a cleaner, safer, healthier Environment of people, both affected and benefited by its activities.

3. Capital Structure as on 31.03.2021.:

The company has issued Equity share capital amounting to Rs. 32,210.00 Lakhs and has Loans outstanding amounting to Rs.1,30,050.00 Lakhs as on 31.03.2021.

4. Organizational Set up (in organogram form).

As there are no employee on the payroll of the Company as on 31.03.2021, the company was operating through its Holding company – Power Grid Corporation of India Limited for which Consultancy agreement has been signed. However, the Key Managerial Personal are as below:-

Name	**Designation**	**Date of Appointment**
Smt. Seema Gupta	Chairperson (Part-Time)	23/03/2018
Shri Anantha Sarma Bopuddi	Additional Director (Part-Time)	30/11/2020
Shri S. Ravindar Kumar	Additional Director (Part-Time)	21/01/2021
Shri Purshottam Agarwal	Director (Part-Time)	30/07/2020
Shri ArunasisBasu	Chief Financial Officer	02/08/2018

5. Activities of the Organisation.

Transmission of Power

6. Budget and Planning

No grant has been obtained by the company in the last three financial years.

7. Accounting System in the company as well as in the R.O's/Branch offices

There is centralized accounting system in the company with the proper maintenance of records in SAP.

8. Manpower Analysis viz., Executive/Non-Executive and Sanctioned/Actual etc. as on 31.03.2021.

The company is operated through its Holding company – Power Grid Corporation of India Limited, as there is no manpower in the Company as on 31.03.2021.

9. MoU Targets and Achievements for last three financial years (2018-19 to 2020-21).

Not applicable

10. Computerization :

The company is using SAP (ERP System) for the purpose of maintenance of records which is maintained by the Holding Company. Governance Risk and Compliance (GRC) Module is in place. SAP System Audit is being done annually by SAP as per the terms and conditions of license agreement & the same is being taken care of by the Holding Company.

11. Internal Audit

The internal audit is being conducted through external auditors on annual basis.

12. Act, Rules, other documents applicable to the Organisation.

Companies Act 2013, Income Tax Act 1961, GST Act 2017, Securities Contract (Regulation) Act 1956 (SCRA), Depositories Act 1996, Electricity Act 2003 and all other rules framed thereunder respective Acts.

13. Operation Results (Target vis-a-vis Achievement) for last three financial years (2018-19 to 2020-21).

The company was acquired through Tariff based competitive bidding system and the yearly tariff for Transmission Income has been fixed for the entire life of the Project. The targeted & actual figures are considered to be same and the details are as below:-

(Rs. in lakh)

Particulars	**2018-19**	**2019-20**	**2020-21**
Revenue from Operations	28,296.58	32,729.38	35,414.76
Other Income	95.00	318.79	625.36
Total Income (A)	28,391.58	33,048.17	36,040.12
Other Expenditure (B)	836.71	1,073.18	1,477.65
EBITDA (A-B)	27,554.87	31,974.99	34,562.47

14. Financial Working Result for last three financial years (2018-19 to 2020-21)

(In ₹ Lakhs)

Particulars	2018-19	2019-20	2020-21
Revenue from Operations	28,296.58	32,729.38	35,414.76
Other Income	95.00	318.79	625.36
Total Income (A)	28,391.58	33,048.17	36,040.12
Total Expenditure (B)	19,219.30	21,846.16	16,186.68
Net Profit/(loss)(A-B) (i.e.PBT)	9,172.28	11,202.01	19,853.44

15. Disinvestment:Not applicable.

16. Environment Management :

Transmission projects are considered by and large environmentally benign due to the fact that disposal of any pollutants/ waste in various environmental matrices, i.e. air, water or soil is not involved.

III. POWER GRID WARORA TRANSMISSION LIMITED

1. **Introduction of the Organisation viz.,**

Ministry of Power vide its Gazette Notification no. 15/01/2013-Trans dated 08/07/2014 appointed REC Transmission Projects Company Limited (RECTPCL) as bid Process Coordinator (BPC) for transmission systems associated with Gadarwada STPS (2*800 MW) of NTPC (Part-A). RECTPCL incorporated (05/08/2014) GADARWARA (A) Transco Limited as projects specific Special Purpose Vehicle (SPV) which was subsequently acquired by the Power Grid Corporation of India Limited (PGCIL) and renamed as POWERGRID Warora Transmission Limited (PWTL) on 21.07.2015. The PWTL was wholly owned subsidiary of the PGCIL with an equity share capital of Rs. 393.30 crore as on 31.03.2021 (upto 12th May 2021) .The registered office of the Company is situated at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110 016, India. The company is engaged in business of Power Systems Network, construction, operation and maintenance of transmission lines and other related allied activities.

Powergrid Corporation of India Limited has monetized 5 of the TBCB SPV's including POWERGRID Warora Transmission Limited acquired under TBCB mechanism through POWERGRID Infrastructure Investment Trust (PGInvIT/Trust). Consequent upon Initial Public Offering (IPO) of units of POWERGRID Infrastructure Investment Trust(PGInvIT) and associated acquisition of 74 *per cent* shareholding in each of the Initial Portfolio Assets (IPAs) including the Company PWTL by PGInvIT from Power Grid Corporation of India Limited (POWERGRID), the Company has ceased to be wholly owned subsidiary of POWERGRID and thus, the company is not a Government Company in terms of provisions of Section 2(45) of the Companies Act, 2013(Act).

a) **Date of formation**: 05/08/2014
b) **administrative ministry:** Ministry of Power (W.e.f 13.05.2021 74 *per cent* shares of the company has been transferred to PGInVIT Trust).
c) **Vision and mission:**

Vision: World Class Transmission Company in Emerging Power Markets Ensuring Reliability, Safety and Economy.

Mission : The company will become a Transmission Company in Emerging Power Markets with World Class Capabilities by:

- Setting superior standards in capital project management and operations for the industry and ourselves
- Inspiring, nurturing and empowering the next generation of professionals.
- Achieving continuous improvements through innovation and state of the art technology.
- Committing to highest standards in health, safety, security and environment.

d) **Nature of business including geographical scope:** The company is engaged in business of Power Systems Network, construction, operation and maintenance of transmission lines and other related allied activities. Geographical location is Maharashtra.

e) **Offices/region/sub-offices etc. –**

- The registered office of the Company is situated at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110 016, India.
- The Corporate office of the Company is situated at Sampriti Nagar, Nari Ring Road, Uppalwadi, Nagpur-440026
- The sub-station of the Company is situated at Nagri-Keli Road, Village Nagri, Tehsil Warora, District Chandrapur, Maharashtra.

2. **Objectives of the Organization.**

The Company has set following objectives in line with its mission to:

- Undertake transmission of electric power through Inter-State Transmission System.
- Efficient Operation and Maintenance of Transmission Systems.
- Restoring power in quickest possible time in the event of any natural disasters like super-cyclone, flood etc. through deployment of Emergency Restoration Systems.
- Ensure principles of Reliability, Security and Economy matched with the rising / desirable expectation of a cleaner, safer, healthier Environment of people, both affected and benefited by its activities.

3. **Capital Structure as on 31.03.2021.:**
The company has issued Equity share capital amounting to Rs. 39,330.00 Lakhs and has Loans outstanding amounting to Rs.1,54,000.00 Lakhs as on 31.03.2021.

4. **Organizational Set up (in organogram form).**
As there are no employee on the payroll of the Company as on 31.03.2021, the company was operating through its Holding company – Power Grid Corporation of India Limited for which Consultancy agreement has been signed. However, the Key Managerial Personal are as below:-

Name	Designation	Date of Appointment
Smt. Seema Gupta*	Chairperson (Director Part-Time)	23/03/2018
Shri Anantha Sarma Bopuddi*	Additional Director (Part-Time)	30/11/2020
Shri P. C. Garg	Additional Director (Part-Time)	01/03/2021
Shri Purshottam Agarwal *	Director (Part-Time)	30/07/2020
Shri A. Naga Raju*	Director (Part-Time)	01/11/2019
Shri G. Ravikumar	CFO	02/08/2018

5. **Activities of the Organisation**.
Transmission of Power

6. **Budget and Planning** (Details of system and grants with last three financial years' i.e. 2018-19, 2019-20 and 2020-21)

No grant has been obtained by the company in the last three financial years.

7. **Accounting System in the company as well as in the R.O's/Branch offices**
   There is centralized accounting system in the company with the proper maintenance of records in SAP.

8. **Manpower Analysis**:
   The company is operated through its Holding company – Power Grid Corporation of India Limited, as there is no manpower in the Company as on 31.03.2021.

9. **MoU Targets and Achievements for last three financial years (2018-19 to 2020-21).**
   Not applicable

10. **Computerization** :
    The company is using SAP (ERP System) for the purpose of maintenance of records which is maintained by the Holding Company. Governance Risk and Compliance (GRC) Module is in place. SAP System Audit is being done annually by SAP as per the terms and conditions of license agreement & the same is being taken care of by the Holding Company.

11. **Internal Audit**:
    The internal audit is being conducted through external auditors on annual basis.

12. **Act, Rules, other documents applicable to the Organisation.**
    Companies Act 2013, Income Tax Act 1961, GST Act 2017, Securities Contract (Regulation) Act 1956 (SCRA), Depositories Act 1996, Electricity Act 2003 and all other rules framed thereunder respective Acts.

13. **Operation Results (Target vis-a-vis Achievement) for last three financial years (2018-19 to 2020-21).**
    The company was acquired through Tariff based competitive bidding system and the yearly tariff for Transmission Income has been fixed for the entire life of the Project. The targeted & actual figures are considered to be same and the details are as below:-

(In ₹ Lakhs)

Particulars	**2018-19**	**2019-20**	**2020-21**
Revenue from Operations	28,043.97	36,025.90	39,892.10
Other Income	17.63	172.99	377.53
Total Income (A)	28,061.60	36,198.89	40,269.63
Other Expenditure (B)	780.19	1,083.42	1,623.78
EBITDA (A-B)	27,281.41	35,115.47	38,645.85

14. **Financial Working Result for last three financial years (2018-19 to 2020-21) :**
    The details regarding working results is as below

(In ₹ Lakhs)

Particulars	**2018-19**	**2019-20**	**2020-21**

Revenue from Operations	28,043.97	36,025.90	39,892.10
Other Income	17.63	172.99	377.53
Total Income (A)	28,061.60	36,198.89	40,269.63
Total Expenditure (B)	19,653.00	25,429.56	18,854.49
Net Profit/(loss)(A-B) (i.e.PBT)	8,408.60	10,769.33	21,415.14

15. **Disinvestment:**
    Not applicable.

16. **Environment Management** :
    Transmission projects are considered by and large environmentally benign due to the fact that disposal of any pollutants/ waste in various environmental matrices, i.e. air, water or soil is not involved.

IV. POWERGRID KALA AMB TRANSMISSION LIMITED (erstwhile NRSS XXXI (A) Transmission Limited)

Kala Amb Transmission ltd is now not a subsidiary company of POWERGRID w.e.f. 13/05/2021, as the majority of shares of Company is transferred to PGInvIT.

V. POWERGRID MEDINIPUR JEERAT TRANSMISSION LIMITED

1. INTRODUCTION

POWERGRID Medinipur Jeerat Transmission Limited (PMJTL), formerly known as Medinipur Jeerat Transmission Limited was acquired by POWERGRID on 28th March, 2017 under Tariff Based Competitive Bidding from PFC Consultancy Limited (the Bid Process Coordinator) for Transmission System associated with "765 kV strengthening in Eastern Region (ERSS-XVIII). The Transmission System includes establishment of 765 kV and 400 kV Transmission lines which is traverse the state of West Bengal and Jharkhand including establishment of two new 765/400 kV substation in West Bengal. The Company was granted transmission license by CERC in June, 2017. The work is under progress and scheduled date of completion is July, 2020. As on 31.03.2019, PMJTL had authorized share capital of Rs. 1crore and Paid up share capital of Rs. 1.00 lakh. Subsequently, after the end of financial year 2018-19, authorized and paid up share capital had been increased to Rs. 300 crore and Rs. 50.01 crore respectively.

The project was under implementation. The company does not have any subsidiary, joint venture and associate company.

2. OBJECTIVES OF THE COMPANY

To establish for Transmission System associated with "765 kV strengthening in Eastern Region (ERSS-XVIII).

3. CAPITAL STRUCTURE (as on 31 March 2021)

Authorized Capital (Rs in crore)	Paid Up Capital(Rs in crore)	Contribution of shareholders (%)
600.00	549.63	100% held by POWERGRID & its Nominee

4. ORGANISATIONAL SET UP (in organogram form) as on 31.3.2021:

There are no employees on the payroll of PMJTL. All work are carried out by its 100 *per cent* owned holding company Power Grid Corporation of India Ltd. under a consultancy agreement between Power Grid & PMJTL. However the key Managerial Persons as on 31.03.2021 are as below.

Sl. No	Name of Key Managerial Person	Designation
1	ABHAY CHOUDHARY	Chairman
2	A K MAITI	Director
3	RAJESH KUMAR	Director
4	B.DAS	Director
5	SEEMA GUPTA	Director
6	MRINAL SRIVASTAVA	Company Secretary
7	N.L.DHAR	CFO

5. ACTIVITIES OF THE ORGANIZATION:

Transmission System associated with "765 kV strengthening in Eastern Region (ERSS-XVIII)". The land for 765/400/220 kV Medinipur Substation at Garbeta had been acquired/purchased by the company in March 2018 and site activities in civil works like Site leveling, Construction of Boundary Wall, CR Building, Auxiliary Building construction, foundation of Transformer, Reactors & 765 kV Tower & Equipment's were under progress and erection work like erection of 765 kV Tower & Beams are under progress.

The land for 765/400/220 kV New Jeerat Substation had been acquired/purchased by the company in May 2018 and now site activities in civil works like Site leveling, Construction of Boundary Wall, Pile foundation of equipment's, Foundation of Reactors were under progress.

6. BUDGET AND PLANNING: No Grants have been received from Govt for implementation of Govt Schemes.

(Rs in Crore)

S. No.	Particulars*	2018-19		2019-20		2020-21	
		Budgeted	Actual	Budgeted	Actual	Budgeted	Actual
1.	Capital Expenditure**	967	1017	945	1102	566	551.16
2.	Revenue Expenditure**	Nil		Nil			19.98

7. ACCOUNTING SYSTEM IN THE COMPANY AS WELL AS IN THE R.O'S/ BRANCH OFFICES ETC

Centralized**.**

8. MANPOWER ANALYSIS (As on 31.3.2021):N/A- No manpower on the payroll of PMJTL

9. MOU TARGETS and ACHIEVEMENTS for the last three financial years 2018-19 to 2020-21:

(Rs in Crore)

	2018-19		**2019-20**		**2020-21**	
Particulars	**Target**	**Actual**	**Target**	**Actual**	**Target**	**Actual**
Turnover from Operations (cr)		0.00		0.00		45.72
Operating profit (25.74+11.77)		0.00		0.00		37.51
Return on Investment (%) (1914.71/54963)		0.00		0.00		3%
Overall rating						

10. COMPUTERIZATION: ERP SAP system.

11. INTERNAL AUDIT : Internal Audit System is as per its parent company PGCIL.

12. ACT, RULES, OTHER DOCUMENTS APPLICABLE to the ORGANIZATION.

Companies Act 2013, Electricity Act, Income Tax Act and other relevant Acts, Regulations, Rules etc. are applicable to the company.

13. OPERATING RESULTS (Targets vis –a-vis achievements) :

The company was acquired by POWERGRID on 28th March, 2017, the work was under progress and scheduled date of completion was July, 2020. Hence, operating results and financial working rSesults for 2018-19 and 2019-20 is not furnished by the organization.

	2018-19	**2019-20**	**2020-21**
Turnover from Operations (cr)	-	-	45.72
Operating profit (25.74+11.77)	-	-	37.51
Return on Investment (%) (1914.71/54963)	-	-	3%

14. FINANCIAL WORKING RESULTS:

The company was acquired by POWERGRID on 28th March, 2017, the work was under progress and scheduled date of completion was July, 2020. Hence, operating results and financial working results for 2018-19 and 2019-20 is not furnished by the organization.

	Amount (Rs in Cr)		
Particulars	**2018-19**	**2019-20**	**2020-21**
INCOME			
Revenue from operations	0.00	0.00	45.72
Other Income	0.00	0.00	0.00
Tatal Income (A)	**0.00**	**0.00**	**45.72**
Total Expenditure (B)	**0.00**	**0.00**	**19.98**

Profit before Tax (A-B)	**0.00**	**0.00**	**25.74**

15. Disinvestment : Not applicable

16. ENVIRONMENT MANAGEMENT

Transmission projects are considered by and large benign due to the fact that disposal of any pollutants/waste in various environmental matrices i.e. in air/water or soil is not involved.

OTHER :

Various system followed by the company

The company is a wholly owned subsidiary of Powergrid and follows Purchase Policy, Sales Policy, Pricing Policy, Cash Management System, Policy on Fraud and Corruption, Vigilance Mechanism, Costing System, Inventory Control Procedures, Works Policy, Human Resource Management System, Management Information System, Performance Appraisal System, Internal Audit system of the POWERGRID, being the parent company.

AUDIT PLAN & MANDAYS (for the year 2019-20)

Nature of Audit	**Mandays**
Compliance Audit	45
Accounts Audit	Not planned

VI. POWERGRID Southern Interconnector Transmission System Limited

1. **INTRODUCTION**

POWERGRID Southern Interconnector Transmission System Limited (PSITSL) (formerly Vemagiri II Transmission Limited) was acquired by Power Grid Corporation of India Limited (POWERGRID) on 4th P December, 2015 under Tarrif based Competitive bidding from REC Transmission Projects Company Limited (the Bid Process Co-ordinator) for "Strengthening of Transmission System Beyond Vemagiri' Project on build, own operate and maintain (BOOM) basis. The transmission project comprising of 765 kV & 400 kV, D/C transmission lines is to traverse the states of Andhra Pradesh, Telangana & Karnataka and include establishment of one 765/400 kV Substation as well as 400kV bay extension at two existing sub-stations in the state of Andhra Pradesh. The Company was granted transmission license by CERC in March, 2016. Three elements of projects have been commissioned on 06.08.2018, 28.02.2019 and 31.07.2019.

2. **OBJECTIVES OF THE COMPANY**

To establish "Strengthening of Transmission System Beyond Vemagiri' Project on build, own operate and maintain (BOOM) basis.

3. **CAPITAL STRUCTURE**

Authorised Capital (In Crore)	Paid-up Capital (In Crore)	Contribution of Shareholders
Rs. 731 Crs.	Rs. 709 Crs.	100% (Held by Powergrid)

4. **ORGANISATIONAL SET UP**

The control of PSITSL vests with the Board of Directors. As on 31 March 2021, there were one Chairman, one Director, one CEO and one CFO for day to day activities of the company.

5. ACTIVITIES OF THE ORGANIZATION :"Strengthening of Transmission System Beyond Vemagiri' Project on build, own operate and maintain (BOOM) basis.

6. **BUDGET AND PLANNING**

S. No.	Particulars*	2018-19		2019-20		2020-21		Remarks
		Budgeted	Actual	Budgeted	Actual	Budgeted	Actual	
1	Capital Expenditure**	1,652.64	1,399.40	434.52	387.41	114.52	79.87	Under Operation
2	Revenue Expenditure**	4.60	4.53	2.45	2.29	16.30	15.47	

7. ACCOUNTING SYSTEM : Centrallized

8. MANPOWER ANALYSIS (As on 31.3.2021): O&M agreement with Powergrid

	Sanctioned	Actual
Executives	NA	NA
Non- Executive	NA	NA
Total		

9. MOU TARGETS and ACHIEVEMENTS for the last three financial years 2018-19 to 2020-21 :

S.No.	Particulars	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
1.	Turnover from operations (Cr)		33.01		186.09		463.84
2.	Operating profit		14.85		105.28		356.47
3.	Return on Investment (%)		-0.30%		1.21%		13.18%
4.	Overall rating						

10. COMPUTERIZATION : Computerized

11. INTERNAL AUDIT : Internal Audit System is as per its parent company PGCIL.

12. ACT, RULES, OTHER DOCUMENTS APPLICABLE to the ORGANIZATION

Companies Act 2013, Electricity Act, Income Tax Act and other relevant Acts, Regulations, Rules etc. are applicable to the company.

13. OPERATING RESULTS (Targets vis –a-vis achievements) :

S.No.	Particulars	2018-19	2019-20	2020-21
1.	Turnover from operations (Cr)	33.01	186.09	463.84
2.	Operating profit	14.85	105.28	356.47
3.	Return on Investment (%)	-0.30%	1.21%	13.18%

14. FINANCIAL WORKING RESULTS :

(Rs in crore)

Particulars	2018-19	2019-20	2020-21
Income			
Revenue from operations	33.01	186.09	463.84
Other Income	0.13	1.00	6.98
Total Income(A)	33.14	187.09	470.82
Total Expenditure(B)	35.26	174.94	326.12
Profit before Tax (A-B)	-2.12	12.15	144.70

15. DISINVESTMENT : Nil

16. ENVIRONMENT MANAGEMENT : NA

OTHER:

Audit committee

The Audit Committee of the Company was constituted as per provisions of Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014. As on 31.03.2019, the Audit Committee comprised three members. During the financial year 2018-19, three (3) meetings of Audit committee were held on 31.10.2018, 24.01.2019 and 12.03.2019.

Various system followed by the company

The company is a wholly owned subsidiary of Powergrid and follows **Purchase Policy, Sales Policy, Pricing Policy, Cash Management System, Policy on Fraud and Corruption, Vigilance Mechanism, Costing System, Inventory Control Procedures, Works Policy, Human Resource Management System, Management Information System, Performance Appraisal System, Internal Audit system** of the **POWERGRID,** being the **parent company**

VII. POWERGRID MITHILANCHAL TRANSMISSION LIMITED

1. INTRODUCTION OF THE ORGANIZATION Viz.,

A) Date of Incorporation : 11/01/2017

B) Administrative Ministry : Ministry of Power

C) Vision and mission :

Vision: World Class Transmission Company in Emerging Power Markets Ensuring Reliability, Safety and Economy.

Mission: To become a Transmission Company in Emerging Power Markets with World Class Capabilities by:

- Setting superior standards in capital project management and operations for the industry and ourselves.
- Inspiring, nurturing and empowering the next generation of professionals.
- Achieving continuous improvements through innovation and state of the art technology.
- Committing to highest standards in health, safety, security and environment.

D) Nature of business including geographical scope : The company is engaged in business of Power Systems Network, construction, operation and maintenance of transmission lines and, other related allied activities. Geographical location is Bihar.

E) Offices/regions/ sub offices etc.:

- The registered office of the Company is situated at B-9 Qutab Institutional Area, KatwariaSarai , New Delhi , India -110016.
- The Corporate office of the. Company is situated at RHQ – Patna, Board Colony, Shashtri Nagar, Patna, India-800023.

2. OBJECTIVES OF THE ORGANIZATION

The Company has set following objectives in line with its mission to:

- Undertake transmission of electric power through Inter-State Transmission System
- Efficient Operation and Maintenance of Transmission Systems.
- Restoring power in quickest possible time in the. event of any natural disasters like super-cyclone, flood etc. through deployment of Emergency Restoration Systems.
- Ensure principles of Reliability, Security and Economy matched with the rising desirable expectation of a cleaner, safer, healthier Environment of people, both affected and benefited by its activities.

3. CAPITAL STRUCTURE (as on 31 March 2021)

a. **AuthorisedCapital : 23,000.00 Lakhs**

b. **Paid up capital : 21,350.00 Lakhs**

c. **Loan outstanding : 86,416.21 Lakhs**

4. ORGANISATIONAL SET UP(in organogram form)

As there are no employee on the payroll of the Company as on 31.03.2021, the company was operating through its Holding company — Power Grid Corporation of India Limited for which Consultancy agreement has been signed. However, the Key Managerial Personal are as below:-

Sr. No.	Name of Director	Designation	Date of Appointment	Date of Resignation
1.	Shri Abhay Choudhary	Chairperson & Director	15.10.2018 as Director & 02.12.2020 as Chairperson	Continuing
2.	Mrs. Seema Gupta	Chairperson & Director	10.07.2018	17.09.2020
3.	Shri K. S. R. Murty	Director	12.01.2018	31.07.2020
4.	Shri Atul Trivedi	Director	02.12.2020	Continuing
5.	Shri Brundaban Dash	Director	07.08.2020	Continuing
6.	Mrs. Dipti Doley Basumatary	Director	28.01.2021	Continuing
7.	Shri. Asit Kumar Maiti	Director	17.02.2020	Continuing
8.	Shri. Manoj Kumar Gupta	CFO	19.12.2019	28.02.2021
9.	Shri. Diwakar Prasad	CFO	30.03.2021	Continuing

10.	Shri. Piyush RameshbhaiBhadreshvara	Company Secretary	31.01.2020	Continuing

5. ACTIVITIES OF THE ORGANIZATION : Transmission of Power

6. BUDGET AND PLANNING

(Rs in Crore)

S. No.	**Particulars***	**2018-19**		**2019-20**		**2020-21**	
		Budgeted	**Actual**	**Budgeted**	**Actual**	**Budgeted**	**Actual**
1.	**Capital Expenditure****	**231.54**	**203.50**	**574.27**	**564.18**	**432.51**	**310.42**
2.	**Revenue Expenditure****	**N/A**	**N/A**	**N/A**	**N/A**	**1.08**	**1.08**

7. ACCOUNTING SYSTEM IN THE COMPANY AS WELL AS IN THE R.O'S/ BRANCH OFFICES ETC

There is centralized accounting system in the company with the proper maintenance of records in SAP.

8. MANPOWER ANALYSIS (As on 31.3.2021):

The company is operated through its Holding company - Power Grid Corporation of India Limited, as there is no manpower in the Company as on 31.03.2021.

9. MOU TARGETS and ACHIEVEMENTS for the last three financial years 2018-19 to 2020-21 : Not Applicable

10. COMPUTERIZATION

The company is using SAP (ERP System) for the purpose of maintenance of records which is maintained by the Holding Company. Governance Risk and Compliance (GRC) Module is in place. SAP System Audit is being done annually by SAP as per the terms and conditions of license agreement & the same is being taken care of by the Holding Company.

11. INTERNAL AUDIT

Internal Audit was conducted by External Chartered Accountancy Firm for F.Y 2020-21.

12. ACT, RULES, OTHER DOCUMENTS APPLICABLE to the ORGANIZATION.

Companies Act ,2013, Income Tax Act,1961, GST Act,2017, Securities Contract (Regulation) Act 1956 (SCRA), Depositories Act 1996, Electricity Act 2003 and all other rules framed thereunder respective Acts.

13. OPERATING RESULTS (Targets vis –a-vis achievements) : Not Applicable

The company was acquired by POWERGRID on 28th March, 2017, the work was under progress and scheduled date of completion for entire project is March, 2021. Hence, operting results and financial working results for 2018-19 and 2019-20 is not furnished by the organization.

S.No.	Particulars	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
1.	Turnover from operations (Cr)						
2.	Operating profit						
3.	Return on Investment (%)						
4.	Overall rating						

14. FINANCIAL WORKING RESULTS :

The company was acquired by POWERGRID on 28th March, 2017, the work was under progress and scheduled date of completion for entire project is March, 2021. Hence, operting results and financial working results for 2018-19 and 2019-20 is not furnished by the organization.

Particulars	2019-20	2020-21
Income		
Revenue from operations	-	231.87
Other Income	-	2.73
Total Income(A)	-	234.60
Total Expenditure(B)	-	107.89
Profit before Tax (A-B)	-	126.71

15. DISINVESTMENT

Not Applicable

16. ENVIRONMENT MANAGEMENT

Transmission projects are considered by and large environmentally benign due to the fact that disposal of any pollutants/ waste in various environmental matrices, i.e. air, water or soil is not involved.

OTHER :

Audit committee

The provision of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 are not applicable to the Company.

Various system followed by the company

The company is a wholly owned subsidiary of Powergrid and follows **Purchase Policy, Sales Policy, Pricing Policy, Cash Management System, Policy on Fraud and Corruption, Vigilance Mechanism, Costing System, Inventory Control Procedures, Works Policy, Human Resource Management System, Management Information System, Performance Appraisal System, Internal Audit system** of the **POWERGRID,** being the **parent company.**

VIII. POWERGRID UNCHAHAR TRANSMISSION LIMITED

1. INTRODUCTION

Unchahar Transmission Limited (UTL) was a project specific SPV, incorporated on **17 December, 2012** as a wholly owned subsidiary of REC Transmission Projects Company Limited. After successful completion of bidding process for the project, **Power Grid Corporation of India Limited** had emerged as the lowest bidder with the levelized tariff of **Rs. 167.7071 million** per annum. The SPV was transferred to PGCIL on **24 March, 2014** as a wholly owned subsidiary and renamed as POWERGRID Unchahar Transmission Limited (PUTL). PGCIL acquired the company for establishment of Transmission System for ATS of Unchahar TPS on build, own, operate and maintain (BOOM) basis. The transmission system comprising 400 kV D/C is to traverse the state of Uttar Pradesh. The Company was granted transmission license by CERC in July, 2014. The Project has been commissioned on 23.09.2016. The company does not have any subsidiaries, joint ventures and associate companies.

2. OBJECTIVES OF THE COMPANY

To establish Transmission System for ATS of Unchahar TPS.

3. CAPITAL STRUCTURE as on 31.3.2021 :

Authorized Capital (Rs in crore)	Paid Up Capital(Rs in crore)	Contribution of shareholders (%)
14.00	**12.96**	**100%**

4. ORGANISATIONAL SET UP (in organogram form) as on 31.3.2021:

Smt. Seema Gupta
(Chairman)

Sh. Ashok Kumar Singhal(Director)

Sh. M N Venkateshan
(Independent Director)

Sh. Sunil Kumar Sharma
(Independent Director)

Sh. Purshottam Agarwal
(CEO)

Sh. Amit Garg
(CFO)

Smt. Anjana Luthra
(Company Secretary)

5. ACTIVITIES OF THE ORGANIZATION

Unchahar-Fatehpur 400 kV D/C line.

6. **BUDGET AND PLANNING :**

(Rs in Crore)

S. No.	**Particulars***	**2018-19**		**2019-20**		**2020-21**		**Remarks**
		Budgeted	**Actual**	**Budgeted**	**Actual**	**Budgeted**	**Actual**	
1	Capital Expenditure**	0.00	0.00	0.00	0.00	0.00	0.00	Under Operation
2	Revenue Expenditure**	0.57	0.57	1.00	1.00	5.93	5.93	

7. **ACCOUNTING SYSTEM :**Centralized

8. **MANPOWER ANALYSIS (as on 31.3.2021) :**

	Sanctioned	**Actual**	**Remarks**
Executives			There are no permanent employees in POWERGRID Unchahar Transmission Limited. 10 Numbers of executives are posted on secondment basis from the Holding Company.
Non Executives			
Total			

9. **MOU Targets and achievements:**

	2018-19		**2019-20**		**2020-21**	
Particulars	**Target**	**Actual**	**Target**	**Actual**	**Target**	**Actual**
Turnover from Operations (cr)	**POWERGRID Unchahar Transmission Limited (PUTL) is a wholly owned subsidiary of Power Grid Corporation of India Limited (POWERGRID). POWERGRID has a consolidated MOU. Therefore, there is no separate MOU for PUTL.**					
Operating profit						
Return on Investment (%)						
Overall rating						

10. **COMPUTERIZATION :**Computerized

11. **INTERNAL AUDIT :**Internal audit system is as per its parent company PGCIL**.**

12. **ACTS APPLICABLE TO THE COMPANY**

Companies Act 2013, Income Tax Act and other relevant acts are applicable to the company.

13**.** **OPERATING RESULTS (Targets vis –a-vis achievements) :**

POWERGRID Unchahar Transmission Limited (PUTL) is a wholly owned subsidiary of Power Grid Corporation of India Limited (POWERGRID). POWERGRID has a consolidated MOU. Therefore, there is no separate MOU for PUTL.

14. **FINANCIAL WORKING RESULTS :**

	(Rs in crore)		
Particulars	**2018-19**	**2019-20**	**2020-21**
INCOME			
Revenue from operations	23.30	21.91	21.37
Other Income	0.17	0.19	0.42
Total Income (A)	**23.47**	**22.10**	**21.79**
Total Expenditure (B)	**8.72**	**8.49**	**10.86**
Profit before Tax (A-B)	**14.75**	**13.61**	**10.93**

15. **DISINVESTMENT**

NIL

16. **ENVIRONMENT MANAGEMENT**

Managed as per environmental policy of the Holding Company (i.e. Power Grid Corporation of India Limited)

IX. POWERGRID VARANASI TRANSMISSION SYSTEM LIMITED

1. **Introduction of the Organization:**
   a) Date of formation: 12/01/2017
   b)Administrative ministry: Ministry of Power
   c)Vision and mission:

   Vision: World Class Transmission Company in Emerging Power Markets Ensuring Reliability, Safety and Economy.
   Mission: The company will become a Transmission Company in Emerging Power Markets with World Class Capabilities by:

- Setting superior standards in capital project management and operations for the industry and ourselves
- Inspiring, nurturing and empowering the next generation of professionals.
- Achieving continuous improvements through innovation and state of the art technology.
- Committing to highest standards in health, safety, security and environment

d) Nature of business including geographical scope: The Company is engaged in business of Power Systems Network, construction, operation and maintenance of transmission lines and other related allied activities. Geographical location is Uttar Pradesh & Madhya Pradesh.

e) Offices/region/sub-offices etc. –

- The registered office of the Company is situated at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110 016, India.
- The Corporate office of the Company is situated at 12, Rana Pratap Marg, Lucknow-226001.

2. **Objectives of the Organization.**

The Company has set following objectives in line with its mission to:

- Undertake transmission of electric power through Intra-State Transmission System.
- Efficient Operation and Maintenance of Transmission Systems.
- Restoring power in quickest possible time in the event of any natural disasters like super-cyclone, flood etc. through deployment of Emergency Restoration Systems.
- Ensure principles of Reliability, Security and Economy matched with the rising / desirable expectation of a cleaner, safer, healthier Environment of people, both affected and benefited by its activities.

3. **Capital Structure as on 31.03.2021.:**
   The company has issued Equity share capital amounting to Rs.16,805.00 Lakhs and has Loans outstanding amounting to Rs.65,805.41 Lakhs as on 31.03.2021.

4. Organizational Set up (in organogram form).

As there are no employee on the payroll of the Company as on 31.03.2021, the company was operating through its Holding company – Power Grid Corporation of India Limited for which Consultancy agreement has been signed. However, the Key Managerial Personal are as below:-

Name	**Designation**	**Date of Appointment**
Shri B. Anantha Sarma	Chairperson	30/11/2020
Shri Sanjai Gupta	Director	02/07/2019
Shri P. C. Garg	Director	01/03/2021
Shri G Ravi Sankar	Director	07/08/2020
Smt. Sangeeta Saxena	Director	21/05/2020
Shri Shyam Manohar Singh	CFO	23/01/2020

5. Activities of the Organization.

Transmission of Power

6. Budget and Planning

(Rs in Crore)

S. No.	**Particulars***	**2018-19**		**2019-20**		**2020-21**		**Remarks**
		Budgeted	**Actual**	**Budgeted**	**Actual**	**Budgeted**	**Actual**	
1	Capital Expenditure**	415.49	202.18	707.97	459.08	226.45	164.79	
2	Revenue Expenditure**	0	0	0	0	0	0	Under Construction

7. Accounting System in the company as well as in the R.O's/Branch offices

There is centralized accounting system in the company with the proper maintenance of records in SAP.

8. Manpower Analysis viz., Executive/Non-Executive and Sanctioned/Actual etc. as on 31.03.2021.

The company is operated through its Holding company – Power Grid Corporation of India Limited, as there is no manpower in the Company as on 31.03.2021.

9. MoU Targets and Achievements for last three financial years (2018-19 to 2020-21).

Not applicable

10. Computerization The company is using SAP (ERP System) for the purpose of maintenance of records which is maintained by the Holding Company. Governance Risk and Compliance (GRC) Module is in place. SAP System Audit is being done annually by SAP as per the terms and conditions of license agreement & the same is being taken care of by the Holding Company.

11. Internal Audit

Internal Audit is not applicable to the company, hence no Internal Audit was conducted.

12. Act, Rules, other documents applicable to the Organisation.

Companies Act 2013, Income Tax Act 1961, GST Act 2017, Securities Contract (Regulation) Act 1956 (SCRA), Depositories Act 1996, Electricity Act 2003 and all other rules framed thereunder respective Acts.

13. Operation Results (Target vis-a-vis Achievement) for last three financial years (2018-19 to 2020-21).

The company was acquired by POWERGRID on March 27, 2018, the work was under progress and scheduled date of completion was 27.07.2021.

The company was acquired through Tariff based competitive bidding system and the yearly tariff for Transmission Income has been fixed for the entire life of the Project. The targeted & actual figures are considered to be same and the details are as below:-

(In ₹ Lakhs)

Particulars	**2018-19**	**2019-20**	**2020-21**
Revenue from Operations	-	-	-
Other Income	-	-	-
Total Income (A)	-	-	-
Other Expenditure (B)	-	-	-
EBITDA (A-B)	-	-	-

14. Financial Working Result for last three financial years (2018-19 to 2020-21) in the following format:

The company was acquired by POWERGRID on March 27, 2018, the work was under progress and scheduled date of completion was 27.07.2021.

(In ₹ Lakhs)

Particulars	**2018-19**	**2019-20**	**2020-21**
Revenue from Operations	-	-	-
Other Income	-	1.56	-
Total Income (A)	-	1.56	-
Total Expenditure (B)	-	-	-
Net Profit/(loss)(A-B) (i.e.PBT)	-	1.56	-

15. Disinvestment

Not applicable.

16. Environment Management

Transmission projects are considered by and large environmentally benign due to the fact that disposal of any pollutants/ waste in various environmental matrices, i.e. air, water or soil is not involved.

OTHER:

Audit committee

The provision of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 are not applicable to the Company.

Various system followed by the company

The company is a wholly owned subsidiary of Powergrid and follows Purchase Policy, Sales Policy, Pricing Policy, Cash Management System, Policy on Fraud and Corruption, Vigilance Mechanism, Costing System, Inventory Control Procedures, Works Policy, Human Resource Management System, Management Information System, Performance Appraisal System, Internal Audit system of the POWERGRID, being the parent company.

AUDIT PLAN & MANDAYS (for the year 2019-20)

Nature of Audit	**Mandays**
Compliance Audit	45
Accounts Audit	30

X. POWERGRID MEERUT SIMBHAVALI TRANSMISSION LIMITED

1. INTRODUCTION OF THE ORGANIZATION :

a) Date of Incorporation: 17/06/2019

b) Administrative Ministry: Ministry of Power

c) Vision and mission:

Vision: World Class Transmission Company in Emerging Power Markets Ensuring Reliability, Safety and Economy.

Mission: The company will become a Transmission Company in Emerging Power Markets with World Class Capabilities by:

- Setting superior standards in capital project management and operations for the industry and ourselves
- Inspiring, nurturing and empowering the next generation of professionals.
- Achieving continuous improvements through innovation and state of the art technology.
- Committing to highest standards in health, safety, security and environment

d) Nature of business including geographical scope: The company is engaged in business of Power Systems Network, construction, operation and maintenance of transmission lines and other related allied activities. Geographical location is Rajasthan.

e) Offices/regions/ sub offices etc.

- The registered office of the Company is situated at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110 016, India.
- The Corporate office of the Company is situated at RHQ FARIDABAD, 5-10 SCO Bay Sector 16A, Faridabad-121002, India.

2. OBJECTIVES OF THE ORGANIZATION

The Company has set following objectives in line with its mission to:

- • Undertake transmission of electric power through Inter-State Transmission System.
- • Efficient Operation and Maintenance of Transmission Systems.
- • Restoring power in quickest possible time in the event of any natural disasters like super cyclone, flood etc. through deployment of Emergency Restoration Systems.

- Ensure principles of Reliability, Security and Economy matched with the rising / desirable expectation of a cleaner, safer, healthier Environment of people, both affected and benefited by its activities.

3. CAPITAL STRUCTURE (as on 31 March 2021)

- **Authorized Capital : 11001.00 Lakh**
- **Paid up capital : 3201.00 Lakh**
- **Contribution of Shareholders : 16198.79 Lakh**

4. ORGANISATIONAL SET UP (in organogram form)

As there are no employee on the payroll of the Company as on 31.03.2021, the company was operating through its Holding company - Power Grid Corporation of India Limited for which Consultancy agreement has been signed. However, the Key Managerial Personal are as below: -

Name	Designation	Date of Appointment	Date of Separation
Shri Atul Trivedi	Chairman (Part Rime)	19/12/2019	-
Shri Promod Kumar	Director	19/12/2019	-
Shir K. K. Srivastava	Director	08/02/2021	-
Shri A. K. Mishra	Director	22/02/2021	-
Smt. Manisha Dholkheria	CFO	26/02/2021	-

5. ACTIVITIES OF THE ORGANIZATION: Transmission of Power.

6. BUDGET AND PLANNING

(Rs. in Crore)

S. No.	Particulars*	2018-19		2019-20		2020-21	
		Budgeted	Actual	Budgeted	Actual	Budgeted	Actual
1.	Capital Expenditure**	NIL	NIL	106.48	30.98	598.16	163.02
2.	Revenue Expenditure**	NIL	NIL	NIL	NIL	NIL	NIL

7. ACCOUNTING SYSTEM IN THE COMPANY AS WELL AS IN THE R.O'S/ BRANCH OFFICES ETC

There is centralized accounting system in the company with the proper maintenance of records in SAP.

8. MANPOWER ANALYSIS (As on 31.3.2021): The company is operated through its Holding company - Power Grid Corporation of India Limited, as there is no manpower in the Company as on 31.03.2021.

9. MOU TARGETS and ACHIEVEMENTS for the last three financial years 2018-19 to 2020-21 : Not applicable**.**

10. COMPUTERIZATION

The company is using SAP (ERP System) for the purpose of maintenance of records which is maintained by the Holding Company. Governance Risk and Compliance (GRC) Module is in place. SAP System Audit is being done annually by SAP as per the terms and conditions of license agreement & the same is being taken care of by the Holding Company.

11. **INTERNAL AUDIT**

Not applicable.

12. ACT, RULES, OTHER DOCUMENTS APPLICABLE to the ORGANIZATION: Companies Act 2013, Income Tax Act 1961, GST Act 2017, Securities Contract (Regulation) Act 1956 (SCRA), Depositories Act 1996, Electricity Act 2003 and all other rules framed thereunder respective Acts.

13. OPERATING RESULTS (Targets vis –a-vis achievements) : Not Applicable

The company was acquired by POWERGRID on 19th December, 2019, As on 31st March, 2020, the Company had not started commercial operation as theproject was under execution till 31st March 2020 as per director's report.

S.No.	Particulars	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
1.	Turnover from operations (Cr)						
2.	Operating profit						
3.	Return on Investment (%)						
4.	Overall rating						

14. FINANCIAL WORKING RESULTS :

The company was acquired by POWERGRID on 19th December, 2019, As on 31st March, 2020 had not started commercial operation as theproject was under execution till 31st March 2020 as report.

(Rs in Lakh)

Particulars	2019-20	2020-21
Income	-	-
Revenue from operations	-	-
Other Income	-	-
Total Income(A)	-	-
Total Expenditure(B)	0.14	-
Profit before Tax (A-B)	**(0.14)**	-

15. DISINVESTMENT

16. ENVIRONMENT MANAGEMENT

Transmission projects are considered by and large environmentally benign due to the fact that disposal of any pollutants/ waste in various environmental matrices, i.e. air, water or soil is not involved.

XI. POWER SYSTEM OPERATION CORPORATION LIMITED

1. INTRODUCTION

Power System Operation Corporation Ltd (POSOCO) was incorporated as a wholly owned subsidiary of POWERGRID on **20.03.2009** to take over the business of System Operations and Market Operations, which were earlier, carried out by the erstwhile Holding Company. POSOCO is responsible for Independent System Operation. The Certificate of Commencement of Business of the Company has been obtained on 23rd March, 2010. Ministry of Power, vide its notification dated 27th September 2010, notified that POSOCO shall operate the five Regional Load Dispatch Centers (RLDCs) and the National Load Dispatch Centre (NLDC) w.e.f. 01st October 2010 and POWERGRID transferred movable assets and liabilities to POSOCO w.e.f. 1st October, 2010. The agreements for transfer of movable assets and liabilities to POSOCO were executed on 16.03.2011. Ministry of Power vide notification dated 19th December, 2016 stating that POSOCO, a **wholly owned Government company** shall operate the NLDC and all RLDCs with effect from 3rd January, 2017. Accordingly, POSOCO has been operating the five RLDCs and NLDC as a wholly owned Government Company w.e.f. 3rd January, 2017.

2. OBJECTIVES OF THE COMPANY

POSOCO has set the following objectives in line with its Mission for integrated operation of regional and national power system through "National Load Despatch Center and Regional Load Despatch Centers" to discharge the following functions:

i. To supervise and control all aspect concerning operations and manpower requirement of NLDC and RLDCs

ii. To act as the apex organization for human resources requirement of NLDC and RLDCs.

iii. To ensure planning and implementation of infrastructure required for smooth operation and development of NLDC and RLDCs.

iv. To coordinate the functioning of NLDC and all RLDCs.

v. To advise and assist state level Load Dispatch Centres, including specialized trainings etc.

vi. To perform any other function entrusted to it by the Ministry of Power.A. Functions of POSOCO as per directions of Ministry of Power issued from time to time.

3. CAPITAL STRUCTURE (as on 31.03.2021)

Authorised Capital: ` 200 crore

Paid-up Capital: ` 30.64crore

Contribution of Shareholders: Govt. of India (100 *per cent*)

4. ORGANISATIONAL SET UP

The Company is being managed by the Board of Directors. The CMD and other functional Directors of POSOCO are appointed by the Govt. of India. As on 31.03.2019, the Board comprised eight Directors, out of which five were Whole Time Directors, including the Chairman and Managing Director, one Government Nominee Director and one Independent Director. The Company is under the administrative control of Ministry of Power, Govt. of India. The Company has a team of professionals ranking from General Managers till Executive Trainees. The Board has delegated powers down the line for smooth and early execution of work, which is described under Delegation of Powers.

5. ACTIVITIES OF THE ORGANIZATION:

POSOCO operates the Power System of the country through National Load Despatch Centre (NLDC) located at New Delhi and Regional Load Despatch Centre (RLDCs) located at New Delhi, Kolkata, Mumbai, Bangalore and Shillong. POSOCO is required to maintain the grid security, reliability and ensure the integrated operation of Indian Power System.

6. BUDGET AND PLANNING :

(In Lakhs Rs.)

S. No.	Particulars*	2018-19		2019-20		2020-21	
		Budgeted	Actual	Budgeted	Actual	Budgeted	Actual
1.	Capital Expenditure**		1699.63		2871.81		3842.84
2.	Revenue Expenditure**		24,331.18		24,185.03		25,377.07

7. **ACCOUNTING SYSTEM :**Decentralized**.**

8. **MANPOWER ANALYSIS (As on 31.3.2021):**

	Sanctioned	**Actual**
Executives	538	527
Non Executives	150	99
Total	688	626

9. **MOU TARGETS and ACHIEVEMENTS**

	2018-19		**2019-20**		**2020-21**	
Particulars	**Target**	**Actual**	**Target**	**Actual**	**Target**	**Actual**
Turnover from Operations (Cr)	245.00	268.93	280	269.96	317.00	264.07
Operating profit as a % of Revenue from Operations (%)	5.75	1.91	1.25	3.89	8.50	-8.10
Return on investment (%)	8.50	11.57	7.50	13.53	21.02	4.46
Overall rating	81.04		Yet to be released			

10. **COMPUTERIZATION :**Following IT systems have been installed and used in POSOCO:

A. Supervisory Control and Data Acquisition System(SCADA/EMS)

B. Wide Area Measurement system

C. Renewable Energy Management Centre

D. Mobile Applications

E. Web Portal for weather information

F. Daily Reporting Software

G. New STOA application

H. Synchronization of schedules among RLDCs through Web based Energy Scheduling System.

11. **INTERNAL AUDIT**

The internal audit is being assigned to external CA firms to conduct the internal audit of all five regions the company on half yearly basis.

12. ACTS APPLICABLE TO THE COMPANY

Companies Act 2013, CERC Tariff Regulations, Income Tax Act, Electricity Act, RTI Act and other relevant Acts& Regulations etc.

13. OPERATING RESULTS :

				(Rs. in Lakh)
Sl. No.	**Particulars**	**2018-19**	**2019-20**	**2020-21**
1	Cash Flow from operating activities	20,353.92	-20,642.31	-30,055.23
2	Less adjustments	16,276.55	-24,885.89	-33,252.65
3	Operating profit before working capital changes	4,077.37	4,243.58	3,197.42

14. FINANCIAL WORKING RESULTS :

(Rs. in Crore)

Particulars	**2018-19**	**2019-20**	**2020-21**
Income			
Revenue from operations	268.93	269.96	264.07
Other Income	58.28	64.23	48.31
Total Income(A)	327.21	334.19	312.38
Total Expenditure(B)	263.80	259.47	285.46
Profit before Tax (A-B)	63.41	74.72	26.92

15. Disinvestment

Nil

16. ENVIRONMENT MANAGEMENT

No impacton environment.

OTHER :

DETAILS OF THE UNITS / DEPARTMENT OF THE ORGANISATION

i. National Load Despatch Center, New Delhi
ii. Northern Regional Load Despatch Center, New Delhi
iii. Eastern Regional Load Despatch Center, Kolkata
iv. Western Regional Load Despatch Center, Mumbai
v. Southern Regional Load Despatch Center, Bangalore
vi. North Eastern Regional Load Despatch Center, Shillong

DIVERSIFICATION

No diversification envisaged.

LIST OF RECORDS AND BOOKS MAINTAINED BY THE COMPANY

Financial statements, schedule for power generation, contract agreements, Voucher Files (Journal Voucher & Bank Voucher), Cash Book/Bank Book, Subsidiary Ledger, General Ledger and all other records as per statutory requirements.

PRODUCTS AND PROCEDURES, BY-PRODUCTS.

Not Applicable.

INSTALLED, BUDGETED AND ACTUAL CAPACITY OF EACH PRODUCT/PLANNING AND PROGRAMME

Not Applicable.

PURCHASE POLICY & PROCEDURE

The company has its owned Purchase Policy and Procedures.

PRICING POLICY

The revenue stream of POSOCO is governed by 'Fee and Charges of Regional Load Despatch Centers and other Related Matters' Regulations notified by CERC. The regulations have ensured an independent revenue stream and financial autonomy for the company.

VIGILANCE

The Company uses technology in the form of e-payments, e-procurement, uploading of contract documents as well as award details, etc. for preventive action and ensuring transparency. The ‘Vigilance Awareness Week 2018’, under the theme “Eradicate Corruption – Build a new India” witnessed enthused participation of employees during which various competitions were organized for the employees as well as for their family members. During the year 2018-19, 4 Preventive Vigilance workshops were organized in which 93 employees were sensitized about the nuances of Preventive Vigilance, RTI Act and Ethical dilemma in work.

CASH MANAGEMENT/FINANCING PATTERN/SCHEMES (PROCEDURES AND PRACTICES)

The company has a revenue stream which is Self-sustaining & financing the new Capital/Replacement expenditures.

CERC Regulation provides the financing of all Capital Expenditure through LDC development fund created out of the profits of the company.

COSTING SYSTEM.

The company is not required to maintain costing records.

INVENTORY CONTROL PROCEDURES

POSOCO is performing statutory function of Power System Operation. No significant inventory is being maintained by the company.

HUMAN RESOURCE MANAGEMENT

The Company has a Human Resource Management System which is based on equitable, transparent and fair principles which keeps the employees motivated. As on January 2019, there was MIP of 418 executives and 127 non-executives against the sanctioned strength of 556 and 125 respectively.

MANAGEMENT INFORMATION SYSTEM

The company has a Management Information system in place.

PERFORMANCE APPRAISAL SYSTEM

The company has a performance appraisal system which provides the basis for determination of merit, efficiency, potential and suitability for positions of higher responsibility.

AUDIT COMMITTEE

Audit committee consists of 3 members in which Chairman is an Independent Director and other two members are Directors. The powers, role, functions, etc. of the Audit Committee are governed by the Companies Act and Government Guidelines issued from time to time.

ISO CERTIFICATION

POSOCO has been certified by BSI for PAS 99:2012 for the following standards:

- ISO 9001: 2015 – Quality Management System
- ISO 14001: 2015 – Environment Management System
- ISO 45001: 2018 – Occupational Health & Safety Management System
- ISO 27001: 2013 – Information Security Management System

RESEARCH & DEVELOPMENT DETAILS INCLUDING ACTIVITIES UNDERTAKEN

Following new initiatives were taken up during the year under Research and Development:

1. **NavIC (Navigation with Indian Constellation):-** POSOCO has collaborated with Indian Space Research Organization (ISRO) on NavIC technology. NavIC is an autonomous regional satellite navigation system that provides accurate real-time positioning and timing services. It covers India and a region extending 1,500 km (930 mile) around it, with plans for further extension. NavIC developed, controlled and maintained by (ISRO) through its Indian Regional Navigation Satellite System (IRNSS). The NavIC signal falls in L-5 band. ISRO provided NavIC receiver is deployed in place of GPS in PMU at Dadri (POWERGRID) substation on pilot basis. Since then, the module has been working satisfactorily. Performance of the pilot module is being monitored continuously and being reviewed through regular interaction/meetings between POSOCO and ISRO. More pilot testing of NaviC with different manufacturer's device have been planned and it is being commissioned in all the regions to have further experience at geographically wide spread locations.
2. **Data Management Software for National Load Dispatch Centre**: The Data Management Software at National Load Dispatch Centre aimed at reducing the workload of NLDC Market Operations Team and also make the operations accurate and quick. National Load Dispatch Centre manages data from the five Regional Load Dispatch Centers and five Regional Dispatch Centers as per CERC guidelines. Thus, there was an urgent requirement of a software based application to handle large amount of data.

   Following are the various types of module developed under the Data Management Software: 1. Bilateral 2. Deviation Settlement Mechanism 3. Reporting of Losses 4. Collective Transaction 5. Regional Transmission Accounting 6. Ancillary Services

   The LOA for Data Management Software was awarded to M/s Cybuzz SC lnfotech Pvt. Ltd in February 17 for development and implementation of Data management software at NLDC. The software was developed and hosted at NLDC. Presently, the Data Management Software is under Annual maintenance contract.
3. **Implementation of Pilot Project on Automatic Generation Control:** Roadmap to operationalize reserves in the country was notified by CERC on 13th October 2015 wherein Primary, Secondary and Tertiary controls were identified as essential components for reliable grid operation. In order to gain experience and build confidence, a pilot project for implementing secondary reserves through AGC was initiated by POSOCO with cooperation from NTPC. Dadri Stg-II (2x490MW) of NTPC was selected for the project. The AGC

system has been implemented thereafter in another three stations i.e.Simhadri Stage – II, Mouda Stage – II and Barh Stage – II and are successfully in operation.

XII.POWERGRID AJMER PHAGI TRANSMISSION LIMITED

1. INTRODUCTION OF THE ORGANIZATION

a) Date of Incorporation – 19-Mar-2019 (acquired by POWERGRID on 03-Oct- 2019)

b) Administrative Ministry : Ministry of Power, Government of India

c) Vision and mission : "Construction of Ajmer (PG)-Phagi 765 kv D/C line along with associated bays for Rajasthan SEZ- phase1 Part -A"

d) Nature of business including geographical scope : For "Transmission system associated with LTA applications from Rajasthan SEZ Part-A". The subject transmission scheme involves implementation of Ajmer (PG) – Phagi 765 kV D/c line to facilitate in transfer of power from RE sources in Solar Energy Zones in Bhadla,Fatehgarh and Bikaner complexes for onward dispersal of power to various beneficiaries.

e) Offices/regions/ sub offices etc. : Registered office Delhi, RO- Faridabad Site office : Ajmer and Phagi.

2. OBJECTIVES OF THE ORGANIZATION

The company is engaged in business of Power Systems Network, construction, operation and maintenance of transmission lines and other related allied activities.

3. CAPITAL STRUCTURE (as on 31 March 2021)

g. **AuthorisedCapital : Rs 125 Crores**

h. **Paid up capital : Rs 112 Crores**

i. Contribution of Shareholders : Fully owned subsidiary of POWERGRID.

4. ORGANISATIONAL SET UP : NA

5. ACTIVITIES OF THE ORGANIZATION

The company is engaged in business of Power Systems Network, construction, operation andmaintenance of transmission lines and other related allied activities.

6. BUDGET AND PLANNING

(Rs in Crore)

S. No.	Particulars*	2018-19		2019-20		2020-21		Remarks
		Budgeted	Actual	Budgeted	Actual	Budgeted	Actual	
1	Capital Expenditure**	NA	NA	213.66	162.7	405.33	381.57	

2	Revenue Expenditure**	NA	NA	0	0.75	0	0.02	Under Construction

7. ACCOUNTING SYSTEM IN THE COMPANY AS WELL AS IN THE R.O'S/ BRANCH OFFICES ETC

SAP ERP system is used for accounting and other related activities.

8. MANPOWER ANALYSIS (As on 31.3.2021):

The Company does not have any permanent employees. The personnel working for thecompany are from holding company on secondment basic and are working on time sharebasis..

9. MOU TARGETS and ACHIEVEMENTS for the last three financial years 2018-19 to 2020-21 :

S.No.	Particulars	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
1.	Turnover from operations (Cr)	Nil	Nil	Nil	Nil	Nil	Nil
2.	Operating profit	Nil	Nil	Nil	Nil	Nil	Nil
3.	Return on Investment (%)	Nil	Nil	Nil	Nil	Nil	Nil
4.	Overall rating	Nil	Nil	Nil	Nil	Nil	Nil

The Company is 100 *per cent* owned subsidiary of POWERGRID

10. COMPUTERIZATION

The company is using SAP based ERP system for all functional requirements. No IT Audit was separately carried out for the company.

11. INTERNAL AUDIT

The Company was under construction stage during last Financial year ending 31-Mar-2021. Hence no internal Audit was carried out.

12. ACT, RULES, OTHER DOCUMENTS APPLICABLE to the ORGANIZATION.

The Electricity Act 2013 , The Companies Act 2013

13. OPERATING RESULTS (Targets vis –a-vis achievements) :

The company was acquired by POWERGRID on 3rd October, 2019 and yet to start operations.

S.No.	Particulars	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
1.	Turnover from operations (Cr)						
2.	Operating profit						
3.	Return on Investment (%)						
4.	Overall rating	NA	NA	NA	NA	NA	NA

14. FINANCIAL WORKING RESULTS : (Figures in Rs Lakhs)

Particulars	2019-20	2020-21
Income		
Revenue from operations	0.00	0.00
Other Income	30.00	0.00
Total Income(A)	30.00	0.00
Total Expenditure(B)	76.47	1.65
Profit before Tax (A-B)	(46.47)	(1.65)

15. DISINVESTMENT

No disinvestment is done during FY 2018-19 and FY 2020-21

16. ENVIRONMENT MANAGEMENT

Not applicable

XIII. POWERGRID BHIND GUNA TRANSMISSION LIMITED

1. **Introduction of the Organisation:**

a) Date of Formation: 18.08.2018

b) Administrative Ministry: Ministry of Power

c) Vision and mission:

Vision: World Class Transmission Company in Emerging Power Markets Ensuring Reliability, Safety and Economy.

Mission : The company will become a Transmission Company in Emerging Power Markets with World Class Capabilities by:

- Setting superior standards in capital project management and operations for the industry and ourselves
- Inspiring, nurturing and empowering the next generation of professionals.
- Achieving continuous improvements through innovation and state of the art technology.
- Committing to highest standards in health, safety, security and environment

d) Nature of business including geographical scope: The company is engaged in business of Power Systems Network, construction, operation and maintenance of transmission lines and other related allied activities. Geographical location is Madhya Pradesh.

e) Offices/region/sub-offices etc. –

- The registered office of the Company is situated at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi, South Delhi, Delhi, India, 110016
- The Corporate office of the Company is situated at Plot No. 54, Sama-Savli Road, Vadodara, Gujarat - 390024, India.
- The Construction site offices of the Company is situated at below addresses.
  - (i) 765/400kv SS Village Adupura Gwalior _Jhansi Road Gwalior, Madhya Pradesh 475001
  - (ii) E/25 Vivek Colony, Guna, Madhya Pradesh – 473001

2. **Objectives of the Organization:**

The Company has set following objectives in line with its mission to:

- Undertake transmission of electric power through Inter-State Transmission System.
- Efficient Operation and Maintenance of Transmission Systems.
- Restoring power in quickest possible time in the event of any natural disasters like super-cyclone, flood etc. through deployment of Emergency Restoration Systems.

- Ensure principles of Reliability, Security and Economy matched with the rising / desirable expectation of a cleaner, safer, healthier Environment of people, both affected and benefited by its activities.

3. **Capital Structure as on 31.03.2021.:**
The company has issued Equity share capital amounting to Rs. 5.005.00 Lakhs and has Loans outstanding amounting to Rs.24190.23 Lakhs as on 31.03.2021.

4. **Organizational Set up (in organogram form).**
As there are no employee on the payroll of the Company as on 31.03.2021, the company was operating through its Holding company – Power Grid Corporation of India Limited for which Consultancy agreement has been signed. However, the Key Managerial Personal are as below:-

Name	Designation	Date of Appointment	Date of Separation
Shri B. Anantha Sarma	Chairman (Part Time)	25/03/2021	Continuing
Shri Kishore Kumar Srivastava	Director	08/02/2021	Continuing
Shri Prakash Chand Garg	Director	01/03/2021	Continuing
Shri R. Rajagopalan	Director	11/09/2019	Continuing
Shri Abhay Choudhary	Chairman	08/12/2020	25/03/2021
Shri Rajeev Kumar Chauhan	Chairman	11/09/2019	31/10/2020
Shri R. N. Singh	Director	11/09/2019	15/01/2021
Shri S. D. Joshi	Director	13/12/2019	28/02/2021

5. **Activities of the Organisation.**
Transmission of Power

6. **Budget and Planning**

(Rs in Crore)

S. No.	Particulars*	2018-19	2019-20	2020-21	Remarks

		Budgeted	Actual	Budgeted	Actual	Budgeted	Actual	
1	Capital Expenditure**	NA	NA	87.83	48.05	301.86	243.85	
2	Revenue Expenditure**	0	0.73	0	0.45	0	0	Under Construction

7. **Accounting System in the company as well as in the R.O's/Branch offices**
There is centralized accounting system in the company with the proper maintenance of records in SAP.

8. **Manpower Analysis viz., Executive/Non-Executive and Sanctioned/Actual etc. as on 31.03.2021.**
The company is operated through its Holding company – Power Grid Corporation of India Limited, as there is no manpower in the Company as on 31.03.2021.

9. **MoU Targets and Achievements for last three financial years (2018-19 to 2020-21).**
Not applicable

10. **Computerization**
The company is using SAP (ERP System) for the purpose of maintenance of records which is maintained by the Holding Company. Governance Risk and Compliance (GRC) Module is in place. SAP System Audit is being done annually by SAP as per the terms and conditions of license agreement & the same is being taken care of by the Holding Company.

11. **Internal Audit**
Not Applicable

12. **Act, Rules, other documents applicable to the Organisation.**
Companies Act 2013, Income Tax Act 1961, GST Act 2017, Securities Contract (Regulation) Act 1956 (SCRA), Depositories Act 1996, Electricity Act 2003 and all other rules framed thereunder respective Acts.

13. **Operation Results (Target vis-a-vis Achievement) for last three financial years (2018-19 to 2020-21).**
The company was acquired by POWERGRID on Sepetember 11, 2019 and yet to start operations.

(In ₹ Lakhs)

Particulars	2018-19	2019-20	2020-21

Revenue from Operations	NIL	NIL	NIL
Other Income	NIL	35.00	NIL
Total Income (A)	NIL	35.00	NIL
Other Expenditure (B)	73.35	45.34	NIL
EBITDA (A-B)	(73.35)	(10.34)	NIL

14. **Financial Working Result for last three financial years (2018-19 to 2020-21) in the following format:**

(In ₹ Lakhs)

Particulars	**2018-19**	**2019-20**	**2020-21**
Revenue from Operations	NIL	NIL	NIL
Other Income	NIL	35.00	NIL
Total Income (A)	NIL	35.00	NIL
Total Expenditure (B)	76.43	49.71	NIL
Net Profit/(loss)(A-B) (i.e.PBT)	(76.43)	(14.71)	NIL

The company was acquired by POWERGRID on Sepetember 11, 2019 and yet to start operations.

15. **Disinvestment**

Not applicable.

16. **Environment Management**

Transmission projects are considered by and large environmentally benign due to the fact that disposal of any pollutants/ waste in various environmental matrices, i.e. air, water or soil is not involved.

XIV. POWERGRID BHUJ TRANSMISSION LIMITED

1. INTRODUCTION OF THE ORGANIZATION

A) Date of Incorporation: 25-Feb-2019

B) Administrative Ministry: Ministry of Power

C) Vision and mission :

Vision: World Class Transmission Company in Emerging Power Markets Ensuring Reliability, Safety and Economy.

Mission : The company will become a Transmission Company in Emerging Power Markets with World Class Capabilities by:

- Setting superior standards in capital project management and operations for the industry and ourselves
- Inspiring, nurturing and empowering the next generation of professionals.
- Achieving continuous improvements through innovation and state of the art technology.
- Committing to highest standards in health, safety, security and environment

D) Nature of business including geographical scope :The company is engaged in business of Power Systems Network, construction, operation and maintenance of transmission lines and other related allied activities. Geographical location is Gujarat.

E) Offices/regions/ sub offices etc. : List of the offices/region/sub-offices is as under:

i) Registered Office: B-9, Qutub Institutional Area, Katwaria Sarai, New Delhi-110 016.

ii) Corporate Office: Plot No 54, Opp Ambe Vidyalaya, Sama-Savli Road, Vadodara (Gujarat)-390008 Tel.: 0265-2823000.

iii) The Construction site offices of the Company is situated at below address 765/400/220 kV GIS Bhuj II Substation, KotdaJadodara, Nakhtrana, Kutch, Gujarat – 370605

2. OBJECTIVES OF THE ORGANIZATION

The Company has set following objectives in line with its mission to:

- Undertake transmission of electric power through Inter-State Transmission System.
- Efficient Operation and Maintenance of Transmission Systems.
- Restoring power in quickest possible time in the event of any natural disasters like super-cyclone, flood etc. through deployment of Emergency Restoration Systems.
- Ensure principles of Reliability, Security and Economy matched with the rising / desirable expectation of a cleaner, safer, healthier Environment of people, both affected and benefited by its activities.

3. CAPITAL STRUCTURE (as on 31 March 2021)

The company has authorized equity sharecapital of Rs. 18,000.00 lakhs, issued and paid up equity share capital amounting to Rs. 9,771.00 Lakhs.

4. ORGANISATIONAL SET UP(in organogram form) :

As there is no employee on the payroll of the Company as on 31.03.2021, the company was operating through its Holding company – Power Grid Corporation of India Limited. However, the Key Managerial Personal are as below –

Name	**Designation**
Shri Anantha Sarma Boppudi	Chairman (Part-time) & Director
Shri Pramod Kumar	Additional Director
Shri P. C. Garg	Director
Shri Abhijit Bhimsingh Rajput	CFO

5. ACTIVITIES OF THE ORGANIZATION

Transmission of Power

6. BUDGET AND PLANNING

(Rs in Crore)

S. No.	Particulars*	2018-19		2019-20		2020-21		Remarks
		Budgeted	Actual	Budgeted	Actual	Budgeted	Actual	
1	Capital Expenditure**	NA	NA	354.72	83.01	818.8	346.21	
2	Revenue Expenditure**	NA	NA	0	0	0	0	Under Construction

7. ACCOUNTING SYSTEM IN THE COMPANY AS WELL AS IN THE R.O'S/ BRANCH OFFICES ETC

There is centralized accounting system in the company with the proper maintenance of cost records.

8. MANPOWER ANALYSIS (As on 31.3.2021)

The company is operated through its Holding company – Power Grid Corporation of India Limited, as there is no manpower in the Company as on 31.03.2021.

9. MOU TARGETS and ACHIEVEMENTS for the last three financial years 2018-19 to 2020-21

Not Applicable

10. COMPUTERIZATION

The company is using IT & SAP (ERP System) of its Holding company (POWERGRID) for the purpose of maintenance of day to day records. POWERGRID has implemented ISO-27001:2013 (Information Security Management System -ISMS) and ISMS Audits are carried out annually.

11. INTERNAL AUDIT

The internal audit is being conducted through external auditors on annual basis. However, as the company has no separate employees on its payroll, the company follows the internal audit manual of the Holding company – Powergrid Corporation of India Limited, as applicable.

12. ACT, RULES, OTHER DOCUMENTS APPLICABLE to the ORGANIZATION.

Companies Act 2013, Income Tax Act 1961, GST Act 2017, Securities Contract (Regulation) Act 1956 (SCRA), Depositories Act 1996, Electricity Act 2003 and all other rules framed thereunder respective Acts.

13. OPERATING RESULTS (Targets vis –a-vis achievements) :

The company was acquired by POWERGRID on October 16, 2019 and yet to start operations.

(Rs in Lakh)

Particulars	**From 25th Feb, 2019 to 31st March, 2020**	**2020-21**
Revenue from Operations	NIL	NIL
Other Income	NIL	NIL
Total Income (A)	NIL	NIL

Other Expenditure (B)	0.13	NIL
EBITDA (A-B)	(0.13)	NIL

14. FINANCIAL WORKING RESULTS:

The company was acquired by POWERGRID on October 16, 2019 and yet to start operations.

(Rs in Lakh)

Particulars	**From 25th Feb, 2019 to 31st March, 2020**	**2020-21**
Revenue from Operations	NIL	NIL
Other Income	NIL	NIL
Total Income (A)	NIL	NIL
Total Expenditure (B)	0.13	NIL
Net Profit/(loss)(A-B) (i.e.PBT)	(0.13)	NIL

15. DISINVESTMENT

Not applicable.

16. ENVIRONMENT MANAGEMENT

Transmission projects are considered by and large environmentally benign due to the fact that disposal of any pollutants/ waste in various environmental matrices, i.e. air, water or soil is not involved.

XV. POWERGRID FATEHGARH TRANSMISSION LIMITED

1. INTRODUCTION OF THE ORGANIZATION Viz.,

A) Date of Incorporation: 26/02/2019

B) Administrative Ministry: Ministry of Power

C) Vision and mission:

Vision: World Class Transmission Company in Emerging Power Markets Ensuring Reliability, Safety and Economy.

Mission: The company will become a Transmission Company in Emerging Power Markets with World Class Capabilities by:

- Setting superior standards in capital project management and operations for the industry and ourselves
- Inspiring, nurturing and empowering the next generation of professionals.
- Achieving continuous improvements through innovation and state of the art technology.
- Committing to highest standards in health, safety, security and environment

D) Nature of business including geographical scope: The company is engaged in business of Power Systems Network, construction, operation and maintenance of transmission lines and other related allied activities. Geographical location is Rajasthan.

E) Offices/regions/ sub offices etc.

- The registered office of the Company is situated at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110 016, India.
- The Corporate office of the Company is situated at RHQ FARIDABAD, 5-10 SCO Bay Sector 16A, Faridabad-121002, India.

2. OBJECTIVES OF THE ORGANIZATION

The Company has set following objectives in line with its mission to:

- Undertake transmission of electric power through Inter-State Transmission System.
- Efficient Operation and Maintenance of Transmission Systems.
- Restoring power in quickest possible time in the event of any natural disasters like super-cyclone, flood etc. through deployment of Emergency Restoration Systems.

- Ensure principles of Reliability, Security and Economy matched with the rising / desirable expectation of a cleaner, safer, healthier Environment of people, both affected and benefited by its activities.

3. CAPITAL STRUCTURE (as on 31 March 2021)

a. **Authorized Capital: 14100.00 Lakh**
b. **Paid up capital: 11341.00 Lakh**
c. **Loans Outstanding: 44685.67 lakh**

4. ORGANISATIONAL SET UP (in organogram form)

As there are no employee on the payroll of the Company as on 31.03.2021, the Company was operating through its Holding company – Power Grid Corporation of India Limited for which Consultancy agreement has been signed. The Key Managerial Personal are as below:-

Sr. No	Name of Director	Period
1	Shri Pramod Kumar, Director	From 14.10.2019 and continue
2	Shri Abhay Choudhary, Chairman & Director	From 08.12.2020 and continue
3	Shri VallishnathPentapati	From 08.02.2021 and continue
4	Shri A. K. Mishra, Director	From 22.02.2021 and continue
5	Smt. Vimla Bhandari, CFO	From 26.02.2021 and continue

5. ACTIVITIES OF THE ORGANIZATION:

Transmission of Power

7. BUDGET AND PLANNING

(RsinCrore)

S. No.	Particulars*	2018-19	2019-20	2020-21	Remarks

		Budgeted	Actual	Budgeted	Actual	Budgeted	Actual	
1	Capital Expenditure**	NA	NA	258.32	146.79	487.62	413.47	
2	Revenue Expenditure**	NA	NA	0	0	0	0	Under Construction

7. ACCOUNTING SYSTEM IN THE COMPANY AS WELL AS IN THE R.O'S/ BRANCH OFFICES ETC

There is centralized accounting system in the company y with the proper maintenance of records in SAP.

8. MANPOWER ANALYSIS (As on 31.3.2021):

The company is operated through its Holding company – Power Grid Corporation of India Limited, as there is no manpower in the Company as on 31.03.2021.

9. MOU TARGETS and ACHIEVEMENTS for the last three financial years 2018-19 to 2020-21:

Not applicable

10. COMPUTERIZATION

The company is using SAP (ERP System) for the purpose of maintenance of records which is maintained by the Holding Company. Governance Risk and Compliance (GRC) Module is in place. SAP System Audit is being done annually by SAP as per the terms and conditions of license agreement & the same is being taken care of by the Holding Company.

11. INTERNAL AUDIT

Not applicable

12. ACT, RULES, OTHER DOCUMENTS APPLICABLE to the ORGANIZATION: -

Companies Act 2013, Income Tax Act 1961, GST Act 2017, Securities Contract (Regulation) Act 1956 (SCRA), Depositories Act 1996, Electricity Act 2003 and all other rules framed thereunder respective Acts.

13. OPERATING RESULTS (Targets vis –a-vis achievements): Not Applicable

The company was acquired by Powergrid on 14th October 2019
and yet to start operations.

S.No.	Particulars	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
1.	Turnover from operations (Cr)						
2.	Operating profit						
3.	Return on Investment (%)						
4.	Overall rating						

14. FINANCIAL WORKING RESULTS:

The company was acquired by Powergrid on 14th October 2019 and yet to start operations.

(Rs. In Lakh)

Particulars	**2019-20**	**2020-21**
Income		
Revenue from operations		
Other Income		
Total Income(A)		
Total Expenditure(B)	0.13	
Profit/Loss before Tax (A-B)	**(0.13)**	

15. DISINVESTMENT

Not applicable

16. ENVIRONMENT MANAGEMENT

Transmission projects are considered by and large environmentally benign due to the fact that disposal of any pollutants/ waste in various environmental matrices, i.e. air, water or soil is not involved.

XVI.POWERGRID JAWAHARPUR FIROZABAD TRANSMISSION LIMITED (PJFTL)

1. INTRODUCTION OF THE ORGANIZATION

POWERGRID Jawaharpur Firozabad Transmission Limited (PJFTL) (formerly known as Jawaharpur Firozabad Transmission Limited) was acquired by POWERGRID on 21 stDecember, 2018 under Tariff based competitive bidding from REC Transmission Projects Company Limited (the Bid Process Coordinator) for implementing Transmission system for evacuation of power from 2x660MW Jawaharpur Thermal Power Project and associated Transmission Lines of 400 kV Substation at Firozabad. The Company was granted transmission license by UPRC on 5th July, 2019. The work is under progress and scheduled date of completion March, 2021.

A) Date of Formation: 20/08/2018

B) Administrative Ministry: Ministry of Power

C)Vision and mission:

Vision: World Class Transmission Company in Emerging Power Markets Ensuring Reliability, Safety and Economy.
Mission : The company will become a Transmission Company in Emerging Power Markets with World Class Capabilities by:

- Setting superior standards in capital project management and operations for the industry and ourselves
- Inspiring, nurturing and empowering the next generation of professionals.
- Achieving continuous improvements through innovation and state of the art technology.
- Committing to highest standards in health, safety, security and environment

D) Nature of business including geographical scope: The company is engaged in business of Power Systems Network, construction, operation and maintenance of transmission lines and other related allied activities. Geographical location is Uttar Pradesh.
E) Offices/region/sub-offices etc. –

- The registered office of the Company is situated at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi, South Delhi, Delhi, India, 110016
- The Corporate office of the Company is situated at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016, India.

2. OBJECTIVES OF THE COMPANY

The Company has set following objectives in line with its mission to:

- Undertake transmission of electric power through Inter-State Transmission System.
- Efficient Operation and Maintenance of Transmission Systems.
- Restoring power in quickest possible time in the event of any natural disasters like super-cyclone, flood etc. through deployment of Emergency Restoration Systems.
- Ensure principles of Reliability, Security and Economy matched with the rising / desirable expectation of a cleaner, safer, healthier Environment of people, both affected and benefited by its activities.

3. CAPITAL STRUCTURE (as on 31.03.2021)

The company has issued Equity share capital amounting to Rs.7,720 Lakhs and has Loans outstanding amounting to Rs.32,565.29 Lakhs as on 31.03.2021.

4. Organizational Set up (in organogram form).

As there are no employee on the payroll of the Company as on 31.03.2021, the company was operating through its Holding company – Power Grid Corporation of India Limited for which Consultancy agreement has been signed. However, the Key Managerial Personal are as below:-

Name	Designation	Date of Appointment
Shri. Abhay Choudhary	Chairperson	08/12/2020
Shri. Sanjai Gupta	Director	02/07/2019
Shri. Anantha Sarma Boppudi	Director	31/10/2020
Shri. Ravishankar Ganesan	Director	31/07/2020
Shri. Prahalad Bhakt Singh	CFO	30/03/2019

5. Activities of the Organisation.

Transmission of Power

6. Budget and Planning

(Rs in Crore)

S. No.	Particulars*	2018-19		2019-20		2020-21		Remarks
		Budgeted	Actual	Budgeted	Actual	Budgeted	Actual	
1	Capital Expenditure**	5.07	4.61	379.70	206.75	152.00	190.96	
2	Revenue Expenditure**	0.00	0.00	0.00	0.00	0.62	0.62	Under Construction upto 2019-20

7. Accounting System in the company as well as in the R.O's/Branch offices

There is centralized accounting system in the company with the proper maintenance of records in SAP.

8. Manpower Analysis viz., Executive/Non-Executive and Sanctioned/Actual etc. as on 31.03.2021.

The company is operated through its Holding company – Power Grid Corporation of India Limited, as there is no manpower in the Company as on 31.03.2021.

9. MoU Targets and Achievements for last three financial years (2018-19 to 2020-21).

Not applicable

10. Computerization

The company is using SAP (ERP System) for the purpose of maintenance of records which is maintained by the Holding Company. Governance Risk and Compliance (GRC) Module is in place. SAP System Audit is being done annually by SAP as per the terms and conditions of license agreement & the same is being taken care of by the Holding Company.

11. Internal Audit

Internal Audit is not applicable to the Company, hence no Internal Audit was conducted.

12. Act, Rules, other documents applicable to the Organisation.

Companies Act 2013, Income Tax Act 1961, GST Act 2017, Securities Contract (Regulation) Act 1956 (SCRA), Depositories Act 1996, Electricity Act 2003 and all other rules framed thereunder respective Acts.

13. Operation Results (Target vis-a-vis Achievement) for last three financial years (2018-19 to 2020-21).

The company was acquired by POWERGRID on 21st December 2018, the work was under progress and scheduled date of completion was March 2021.
The Company was acquired through Tariff based competitive bidding system and the yearly tariff for Transmission Income has been fixed for the entire life of the Project. The targeted & actual figures are considered same and the details are as below:-

(In ₹ Lakhs)

Particulars	**2018-19**	**2019-20**	**2020-21**
Revenue from Operations	-	-	356.86
Other Income	-	-	-
Total Income (A)	-	-	356.86
Other Expenditure (B)	-	-	217.76
EBITDA (A-B)	-	-	139.10

14. Financial Working Result for last three financial years (2018-19 to 2020-21)

The company was acquired by POWERGRID on 21st December 2018, the work was under progress and scheduled date of completion was March 2021.

(In ₹ Lakhs)

Particulars	**2018-19**	**2019-20**	**2020-21**
Revenue from Operations	-	-	356.86
Other Income	-	-	-
Total Income (A)	-	-	356.86
Total Expenditure (B)	10	-	217.76
Net Profit/(loss)(A-B) (i.e.PBT)	(10)	-	139.10

15. Disinvestment

Not applicable.

16. Environment Management

Transmission projects are considered by and large environmentally benign due to the fact that disposal of any pollutants/ waste in various environmental matrices, i.e. air, water or soil is not involved.

XVII. POWERGRID KHETRI TRANSMISSION SYSTEM LIMITED

1. INTRODUCTION OF THE ORGANIZATION

a) Date of Incorporation : 12-Mar-2019

b) Administrative Ministry : Ministry of Power, Government of India.

c) Vision and Mission :

Vision: World Class Transmission Company in Emerging Power Markets Ensuring Reliability, Safety and Economy.

Mission: The company will become a Transmission Company in Emerging Power Markets with World Class Capabilities by:

- Setting superior standards in capital project management and operations for the industry and ourselves
- Inspiring, nurturing and empowering the next generation of professionals.
- Achieving continuous improvements through innovation and state of the art technology.
- Committing to highest standards in health, safety, security and environment

d) Nature of business including geographical scope : The company is engaged in business of Power Systems Network, construction, operation and maintenance of transmission lines and other related allied activities. Geographical location is Rajasthan, Haryana and Delhi.

e) Offices/regions/ sub offices etc. :

a. The registered office of the Company is situated at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110 016, India.

b. The Corporate office of the Company is situated at RHQ FARIDABAD, 5-10 SCO Bay Sector 16A, Faridabad-121002, India.

2. OBJECTIVES OF THE ORGANIZATION

The Company has set following objectives in line with its mission to:

- Undertake transmission of electric power through Inter-State Transmission System.
- Efficient Operation and Maintenance of Transmission Systems.
- Restoring power in quickest possible time in the event of any natural disasters like super-cyclone, flood etc. through deployment of Emergency Restoration Systems.

- Ensure principles of Reliability, Security and Economy matched with the rising / desirable expectation of a cleaner, safer, healthier Environment of people, both affected and benefited by its activities.

3. CAPITAL STRUCTURE (as on 31 March 2021)

A. AuthorisedCapital : Rs. 20,900 Lakhs

B. Paid up capital : Rs 16,140 Lakhs

C. Contribution of Shareholders : Fully owned subsidiary of POWERGRID.

4. ORGANISATIONAL SET UP(in organogram form)

As there are no employee on the payroll of the Company as on 31.03.2021, the company was operating through its Holding company – Power Grid Corporation of India Limited for which Consultancy agreement has been signed. However, the Key Managerial Personal are as below:-

Sr. No	Name of Director	Period
1	Shri Pramod Kumar, Director	From 29.08.2019 and continue
2	Shri Abhay Choudhary, Chairman (Part Time)	From 01.11.2020 and continue
3	Shri A. K. Mishra, Director	From 22.02.2021 and continue
4	Smt. Rajeev Kumar Chauhan, Chairman	From 29.08.2019 to 31.10.2020
5	Shri Deepak Kumar Singh, Director	From 13.12.2019 to 31.01.2021
6	Shri S. V. Venkata, CFO	From 26.02.2021 and continue

5. ACTIVITIES OF THE ORGANIZATION

The company is engaged in business of Power Systems Network, construction, operation and maintenance of transmission lines and other related allied activities.

6. BUDGET AND PLANNING

(Rs in Crore)

S. No.	Particulars*	2018-19		2019-20		2020-21		Remarks
		Budgeted	Actual	Budgeted	Actual	Budgeted	Actual	

1	Capital Expenditure**	NA	NA	363.38	212.47	652.17	581.85	
2	Revenue Expenditure**	NA	NA	0	0.81	0	0.05	Under Construction

7. ACCOUNTING SYSTEM IN THE COMPANY AS WELL AS IN THE R.O'S/ BRANCH OFFICES ETC

There is centralized accounting system in the company with the proper maintenance of records in SAP.

8. MANPOWER ANALYSIS (As on 31.3.2021):

The company is operated through its Holding company – Power Grid Corporation of India Limited, as there is no manpower in the Company as on 31.03.2021.

9. MOU TARGETS and ACHIEVEMENTS for the last three financial years 2018-19 to 2020-21 :

Not applicable

10. COMPUTERIZATION

The company is using SAP (ERP System) for the purpose of maintenance of records which is maintained by the Holding Company. Governance Risk and Compliance (GRC) Module is in place. SAP System Audit is being done annually by SAP as per the terms and conditions of license agreement & the same is being taken care of by the Holding Company.

11. INTERNAL AUDIT

Not Applicable

12. ACT, RULES, OTHER DOCUMENTS APPLICABLE to the ORGANIZATION.

Companies Act 2013, Income Tax Act 1961, GST Act 2017, Securities Contract (Regulation) Act 1956 (SCRA), Depositories Act 1996, Electricity Act 2003 and all other rules framed thereunder respective Acts.

13. OPERATING RESULTS (Targets vis –a-vis achievements) : The company was acquired by POWERGRID on August 29, 2019 and yet to start operations.

S.No.	Particulars	2018-19		2019-20			2020-21	
		Target	Actual	Target	Actual		Target	Actual
1.	Turnover from operations (Cr)							
2.	Operating profit							
3.	Return on Investment (%)							
4.	Overall rating							

14. FINANCIAL WORKING RESULTS :

(Rs in Lakhs)

Particulars	**2019-20**	**2020-21**
Income		
Revenue from operations	0.00	0.00
Other Income	35.00	0.00
Total Income(A)	35.00	0.00
Total Expenditure(B)	82.29	4.76
Profit before Tax (A-B)	(47.29)	(4.76)

15. DISINVESTMENT

Not Applicable

16. ENVIRONMENT MANAGEMENT

Transmission projects are considered by and large environmentally benign due to the fact that disposal of any pollutants/ waste in various environmental matrices, i.e. air, water or soil is not involved

XVIII. POWERGRID RAMPUR-SAMBHAL TRANSMISSION LIMITED

1. INTRODUCTION OF THE ORGANIZATION

A) Date of Formation: 20/08/2018

B) Administrative Ministry: Ministry of Power

C)Vision and mission:

Vision: World Class Transmission Company in Emerging Power Markets Ensuring Reliability, Safety and Economy.
Mission : The company will become a Transmission Company in Emerging Power Markets with World Class Capabilities by:

- Setting superior standards in capital project management and operations for the industry and ourselves
- Inspiring, nurturing and empowering the next generation of professionals.
- Achieving continuous improvements through innovation and state of the art technology.
- Committing to highest standards in health, safety, security and environment

D) Nature of business including geographical scope: The company is engaged in business of Power Systems Network, construction, operation and maintenance of transmission lines and other related allied activities. Geographical location is Uttar Pradesh.
E) Offices/region/sub-offices etc. –

- The registered office of the Company is situated at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi, South Delhi, Delhi, India, 110016
- The Corporate office of the Company is situated at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016, India.

2. OBJECTIVES OF THE COMPANY

The Company has set following objectives in line with its mission to:

- Undertake transmission of electric power through Inter-State Transmission System.
- Efficient Operation and Maintenance of Transmission Systems.
- Restoring power in quickest possible time in the event of any natural disasters like super-cyclone, flood etc. through deployment of Emergency Restoration Systems.
- Ensure principles of Reliability, Security and Economy matched with the rising / desirable expectation of a cleaner, safer, healthier Environment of people, both affected and benefited by its activities.

3. CAPITAL STRUCTURE (as on 31.03.2021)

The company has issued Equity share capital amounting to Rs.7,720 Lakhs and has Loans outstanding amounting to Rs.32,565.29 Lakhs as on 31.03.2021.

4. Organizational Set up (in organogram form).

As there are no employee on the payroll of the Company as on 31.03.2021, the company was operating through its Holding company – Power Grid Corporation of India Limited for which Consultancy agreement has been signed. However, the Key Managerial Personal are as below:-

Name	**Designation**	**Date of Appointment**
Shri. Abhay Choudhary	Chairperson	08/12/2020
Shri. Sanjai Gupta	Director	02/07/2019
Shri. Anantha Sarma Boppudi	Director	31/10/2020
Shri. Ravishankar Ganesan	Director	31/07/2020
Shri. Prahalad Bhakt Singh	CFO	30/03/2019

5. Activities of the Organisation.

Transmission of Power

6. Budget and Planning

(Rs in Crore)

S. No.	Particulars*	2018-19		2019-20		2020-21		Remarks
		Budgeted	Actual	Budgeted	Actual	Budgeted	Actual	
1	Capital Expenditure**	5.07	4.61	379.70	206.75	152.00	190.96	
2	Revenue Expenditure**	0.00	0.00	0.00	0.00	0.62	0.62	Under Construction upto 2019-20

7. Accounting System in the company as well as in the R.O's/Branch offices

There is centralized accounting system in the company with the proper maintenance of records in SAP.

8. Manpower Analysis viz., Executive/Non-Executive and Sanctioned/Actual etc. as on 31.03.2021.

The company is operated through its Holding company – Power Grid Corporation of India Limited, as there is no manpower in the Company as on 31.03.2021.

9. MoU Targets and Achievements for last three financial years (2018-19 to 2020-21).

Not applicable

10. Computerization

The company is using SAP (ERP System) for the purpose of maintenance of records which is maintained by the Holding Company. Governance Risk and Compliance (GRC) Module is in place. SAP System Audit is being done annually by SAP as per the terms and conditions of license agreement & the same is being taken care of by the Holding Company.

11. Internal Audit

Internal Audit is not applicable to the Company, hence no Internal Audit was conducted.

12. Act, Rules, other documents applicable to the Organisation.

Companies Act 2013, Income Tax Act 1961, GST Act 2017, Securities Contract (Regulation) Act 1956 (SCRA), Depositories Act 1996, Electricity Act 2003 and all other rules framed thereunder respective Acts.

13. Operation Results (Target vis-a-vis Achievement) for last three financial years (2018-19 to 2020-21).

The Company was acquired through Tariff based competitive bidding system and the yearly tariff for Transmission Income has been fixed for the entire life of the Project. The targeted & actual figures are considered same and the details are as below:-

(Rs. in Lakh)

Particulars	**2018-19**	**2019-20**	**2020-21**
Revenue from Operations	-	-	356.86
Other Income	-	-	-
Total Income (A)	-	-	356.86
Other Expenditure (B)	-	-	217.76
EBITDA (A-B)	-	-	139.10

14. Financial Working Result for last three financial years (2018-19 to 2020-21) in the following format: **(In₹ Lakhs)**

Particulars	**2018-19**	**2019-20**	**2020-21**
Revenue from Operations	-	-	356.86
Other Income	-	-	-
Total Income (A)	-	-	356.86
Total Expenditure (B)	10	-	217.76
Net Profit/(loss)(A-B) (i.e.PBT)	(10)	-	139.10

15. Disinvestment

Not applicable.

16. Environment Management

Transmission projects are considered by and large environmentally benign due to the fact that disposal of any pollutants/ waste in various environmental matrices, i.e. air, water or soil is not involved.

XIX. CENTRAL TRANSMISSION UTILITY OF INDIA LIMITED

1. INTRODUCTION OF THE ORGANIZATION

A) Date of Incorporation : 28.12.2020

B) Administrative Ministry

A Wholly Owned Subsidiary of Power Grid Corporation of India Limited, a Government of India Enterprise

C) Vision and mission

To ensure development of an efficient, coordinated and economical system of inter-state transmission lines

D) Nature of business including geographical scope:

Planning, Coordination & Development of ISTS Transmission and national communication system.

E) Offices/regions/ sub offices etc. : Registered Office of the Company is

Plot No.2 , Sector-29, Gurugram,Haryana-122001.
As of now there are no other Offices.

2. OBJECTIVES OF THE ORGANIZATION:

1. To undertake transmission of electricity through ISTS - To plan, promote, develop, implement Inter-State Transmission System (ISTS) and to undertake such activities as may necessary & incidental thereto.
2. To ensure development of an efficient, coordinated, economical system of ISTS - To ensure development of an efficient, coordinated and economical system of inter-State transmission system for smooth flow of electricity from across the nation and to undertake such activities as may necessary & incidental thereto.
3. To provide non-discriminatory open access to ISTS - To provide non-discriminatory open access to Inter-State Transmission System as per the applicable provisions of law and Central Government orders, directions and to undertake such activities as may necessary & incidental thereto.
4. To discharge statutory, regulatory and other assigned functions - To discharge all functions of Central Transmission Utility, under Electricity Act, 2003, or any amendment thereto, Rules, Regulations & directions of Central Government, Central Electricity Regulatory Commission (CERC) or any other Authority and to undertake such activities as may necessary & incidental thereto

3. CAPITAL STRUCTURE (as on 31 March 2021)

i. Authorised Capital : Rs. 1 crore

ii. Paid up capital : Rs. 5 lacs

iii. Contribution of Shareholders : Rs. 5 lacs

4. ORGANISATIONAL SET UP (in organogram form):

5. ACTIVITIES OF THE ORGANIZATION : To undertake and discharge all the functions of CTU under the Electricity Act, 2003 and regulations/directions by Central Commission/Authority/Central Government. The main functions of CTUIL are given below:

I. Undertake Transmission of electricity through Inter-State Transmission System (ISTS)

II. Planning, Coordination & Development of ISTS Transmission system in coordination with various stakeholders.

III. Billing, Collection and Disbursement of ISTS charges, as prescribed in CERC Sharing Regulations, 2020.

IV. Nodal agency for providing Open Access related activities, Medium Term Open Access (MToA), Long Term Access (LTA) as per CERC (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter State Transmission and related matters) Regulations, 2009 and its amendments thereof.

V. Nodal agency for planning and coordination for development of communication system for ISTS user as well as supervision of communication system in respect of ISTS.

VI. Installation of Interface meters at the points of interconnection with ISTS.

6. BUDGET AND PLANNING :

S. No.	Particulars*	2018-19		2019-20		2020-21	
		Budgeted	**Actual**	**Budgeted**	**Actual**	**Budgeted**	**Actual**
1.	**Capital Expenditure****	N/A	N/A	N/A	N/A	.	-
2.	**Revenue Expenditure****	N/A	N/A	N/A	N/A	#	#

*Details of any grants received from any government for implementation of Govt. Schemes, if any – NIL

** Central Transmission Utility of India Ltd. was incorporated on 28.12.2020 and commenced business w.e.f. 01.04.2021

Estimated expenditure of CTUIL Rs 800 lacs was made for F.Y. 2020-21 on the assumption that CTUIL will commence business w.e.f. 28.12.2021. However, as

It commenced business w.e.f. 01.04.2021 actual expenses of Rs 2.77 lacs only was incurred for F.Y. 2020-21 towards incorporation expenses.

7. ACCOUNTING SYSTEM IN THE COMPANY AS WELL AS IN THE R.O'S/ BRANCH OFFICES ETC: The Books of accounts are maintained at its Registered Office.

8. MANPOWER ANALYSIS (As on 31.3.2021):Commenced business w.e.f. 01.04.2021

	Sanctioned	**Actual**
Executives		
Non- Executive		
Total		

9. MOU TARGETS and ACHIEVEMENTS for the last three financial years 2018-19 to 2020-21 : Not Applicable

S.No.	Particulars	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
1.	Turnover from operations (Cr)	NA	NA	NA	NA	NA	NA
2.	Operating profit	NA	NA	NA	NA	NA	NA
3.	Return on Investment (%)	NA	NA	NA	NA	NA	NA
4.	Overall rating	NA	NA	NA	NA	NA	NA

10. COMPUTERIZATION

Currently, CTUIL is utilizing POWERGRID ERP and SAP System and IT Infrastructure.

11. INTERNAL AUDIT : Not Applicable

12. ACT, RULES, OTHER DOCUMENTS APPLICABLE to the ORGANIZATION.-

A. Principal Acts Applicable to CTUIL:-

I. Electricity Act, 2003.

B. Principal Central Electricity Regulatory Commission (CERC) Regulations/Detailed Procedure applicable to CTUIL:-

S.No	Name of the Act/Rules/Regulation/Procedure
1.	Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters) Regulations, 2009
1 (a)	Procedure for making application for Grant of connectivity in ISTS, 2010
1 (b)	Revised procedure for "Grant of connectivity to projects based on renewable sources to inter-state transmission system", 2021.
2.	Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020
3.	Central Electricity Regulatory Commission (Grant of Regulatory Approval for execution of Inter-State Transmission Scheme to Central Transmission Utility) Regulations, 2010
4.	Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission Licence and other related matters) Regulations, 2009
5.	Central Electricity Regulatory Commission (Planning, Coordination and Development of Economic and Efficient Inter-State Transmission System by Central Transmission Utility and other related matters) Regulations, 2018
6.	Central Electricity Regulatory Commission (Cross Border Trade of Electricity) Regulations, 2019
7.	Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2010
8.	Central Electricity Regulatory Commission (Communication System for inter-State transmission of electricity) Regulations, 2017
9.	Central Electricity Regulatory Commission (Regulation of Power Supply) Regulations, 2010

C. Principal CEA Regulations applicable to CTUIL

S.No	Name of the Act/Rules/Regulation/Procedure
1.	Central Electricity Authority (Technical Standards for Connectivity to the Grid) Regulations, 2007
2.	Central Electricity Authority (Grid Standards) Regulations, 2010
3.	Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006
4.	Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010
5.	Central Electricity Authority (Technical Standards for Construction of Electrical Plants and Electric Lines) Regulations, 2010
6.	Central Electricity Authority (Technical Standards for Communication System in Power System Operation) Regulations, 2020

13. OPERATING RESULTS (Targets vis –a-vis achievements) **:**

(Rs in lakhs)

S.No.	Particulars	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
1.	Turnover from operations (Cr)	NA	NA	NA	NA	NA	-
2.	Operating profit	NA	NA	NA	NA	NA	(2.77)
3.	Return on Investment (%)	NA	NA	NA	NA	NA	-
4.	Overall rating	NA	NA	NA	NA	NA	-

14. FINANCIAL WORKING RESULTS :

(Rs in lakhs)

Particulars	**2019-20**	**2020-21**
Income		
Revenue from operations	NA	-
Other Income	NA	-
Total Income(A)	NA	-
Total Expenditure(B)	NA	(2.77)
Profit before Tax (A-B)	NA	(2.77)

15. DISINVESTMENT: Not applicable

16. ENVIRONMENT MANAGEMENT (Impact of operation on environment, whether environment protection mechanism exists, step taken by company to preserve environment etc., if any) **-**Currently not Applicable.

Joint Ventures of PGCIL

I. CROSS BORDER POWER TRANSMISSION COMPANY LIMITED

1. INTRODUCTION

Cross Border Power Transmission Company Limited was incorporated on 19th December 2006 as a Joint Venture company amongst IL&FS Energy Development Company (38 *per cent*), Power Grid Corporation of India Limited (26 *per cent*), SJVNL (26 *per cent*) and Nepal Electricity Authority, Nepal Electricity Authority (10 *per cent*). Indo-Nepal Cross Border Tranmsission Line consists of 85.55 kms of 400 kV D/C transmission line from Muzaffarpur (Bihar) to Sursand (Nepal Border) and extension of two nos. of 200 kV bays at 400/220 kV Muzaffapur s/s for termination of 400 kV D/C Muzaffarpur – Dhalkebar (Nepal) transmission line. The transmission line includes OPGW for communication purposes. Nepal Electricity Authority (NEA) is beneficiary of the projecbeen commissioned on 19.02.2016.

2. OBJECTIVES OF THE COMPANY

The main object of the Company includes building, maintaining and operating transmission systems between India and neighboring countries like Nepal, Bhutan, Bangladesh, Myanmar, Sri Lanka & Pakistan and to carry on the business of power transmissions.

3. CAPITAL STRUCTURE (as on 31 March 2021)

Authorized Capital (Rs in lakhs)	Paid Up Capital (Rs in lakhs)	Contribution of shareholders (%)	Name of the Shareholders
7500.00	1843.36	38%	IL&FS Energy Development Company Limited
	1261.25	26%	Power Grid Corporation Co Ltd)
	1261.25	26%	Satluj Jal Vidyut Nigam
	485.09	10%	Nepal Electricity Authority
Total	**4850.95**		

4. **ORGANISATIONAL SET UP**

The control of CPTC vests with the Board of Directors. There are one Director in Charge, One Chief Executive Officer, 3 Deputy Manager, one Assistant Manager, One Senior Officer, one officer and 2 Office boy outsourced for day to day activities.

5. **ACTIVITIES OF THE ORGANIZATION :**The Company is operating Indian portion of 400KV D/C Dhalkebar-Muzaffarpur (Indo-Nepal Interconnection) Transmission Line. The transmission line is envisaged to be used for export or import of power from Nepal to India.

6. **BUDGET AND PLANNING :**

(Figure in Lakhs Rs.)

S. No.	Particulars*	2018-19		2019-20		2020-21	
		Budgeted	Actual	Budgeted	Actual	Budgeted	Actual
1.	Capital Expenditure**	NIL	51.92	NIL	785.93	NIL	890.65
2.	Revenue Expenditure**	NIL	2107.09	NIL	1932.44	NIL	1824.10

7. **ACCOUNTING SYSTEM :**Centralized

8. **MANPOWER ANALYSIS (As on 31.3.2021):**

	Sanctioned	Actual
Executives	N.A.	0
Non Executives	N.A.	6 Employees
Total	**N.A.**	**6**

9. **MOU TARGETS and ACHIEVEMENTS :**

	2018-19		2019-20		2020-21	
Particulars	Target	Actual	Target	Actual	Target	Actual
Turnover from Operations (lakhs)	36.30	36.30	40.79	40.79	33.43	33.43
Operating profit	15.23	15.23	21.47	21.47	15.19	15.19

Return on Investment (EPS) (%)	31%	31%	44%	44%	31%	31%
Overall rating	-	-	-	-	-	-

10. **COMPUTERIZATION:** The Company is operating Tally ERP 9 software.

11. **INTERNAL AUDIT** : Internal audit is done on yearly basis.

12. **ACT, RULES, OTHER DOCUMENTS APPLICABLE to the ORGANIZATION.**

The Companies Act 2013, Electricity Act 2003 and other relevant Acts, Regulations etc.

13. **OPERATING RESULTS (Targets vis –a-vis achievements) :**

(Rs in Crore)

S.No.	Particulars	2018-19	2019-20	2020-21
1.	Turnover from operations (Cr)	36.30	40.79	33.43
2.	Operating profit	15.23	21.47	15.19
3.	Return on Investment (%)	31%	44%	31%

14. **FINANCIAL WORKING RESULTS :**

	Amount (Rs in Lakhs)		
Particulars	2018-19	2019-20	2020-21
INCOME			
Revenue from operations	661.98	657.87	713.09
Other Income	2.41	622.14	5.28
Finance Income	2965.52	2799.27	2624.78
Tatal Income (A)	**3629.91**	**4079.27**	**3343.15**
Total Expenditure (B)	1932.44	**1932.44**	**1824.10**
Profit before Tax (A-B)	**1522.82**	**2146.83**	**1519.05**

15. **Disinvestment**

Not Applicable

16. **ENVIRONMENT MANAGEMENT**

Not Applicable

II. NORTH EAST TRANSMISSION COMPANY LIMITED

1. INTRODUCTION OF THE ORGANIZATION

North East Transmission Company Ltd. (NETCL) incorporated as a joint venture of ONGC Tripura Power Company Ltd. (OTPC), POWERGRID and States of NER engaged in construction and operation and maintenance 662.8 Km (1325.6 Ckm) of 400 KV D/C transmission line from Palatana-Bongaigaon (through states of Tripura, Assam and Meghalaya) to evacuate power from 726.6 MW Gas Based Combined Cycle Power Project (GBCCPP) of ONGC Tripura Power Company (OTPC) at Palatana, Tripura. The entire line was progressively put into commercial operation from February 2015. The entire Transmission Line from Palatana to Bongaigaon is connected to the States of Tripura, Assam and Meghalaya through substations at Silchar, Azara &Bongaigaon in Assam and Byrnihat in Meghalaya.

a) Date of Incorporation: 26.08.2008

b) Administrative Ministry: Ministry of Power

c) Vision and mission:

Mission and vision is given below:

To operate and maintain transmission and allied services efficiently In energy sector on sound commercial principles.To be a performance focused Organization that generates long term maximum value for all stakeholders.

To continually improve the management system and practice in conformity with legal and regulatory provisions;To commit towards improved standard in the area of safety, health andEnvironment thereby increasing quality of life in a sustainable manner; and

To facilitate learning and empowering culture whereby employees can achieve and Unleash their full potential by adopting and innovating state of the art technologies.

To be an admired Energy Transfer Utility Company in the North Eastern Region and neighboring strategic geographies.

d) Nature of business including geographical scope: Transmission Line it located in NERStates. Palatana (Tripura) to Bongaigaon (Assam)

e) Office address:

Registered Office	Corporate Office
Vill- East Champamura, Bypass Road, Near Asian Paint Godown, P/O- Old Agartala, District- West Tripura, Pin- 799008 (Agartala)	2C, 3rd Floor, D21 Corporate Park, DMRC Building Sector 21, Dwarka, New Delhi 110077.

2. OBJECTIVES OF THE ORGANIZATION:

a. To engage in the business of building, maintaining and operating inter-state or intrastate transmission systems for the purpose of transmission and/or wheeling of electricity, transmission of data and other related businesses including transformers, converters, transmitters, processors, developers, storers, carriers, importers and exporters of, and dealers in electricity, and any products or by-products derived from any such business (including without limitation steam) and any products derived from, or connected with any other form of energy, including without limitation, heat, solar, wind, hydro, wave, tidal, bagasse, bio-mass, waste, geothermal and biological.

b. To accumulate electrical power and to transmit, distribute and supply such powerthroughout the area of the Northeastern States, and generally to accumulate power at any other place or places and to transmit, distribute and supply such power.

c. To carry on the business of a transmission company in all its branches, and to construct, lay down, establish fix and carry out all necessary power stations, cables, wires, lines accumulators, lamps and works and to generate, accumulate, distribute and supply electricity, and to light cities, towns, streets, docks, markets, theaters, building and places, both public and private.

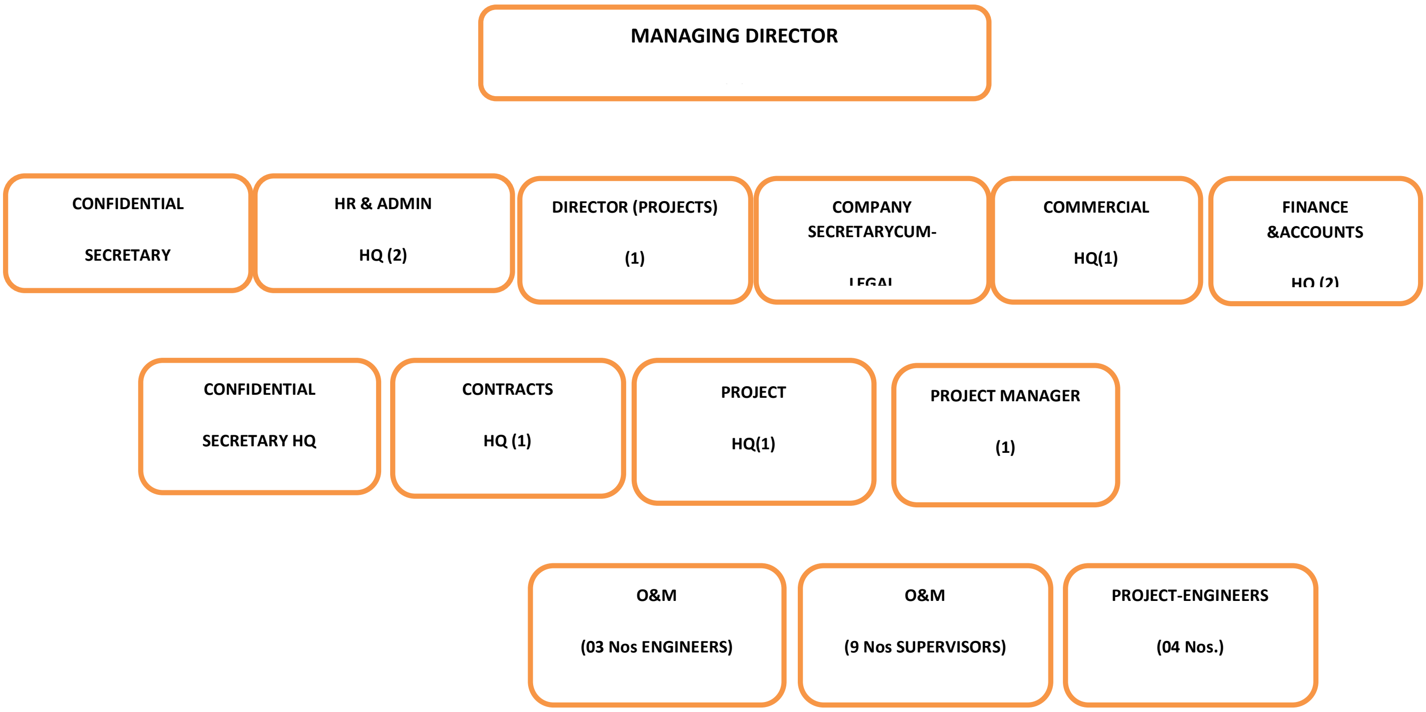
3. CAPITAL STRUCTURE (as on 31 March 2021)

a. **Authorised Capital:** Rs.600 crores. (60 crore Equity share having face value of Rs.10/- each)

b. **Paid up capital:** Rs.411.40 Crores. (41.4 crore Equity share have face value of Rs.10/- each)

c. **Contribution of Shareholders:** Rs.411.40 crores (41.4 crore Equity share have face value of Rs.10/- each)

4. ORGANISATIONAL SET UP



5. ACTIVITIES OF THE ORGANIZATION: Transmission of power.

6. BUDGET AND PLANNING

(Rs. in Lakh)

S. No.	Particulars*	2018-19		2019-20		2020-21	
		Budgeted	Actual	Budgeted	Actual	Budgeted	Actual
1.	Capital Expenditure**	3250.00	2347.37	3265.00	719.22	785.00	178.49
2.	Revenue Expenditure**	25631	26106	24175	25155	25030	26818

7. **ACCOUNTING SYSTEM IN THE COMPANY AS WELL AS IN THE R. O'S/ BRANCH OFFICES ETC**

Tally Accounting software is being used at corporate office.

8. **MANPOWER ANALYSIS (As on 31.3.2021):**

	Sanctioned	Actual
Executives	30	17
Non- Executive	14	10
Total	44	27

9. MOU TARGETS and ACHIEVEMENTS for the last three financial years 2018-19 to 2020-21: Not applicable

S.No.	Particulars	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
1.	Turnover from operations (Cr)						
2.	Operating profit						
3.	Return on Investment (%)						
4.	Overall rating						

10. COMPUTERIZATION

The company is maintaining our books ofaccounts in Tally ERP and for office use it is using MS office. No IT audit has beenconducted till date.

11. INTERNAL AUDIT

No separate wing exists as of now. Internalaudit is being conducted by external internal audit firm.

12. ACT, RULES, OTHER DOCUMENTS APPLICABLE to the ORGANIZATION:

LIST OF THE LAWS APPLICABLE TO ACTIVITIES OF NORTH EASTTRANSMISSION COMPANY LIMITED

Sl. No.	**Name of Acts, Rules, Regulations, etc.**
1	The Companies Act, 2013 and rules thereunder including Secretarial Standards
2	Accounting Standards/IND-AS Issued by ICAI/GOI
3	Income Tax Act, 1961
4	The Finance Act, 2018/2019
5	The Goods and Service Tax Act, 2017
6	Micro, Small &Medium Enterprise Development Act, 2006
7	The Indian Telegraph Act, 1885
8	Electricity Act, 2003
9	Contract Labour (Regulation and Abolition) Act, 1970
10	Central Electricity Authority (Measures Relating to Safety and Electric Supply) Regulations, 2010
11	Regulation for Power Line Crossings of Railway Track
12	Forest Conservation Act, 1980
13	The Schedule Tribes and Other Traditional Forest Dwellers (Recognition of Forest Right) Act, 2006
14	The Delhi Shops & Establishment Act, 1954
15	The Workmen Compensation Act,1923
16	The Assam Shops & Establishment Act, 1971
17	The Assam Professions, Trades, Callings and Employments Taxations Act, 1947
18	The Equal Remuneration Act, 1976
19	The Minimum Wages Act, 1948
20	The Payment of Gratuity Act, 1972
21	The Payment of Wages Act, 1936
22	The Employees ’Provident Fund and Miscellaneous Provisions Act, 1952
23	The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act,2013
24	The Tripura Shops & Establishment Act, 1970
25	The Tripura Professions, Trades, Callings and Employments Taxations Act, 1997

13. OPERATING RESULTS (Targets vis –a-vis achievements) :

(Rs in Lakh)

S.No.	Particulars	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
1.	Turnover from operations (Cr)		329.80		314.14		306.63
2.	Operating profit		207.92		188.78		188.53
3.	Return on Investment (%)		5.17%		5.05%		4.11%
4.	Overall rating		AA+		AA+		AA+

14. FINANCIAL WORKING RESULTS:

(Rs in Lakh)

Particulars	**2018-19**	**2019-20**	**2020-21**
Income			
Revenue from operations	32659.08	31414.95	30,662.74
Other Income	1448.37	1167.33	1733.39
Total Income(A)	34107.45	32582.28	32396.13
Total Expenditure(B)	25802.94	25029.98	26724.64
Profit before Tax (A-B)	8304.51	7552.30	5671.49

15. DISINVESTMENT

Not applicable

16. ENVIRONMENT MANAGEMENT

No impact of operation on environment.

OTHER:

1. DETAILS OF THE UNITS / DEPARTMENT OF THE ORGANISATION

NETCL owns 400 kV D/C Palatana-Bongaigaon transmission line for evacuation of power from 2 x 363.3 MW GBCCPP of OTPC.

2. DIVERSIFICATION

None

3. LIST OF RECORDS AND BOOKS MAINTAINED BY THE COMPANY

Register of Members, Share transfer Register, Minutes of Members. Board, Audit Committee, Remuneration Committee and CSR Committee meetings. Bank Book, Ladger, Journal, Fixed Assets Register.

4. PROJECTS IN HAND/ ORDER IN HAND

Single Project Company – NETC Ltd. constructed and maintaining 662.8 Km (1325.6 Ckm) of 400 KV D/C transmission line from Palatana-Bongaigaon. No other projects in hand.

5. PURCHASE POLICY & PROCEDURE

Purchase policy of POWERGRID is generally followed.

6. SALES POLICY & PROCEDURE

Tariff is fixed and finalized by CERC.

7. VIGILANCE

The Company has established a vigil mechanism under the supervision of the Audit Committee to investigate and address the genuine concerns expressed by the employees and Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided the employees of the Company the direct access to the chairman of the Audit Committee for reporting the vigilance related issues, in exceptional cases. The Vigil Mechanism Policy of the Company is available at the website of the company www.netcindia.in.

8. WORKS POLICY

Procedure of POWERGRID is generally followed.

9. MANAGEMENT INFORMATION SYSTEM

Periodic reporting to Board of Directors.

10. PERFORMANCE APPRAISAL SYSTEM

Annual appraisal of employees are conducted by reporting officers and reviewed and approved by Director (Projects) & MD.

11. COST AUDIT

In terms of the Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost accounting records and get them audited every year. NETCL has re-appointed the Cost Auditors M/s K. G. Goyal & Associates, Cost Accountants, as cost auditors of the Company for the financial year 2018-19. The Cost Auditors' report for the Financial Year 2018-19 does not contain any qualifications, reservations or adverse remarks. The cost audit report is filed with the Ministry of Corporate Affairs within prescribed timelines.

12. AUDIT COMMITTEE

The company has Audit Committee comprising three Directors including two Independent Directors.

13. ISO CERTIFICATION

The Company has not received ISO certification.

14. RESEARCH & DEVELOPMENT DETAILS INCLUDING ACTIVITIES UNDERTAKEN

None

POWER FINANCE CORPORATION LIMITED

1. Introduction

Power Finance Corporation Limited (PFC) was established on 16 July 1986 for providing long term funding for integrated development of power and associated sectors and is today a leading financial institution in India focused on power sector financing. PFC also plays the role of nodal agency for implementation of various government programs such as UMPP program, R-APDRP as well as a bid process coordinator for the ITP scheme. PFC's primary business has been to provide financial assistance for long term funding to power sector . It functions under the Adminsitrative control of the Ministry of Power.

a. Vision and Mission :

Corporate Vision:

To be the leading institutional partner for the power and allied infrastructure sectors in India and overseas across the value chain.

Corporate Mission:

PFC would be the most preferred Financial Institution; providing affordable and competitive products and services with efficient and internationally integrated sourcing and servicing, partnering the reforms in the Indian Power Sector and enhancing value to its stakeholders; by promoting efficient investments in the power and allied sectors in India and abroad.

The company will achieve this being a dynamic, flexible, forward looking, trustworthy, socially responsible organization, sensitive to our stakeholders' interests, profitable and sustainable at all times, with transparency and integrity in operations

b. Nature of business including geographical scope:

PFC is mainly engaged in financing of power projects and other ancillary services.

c. Office/region/sub-office:

Head Office: New Delhi

Regional offices: Mumbai and Chennai

2. **Objectives of the Company:**

1. To finance projects, activities or works of creation, up-gradation, renovation, improvement, maintenance, repair, modernization, modification, replacement, augmentation, etc. related to generation, transmission, distribution or supply of power of any form including power from sources of renewable energy.

2. To finance projects, activities or works including electrification works of creation, up-gradation, renovation, improvement, maintenance, repair, modernization, modification, replacement, augmentation, etc. of electrical and electromechanical systems, standalone or that are part of large projects e.g. Projects of Lift Irrigation, Sewage treatment plant, Smart City, Electrification of railway line, etc.

3. To finance projects, activities, schemes for energy conservation,energy efficiency and environmental aspects of power including cogeneration/tri-generation/combined heat and power, waste heat recovery system(s), e-vehicle(s) and setting up of Charging Stations.

4. To finance projects for establishment, expansion, modernization, operations, maintenance of units for manufacturing of capital equipment(s) required in power sector including renewable energy & allied sectors.

5. To finance projects, works and activities having a forward orbackward linkage with power projects included in S. No. 1,including but not limited to development of coal and other mining activity (ies) for use as fuel or other fuel supply arrangements for power sector, laying of railway line(s), road(s), bridge(s), port(s), jetty(ies) and harbor(s), gas pipeline(s), gas terminal(s) & to meet such other enabling infrastructure facility(ies) that may be required for a power project included in S No. 1.

6. To finance studies, surveys, investigations, research on any project, activity, or work covered in S. No. 1 to 4 and to carry out any activity including consultancy, training, etc. to promote thebusiness interest of the company in any of S. No. 1 to 5.

3. **Capital Structure**

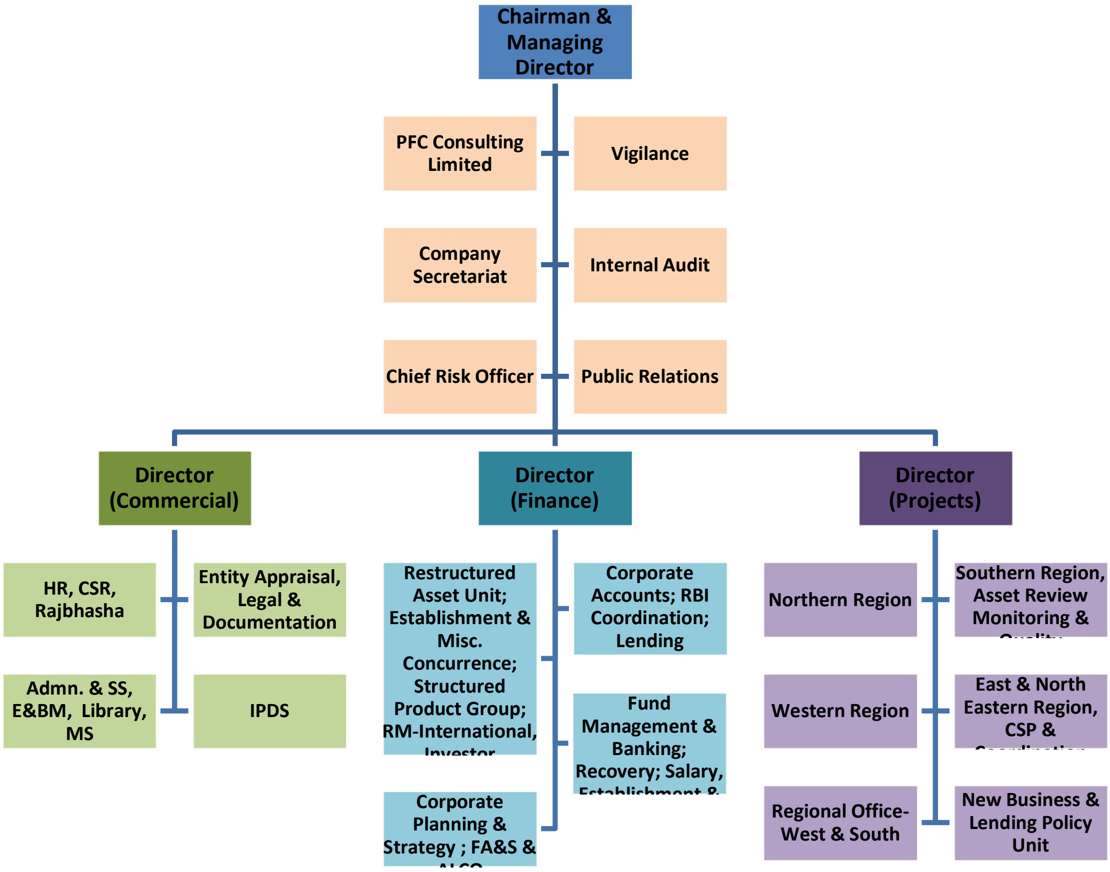
Authorized share capital

Rs. 112,000,000,000 (Rupees Eleven Thousand Two Hundred Crores) divided into 11,000,000,000 (One Thousand One Hundred Crores) equity shares of Rs. 10/- (Rupees Ten) each and 200,000,000 (Twenty Crores) Preference Shares Rs. 10/- (Rupees Ten) each.

Paid-up Capital

₹26,40,08,14,080 consisting of 2,64,00,81,408 equity shares of ₹10 each

4. **Organisational Set Up**



5. **Activities**

Activities of PFC mainly include financing to power projects and allied infrastructure sectors, recovery of loans, arrangement of funds from domestic & international markets, servicing of loans, hedging of overseas loans etc.

6. **Budget And Planning :**

NA

7. **Accounting System**

Company has 2 liaisoning offices (in Mumbai and Chennai). However, Accounting System of the Company is centralized and maintained in Oracle ERP Software. Further, various sub systems are being used by the company which are linked with ERP System.

8. **Manpower Analysis**

Level	Grade	Sanctioned Post	Manpower in position as on 31.03.2021
L-I	E0-E6	376	317
L-I	E7	48	48
L-II	E8	80	80
L-III	E9	13	12
Non-Executives	Workmen	22	22
Total		483	479

9. **MOU Targets And Achevements**

S.No.	PARTICULARS	2018-19		2019-20		2020-21	
		Actual	**Target**	**Actual**	**Target**	**Actual**	**Target**
1.	Turnover from operations	28842	27000	33362.90	31000	NA	36000
2.	Operating profit	9806.50	NA	8184.38	NA	NA	NA
3.	Return on investment(Return on Average Networth)	16.72%	11.50%	12.79%	15.0%	NA	14.0%
	Overall rating	Excellent		NA		NA	

10. **Computerization**

Details of ERP & IT Systems:

IT audit is being carried out by external agency M/s KPMG Consulting Servicesfor FY 2020-21. The periodicity of IT audit is every Financial Year.

11. **Internal Audit**

- There is a separate unit of Internal Audit.
- Internal audit is conducted on concurrent, quarterly and half yearly basis depending upon the nature of works.

Internal Audit Manual is available.

12. **Acts Applicable To The Company**

1. Companies Act 1956 & 2013,
2. Indian Contract Act 1872,
3. Transfer of Property Act, 1881,
4. Constitution of India, 1950,
5. Registration Act, 1908,
6. Indian Stamp Act, 1899,
7. Right to Information Act, 2005,
8. Indian Trust Act, 1881,
9. Society Registration Act, 1860,
10. Civil Procedure Code, 1908,
11. Consumer Protection Act, 1986,
12. Arbitration & Conciliation Act, 1996,
13. RBI Guidelines,
14. SEBI Guidelines,
15. FEMA Regulations,
16. Income Tax Act 1949,
17. GST Act, 2017

RBI Master direction- External Commercial Borrowings.

13. **Operational Results**

Operational results of the PFC Ltd. for the last three years are summarized below:

(Rs. in Crore)

Particulars	2018-19	2019-20	2020-21
Operational Performance			
Loan and Grants sanctioned	95230	111089	146836
Loan and Grants Disbursed	67678	67997	91652
Percentage of amount disbursed to amount sanctioned	71.07	61.21	62.41

14. **Financial Working Results**

Financial working results of the PFC Ltd. for the last three years are summarized below:

(Rs. in Crore)

Particulars #	2018-19	2019-20	2020-21

Income			
Revenue from operations	28,842.00	33,362.90	37,744.87
Other Income	9.29	8.16	21.70
Total Income(A)	28,851.29	33,371.06	37,766.57
Total Expenditure(B)	19,035.50	25,178.52	27,559.26
Net Profit/(loss) (A-B)	9815.79	8,192.54	10,207.31

[#]Figures represent audited figures of the respective FY

15. **Disinvestment :**Detail of disinvestment during the last four year are as follows:

The details of disinvestment during 2018-19 to 2020-21 are as follows:

FY 2018-19	Government of India (Gol) transferred 1,93,72,120 and 16,19,54,570 equity shares held in the Company, in connection with New Fund Offer, to the Asset Management Company (AMC) of Bharat 22 ETF and CPSE ETF respectively
FY 2019-20	Government of India (Gol) transferred 42,83,810 and 7,63,13,829 equity shares held in the Company, in connection with New Fund Offer, to the Asset Management Company (AMC) of Bharat 22 ETF and CPSE ETF respectively
FY 2020-21	Nil

16. **Environment Management**

- PFC office building is well equipped with LED lights, which reduce the power consumption.
- To reduce the load heat on air conditioning to make the PFC corporate office building energy efficient, PFC has constructed the building having external double wall and air insulated, high performance reflected surface on all glass facades.

All the washrooms of the office building are equipped with sensor based water dispensers at washbasin and at urinals, to reduce the consumption of water.

Subsidiaries of Power Finance Corporation Limited

I. PFC CONSULTING LIMITED

1. **Introduction of the Organization viz.,**
   a) date of formation: March 25, 2008
   b) administrative ministry:: Ministry of Power
   c) vision and mission: To achieve the highest standards in the end to end consulting solutions, consistent with the long term interest of power and infrastructure sectors, by harnessing intellectual capabilities and nurturing the best minds within the organization.
   d) nature of business including geographical scope:The Company provides consultancy services to power sector including being the nodal agency for implementing GoI schemes relating to Independent Transmission Projects (ITPs) and PFC being the Nodal agency for development of Ultra Mega Power Projects (UMPPs) has entrusted all the work related to UMPPs to PFCCL
   e) offices/region/sub-offices etc.: NIL

2. **Objectives of the Organization.**

The Company is providing consultancy services in power sector. The major services provided includes to assist Ministry of Power (MoP), Govt. of India in developing standard bidding documents for procurement of Power through Tariff Based Competitive Bidding Process, issue of RFQ for various UMPPS etc. The vision of the Company is to become a premier Consulting Organization in the power sector.

3. **Capital Structure as on 31.03.2021.**

As on 31st March 2018, the Authorized Share Capital of the Company was Rs.10,00,000/- (1,00,000 equity share of Rs.10/- each); and paid-up share capital was Rs.5,00,000/- (50,000 equity share of Rs.10/- each) entirely held by PFC.

4. **Organizational Set up (in organogram form).**

The Company has a functional Board comprising of threeNon-executive Directors. The day to day management and administration of the Company is vested with Chief Executive Officer of the Company. Below CEO there are various functional Groups.

5. **Activities of the Organization**.

a. Advisory Services on issues emanating from implementation of Electricity Act 2003 like Reform, Restructuring, Regulatory etc.

b. Tariff Based Competitive Bidding as per the Guidelines issued by MoP, GoI for various segments of Power Sector

c. Project-Structuring/ Planning/ Development/ Specific Studies, implementation monitoring, efficiency improvement projects

d. Human Resource Management Plans

e. Communication, Information Dissemination and Feedback

a. Preparation of Organization Performance Improvement Plans

b. Contract related services for the Power Sector

c. Financial Management, Resource Mobilization, Accounting Systems etc.

Reform, Restructuring, Regulatory and related aspects in Power Sector Creation of New Entity(ies) and Opening Balance Sheets:

a) Financial restructuring plan (FRP)

b) Transfer schemes

c) Detailed Revenue Accounting and clean up of the balance sheets.

d) Liability restructuring plan

e) Organization structure for new entity (ies)

f) Designing of HR policies, rules and regulations for new entity(ies).

g) Reform Management and Co-ordination

h) Establishment and capacity building of the Regulatory Affairs Cell in the restructured entity

i) Communication Strategy

Tariff Based Competitive Bidding as per the Guidelines issued by MoP, GoI for various segments of Power Sector

a) Procurement of Power through 'Case 1' and 'Case 2' of Guidelines for Determination of Tariff by Bidding Process for Procurement of Power by Distribution Licensees
b) Request for Qualification
c) Request for Proposal
d) Evaluation of RFQ and RFP and preparation of Bid Evaluation reports.
e) Transfer of SPV to selected bidder.
f) Selection of Joint Venture Partner
g) Mobilization of Resources
h) Financial Restructuring Plans
i) Tariff and Annual Revenue requirements for State Power Utilities, Regulatory Commissions.
j) Projection Appraisal

Project-Structuring / Planning / Development / specific studies, implementation monitoring, efficiency improvement projects, for both State owned Utilities and IPPs

a. Selection of Developer for Thermal Power Plants
b. Creation of Special Purpose Vehicles (SPVs)
c. Technical Studies and preparation of Project Information Report for setting up of Power Plants
d. EIA Studies
e. Topographical Survey
f. Area Drainage Study
g. Socio Economic Survey
h. Geo-technical Survey
i. Hydrographical Studies
j. Techno-economic feasibility report
k. Fuel Transportation Study
l. Ash disposal/ utilization study
m. Demand and Supply analysis for the Region
n. Power evacuation and transmission system study
o. Clearances required for setting up of Power Plants
p. Coal Linkage
q. Overall Project Advisory services
r. R-APDRP
s. Preparation of Detailed Project Reports (DPRs)
t. Assistance in approval of DPRs
u. Project Management Consultancy
v. Energy Audit

Development of sustainable Human Resources Plans

a. Organizational Structure

b. Determination of roles, positions and work relationships

c. Delegation of Powers

d. Training needs and measures for capacity building

e. Manpower Planning Study

Communication and Information Dissemination

a. Project Publicity

b. Advertising Material

c. Expression of Interest

d. Seminars and Conferences

e. Brochures, Presentations etc.

Information Management Systems

a. Computerization of Accounting System for State Power Utilities

Legal and Contract Related Services for the Power Sector

a. Contracts and Agreements

    i. Refurbishment contract for Power Plants

    ii. Power Purchase Agreement(PPA)

    iii. Fuel Supply Agreement (FSA)

    iv. Share Purchase Agreement

    v. Escrow Agreement

b. Bid Process

c. Joint Venture

d. Petitions to Regulatory Commissions

Financial Management, Resource Mobilization, Accounting Systems etc.

a. Selection of Joint Venture Partner

b. Mobilization of Resources

c. Financial Restructuring Plans

d. Tariff and Annual Revenue requirements for State Power Utilities, Regulatory Commissions.

e. Projection Appraisal

6. ***Budget and Planning*** Nil

7. **Accounting System in the company as well as in the R.O's/Branch**: Centralized

8. **Manpower Analysis viz., Executive/Non-Executive and Sanctioned/Actual etc. as on 31.03.2021.**

The company has 27 Executives deputed from PFC (Holding Company) to carry out day to day activities as on 31.03.2021.

9. **MoU Targets and Achievements for last three financial years (2018-19 to 2020-21) in the format given below:**

S.No.	Particulars	2018-19		2019-20		2020-21	
		Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**
	Turnover from operations	NA	NA	NA	NA	NA	NA
	Operating profit	NA	NA	NA	NA	NA	NA
	Return on Equity	15.00%	15.17%	16.50%	76.60%	20.00%	37.92%
	Overall rating						

10. **Computerization**

All accounting entries are being maintained in ERP on centralized basis since November 2016. However, no IT audit has been carried out o far.

11. **Internal Audit**

The Company has outsourced its internal Audit function to an outside Firm of Chartered Accountants which does its audit on quarterly basis. Report is being submitted to Audit Committee for review. The company follows the internal audit manual of PFC.

12. **Act, Rules, other documents applicable to the Organization**.Besides Companies Act 2013 different relevant Acts such as GST Act, Income Tax Act

13. **Operation Results** (Target vis-à-vis Achievement) for last three financial ***years (2018-19 to 2020-21).***

(Rs in Crore)

Particulars	**2018-19**		**2019-20**		**2020-21**	
	Target	**Achievement**	**Target**	**Achievement**	**Target**	**Achievement**
Operating Turnover	NA	57.57	NA	111.42	NA	69.87
Gross Operating Margin	NA		NA	97.83	NA	56.03
Operating Expenses/Operating turnover (%)	NA	17.94	NA	12.20%	NA	19.80%
PAT/Turnover (%)	NA	31.34%	NA	49.45%	NA	36.91%
Operating Turnover/ Employee	NA	2.13	NA	4.12	NA	2.58
PAT/ Employee	NA	0.81	NA	2.17	NA	1.04
Revenue from Operations	NA	57.57	NA	111.42	NA	69.87
Profit/Surplus before tax or (excluding other income, extraordinary income & exceptional items)	NA	31.65	NA	78.98	NA	38.39
Dividend/PAT (%)	NA	372%	NA	341%	NA	NA
PAT/Networth (%)	NA	11.09%	NA	96.8%	NA	31.77%
Dividend/Networth(%)	NA	50.42%	NA	81.74%	NA	NA

14. **Financial Working Result for last three financial years (2018-19 to 2020-21) in the following format:**

(Rs. inCrore)

Particulars	**2018-19**	**2019-20**	**2020-21**
Income			
Revenue from operations	57.5728	111.4245	69.8782
Other Income	12.6012	6.6410	6.5997
Total Income(A)	70.1740	118.0654	76.4779
Total Expenditure(B)	38.5218	39.6122	38.0797
Net Profit/(loss) (A-B)	31.6521	78.4532	38.39

15. **Disinvestment :**NA

16. Environment Management Being a consultancy company, the environment management is not Applicable.

Subsidiaries of PFCCL as SPVs

I. BIJAWAR VIDARBHA TRANSMISSION LIMITED

1. **Introduction of the Organization viz**.,
   a) date of formation: 13.01.2017
   b) administrative ministry: Ministry of Power
   c) vision and mission: he company has been incorporated to develop power system network and Study, Investigate, collect information and data, preparation of survey report, forecast clearance etc., if required for the purpose of transmission of electricity in the state of Uttar Pradesh (project) and to conduct bidding process etc. for the selection of transmission service provider.
   d) nature of business including geographical scope: The company has undertaken transmission of electricity in the state of Uttar Pradesh (project) and to conduct bidding process etc.
   e) offices/region/sub-offices etc. NIL
2. **Objectives of the Organization**
   The Company will be transferred to developer selected as per tariff based competitive bidding guidelines for Transmission Service issued by Ministry of Power, Government of India.
3. **Capital Structure as on 31.03.2021**.Paid up capital Rs. 100,000 (10,000 Eq. Shares of Rs. 10 each)
4. **Organizational Set up.** The Company has a functional Board which consists of employee of PFCCL.
5. **Activities of the Organization**. To develop power system network and Study, Investigate, collect information and data, preparation of survey report, forest clearance etc., if required for the purpose of transmission of electricity and to conduct bidding process etc. for the selection of transmission service provider

   However, The company was to be transferred to developer selected as per tariff based competitive bidding guidelines for Transmission Service issued by Ministry of Power, Government of India, however National Committee on Transmission (NCT) in its meeting dated 31.07.2019 has recommended for de-notification of the scheme and PFCCL was advised to close the Company. However necessary approval from Ministry of Power (MoP),board of PFC and PFCCL for closure of the company is awaited as on the balance sheet date.

6. **Budget and Planning**

Not applicable as the company has not yet commenced any business activities & will be transfer to Bidder.

7. **Accounting System in the company as well as in the R.O's/Branch offices** Centralized Accounting

8. **Manpower Analysis viz., Executive/Non-Executive and Sanctioned/Actual etc. as on 31.03.2021**. Not Applicable (Since PFCCL is appointed as Bid processor coordinator by MoP in respective of UMPPs, the manpower analysis of PFCCL may be considered for this UMPP also)

9. **MoU Targets and Achievements for last three financial years (2018-19 to 2020-21)**

S.No.	Particulars	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
	Turnover from operations	Not Applicable (As the company has not entered/signed any MOU)					
	Operating profit						
	Return on investment						
	Overall rating						

10. **Computerization**

Oracle ERP (Version 12.1.1). No IT audit undertaken by CAG or any other agency

11. **Internal Audit**

Not Applicable (There is no system of separate internal audit of SPVs/ITPs books.The PFCCL has outsourced internal auditor which does the audit of all expenditure including allocated expenditure to SPVs/ITPs)

12. **Act, Rules, other documents applicable to the Organization. Companies Act, 2013, Electricity Act 2003 and others**

TheCompanies Act 2013 with different relevant Acts if applicable.

13. **Operation Results (Target vis-à-vis Achievement) for last three financial years (2018-19 to 2020-21).** There is no operational activities in the company

Particulars	2018-19		2019-20		2020-21	
	Target	Achievement	Target	Achievement	Target	Achievement
Operating Turnover	NA	NA	NA	NA	NA	NA
Gross Operating Margin	NA	NA	NA	NA	NA	NA
Operating Expenses/Operating turnover (%)	NA	NA	NA	NA	NA	NA
PAT/Turnover (%)	NA	NA	NA	NA	NA	NA
Operating Turnover/ Employee	NA	NA	NA	NA	NA	NA
PAT/ Employee	NA	NA	NA	NA	NA	NA
Revenue from Operations	NA	NA	NA	NA	NA	NA
Profit/Surplus before tax or (excluding other income, extraordinary income & exceptional items)	NA	NA	NA	NA	NA	NA
Dividend/PAT (%)	NA	NA	NA	NA	NA	NA
PAT/Networth (%)	NA	NA	NA	NA	NA	NA
Dividend/Networth(%)	NA	NA	NA	NA	NA	NA

14. **Financial Working Result for last three financial years (2018-19 to 2020-21) in the following format:** There are no activities in the Company.

(Rs. in crore)

Particulars	2018-19	2019-20	2020-21
Income	-	-	-
Revenue from operations	-	-	-
Other Income	-	-	-
Total Income(A)	-	-	-
Total Expenditure(B)	-	-	-
Net Profit/(loss) (A-B)	-	-	-

15. **Disinvestment**

Not Applicable as the company is an Inter transmission purpose company.

16. **Environment Management**

Since there is no activity in the Company. So there is no impact of operation on environment.

II. SHONGTONG KARCHAM WANGTOO TRANSMISSION LIMITED

1. **Introduction of the Organization viz**.,
   a) date of formation : 13.01.2017
   b) administrative ministry: Ministry of Power
   c) vision and mission: The company has been incorporated to develop power system network and Study, Investigate, collect information and data, preparation of survey report, forecast clearance etc., if required for the purpose of transmission of electricity in the state of Uttar Pradesh (project) and to conduct bidding process etc. for the selection of transmission service provider.
   d) nature of business including geographical scope: The company has undertaken transmission of electricity in the state of Uttar Pradesh (project)
   e) offices/region/sub-offices etc. NIL

2. **Objectives of the Organization** The Company will be transferred to developer selected as per tariff based competitive bidding guidelines for Transmission Service issued by Ministry of Power, Government of India.
3. **Capital Structure as on 31.03.2021**.Paid up capital Rs. 100,000 (10,000 Eq. Shares of Rs. 10 each)
4. **Organizational Set up**. The Company has a functional Board which consists of employee of PFCCL.
5. **Activities of the Organization**. The company has been incorporated to develop power system network and Study, Investigate, collect information and data, preparation of survey report, forecast clearance etc., if required for the purpose of transmission of electricity in the state of Uttar Pradesh (project) and to conduct bidding process etc. for the selection of transmission service provider.

   Due to operational issues, the Ministry of Power (MoP) de-notified the scheme on 10.09.2018, which has been noted by the board and proposed to adjust all the assets and liabilities in the books of account & striking off the name of the company subject to the approvals from the Board of PFCCL, PFC and approval of MoP. The Board of Directors of PFCCL and PFC have accorded their approval for winding up of the company. MoP has also accorded its approval vide its letter dated 31.01.2020 for striking off the name of the Company.

6. **Budget and Planning**

Not applicable as the company has not yet commenced any business activities & will be transfer to Bidder.

7. **Accounting System in the company as well as in the R.O's/Branch offices**

Centralized Accounting

8. **Manpower Analysis viz., Executive/Non-Executive and Sanctioned/Actual etc. as on 31.03.2021.**

Not Applicable (Since PFCCL is appointed as Bid processor coordinator by MoP in respective of UMPPs, the manpower analysis of PFCCL may be considered for this UMPP also)

9. **MoU Targets and Achievements for last three financial years (2018-19 to 2020-21)**

S.No.	Particulars	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
	Turnover from operations	Not Applicable (As the company has not entered/signed any MOU)					
	Operating profit						
	Returnon investment						
	Overall rating						

10. **Computerization**

Oracle ERP (Version 12.1.1). No IT audit undertaken by CAG or any other agency

11. **Internal Audit**

Not Applicable (There is no system of separate internal audit of SPVs/ITPs books.The PFCCL has outsourced internal auditor which does the audit of all expenditure including allocated expenditure to SPVs/ITPs)

12. **Act, Rules, other documents applicable to the Organization. Companies Act, 2013, Electricity Act 2003 and others**

The Companies Act 2013 with different relevant Acts if applicable.

13. **Operation Results (Target vis-à-vis Achievement) for last three financial years (2018-19 to 2020-21).** There is no operational activities in the company

Particulars	2018-19		2019-20		2020-21	
	Target	**Achievement**	**Target**	**Achievement**	**Target**	**Achievement**
Operating Turnover	NA	NA	NA	NA	NA	NA
Gross Operating Margin	NA	NA	NA	NA	NA	NA
Operating Expenses/Operating turnover (%)	NA	NA	NA	NA	NA	NA
PAT/Turnover (%)	NA	NA	NA	NA	NA	NA
Operating Turnover/ Employee	NA	NA	NA	NA	NA	NA
PAT/ Employee	NA	NA	NA	NA	NA	NA
Revenue from Operations	NA	NA	NA	NA	NA	NA
Profit/Surplus before tax or (excluding other income, extraordinary income & exceptional items)	NA	NA	NA	NA	NA	NA
Dividend/PAT (%)	NA	NA	NA	NA	NA	NA
PAT/Networth (%)	NA	NA	NA	NA	NA	NA
Dividend/Networth(%)	NA	NA	NA	NA	NA	NA

14. **Financial Working Result for last three financial years (2018-19 to 2020-21)** There are no activities in the Company.

(Rs. incrore)

Particulars	2018-19	2019-20	2020-21
Income	-	-	-
Revenue from operations	-	-	-

Other Income	-	-	-
Total Income(A)	-	-	-
Total Expenditure(B)	-	-	-
Net Profit/(loss) (A-B)	-	-	-

15. **Disinvestment**

.Not Applicable as the company is an Inter transmission purpose company.

16. **Environment Management**

Since there is no activity in the Company. So there is no impact of operation on environment.

III.TANDA TRANSMISSION LIMITED

1. **Introduction of the Organization viz.,**

   a) date of formation: 09.09.2013
   b) administrative ministry: Ministry of Power
   c) vision and mission: The company has been incorporated to develop power system network and Study, Investigate, collect information and data, preparation of survey report, forecast clearance etc., if required for the purpose of transmission of electricity in the state of Uttar Pradesh (project) and to conduct bidding process etc. for the selection of transmission service provider
   d) nature of business including geographical scope: The company has undertaken transmission of electricity in the state of Uttar Pradesh (project)
   e) offices/region/sub-offices etc. NIL

2. **Objectives of the Organization**The Company will be transferred to developer selected as per tariff based competitive bidding guidelines for Transmission Service issued by Ministry of Power, Government of India.
3. **Capital Structure as on 31.03.2021**.Paid up capital Rs. 100,000 (10,000 Eq. Shares of Rs. 10 each)
4. **Organizational Set up.** The Company has a functional Board which consists of employee of PFCCL.
5. **Activities of the Organization**. The company has been incorporated to develop power system network and Study, Investigate, collect information and data, preparation of survey report, forecast clearance etc., if required for the purpose of transmission of electricity in the state of Uttar Pradesh (project) and to conduct bidding process etc. for the selection of transmission service provider.

   Due to operational issues, the Ministry of Power (MoP) de-notified the scheme on 23.02.2018 and forwarded the notification vide letter dated 23.02.2018, which has been noted by the board and proposed to adjust all the assets and liabilities in the books of account & striking off the name of the company subject to the approvals from the Board of PFCCL, PFC (Shareholders of Tanda Transmission Company Limited) and approval of MoP. The Board of Directors of PFCCL and PFC have accorded their approval for winding up of the company subject to the approval of MoP. MoP has also accorded its approval vide its letter dated 09.09.2019 for striking off the name of the Company.

6. **Budget and Planning**

Not applicable as the company has not yet commenced any business activities & will be transfer to Bidder.

7. **Accounting System in the company as well as in the R.O's/Branch offices** Centralized Accounting

8. **Manpower Analysis viz., Executive/Non-Executive and Sanctioned/Actual etc. as on 31.03.2021.** Not Applicable (Since PFCCL is appointed as Bid processor coordinator by MoP in respective of UMPPs, the manpower analysis of PFCCL may be considered for this UMPP also)

9. MoU Targets and Achievements for last three financial years (2018-19 to 2020-21)

S.No.	PARTICULARS	2018-19		2019-20		2020-21	
		Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**
	Turnover from operations	Not Applicable (As the company has not entered/signed any MOU)					
	Operating profit						
	Return on investment						
	Overall rating						

10. **Computerization**

Oracle ERP (Version 12.1.1). No IT audit undertaken by CAG or any other agency

11. **Internal Audit**

Not Applicable (There is no system of separate internal audit of SPVs/ITPs books.The PFCCL has outsourced internal auditor which does the audit of all expenditure including allocated expenditure to SPVs/ITPs)

12. **Act, Rules, other documents applicable to the Organization.** Companies Act, 2013, Electricity Act 2003 and others TheCompanies Act 2013 with different relevant Acts if applicable.

13. **Operation Results (Target vis-à-vis Achievement) for last three financial years (2018-19 to 2020-21).** There is no operational activities in the company

Particulars	2018-19		2019-20		2020-21	
	Target	Achievement	Target	Achievement	Target	Achievement
Operating Turnover	NA	NA	NA	NA	NA	NA
Gross Operating Margin	NA	NA	NA	NA	NA	NA
Operating Expenses/Operating turnover (%)	NA	NA	NA	NA	NA	NA
PAT/Turnover (%)	NA	NA	NA	NA	NA	NA
Operating Turnover/ Employee	NA	NA	NA	NA	NA	NA
PAT/ Employee	NA	NA	NA	NA	NA	NA
Revenue from Operations	NA	NA	NA	NA	NA	NA
Profit/Surplus before tax or (excluding other income, extraordinary income & exceptional items)	NA	NA	NA	NA	NA	NA
Dividend/PAT (%)	NA	NA	NA	NA	NA	NA
PAT/Networth (%)	NA	NA	NA	NA	NA	NA
Dividend/Networth(%)	NA	NA	NA	NA	NA	NA

14. **Financial Working Result for last three financial years (2018-19 to 2020-21) in the following format:** There are no activities in the Company.

(Rs. in Crore)

Particulars	2018-19	2019-20	2020-21
Income	-	-	-
Revenue from operations	-	-	-

Other Income	-	-	-
Total Income(A)	-	-	-
Total Expenditure(B)	-	-	-
Net Profit/(loss) (A-B)	-	-	-

15. **Disinvestment**

Not Applicable as the company is an Inter transmission purpose company.

16. **Environment Management**

Since there is no activity in the Company. So there is no impact of operation on environment.

IV. KARUR TRANSMISSION LIMITED

1. **Introduction of the Organization viz.,**
   a) Date of formation: 20.11.2019
   b) Administrative Ministry: Ministry of Power
   c) Vision and Mission: The company has been incorporated to develop power system network and Study, Investigate, collect information and data, preparation of survey report, forest clearance etc., if required for the purpose of transmission of electricity and to conduct bidding process etc. for the selection of transmission service provider.
   d) nature of business including geographical scope: To develop Independent Transmission Project in the state of Tamil Nadu.
   e) offices/region/sub-offices etc: NIL
2. **Objectives of the Organization**: The company has been incorporated to develop power system network and Study, Investigate, collect information and data, preparation of survey report, forest clearance etc., if required for the purpose of transmission of electricity and to conduct bidding process etc. for the selection of transmission service provider.
3. **Capital Structure as on 31.03.2021**: Paid up capital Rs. 1,00,000/- (10,000 Equity Shares of Rs. 10/- each)
4. **Organizational Set up (in organogram form).:** The Company has a functional Board which **consists of employee of PFCCL.**
5. **Activities of the Organization:** The company has undertaken single project namely "Evacuation of power from RE source in Karur / Tiruppur Wind Energy Zone (Tamil Nadu)".
6. **Budget and Planning:** Not Applicable as the company has not yet commenced any business activities and will be transferred to successful bidder.
7. **Accounting System in the company as well as in the R.O's/Branch offices** Centralized Accounting
8. **Manpower Analysis viz., Executive/Non-Executive and Sanctioned/Actual etc. as on 31.03.2021:** Not Applicable (Since PFCCL is appointed as Bid processor coordinator by

MoP in respective of ITPs, the manpower analysis of PFCCL may be considered for this ITP's also)

9. **MoU Targets and Achievements for last three financial years (2018-19 to 2020-21)**

S.N.	PARTICULARS	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
	Turnover from operations	**Not Applicable (As the company has not entered/signed any MOU)**					
	Operating profit						
	Return on investment						
	Overall rating						

10. **Computerization**

Oracle ERP (Version 12.1.1). No IT audit undertaken by CAG or any other agency.

11. **Internal Audit**

Not Applicable (There is no system of separate internal audit of SPVs/ITPs books. The PFCCL has outsourced internal auditor which does the audit of all expenditure including allocated expenditure to SPVs/ITPs)

12. **Act, Rules, other documents applicable to the Organization:** Companies Act, 2013, Electricity Act, 2003 and others

13. **Operation Results (Target vis-à-vis Achievement) for last three financial years (2018-19 to 2020-21).:**

This company has not yet commenced any business activities and is still under development stage.

Particulars	2018-19		2019-20		2020-21	
	Target	Achievement	Target	Achievement	Target	Achievement
Operating Turnover	NA	NA	NA	NA	NA	NA
Gross Operating Margin	NA	NA	NA	NA	NA	NA
Operating Expenses/Operating turnover (%)	NA	NA	NA	NA	NA	NA

PAT/Turnover (%)	NA	NA	NA	NA	NA	NA
Operating Turnover/ Employee	NA	NA	NA	NA	NA	NA
PAT/ Employee	NA	NA	NA	NA	NA	NA
Revenue from Operations	NA	NA	NA	NA	NA	NA
Profit/Surplus before tax or (excluding other income, extraordinary income & exceptional items)	NA	NA	NA	NA	NA	NA
Dividend/PAT (%)	NA	NA	NA	NA	NA	NA
PAT/Networth (%)	NA	NA	NA	NA	NA	NA
Dividend/Networth(%)	NA	NA	NA	NA	NA	NA

14. **Financial Working Result for last three financial years (2018-19 to 2020-21) in the following format:**

(Rs. in crore)

Particulars	2018-19	2019-20	2020-21
Income	-	-	-
Revenue from operations	-	-	-
Other Income	-	-	-
Total Income(A)	-	-	-
Total Expenditure(B)	-	-	-
Net Profit/(loss) (A-B)	-	-	-

15. **Disinvestment**

Not Applicable as it is a Independent Transmission Projects.

16. **Environment Management**

Since there is no activity in the Company. So there is no impact of operation on environment

V. .KOPAL NARENDRA TRANSMISSION LIMITED

1. **Introduction of the Organization viz.,**
   a) date of formation: 18th November 2019
   b) administrative ministry: Ministry of Power
   c) vision and mission: The company has been incorporated to develop power system network and Study, Investigate, collect information and data, preparation of survey report, forest clearance etc., if required for the purpose of transmission of electricity and to conduct bidding process etc. for the selection of transmission service provider.
   d) nature of business including geographical scope: The company has undertaken single project namely "Evacuation of power from RE source in Koppal Wind Energy Zone (Karnataka) (2500MW) Transmission lines".
   e) offices/region/sub-offices etc. NIL

2. **Objectives of the Organization**The Company will be transferred to developer selected as per tariff based competitive bidding guidelines for Transmission Service issued by Ministry of Power, Government of India.
3. **Capital Structure as on 31.03.2021.**Paid up capital Rs. 100,000 (10,000 Eq. Shares of Rs. 10 each)
4. **Organizational Set up.** The Company has a functional Board which consists of employee of PFCCL.
5. **Activities of the Organization**. To develop power system network and Study, Investigate, collect information and data, preparation of survey report, forest clearance etc., if required for the purpose of transmission of electricity and to conduct bidding process etc. for the selection of transmission service provider. The company has undertaken single project namely "Evacuation of power from RE source in Koppal Wind Energy Zone (Karnataka) (2500MW) Transmission lines".
6. **Budget and Planning :** Not applicable as the company has not yet commenced any business activities& will be transfer to Bidder.

7. **Accounting System in the company as well as in the R.O's/Branch offices** Centralized Accounting

8. **Manpower Analysis viz., Executive/Non-Executive and Sanctioned/Actual etc. as on 31.03.2021.** Not Applicable (Since PFCCL is appointed as Bid processor coordinator by MoP in respective of UMPPs, the manpower analysis of PFCCL may be considered for this UMPP also)

9. **MoU Targets and Achievements for last three financial years (2018-19 to 2020-21)**

S.No.	PARTICULARS	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
	Turnover from operations	Not Applicable (As the company has not entered/signed any MOU)					
	Operating profit						
	Return on investment						
	Overall rating						

10. **Computerization**

Oracle ERP (Version 12.1.1). No IT audit undertaken by CAG or any other agency

11. **Internal Audit** Not Applicable (There is no system of separate internal audit of SPVs/ITPs books.The PFCCL has outsourced internal auditor which does the audit of all expenditure including allocated expenditure to SPVs/ITPs)

12. **Act, Rules, other documents applicable to the Organization**. Companies Act, 2013, Electricity Act 2003 and others (List is not Exhaustive) TheCompanies Act 2013 with different relevant Acts if applicable.

13. **Operation Results (Target vis-à-vis Achievement) for last three financial years (2018-19 to 2020-21).** There is no operational activities in the company

Particulars	2018-19		2019-20		2020-21	
	Target	Achievement	Target	Achievement	Target	Achievement
Operating Turnover	NA	NA	NA	NA	NA	NA
Gross Operating Margin	NA	NA	NA	NA	NA	NA

Operating Expenses/Operating turnover (%)	NA	NA	NA	NA	NA	NA
PAT/Turnover (%)	NA	NA	NA	NA	NA	NA
Operating Turnover/ Employee	NA	NA	NA	NA	NA	NA
PAT/ Employee	NA	NA	NA	NA	NA	NA
Revenue from Operations	NA	NA	NA	NA	NA	NA
Profit/Surplus before tax or (excluding other income, extraordinary income & exceptional items)	NA	NA	NA	NA	NA	NA
Dividend/PAT (%)	NA	NA	NA	NA	NA	NA
PAT/Networth (%)	NA	NA	NA	NA	NA	NA
Dividend/Networth(%)	NA	NA	NA	NA	NA	NA

14. **Financial Working Result for last three financial years (2018-19 to 2020-21) in the following format**: There are no activities in the Company.

(Rs. incrore)

Particulars	2018-19	2019-20	2020-21
Income	-	-	-
Revenue from operations	-	-	-
Other Income	-	-	-
Total Income(A)	-	-	-
Total Expenditure(B)	-	-	-
Net Profit/(loss) (A-B)	-	-	-

15. **Disinvestment** Not Applicable as the company is an Inter transmission purpose company.

16. **Environment Management** Since there is no activity in the Company. So there is no impact of operation on environment

BIKANER II BHIWADI TRANSMISSION LIMITED

1. **Introduction of the Organization viz.,**

   a) Date of formation: 12.05.2020
   b) Administrative Ministry: Ministry of Power
   c) Vision and Mission: The company has been incorporated to develop power system network and Study, Investigate, collect information and data, preparation of survey report, forest clearance etc., if required for the purpose of transmission of electricity and to conduct bidding process etc. for the selection of transmission service provider.
   d) nature of business including geographical scope: The company has undertaken single project namely Solar energy zones in Rajasthan (8.1 GW) under Phase-II Part -F".
   e) offices/region/sub-offices etc: NIL

2. **Objectives of the Organization**: The company has been incorporated to develop power system network and Study, Investigate, collect information and data, preparation of survey report, forest clearance etc., if required for the purpose of transmission of electricity and to conduct bidding process etc. for the selection of transmission service provider. The Company will be transferred to developer selected as per tariff based competitive bidding guidelines for Transmission Service issued by Ministry of Power, Government of India.
3. **Capital Structure as on 31.03.2021**: Paid up capital Rs. 1,00,000/- (10,000 Equity Shares of Rs. 10/- each)
4. **Organizational Set up (in organogram form).:** The Company has a functional Board which consists of employee of PFCCL.
5. **Activities of the Organization**: The company has undertaken single project namely Solar energy zones in Rajasthan (8.1 GW) under Phase-II Part-F. The company is transferred to developer selected as per tariff based competitive bidding guidelines for Transmission Service issued by Ministry of Power, Government of India.
6. **Budget and Planning :** Not Applicable as the company has not yet commenced any business activities and is transferred to successful bidder.
7. **Accounting System in the company as well as in the R.O's/Branch offices** Centralized Accounting.

8. **Manpower Analysis viz., Executive/Non-Executive and Sanctioned/Actual etc. as on 31.03.2021:** Not Applicable (Since PFCCL is appointed as Bid processor coordinator by MoP in respective of ITPs, the manpower analysis of PFCCL may be considered for this ITP's also)
9. **MoU Targets and Achievements for last three financial years (2018-19 to 2020-21) in the format given below**

S.N.	PARTICULARS	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
	Turnover from operations						
	Operating profit						
	Return on investment						
	Overall rating						

Not Applicable (As the company has not entered/signed any MOU)

10. **Computerization**

Oracle ERP (Version 12.1.1). No IT audit undertaken by CAG or any other agency.

11. **Internal Audit** Not Applicable (There is no system of separate internal audit of SPVs/ITPs books. The PFCCL has outsourced internal auditor which does the audit of all expenditure including allocated expenditure to SPVs/ITPs)
12. **Act, Rules, other documents applicable to the Organization**: Companies Act, 2013, Electricity Act, 2003 and others (List is not Exhaustive)
13. **Operation Results (Target vis-à-vis Achievement) for last three financial years (2018-19 to 2020-21).:** This company has not yet commenced any business activities and is still under development stage.

Particulars	2018-19		2019-20		2020-21	
	Target	Achievement	Target	Achievement	Target	Achievement
Operating Turnover	NA	NA	NA	NA	NA	NA
Gross Operating Margin	NA	NA	NA	NA	NA	NA
Operating Expenses/Operating turnover (%)	NA	NA	NA	NA	NA	NA

PAT/Turnover (%)	NA	NA	NA	NA	NA	NA
Operating Turnover/ Employee	NA	NA	NA	NA	NA	NA
PAT/ Employee	NA	NA	NA	NA	NA	NA
Revenue from Operations	NA	NA	NA	NA	NA	NA
Profit/Surplus before tax or (excluding other income, extraordinary income & exceptional items)	NA	NA	NA	NA	NA	NA
Dividend/PAT (%)	NA	NA	NA	NA	NA	NA
PAT/Networth (%)	NA	NA	NA	NA	NA	NA
Dividend/Networth(%)	NA	NA	NA	NA	NA	NA

14. **Financial Working Result for last three financial years (2018-19 to 2020-21**)

(Rs. in crore)

Particulars	2018-19	2019-20	2020-21
Income	-	-	-
Revenue from operations	-	-	-
Other Income	-	-	-
Total Income(A)	-	-	-
Total Expenditure(B)	-	-	-
Net Profit/(loss) (A-B)	-	-	-

15. **Disinvestment** Not Applicable as it is a Independent Transmission Projects.

16. **Environment Management** Since there is no activity in the Company. So there is no impact of operation on environment.

VI. ANANTHPURAM KURNOOL TRANSMISSION LIMITED

1. **Introduction of the Organization viz.,**

   a) date of formation: 18th November 2019
   b) administrative ministry: Ministry of Power
   c) vision and mission: The company has been incorporated to develop power system network and Study, Investigate, collect information and data, preparation of survey report, forest clearance etc., if required for the purpose of transmission of electricity and to conduct bidding process etc. for the selection of transmission service provider
   d) nature of business including geographical scope: The company has undertaken single project namely "Evacuation of power from RE source in / Solar Energy Zone Ananthpuram and Kurnool.
   e) offices/region/sub-offices etc. NIL

2. **Objectives of the Organization**The Company will be transferred to developer selected as per tariff based competitive bidding guidelines for Transmission Service issued by Ministry of Power, Government of India.
3. **Capital Structure as on 31.03.2021**.Paid up capital Rs. 100,000 (10,000 Eq. Shares of Rs. 10 each)
4. **Organizational Set up**. The Company has a functional Board which consists of employee of PFCCL.
5. **Activities of the Organization**. To develop power system network and Study, Investigate, collect information and data, preparation of survey report, forest clearance etc., if required for the purpose of transmission of electricity and to conduct bidding process etc. for the selection of transmission service provider. The company has undertaken single project namely "Evacuation of power from RE source in / Solar Energy Zone Ananthpuram and Kurnool.
6. **Budget and Planning** Not applicable as the company has not yet commenced any business activities& will be transfer to Bidder.
7. **Accounting System in the company as well as in the R.O's/Branch offices** Centralized Accounting

8. **Manpower Analysis viz., Executive/Non-Executive and Sanctioned/Actual etc. as on 31.03.2021.** Not Applicable (Since PFCCL is appointed as Bid processor coordinator by MoP in respective of UMPPs, the manpower analysis of PFCCL may be considered for this UMPP also)

9. **MoU Targets and Achievements for last three financial years (2018-19 to 2020-21)**

S.No.	Particulars	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
1	Turnover from operations	Not Applicable (As the company has not entered/signed any MOU)					
2	Operating profit						
3	Return on investment						
4	Overall rating						

10. **Computerization** Oracle ERP (Version 12.1.1). No IT audit undertaken by CAG or any other agency

11. **Internal Audit** Not Applicable (There is no system of separate internal audit of SPVs/ITPs books.The PFCCL has outsourced internal auditor which does the audit of all expenditure including allocated expenditure to SPVs/ITPs)

12. **Act, Rules, other documents applicable to the Organization**. Companies Act, 2013, Electricity Act 2003 and others (List is not Exhaustive) TheCompanies Act 2013 with different relevant Acts if applicable.

13. **Operation Results (Target vis-à-vis Achievement) for last three financial years (2018-19 to 2020-21).** There is no operational activities in the company

Particulars	**2018-19**		**2019-20**		**2020-21**	
	Target	**Achievement**	**Target**	**Achievement**	**Target**	**Achievement**
Operating Turnover	NA	NA	NA	NA	NA	NA
Gross Operating Margin	NA	NA	NA	NA	NA	NA
Operating Expenses/Operating turnover (%)	NA	NA	NA	NA	NA	NA
PAT/Turnover (%)	NA	NA	NA	NA	NA	NA
Operating Turnover/ Employee	NA	NA	NA	NA	NA	NA
PAT/ Employee	NA	NA	NA	NA	NA	NA

Revenue from Operations	NA	NA	NA	NA	NA	NA
Profit/Surplus before tax or (excluding other income, extraordinary income & exceptional items)	NA	NA	NA	NA	NA	NA
Dividend/PAT (%)	NA	NA	NA	NA	NA	NA
PAT/Networth (%)	NA	NA	NA	NA	NA	NA
Dividend/Networth(%)	NA	NA	NA	NA	NA	NA

14. **Financial Working Result for last three financial years (2018-19 to 2020-21)** There are no activities in the Company.

(Rs. increre)

Particulars	2018-19	2019-20	2020-21
Income	-	-	-
Revenue from operations	-	-	-
Other Income	-	-	-
Total Income(A)	-	-	-
Total Expenditure(B)	-	-	-
Net Profit/(loss) (A-B)	-	-	-

15. **Disinvestment** Not Applicable as the company is an Inter transmission purpose company.

16. **Environment Management** Since there is no activity in the Company. So there is no impact of operation on environment.

VII. KHETRI NARELA TRANSMISSION LIMITED

1. **Introduction of the Organization viz.,**

   a) Date of formation: 15.05.2020

   b) Administrative Ministry: Ministry of Power

   c) Vision and Mission: The company has been incorporated to develop power system network and Study, Investigate, collect information and data, preparation of survey report, forest clearance etc., if required for the purpose of transmission of electricity and to conduct bidding process etc. for the selection of transmission service provider.

   d) nature of business including geographical scope: To develop Independent Transmission Project in the state of Rajasthan.

   e) offices/region/sub-offices etc: NIL

2. **Objectives of the Organization**: The company has been incorporated to develop power system network and Study, Investigate, collect information and data, preparation of survey report, forest clearance etc., if required for the purpose of transmission of electricity and to conduct bidding process etc. for the selection of transmission service provider.

3. **Capital Structure as on 31.03.2021**: Paid up capital Rs. 1,00,000/- (10,000 Equity Shares of Rs. 10/- each)

4. **Organizational Set up (in organogram form).:** Not Applicable (Since PFCCL is appointed as Bid processor coordinator by MoP in respective of ITPs, the organizational setup of PFCCL may be considered for this ITP also.)

5. **Activities of the Organization**: The company has undertaken single project namely Solar energy zones in Rajasthan (8.1 GW) under Phase-II Part-G. The company will be transferred to developer selected as per tariff based competitive bidding guidelines for Transmission Service issued by Ministry of Power, Government of India.

6. **Budget and Planning** Not Applicable as the company has not yet commenced any business activities and will be transferred to successful bidder.

7. **Accounting System in the company as well as in the R.O's/Branch offices** Centralized Accounting

8. **Manpower Analysis viz., Executive/Non-Executive and Sanctioned/Actual etc. as on 31.03.2021:** Not Applicable (Since PFCCL is appointed as Bid processor coordinator by MoP in respective of ITPs, the manpower analysis of PFCCL may be considered for this ITP's also)

9. **MoU Targets and Achievements for last three financial years (2018-19 to 2020-21) in the format given below**

S.N.	PARTICULARS	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
	Turnover from operations						
	Operating profit						
	Return on investment						
	Overall rating						

Not Applicable (As the company has not entered/signed any MOU)

10. **Computerization**

Oracle ERP (Version 12.1.1). No IT audit undertaken by CAG or any other agency.

11. **Internal Audit** Not Applicable (There is no system of separate internal audit of SPVs/ITPs books. The PFCCL has outsourced internal auditor which does the audit of all expenditure including allocated expenditure to SPVs/ITPs)

12. **Act, Rules, other documents applicable to the Organization**: Companies Act, 2013, Electricity Act, 2003 and others.

13. **Operation Results (Target vis-à-vis Achievement) for last three financial years (2018-19 to 2020-21).:** This company has not yet commenced any business activities and is still under development stage.

Particulars	**2018-19**		**2019-20**		**2020-21**	
	Target	**Achievement**	**Target**	**Achievement**	**Target**	**Achievement**
Operating Turnover	NA	NA	NA	NA	NA	NA
Gross Operating Margin	NA	NA	NA	NA	NA	NA

Operating Expenses/Operating turnover (%)	NA	NA	NA	NA	NA	NA
PAT/Turnover (%)	NA	NA	NA	NA	NA	NA
Operating Turnover/ Employee	NA	NA	NA	NA	NA	NA
PAT/ Employee	NA	NA	NA	NA	NA	NA
Revenue from Operations	NA	NA	NA	NA	NA	NA
Profit/Surplus before tax or (excluding other income, extraordinary income & exceptional items)	NA	NA	NA	NA	NA	NA
Dividend/PAT (%)	NA	NA	NA	NA	NA	NA
PAT/Networth (%)	NA	NA	NA	NA	NA	NA
Dividend/Networth(%)	NA	NA	NA	NA	NA	NA

14. **Financial Working Result for last three financial years (2018-19 to 2020-21) in the following format:**

(Rs. in crore)

Particulars	2018-19	2019-20	2020-21
Income	-	-	-
Revenue from operations	-	-	-
Other Income	-	-	-
Total Income(A)	-	-	-
Total Expenditure(B)	-	-	-
Net Profit/(loss) (A-B)	-	-	-

15. **Disinvestment** : Not Applicable as it is a Independent Transmission Projects.

16. **Environment Management**: Since there is no activity in the Company. So there is no impact of operation on environment.

VIII. BHADLA SIKAR TRANSMISSION LIMITED

1. **Introduction of the Organization viz.,**
   a) date of formation: 13th May 2020
   b) administrative ministry: Ministry of Power
   c) vision and mission: The company has been incorporated to develop power system network and Study, Investigate, collect information and data, preparation of survey report, forest clearance etc., if required for the purpose of transmission of electricity and to conduct bidding process etc. for the selection of transmission service provider.
   d) nature of business including geographical scope: The company has undertaken single project namely -Solar energy zones in Rajasthan (8.1 GW) under Phase-II Part-E
   e) offices/region/sub-offices etc. NIL
2. **Objectives of the Organization** The Company will be transferred to developer selected as per tariff based competitive bidding guidelines for Transmission Service issued by Ministry of Power, Government of India.
3. **Capital Structure as on 31.03.2021**.Paid up capital Rs. 100,000 (10,000 Eq. Shares of Rs. 10 each)
4. **Organizational Set up**. The Company has a functional Board which consists of employee of PFCCL.
5. **Activities of the Organization**. To develop power system network and Study, Investigate, collect information and data, preparation of survey report, forest clearance etc., if required for the purpose of transmission of electricity and to conduct bidding process etc. for the selection of transmission service provider. The company has undertaken single project namely -Solar energy zones in Rajasthan (8.1 GW) under Phase-II Part-E.
6. **Budget and Planning :** Not applicable as the company has not yet commenced any business activities & will be transfer to Bidder.
7. **Accounting System in the company as well as in the R.O's/Branch offices** Centralized Accounting
8. **Manpower Analysis viz., Executive/Non-Executive and Sanctioned/Actual etc. as on 31.03.2021**. Not Applicable (Since PFCCL is appointed as Bid processor coordinator by

MoP in respective of UMPPs, the manpower analysis of PFCCL may be considered for this UMPP also)

9. **MoU Targets and Achievements for last three financial years (2018-19 to 2020-21) in the format given below:**

S.No.	Particulars	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
	Turnover from operations	Not Applicable (As the company has not entered/signed any MOU)					
	Operating profit						
	Return on investment						
	Overall rating						

10. **Computerization**.Oracle ERP (Version 12.1.1). No IT audit undertaken by CAG or any other agency

11. **Internal Audit** Not Applicable (There is no system of separate internal audit of SPVs/ITPs books.The PFCCL has outsourced internal auditor which does the audit of all expenditure including allocated expenditure to SPVs/ITPs)

12. **Act, Rules, other documents applicable to the Organization**. Companies Act, 2013, Electricity Act 2003 and others (List is not Exhaustive) The Companies Act 2013 with different relevant Acts if applicable.

13. **Operation Results (Target vis-à-vis Achievement) for last three financial years (2018-19 to 2020-21).** There is no operational activities in the company

Particulars	2018-19		2019-20		2020-21	
	Target	Achieveme nt	Target	Achieveme nt	Target	Achieveme nt
Operating Turnover	NA	NA	NA	NA	NA	NA
Gross Operating Margin	NA	NA	NA	NA	NA	NA
Operating Expenses/Operating turnover (%)	NA	NA	NA	NA	NA	NA
PAT/Turnover (%)	NA	NA	NA	NA	NA	NA

Operating Turnover/ Employee	NA	NA	NA	NA	NA	NA
PAT/ Employee	NA	NA	NA	NA	NA	NA
Revenue from Operations	NA	NA	NA	NA	NA	NA
Profit/Surplus before tax or (excluding other income, extraordinary income & exceptional items)	NA	NA	NA	NA	NA	NA
Dividend/PAT (%)	NA	NA	NA	NA	NA	NA
PAT/Networth (%)	NA	NA	NA	NA	NA	NA
Dividend/Networth(%)	NA	NA	NA	NA	NA	NA

14. **Financial Working Result for last three financial years (2018-19 to 2020-21)** There are no activities in the Company.

(Rs. incrore)

Particulars	2018-19	2019-20	2020-21
Income	-	-	-
Revenue from operations	-	-	-
Other Income	-	-	-
Total Income(A)	-	-	-
Total Expenditure(B)	-	-	-
Net Profit/(loss) (A-B)	-	-	-

15. **Disinvestment** Not Applicable as the company is an Inter transmission purpose company.
16. **Environment Management** Since there is no activity in the Company. So there is no impact of operation on environment.

IX. SIKAR-II ALIGARH TRANSMISSION LIMITED

1. **Introduction of the Organization viz.,**
   a) Date of formation: 17.05.2020
   b) Administrative Ministry: Ministry of Power
   c) Vision and Mission: The company has been incorporated to develop power system network and Study, Investigate, collect information and data, preparation of survey report, forest clearance etc., if required for the purpose of transmission of electricity and to conduct bidding process etc. for the selection of transmission service provider.
   d) nature of business including geographical scope: The company has undertaken single project namely Solar energy zones in Rajasthan (8.1 GW) under Phase-II Part -D".
   e) offices/region/sub-offices etc: NIL
2. **Objectives of the Organization**: The company has been incorporated to develop power system network and Study, Investigate, collect information and data, preparation of survey report, forest clearance etc., if required for the purpose of transmission of electricity and to conduct bidding process etc. for the selection of transmission service provider. The Company will be transferred to developer selected as per tariff based competitive bidding guidelines for Transmission Service issued by Ministry of Power, Government of India.
3. **Capital Structure as on 31.03.2021**: Paid up capital Rs. 1,00,000/- (10,000 Equity Shares of Rs. 10/- each)
4. **Organizational Set up (in organogram form).:** The Company has a functional Board which consists of employee of PFCCL.
5. **Activities of the Organization**: The company has undertaken single project namely Solar energy zones in Rajasthan (8.1 GW) under Phase-II Part-D. The company is transferred to developer selected as per tariff based competitive bidding guidelines for Transmission Service issued by Ministry of Power, Government of India.
6. **Budget and Planning:** Not Applicable as the company has not yet commenced any business activities and is transferred to successful bidder.
7. **Accounting System in the company as well as in the R.O's/Branch offices** Centralized Accounting

8. **Manpower Analysis viz., Executive/Non-Executive and Sanctioned/Actual etc. as on 31.03.2021**: Not Applicable (Since PFCCL is appointed as Bid processor coordinator by MoP in respective of ITPs, the manpower analysis of PFCCL may be considered for this ITP's also)

9. **MoU Targets and Achievements for last three financial years (2018-19 to 2020-21) in the format given below**

S.N.	PARTICULARS	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
	Turnover from operations						
	Operating profit						
	Return on investment						
	Overall rating						

Not Applicable (As the company has not entered/signed any MOU)

10. **Computerization** Oracle ERP (Version 12.1.1). No IT audit undertaken by CAG or any other agency.

11. **Internal Audit** Not Applicable (There is no system of separate internal audit of SPVs/ITPs books. The PFCCL has outsourced internal auditor which does the audit of all expenditure including allocated expenditure to SPVs/ITPs)

12. **Act, Rules, other documents applicable to the Organization**: Companies Act, 2013, Electricity Act, 2003 and others

13. **Operation Results (Target vis-à-vis Achievement) for last three financial years (2018-19 to 2020-21).:** This company has not yet commenced any business activities and is still under development stage.

Particulars	2018-19		2019-20		2020-21	
	Target	Achievement	Target	Achievement	Target	Achievement
Operating Turnover	NA	NA	NA	NA	NA	NA
Gross Operating Margin	NA	NA	NA	NA	NA	NA

Operating Expenses/Operating turnover (%)	NA	NA	NA	NA	NA	NA
PAT/Turnover (%)	NA	NA	NA	NA	NA	NA
Operating Turnover/ Employee	NA	NA	NA	NA	NA	NA
PAT/ Employee	NA	NA	NA	NA	NA	NA
Revenue from Operations	NA	NA	NA	NA	NA	NA
Profit/Surplus before tax or (excluding other income, extraordinary income & exceptional items)	NA	NA	NA	NA	NA	NA
Dividend/PAT (%)	NA	NA	NA	NA	NA	NA
PAT/Networth (%)	NA	NA	NA	NA	NA	NA
Dividend/Networth(%)	NA	NA	NA	NA	NA	NA

14. **Financial Working Result for last three financial years (2018-19 to 2020-21) in the following format:**

(in crore)

Particulars	2018-19	2019-20	2020-21
Income	-	-	-
Revenue from operations	-	-	-
Other Income	-	-	-
Total Income(A)	-	-	-
Total Expenditure(B)	-	-	-
Net Profit/(loss) (A-B)	-	-	-

15. **Disinvestment** Not Applicable as it is a Independent Transmission Projects.

16. **Environment Management (Impact of operation on environment, whether Environment protection mechanisms exist, steps taken by company to preserve environment etc., if any**): Since there is no activity in the Company. So there is no impact of operation on environment.

II. RURAL ELECTIRIFICATION CORPORATION LIMITED

1. Introduction

Rural Electrification Corporation Limited (REC) was incorporated on July 25, 1969 under Companies Act, 1956. REC is a Navratna Central Public Sector Undertaking under the Ministry of Power. It is a leading infrastructure finance company .Our business activities involve financing projects in the complete power sector value chain, be it generation, transmission or distribution. The company provides financial assistance to state electricity boards, state governments, central/state power utilities, independent power producers, rural electric cooperatives and private sector utilities through extensive network of 25 offices across the country. The Project Offices in the States coordinate the programmes of REC's financing with the concerned SEBs/State Power Utilities and facilitate in formulation of schemes, loan sanction and disbursement and implementation of schemes by the concerned SEBs/State Power Utilities.

REC was declared as Public Financial Institution under Section 4-A of the Companies Act, 1956, in February 1992 and registered as Non Banking Financial Company under Section 45-IA of the RBI Act 1934 in February, 1998. REC has been classified as Infrastructure Finance Company by the Reserve bank of India vide their letter DNBS ND-SL NO 1207 05.18.131/2010-11 dated Sept. 17, 2010. Nodal Agency for channelising finance to aid Rajiv Gandhi GraminViduti Karan Yojana. REC has been accorded "Nav Ratna" status by GOl by virtue of its professional efficiency and financial strength, which affords greater operational freedom and *autonomy in* decision-making. During the financial year 2018-19, PFC Ltd. has acquired 52.63% shareholding held by the President of India (1039399343 equity shares of face value Rs. 10 each) in REC Ltd. at 139.5036 per share for a total cash consideration of Rs.14500 crore on 28.03.2019.

a) Date of Incorporaition: 25th July, 1969

b) **Administrative Ministry**: Ministry of Power

c) <u>Mission and Vision:</u>

1. To facilitate availability of electricity for accelerated growth and for enrichment of quality of life of rural and urban population.
2. To act as a competitive, client-friendly and development oriented organization for financing and promoting projects covering power generation, power conservation, power transmission and power distribution network in the country.

d) REC provides financial assistance to power sector in all segments like Generation, Transmission and Distribution. REC funds its business with market borrowings of various maturities including bonds and term loans apart from external commercial borrowings on its own.

e) **Offices/Regions/Sub-offices**:

Sl. No.	Name of Office	Span of control	Location	Address	Phone / Fax No.	E-Mail ID
1	Registered & Corporate Office	All India	New Delhi	Core-4, SCOPE Complex 7, Lodhi Road, New Delhi - 110003	011-43091500 011-43091501 011-24360644 (Fax)	contactus@recl.in
2	Regional Office (West)	Maharashtra, Gujarat, Dadra & Nagar Haveli and Daman & Diu	Mumbai	51-B, MittalTower 5th Floor, Nariman Point Mumbai - 400021	022-22830985 022-22833068 022-22833055 022-22831004 (Fax)	zmmumbai@recl.in
3		State Office (Gujarat, Dadra & Nagar Haveli and Daman & Diu)	Vadodara	Plot No. 585, T.P. Scheme No.2 Behind Pusti Complex, Atma Jyoti Ashram Road Subhanpura, Vadodara - 390023	0265-2397487 0265-2397652 (Fax)	povadodara@recl.inrecvadodara@gmail.com
4	Regional Office (North)	Punjab, Haryana & Himachal Pradesh	Panchkula	BAY No. 7-8, Sector-2 Panchkula - 134112	0172-2563864 0172-2563822 0172-2563863 0172-2580476 0172-2567692 (Fax)	popanchkula@recl.in
5		State Office (Himachal Pradesh)	Shimla	Pt. Padamdev Commercial Complex, Phase-II, First Floor, The Ridge, Shimla - 171001	0177-2653411 0177-2804077 (Fax)	poshimla@recl.in
6	Regional Office (J&K)	Jammu & Kashmir, Ladakh	Jammu	157-A, Gandhi Nagar Behind Apsara Cinema, Jammu - 180004	0191-2450800 0191-2450868 (Fax)	pojammu@recl.in

7	Regional Office (North East)	Assam, Mizoram, Nagaland, Meghalaya, Manipur, Arunachal Pradesh	Guwahati	"SRADDHA" MG Path G.S. Road Crossing (Sohum/SBI Point) Christian Basti Guwahati - 781005	0361-2343714 0361-2343712 (Fax)	poguwahati@recl.inrecroguwahati@gmail.com
8		State Office (Meghalaya)	Shillong	Janlyn Villa, Hopkinson's Road, Lower Lachumiere Shillong - 793001	0364-3510021 0364-2225687 (Fax)	poshillong.recl@nic.in
9	Regional Office (Uttar Pradesh)	Uttar Pradesh	Lucknow	19/8, Indira Nagar Extension Ring Road Lucknow - 226016	0522-2716324 0522-2717376 0522-4074944 0522-2716815 (Fax)	zmlucknow@recl.in
10		Sub-Office (Varanasi)	Varanasi	N-8/239J, NewadaSunderpur Near Ksheer Sagar Varanasi - 221005	0522-2716324 0522-2717376 0522-4074944 0522-2716815 (Fax)	zmlucknow@recl.in
11	Regional Office (Uttarakhand)	Uttarakhand	Dehradun	7, New Road Opposite MKP College Dehradun - 248001	0135-2650766 0135-2650799	sodehradun@recl.inrecsoddn@gmail.com
12	Regional Office (Madhya Pradesh)	Madhya Pradesh	Bhopal	Hall No.3, West Block 2nd Floor, Metro Walk Bittan Market Bhopal - 462016	0755-2460006 0755-2460008 (Fax)	reccentralzone@yahoo.comrecbhopal@recl.in
13	Regional Office (Chhattisgarh)	Chhattisgarh	Raipur	F-6 & F-7, Block B-1 1st Floor, Pujari Chambers Commercial	0771-2241055 0771-2241055 (Fax)	recraipur@recl.inrecraipur@yahoo.com

				Complex Panchpedi Naka Raipur - 492001		
14	Regional Office (East)	West Bengal, Sikkim, Tripura, Andaman & Nicobar Islands	Kolkata	I B-186, Sector-III Salt Lake City Kolkata - 700106	033-23356989 033-23356994 033-23326998 033-23356900 (Fax)	zmkolkata@recl.in
15	Regional Office (Rajasthan)	Rajasthan	Jaipur	J-4-A, Jalana Dungari Institutional Area Jaipur - 302004	0141-2707840 0141-2700161 0141-2706986 (Fax)	pojaipur@recl.inrecrojpr2020@gmail.com
16	Regional Office (Kerala)	Kerala, Lakshadweep	Thiruvanantha-puram	O-5, 4th Floor, "Saphallyam" Commercial Complex TRIDA Building Palayam Thiruvananthapuram - 695034	0471-2328662 0471-2328579 (Fax)	potrivandrum@recl.inrectrivandrum@gmail.com
17	Regional Office (Tamil Nadu)	Tamil Nadu, Puducherry	Chennai	No. 12 & 13 T.N.H.B.Complex 180 Luz Church Road Mylapore Chennai - 600004	044-24672376 044-24670595 (Fax)	pochennai@recl.in
18	Regional Office (Karnataka)	Karnataka, Goa	Bengaluru	No. 1/5, Halasuru Road Bengaluru - 560042	080-25598244 080-25550240 080-25598243 (Fax)	pobangalore@recl.in
19	Regional Office (Telangana)	Telangana	Hyderabad	Shivrampally, NPA Post Near Aramghar X Road Hyderabad - 500052	040-29805034 040-29804520 040-29806745 040-29886745 040-29804235 (Fax)	zmhyderabad@recl.inreclpohyd@yahoo.comreclpohyd@gmail.com

20	Regional Office (Andhra Pradesh)	Andhra Pradesh	Vijayawada	54-15-13, BSR Hill View 2nd Floor, Srinivasa Nagar Bank Colony Vijayawada - 520008	0866-2973405 0866-2973406 (Fax)	recro-vijay@recl.inrecro.vijayawada@gmail.com
21	Regional Office (Odisha)	Odisha	Bhubaneswar	Deen Dayal Bhawan 5th Floor, Ashok Nagar Janpath Bhubaneswar-751009	0674-2393206 0674-2536649 0674-2536669 (Fax)	pobhubaneswar@recl.inrepobbsr@yahoo.co.in
22	Regional Office (Bihar)	Bihar	Patna	'Maurya Lok' Complex Block - C, 4th Floor New Dak Bangalow Road Patna - 800001	0612-2224596 0612-2221131	popatna@recl.inpopatna@yahoo.com
23	Regional Office (Jharkhand)	Jharkhand	Ranchi	101 & 104 Om Shree Enclave Beside Loyola School Airport Road Hinoo Ranchi - 834002	0651-2253123 0651-2251320 (Fax)	poranchi@recl.inrec_ranchi@yahoo.com
24	Training Centre	REC Institute of Power Management & Training (RECIPMT)	Hyderabad	Shivrampally, NPA Post Near Aramghar X Road Hyderabad - 500052	040-29880851 040-29805896 (Fax)	recipmt@recl.inrecipmt@gmail.com

2. **Objectives of the Company**

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

a) 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 pumpsetenergisation, implementation of Deendayal Upadhyaya Gram Jyoti Yojana, a Government of India scheme.

b) 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.

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

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

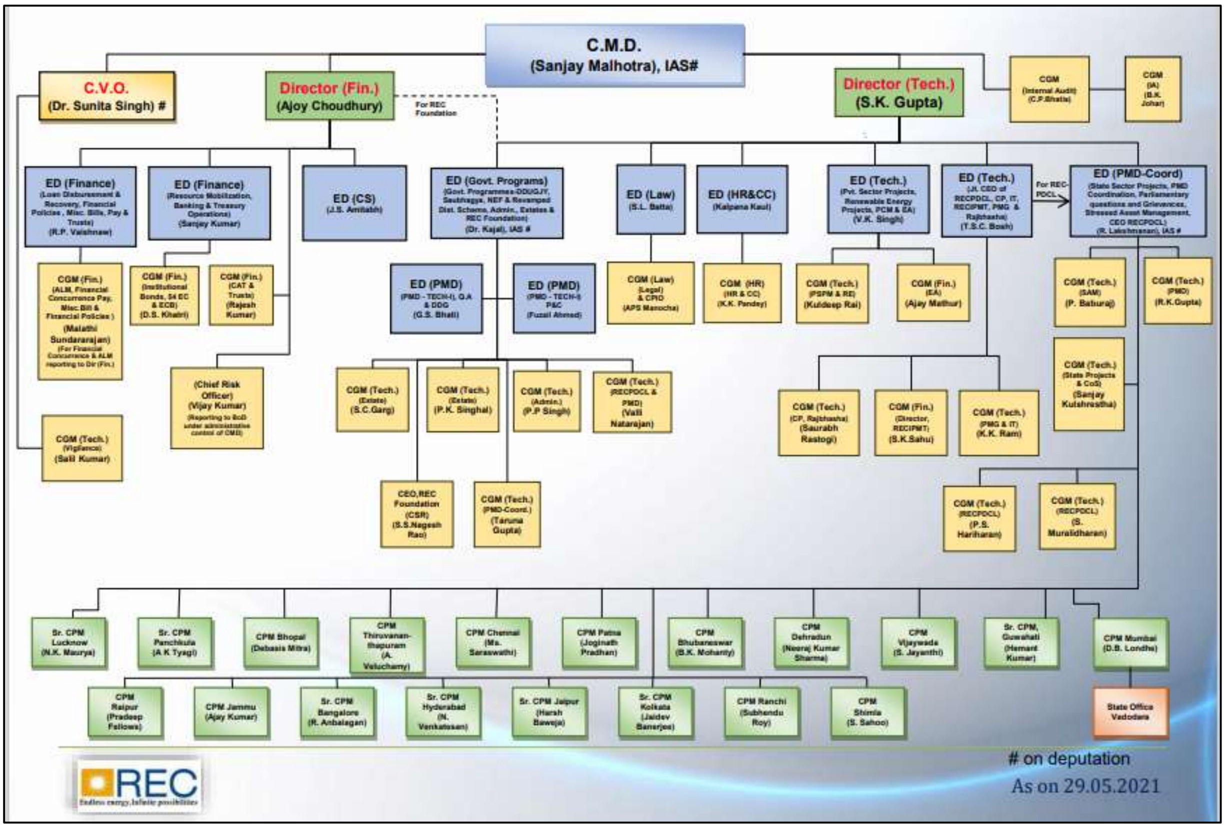
e) To ensure client satisfaction and safeguard customers' interests through mutual trust and self respect within the organization as well as with business partners by effecting continuous improvement in operations and providing the requisite services.

f) 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

3. **Capital Structure**

As on March 31, 2021, the Authorized Share Capital of the company was ₹5,000 crore, consisting of 500 crore equity shares of ₹10/- each; and the Issued &Paid-Up Share Capital of the company was ₹1,974.92 crore, consisting of 197,49,18,000equity scares of ₹10/- each. Further, as on March 31, 2021, 52.63% of the paid-up equity share capital of the company comprising of 103,94,95,247 Equity Shares of ₹10/- each was held by Power Finance Corporation Limited, a Government of India Undertaking; and the balance 47.37% of the paid-up equity share capital was held by public.

4. **Organisational Set Up**



5. **Activities**

REC provides financial assistance to the power sector in all segments like Generation, Transmission and Distribution. REC funds its business with market borrowings of various maturities including bonds and term loans apart from foreign borrowings on its own. REC has been appointed as the nodal agency by the Government of India for implementation of Saubhagya (PradhanmantriSahajBijliHarGharYojana) and DDUGJY (DeendayalUpadhyaya Gram JyotiYojana), the schemes which aim at providing 24x7 sustainable and affordable power to all households in the country. REC has also been entrusted with the responsibility of being the coordinating agency for rolling out UDAY (UjwalDiscom Assurance Yojana) which seeks to operationally reform and financially turnaround the power distribution companies of the country.

6. **Budget And Planning :**

REC is preparing Board approved Budget Estimates (BE) at the start of each F.Y. on the basis of overall financial position and review the same periodically in the form of Revised Estimates (RE). The expenses are incurred within the approved budget estimates and the status is put up to the Board.

S. No.	Particulars*	2018-19		2019-20		2020-21	
		Budgeted	Actual	Budgeted	Actual	Budgeted	Actual
1.	Capital Expenditure**	91.27	90.51	318.08	100.66	113.27	61.63
2.	Revenue Expenditure**	17,533.75	17,240.66	21,042.72	22,845.84	24,427.48	24,654.31

7. Accounting System

REC has countrywide presence through 22 state offices in addition to Corporate Office at Delhi. The books of accounts are kept at its world headquarters at Gurugram. REC has implemented ERP system across the offices so as to have a decentralized accounting mechanism. The accounts are consolidated at the Corporate Office level on a periodic basis. The records are being maintained mainly in electronic format and wherever required physical records/ vouchers are also being maintained.

8. Manpower Analysis

SANCTIONED Vs ACTUAL STRENGTH

As on 31.03.2021

Sl. No.	Designation	Grade	Scale of Pay (Revised w.e.f. 1.1.2017) (in Rs.)	Sanctioned Strength	Total Strength
1	2	3	4	5	6
(A)	EXECUTIVES				
1	EXECUTIVE DIRECTOR	E-9	1,50,000-3,00,000	11 (Including 01 Director RECIPMT)	10
	SUB TOTAL				10
1	CHIEF GENERAL MANAGER	E-8	1,20,000-2,80,000	131	33
2	SR. GENERAL MANAGER				31
3	GENERAL MANAGER				23
4	DY. GENERAL MANAGER	E-7	1,00,000-2,60,000		18
	SUB TOTAL				105
1	CHIEF MANAGER	E-6	90,000-2,40,000	418	41
2	MANAGER	E-5	80,000-2,20,000		43
3	DY. MANAGER	E-4	70,000-2,00,000		69
4	ASSTT. MANAGER	E-3	60,000-1,80,000		30
5	OFFICER	E-2	50,000-1,60,000		33
6	DY. OFFICER	E-1	40,000-1,40,000		27
7	ASSTT. OFFICER	E-0	30,000-1,20,000		8
	SUB TOTAL				251
	TOTAL (A) :			560	366
(B)	NON-EXECUTIVES				
1	SR. ASSTT../SR. PA/SR SCD(SG)	NE (SG)	29,000-1,19,500	265	14
2	ASSISTANT GR-I/ASSTT (IT)/ SR. SCD GR-I	NE-11	28,000-1,19,000		0
3	ASSTT. GR-II/SR. SCD GR-II	NE-10	27,000-1,18,500		4
4	UDC GR-I/SR. SCD GR-III	NE-9	26,000-1,18,000		1
5	UDC GR-II/SCD (SG)	NE-8	25,000-1,17,500		2
6	LDC GR-I/SCD GR-I	NE-7	24,000-1,08,000		0
7	LDC GR-II/SCD GR-II	NE-6	23,000-1,05,000		1
8	LDC GR-III	NE-5	22,500-1,00,000		0
9	DMO (SG)				37
10	DMO	NE-4	22,000-85,000		2
11	MTS GR-I	NE-3	21,500-74,000		0
12	MTS GR-II	NE-2	21,000-72,000		1
13	MTS GR-III	NE-1	20,500-68,000		0
	TOTAL (B) :			265	62
			Grand Total (A+B) :	825	428

9. MOU Targets And Achievements

MoU Targets and Achievements for last three financial years (2018-19 to 2020-21) in the format given below:

S.No.	Particulars	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
1	Turnover from operations*	22,250	25,309.72	28000	29791.06	35000	35387.98
2	Operating profit**	24.00%	31.88%	27%	23.23%	28%	30.33%
3	Return on investment	10.50%	17.39%	15%	14.05%	17%	21.19%
4	Overall rating	-	Excellent	-	Awaited	-	Awaited

*The nomenclature of MoU Parameter is **"Revenue from Operations (Net)"**

** The nomenclature of MoU Parameter is **"Operating Profit as % of Revenue from Operations (Net)"**

10. **Computerization**

- CAG audit of ERP has been conducted from year 2014-2019.
- Also, as per instructions of IA division, third party internal audit of IT division is also being conducted every year since year 2017.

Further, as a part of ISMS 27001:2013 implementation, BSI certification audit is also conducted every year.

11. **Internal Audit**

a. REC has a separate wing of Internal Audit Division.

b. Internal audit of various divisions of the Corporate Office are conducted on an on-going basis through-out the year by In-House Internal Audit Team of the Corporation. Full period of one year is covered on rolling year basis. Internal Audit of Regional Offices/State Offices, RECIPMT and IT Division, CO are conducted by the Outsourced audit firms on half yearly basis. The external audit firms work under direct supervision of the Internal Audit Division at Corporate Office and requisite audit check lists/guidance are provided by IA Division through meetings and discussions with audit firms/Regional/State Offices. Further, review audit of outsourced offices is conducted by In-House Internal Audit Team periodically.

c. Internal audit manual is available.

12. **Acts Applicable To The Company**

Mainly the following Acts, Rules, documents are applicable on the REC Limited:

1. Companies Act, 2013 and rules made thereunder

2. SEBI (LODR) Regulations, 2015, as amended from time to time and other SEBI regulations and guidelines.

3. RBI Act and Guidelines/Circulars.

4. DPE guidelines on Corporate Governance

5. Memorandum of Association and Articles of Association

6. Loan Policy Circulars

7. Policy for Prevention of Frauds in REC

8. Fair Practices Code of REC in terms of Reserve Bank of India (RBI) Guidelines

9. The Code of Business Conduct & Ethics for Board Members and Senior Management

10. Code for Prevention of Insider Trading in REC Equity Shares/Securities

11. Policy on Materiality of Related Party Transactions & Dealing with Related Party Transactions

12. Policy for Determining Material Subsidiaries

13. Delegation of Powers

14. Whistle Blower Policy

15. Policy on Materiality of Events/Information for disclosure to Stock Exchanges.

16. Terms and Conditions of Appointment of Independent Directors

17. Familiarization Programme for Independent Directors

18. Income Tax Act and Rules,

19. GST Act and Rules

13. **Operational Results**

Operational results of the REC Ltd. for the last three years are summarized below:

₹ in crores

Particulars	2018-19		2019-20		2020-21	
	Target	Actual	Target	Actual	Target	Actual
Sanctions:						
Financial Assistance sanctioned (in crore)		115,957		110,908		154,821
Disbursement:						
Disbursement (in crore)		72,165		75,667		92,987
Disbursement to total fund available						
Disbursement/sanctions (%)		62%		68%		60%
Borrowings:						
Borrowing to net worth (%)		698%		799%		743%
Profit/Loss:						
Revenue from operation (in crore)		25,310		29,791		35,388
Operating profit/revenue from operation (%)		31.88%		23.23%		30.33%
NPA:						
Overdue to total loan						
Net NPA to total loan assets						
Return on Investment:						
Dividend/PAT		43.69%		44.46%		25.98%
PAT/Net worth		16.80%		13.93%		19.26%
Dividend/Net worth		7.34%		6.19%		5.00%
Outstanding Borrowings		239,286		280,116		322,511
Net Worth		34,303		35,077		43,426
Dividend		2,518		2,172		2,172
PAT		5,764		4,886		8,362

14. **Financial Working Results**

Financial working results of the REC Ltd. for the last three years are summarized below:

(Rs. in Crore)

Particulars	2018-19	2019-20	2020-21
Interest Income (A)	24,971.02	29,663.07	34,683.78
Other operating Income (B)	338.70	102.14	704.11
Revenue from operations (C=A+B)	25,309.72	29,765.21	35,387.89
Other Income (D)	31.44	63.92	22.55
Total Income(E=C+D)	25,341.16	29,829.13	35,410.44
Total Expenditure(F) *	19,577.44	9,080.42	13,150.48
Net Profit/(loss) (E-F)	5,763.72	4,886.16	8,361.78

15. **Disinvestment**

As onMarch 31, 2018, the President of India held 1,15,16,78,783 equity shares i.e. 58.32% of the paid up equity share capital of the Company.

During the financial year 2018-19, the President of India acting through Ministry of Power, Government of India divested/sold 64,73,244 equity shares i.e. 0.33% of total paid up capital of the Company on June 18, 2018 through off market sale of shares under 'Bharat 22 Exchange Traded Fund'. The President of India on December 4, 2018, further divested/sold 10,14,70,139 equity shares i.e. 5.14% of total paid up capital of the Company through off market sale under third Further Fund Offer (FFO 3) of CPSE ETF Mutual Fund Scheme.

The President of India on February 21, 2019, further divested/sold 43,36,057 equity shares of face value `10/- each i.e. 0.22% of total paid up capital of the Company to ICICI Prudential Asset Management Company Limited, the Asset Management Company of Bharat 22 ETF Scheme and the holding of President of India was reduced to 52.63% of the paid up equity share capital of the Company.

Further, in line with the "in-principle" approval on December 6, 2018 of the Cabinet Committee on Economic Affairs and subsequently in terms of Share Purchase Agreement entered between the President of India acting through Ministry of Power, Government of India with Power Finance Corporation Limited (PFC), a Government of India Undertaking, on March 20, 2019, the President of India on March 28, 2019 has divested/sold its entire shareholding in REC Limited, comprising of 1,03,93,99,343 equity shares of face value `10/- each i.e. 52.63% of total paid up capital of the Company to PFC.

In view of the above, w.e.f March 29, 2019, the holding of the President of India in REC Limited is **'NIL'**. Further, it is submitted 52.63% of the paid-up equity share capital of the Company comprising of 103,94,95,247 Equity Shares of ₹10/- each is held by PFC *(includes their earlier holding of 95,904 equity shares),* and the balance 47.37% of the paid-up equity share capital is held by public.

16. **Environment Management**

REC is not a manufacturing company. However, during the appraisal of all the power projects it finances, REC identifies and assesses the potential environmental risks associated with such project(s). As part of the project appraisal process, environment related issues are identified and a detailed due diligence is carried out through site visits, secondary information collection & analysis and review of applicable compliances etc.

Further, as per the directions of the Ministry of Environment, Forest and Climate Change, it is mandatory for existing and future thermal power plants to install pollution control equipment to curb SOx and NOx emissions. In line with this, REC is financing installation of Flue Gas Desulphurization (FGDs), Selective Catalytic Reduction (SCR) and Electrostatic Precipitators (ESP), which contribute towards curbing of harmful emissions and particulate matter

Subsidiaries of REC Ltd.

I. REC POWER DEVELOPMENT AND CONSULTANCY LIMITED

1. INTRODUCTION

REC Power Development and Consultancy Limited , formerly known as REC Power Distribution Company Limited (REC PDCL), a wholly owned subsidiary of RECLtd.,wasincorporatedwithspecificfocusondevelopingandinvestinginelectricitydistributionanditsrelatedactivities.ItreceivedcertificateofcommencementofbusinessonJuly31st,2007.

a) dateofformation-12thJuly,2007
b) administrativeministry:MinistryofpowerthroughRECLimited
c) visionandmission:
   - To facilitate availability of electricity for accelerated growth and for enrichmentofqualityoflifeofruralandsemi-urbanpopulation.
   - To act as a competitive, client-friendly, development-oriented organization and promoting projects covering power generation ,power conservation ,power transmission and power distribution network in the country.
d) Nature of business including geographical scope:
   RECPDCLis rendering expert and value added consultancy services to powerutilities across the country.

e) offices/region/sub-officesetc.:

REGISTERED OFFICE: Core-4,SCOPEComplex,7,LodhiRoad,NewDelhi-110003

CORPORATE OFFICE: D-Block,RECCorporateHeadquarter,PlotNo.I-4,Sector-29,Gurugram(Haryana)-122001,Landmark:NearIFFCOChowkMetroStation

PROJECTSITEOFFICES

S.No.	NameoftheState	Place ofBusiness	Address
1	AndhraPradesh	Chittoor	2ndFloor,DoorNo.19/12/194,Kesvayanagunta,6th Cross Triputi, Chittoor, Andhra Pradesh-517501
2	ArunachalPradesh	Itanagar	2nd Floor, RCC Building, A-Sector, Capital-Itanagar,PapumPare,Aruncahalpradesh-791111

3	Assam	Guwahati	DAGNo225Old343New,PlotNo20Area,OfBeltola, Dispur Area, Christian Basti, Guwahati,KamrupMetropolitan,Assam-781005
4	Bihar	Patna	MauryaLok,ComplexBlock-C,4thFloor,NewDakBangalowRoad,Patna,Bihar-800001
5	Chhattisgarh	Raipur	MatriNagar,SunderNagar,Raipur,Chhattisgarh-492013
6	Delhi	NewDelhi	Core-4,ScopeComplex,LodhiRoad,NewDelhi–110003
7	Goa	Panji	MILROC,KADAMBA23102,BAINGUINIMOLD,GoaByePassRoad,SouthGoa,Goa-403001
8	Haryana	Gurugram	Ground Floor, I-4, RECPDCL, REC WorldHeadquarter, Block-D, Sector-29, Near IFFCOChowkMetroStation,Gurgaon,Haryana,122001
9	UnionTerritory ofJammu &Kashmir	Srinagar	C-27,GroundFloor,LaneNo.-1,Afandhibagh,HousingColony,Srinagar,J&K-190001
10	Jharkhand	Ranchi	Flat1-D,PriyadarshiEnclave,AirportRoad,Ranchi,Jharkhand-834002
11	Karnataka	Bengluru	H.No.1/5,HalasuruRoad,BengluruRural, Karnataka-560042
12	Maharashtra	Mumbai	5thFloor,51-B,MittalTower,MittalTower, NarimanPoint,MumbaiCity,Maharashtra-400021
13	MadhyaPradesh	Bhopal	C-22,Residency,J.KRoad,Bhopal,MadhyaPradesh-462001
14	Odisha	Bhuwneshwar	DeenDayalBhawan,5thFloor,Janpath,Khordha, Odisha-751009
15	Rajasthan	Jaipur	J-4-A,JhalanaDungariInstitutionalArea,Jaipur,Rajasthan-302004
16	Telangana	Hyderabad	Shivrampally,PostNPANearAramghar,National HighwayNo.-7,Hyderabad-50052
17	Tripura	Agartala	GangailRoad,1stFloor,OppositeRamKishnaMission,Agartal,Tripura-799001
18	UttarPradesh	Lucknow	B3/163, VibhavKhand,Gomti Nagar, Lucknow,UttarPradesh-226010

19	WestBengal	Kolkata	I.B.-186,Sector-III,SaltlakeCityKolkata-700106

2. OBJECTIVESOFTHECOMPANY

The objective of setting up of RECPDCL was to capitalize on opportunities offered throughthe provisions of Section 4 and Section 5 of the Electricity Act, 2003. This Act, aims atopening up the electrification sector to various private players while exempting them fromholding a license for distribution and retail supply. The main objectives of the Company, assetoutintheMemorandumofAssociation,areasfollows:

- To promote, develop, construct, own, operate, distribute and maintain 66 KV andbelow voltage class Electrification/Distribution Electric supply lines/ distributionsystem.
- Topromote,develop,construct,ownandmanageDecentralizedDistributedGeneration(DDG)andassociateddistributionsystem
- Consultancy/executionofworksintheaboveareasforotheragencies/Govt.bodiesinIndiaandabroad.
- To Construct, Operate and maintain “electricity system” as defined under Section2(25)oftheElectricityAct,2003andcaptivecoalmines.
- To promote organize or carry on the business of consultancy services and/or projectimplementation.
- Procurementoftransmissionservices.
-
- Undertakingoftransmissionactivities.
- Topromote/undertakeformationofprojectspecificcompany/ies,etc.
- ToenterintoJointVentures

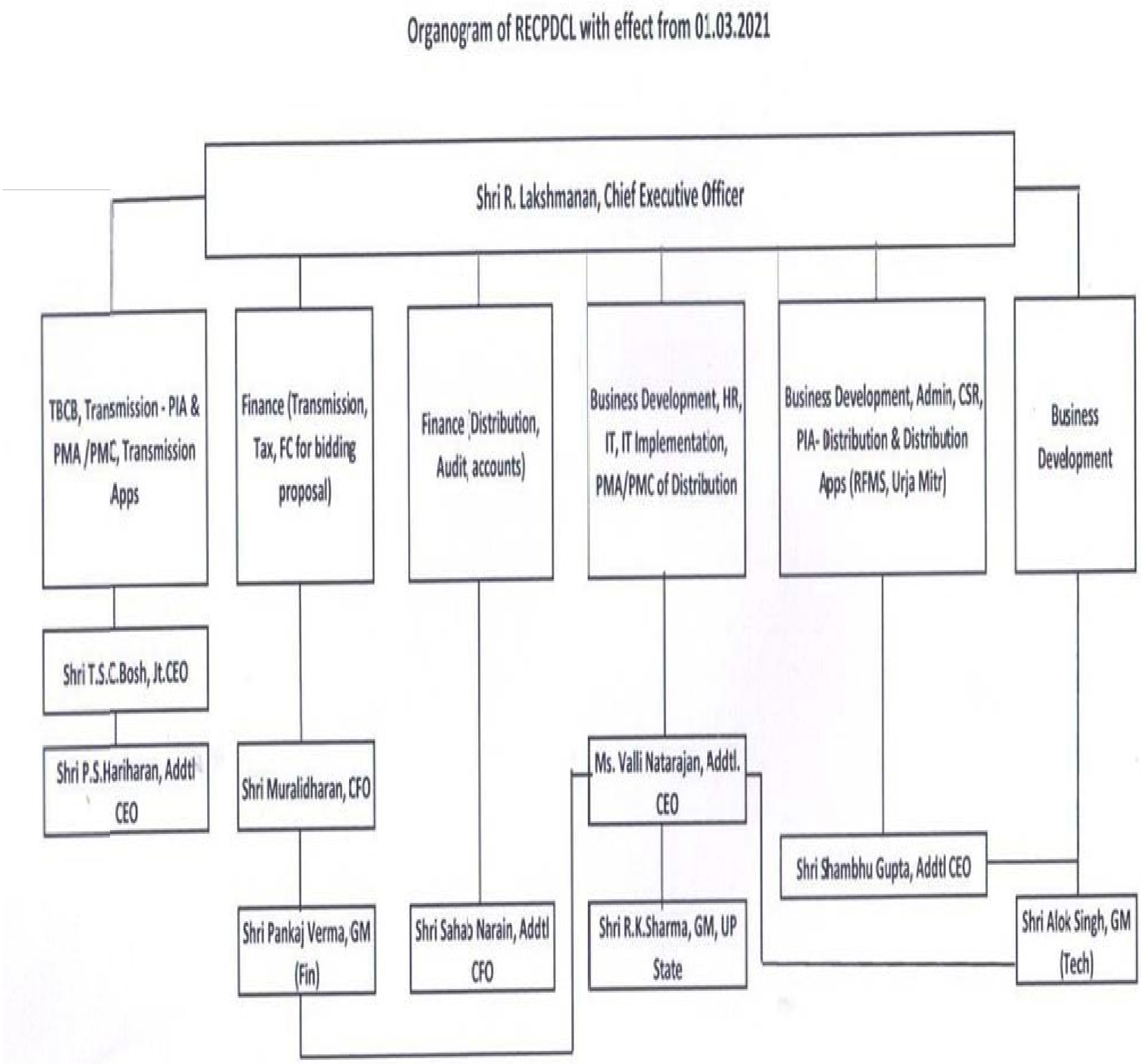
3. CAPITALSTRUCTURE

a. Authorised Capital Rs.20.05crore

b. Paidupcapital:- Rs.0.0855crore

Contribution of Shareholders:-100% shares are held by REC Ltd.

4. ORGANISATIONALSETUP



5. ACTIVITIES

TheCompanyisengaged:

- In carrying out the third party inspection (TPI) , quality monitoring and supervision under Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY)/Deendayal Upadhaya Gram JytiYOjana (DDUGJY)/Saubhagya Schemes.
- In preparation of detailed project report (DPR) , project management consultancy (PMC) and Project Management Agency (PMA) under the Deendayal Upadhaya Gram Jyoti Yojana (DDUGJY) and Integrated Power Development Scheme (IPDS) Schemes.
- In execution of works of Information Technology (IT) implementation and installation of IT Infrastructure under R-APDRP Part A Schemes, project implementation agencyfor the implementation of various projects of the Government DevelopmentPackage(PMPD),PowerSystemDevelopmentFund(PSDF)(UrjaMitra,RuralFeederMonitoringScheme(RFMS).
- asprojectmanagementagency(PMA)forturnkeyexecutionofsmartgridprojectunderNSGMof GovernmentofIndia,executionofsolarstandalone/rooftoppowerplantsatvariouslocationsacrossthecountry.
- Ministry of Power has appointed the Company as Bid Process Coordinator (BPC) forInterStateTransmissionSystems(ISTS)formanyalargeInter-stateProjectsacrossthecountry on Tariff Based Competitive Mode. Company is conducting the biddingprocess for ISTS projects, starting from selection of qualified bidders to handing overoftheSpecialPurposeVehicle(SPV)tothelowestbidder.

6. Budgetandplanning(detailsofsystemandgrants)

The company is engaged in various activities, as mentioned at point 5 above. Apart from the same, the company does not get any grant from anywhere.

7. Accountingsystem

Company has proper system in place to process all the accounting transactions through ITSystem(Tally ERP.9).

8. Manpower analysis

As on 31st March 2021 company has 33 Executives deployed from REC Ltd.and 49nosoffixedtermstaffandothersupportstaffoutsourcedonflexibasis.

9. MoUtargetsandachivements

PARTICULARS	2018-19		2019-20		2020-21	
	Target	Actual	Target	Actual	Target	Actual
Turnoverfromoperations	RECPDCLwasexemptedbyDPEtosignMOU.Hence ,notapplicable.					
Operatingprofit						
Returnoninvestment						
Overallrating						

10. Computerization

Company has proper system in place to process all the accounting transactions through ITSystem-Tally ERP.9

11. Internalaudit

The Company has outsourced its internal Audit function to an outside Firm of CharteredAccountantswhichdoesitsauditonhalfyearlybasis.Reportisbeingsubmittedtomanagement forreview.ThecompanyfollowstheinternalauditmanualofRECLtd.

12. ACT, RULES, OTHER DOCUMENTS APPLICABLE TO THEORGANISATION

ThefollowingActandRulesareapplicabletotheorganization:-

1. CompaniesAct,2013andrulemadethereundertotheextentapplicabletotheCompany.
2. Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSE), 2010totheextentapplicabletotheCompany.

Besides above, different relevant Acts such as GST Act, Income Tax Act and EmployeeProvidentFundAct,Minimumwagesact,ITactetc.andrulesthereoftotheextentapplica bletotheCompany.

13. OPERATION RESULTS:

(Rs. inCrore)

Particulars	2018-19		2019-20		2020-21	
	Budget	Actual	Budget	Actual	Budget	Actual
Revenue from Operations	255.43	152.51	146.99	127.21	163.92	170.39

14. FINANCIALWORKINGRESULTS

FinancialworkingresultsoftheRECPDCLforthelastthreeyearsissummarizedbelow:

(Amount:RupeesinCrore)

Particulars	2018-19	2019-20	2020-21
Income			
Revenuefromoperations	152.51	127.21	170.39
OtherIncome	7.26	15.80	14.30
TotalIncome(A)	**159.78**	**143.01**	**184.69**
TotalExpenditure(B)	**118.76**	**122.67**	**152.07**
ProfitbeforeTax(A-B)	**41.01**	**20.34**	**32.62**
TaxExpenses	**14.67**	**7.87**	**7.01**
NetProfit	**26.34**	**12.47**	**25.61**

15. Disinvestment:

Presently, there is no process of disinvestment is going on

16. Enviromentmanagement

Beingaconsultancycompany,theactivitiesrelatingtoenvironmentmanagementisnotApplicableonthe company.

Subsidiaries of RECPDCL as SPVs

A. CHANDIL TRANSMISSION LIMITED

1. **Introduction of the Organisation :**

Chandil Transmission Limited is a wholly owned subsidiary of REC Power Distribution Company Limited (RECPDCL) (erstwhile REC Transmission Projects Company Limited i.e. RECTPCL). Government of Jharkhand vide notification no. 03/06/17/2648 dated 21 August 2017 has appointed holding company as a Bid Process Co-coordinator for selection of the developer for different transmission projectsin Jharkhand State in different packages. On completion of the bid process, the successful bidder is to acquire one hundred percent (100%) of the equity shares of the company along with all its related assets and liabilities.Further, Government of Jharkhand vide its letter dated 30.09.2020, has decided to reinitiate the bidding process.

a) date of formation – 14th March 2018.
b) administrative ministry – Ministry of Power through RECPDCL.
c) vision and mission -To plan, Promote, and develop an integrated and efficient power transmission system network in accordance with the policies, guidelines, and objectives laid down by the Central Government from time to time.
    a) nature of business including geographical scope -- Government of Jharkhand vide notification no. 03/06/17/2648 dated 21 August 2017 has appointed holding company RECPDCL as a Bid Process Co-coordinator for selection of the developer for different transmission projects in Jharkhand State in different packages.
d) offices/region/sub-offices etc. –

    REGISTERED OFFICE : Core-4, SCOPE Complex,7, Lodhi Road, New Delhi-110003

    CORPORATE OFFICE : D- Block, REC Corporate Headquarter, Plot No. I-4, Sector-29, Gurugram (Haryana)- 122001, Landmark: Near IFFCO Chowk Metro Station

2. **Objectives of the Organization**.

The company is a special purpose vehicle incorporated for"Transmission System Strengthening in Jharkhand State in intra state sector under Tariff Based Competitive Bidding (TBCB) process.On completion of the bid process, the successful bidder is to acquire one hundred percent (100%) of the equity shares of the company along with all its related assets and liabilities on payment of acquisition price to RECPDCL.

3. **Capital Structure as on 31.03.2021**.:

Authorised, Issued, Subscribed and Paid upEquity Share Capital of Rs 5,00,000/- (50000 shares @ 10/- each). 49,994 Equity Shares held by holding co. RECPDCL and Balance 6 Equity Shares through other nominee of RECPDCL Ltd.

4. **Organizational Set up (in organogram form).**

There is no separate organizational set up of the company. The company is managed by the employees of the Holding Co.

5. **Activities of the Organisation**.–

The company is a special purpose vehicle incorporated for "Transmission System Strengthening in Jharkhand State in intra state sector under Tariff Based Competitive Bidding (TBCB) process. On completion of the bid process, the successful bidder is to acquire one hundred percent (100%) of the equity shares of the company along with all its related assets and liabilities on payment of acquisition price to RECPDCL.

6. ***Budget and Planning*** - No grant has been received by the company.
7. **Accounting System in the company *as well as in the R.O's/Branch offices*** Company is maintaining its accounts in Tally ERP.9 accounting software.
8. **Manpower Analysis viz., Executive/Non-Executive and Sanctioned/Actual etc. as on 31.03.2021. -** There is no separate manpower deputed in company. The company is managed by the employees of the Holding Co.
9. **MoU Targets and Achievements for last three financial years (2018-19 to 2020-21) in the format given below:**

S.No.	PARTICULARS	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
	Turnover from operations	There are no as such MOU targets and achievements available					
	Operating profit						
	Return on investment						
	Overall rating						

10. **Computerization** Company is maintaining its accounts in Tally ERP.9 accounting software

11. **Internal Audit**. Internal Audit is not applicable on the company.

12. **Act, Rules, other documents applicable to the Organisation**.:The following Act and Rules are applicable to the organization:-

    1. Companies Act, 2013 and rule made thereunder to the extent applicable to the Company.
    2. GST Act, Income Tax Act etc. and rules thereof to the extent applicable to the Company.

13. **Operation Results (Target vis-à-vis Achievement) for last three financial *years (2018-19 to 2020-21):*** There are no such targets and achievements for the Company.

14. **Financial Working Result for last three financial years (2018-19 to 2020-21):**

(in Rs. thousands)

Particulars	**2018-19**	**2019-20**	**2020-21**
Income			
Revenue from operations	-	-	-
Other Income	2232.14	-	-
Total Income(A)	2232.14	-	-
Total Expenditure(B)	19739.27	4360.29	102.40
Net Profit/(loss) (A-B)	(17507.13)	(4360.29)	(102.40)

15. **Disinvestment** : There is no disinvestment in the Company.

16. **Environment Management*:*** The activities carried out by the Company have no impact on the environment.

B. DUMKA TRANSMISSION LIMITED

1. **Introduction of the Organisation :**

Dumka Transmission Limited is a wholly owned subsidiary of REC Power Distribution Company Limited (RECPDCL) (erstwhile REC Transmission Projects Company Limited i.e. RECTPCL). Government of Jharkhand vide notification no. 03/06/17/2648 dated 21 August 2017 has appointed holding company as a Bid Process Co-coordinator for selection of the developer for different transmission projectsin Jharkhand State in different packages. On completion of the bid process, the successful bidder is to acquire one hundred percent (100%) of the equity shares of the company along with all its related assets and liabilities.Further, Government of Jharkhand vide its letter dated 30.09.2020, has decided to reinitiate the bidding process.

a) date of formation – 23rd March 2018.
b) administrative ministry – Ministry of Power through RECPDCL.
c) vision and mission -To plan, Promote, and develop an integrated and efficient power transmission system network in accordance with the policies, guidelines, and objectives laid down by the Central Government from time to time.
d) nature of business including geographical scope - Government of Jharkhand vide notification no. 03/06/17/2648 dated 21 August 2017 has appointed holding company RECPDCL as a Bid Process Co-coordinator for selection of the developer for different transmission projects in Jharkhand State in different packages.
e) offices/region/sub-offices etc. –

   REGISTERED OFFICE :Core-4, SCOPE Complex,7, Lodhi Road, New Delhi-110003

   CORPORATE OFFICE :D- Block, REC Corporate Headquarter, Plot No. I-4, Sector-29, Gurugram (Haryana)- 122001, Landmark: Near IFFCO Chowk Metro Station
   00

2. **Objectives of the Organization**. – The company is a special purpose vehicle incorporated for"Transmission System Strengthening in Jharkhand State in intra state sector under Tariff Based Competitive Bidding (TBCB) process.On completion of the bid process, the successful bidder is to acquire one hundred percent (100%) of the equity shares of the company along with all its related assets and liabilities on payment of acquisition price to RECPDCL.

3. **Capital Structure as on 31.03.2021**.:Authorised, Issued, Subscribed and Paid upEquity Share Capital of Rs 5,00,000/- (50000 shares @ 10/- each). 49,994 Equity Shares held by holding co. RECPDCL and Balance 6 Equity Shares through other nominee of RECPDCL Ltd.
4. **Organizational Set up (in organogram form).**There is no separate organizational set up of the company. The company is managed by the employees of the Holding Co.
5. **Activities of the Organisation**.– The company is a special purpose vehicle incorporated for "Transmission System Strengthening in Jharkhand State in intra state sector under Tariff Based Competitive Bidding (TBCB) process. On completion of the bid process, the successful bidder is to acquire one hundred percent (100%) of the equity shares of the company along with all its related assets and liabilities on payment of acquisition price to RECPDCL.
6. ***Budget and Planning*** - No grant has been received by the Company.
7. **Accounting System in the company *as well as in the R.O's/Branch offices*** Company is maintaining its accounts in Tally ERP.9 accounting software.
8. **Manpower Analysis viz., Executive/Non-Executive and Sanctioned/Actual etc. as on 31.03.2021. -** There is no separate manpower deputed in company. The company is managed by the employees of the Holding Co.
9. **MoU Targets and Achievements for last three financial years (2018-19 to 2020-21) in the format given below:**

S.No.	PARTICULARS	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
	Turnover from operations	There are no as such targets and achievements.					
	Operating profit						
	Return on investment						
	Overall rating						

10. **Computerization** Company is maintaining its accounts in Tally ERP.9 accounting software

11. **Internal Audit :** Internal Audit is not applicable on the company.

12. **Act, Rules, other documents applicable to the Organisation**.:The following Act and Rules are applicable to the organization:-

1. Companies Act, 2013 and rule made thereunder to the extent applicable to the Company.
2. GST Act, Income Tax Act etc. and rules thereof to the extent applicable to the Company.

13. **Operation Results (Target vis-à-vis Achievement) for last three financial *years (2018-19 to 2020-21).***NA

14. **Financial Working Result for last three financial years (2018-19 to 2020-21) in the following format:**

(Rs.in thousands)

Particulars	**2018-19**	**2019-20**	**2020-21**
Income			
Revenue from operations	-	-	-
Other Income	2678.57	-	-
Total Income(A)	2678.57	-	-
Total Expenditure(B)	19728.98	4271.72	101.00
Net Profit/(loss) (A-B)	(17050.41)	(4271.72)	(101.00)

15. **Disinvestment** : There is no disinvestment in the Company.

16. **Environment Management*:*** The activities of the organisation have no impact on the environment.

C. KODERMA TRANSMISSION LIMITED

1. **Introduction of the Organisation :**Koderma Transmission Limited is a wholly owned subsidiary of REC Power Distribution Company Limited (RECPDCL) (erstwhile REC Transmission Projects Company Limited i.e. RECTPCL). Government of Jharkhand vide notification no. 03/06/17/2648 dated 21 August 2017 has appointed holding company as a Bid Process Co-coordinator for selection of the developer for different transmission projectsin Jharkhand State in different packages. On completion of the bid process, the successful bidder is to acquire one hundred percent (100%) of the equity shares of the company along with all its related assets and liabilities.Further, Government of Jharkhand vide its letter dated 30.09.2020, has decided to reinitiate the bidding process.

a) date of formation – 19th March 2018.

b) administrative ministry – Ministry of Power through RECPDCL.

c) vision and mission -To plan, Promote, and develop an integrated and efficient power transmission system network in accordance with the policies, guidelines, and objectives laid down by the Central Government from time to time.

d) nature of business including geographical scope - Government of Jharkhand vide notification no. 03/06/17/2648 dated 21 August 2017 has appointed holding company RECPDCL as a Bid Process Co-coordinator for selection of the developer for different transmission projects in Jharkhand State in different packages.

e) offices/region/sub-offices etc. –

REGISTERED OFFICE : Core-4, SCOPE Complex,7, Lodhi Road, New Delhi-110003

CORPORATE OFFICE : D- Block, REC Corporate Headquarter, Plot No. I-4, Sector-29, Gurugram (Haryana)- 122001, Landmark: Near IFFCO Chowk Metro Station

2. **Objectives of the Organization**. – The company is a special purpose vehicle incorporated for"Transmission System Strengthening in Jharkhand State in intra state sector under Tariff Based Competitive Bidding (TBCB) process.On completion of the bid process, the successful bidder is to acquire one hundred percent (100%) of the equity shares of the company along with all its related assets and liabilities on payment of acquisition price to RECPDCL.

3. **Capital Structure as on 31.03.2021**.:Authorised, Issued, Subscribed and Paid upEquity Share Capital of Rs 5,00,000/- (50000 shares @ 10/- each). 49,994 Equity Shares held by holding co. RECPDCL and Balance 6 Equity Shares through other nominee of RECPDCL Ltd.

4. **Organizational Set up (in organogram form).**There is no separate organizational set up of the company. The company is managed by the employees of the Holding Co.

5. **Activities of the Organisation**.–

6. ***Budget and Planning*** - No grant has been received by the Company.

7. **Accounting System in the company *as well as in the R.O's/Branch offices*** Company is maintaining its accounts in Tally ERP.9 accounting software.

8. **Manpower Analysis viz., Executive/Non-Executive and Sanctioned/Actual etc. as on 31.03.2021. -** There is no separate manpower deputed in company. The company is managed by the employees of the Holding Co.

9. **MoU Targets and Achievements for last three financial years (2018-19 to 2020-21) in the format given below:**

S.No.	**Particulars**	**2018-19**		**2019-20**		**2020-21**	
		Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**
	Turnover from operations	There are no such targets and achievements.					
	Operating profit						
	Return on investment						
	Overall rating						

10. **Computerization** Company is maintaining its accounts in Tally ERP.9 accounting software

11. **Internal Audit** Internal Audit is not applicable on the company.

12. **Act, Rules, other documents applicable to the Organisation**.:The following Act and Rules are applicable to the organization:-

1. Companies Act, 2013 and rule made thereunder to the extent applicable to the Company.
2. GST Act, Income Tax Act etc. and rules thereof to the extent applicable to the Company.

13. **Operation Results (Target vis-à-vis Achievement) for last three financial *years (2018-19 to 2020-21).*** There are no such targets and achievements.

14. **Financial Working Result for last three financial years (2018-19 to 2020-21) in the following format:**

(Rs. in thousands)

Particulars	2018-19	2019-20	2020-21
Income			
Revenue from operations	-	-	-
Other Income	3125.00	-	-
Total Income(A)	3125.00	-	-
Total Expenditure(B)	18639.39	4081.93	101.00
Net Profit/(loss) (A-B)	(15514.39)	(4081.93)	(101.00)

15. **Disinvestment** : There is no disinvestment in the Company.
16. **Environment Management*:*** The activities carried out by the organsiation has no impact on the environment.

D. MANDAR TRANSMISSION LIMITED

1. **Introduction of the Organisation :**Mandar Transmission Limited is a wholly owned subsidiary of REC Power Distribution Company Limited (RECPDCL) (erstwhile REC Transmission Projects Company Limited i.e. RECTPCL). Government of Jharkhand vide notification no. 03/06/17/2648 dated 21 August 2017 has appointed holding company as a Bid Process Co-coordinator for selection of the developer for different transmission projectsin Jharkhand State in different packages. On completion of the bid process, the successful bidder is to acquire one hundred percent (100%) of the equity shares of the company along with all its related assets and liabilities.Further, Government of Jharkhand vide its letter dated 30.09.2020, has decided to reinitiate the bidding process.

    a) date of formation – 26th March 2018.

    b) administrative ministry – Ministry of Power through RECPDCL.

    c) vision and mission -To plan, Promote, and develop an integrated and efficient power transmission system network in accordance with the policies, guidelines, and objectives laid down by the Central Government from time to time.

    d) nature of business including geographical scope - Government of Jharkhand vide notification no. 03/06/17/2648 dated 21 August 2017 has appointed holding company RECPDCL as a Bid Process Co-coordinator for selection of the developer for different transmission projects in Jharkhand State in different packages.

    e) offices/region/sub-offices etc. –

    REGISTERED OFFICE : Core-4, SCOPE Complex,7, Lodhi Road, New Delhi-110003

    CORPORATE OFFICE : D- Block, REC Corporate Headquarter, Plot No. I-4, Sector-29, Gurugram (Haryana)- 122001, Landmark: Near IFFCO Chowk Metro Station

2. **Objectives of the Organization**. – The company is a special purpose vehicle incorporated for"Transmission System Strengthening in Jharkhand State in intra state sector under Tariff Based Competitive Bidding (TBCB) process.On completion of the bid process, the successful bidder is to acquire one hundred percent (100%) of the equity shares of the company along with all its related assets and liabilities on payment of acquisition price to RECPDCL.

3. **Capital Structure as on 31.03.2021**.:Authorised, Issued, Subscribed and Paid upEquity Share Capital of Rs 5,00,000/- (50000 shares @ 10/- each). 49,994 Equity Shares held by holding co. RECPDCL and Balance 6 Equity Shares through other nominee of RECPDCL Ltd.

4. **Organizational Set up (in organogram form).**There is no separate organizational set up of the company. The company is managed by the employees of the Holding Co.
5. **Activities of the Organisation**.– – The company is a special purpose vehicle incorporated for "Transmission System Strengthening in Jharkhand State in intra state sector under Tariff Based Competitive Bidding (TBCB) process. On completion of the bid process, the successful bidder is to acquire one hundred percent (100%) of the equity shares of the company along with all its related assets and liabilities on payment of acquisition price to RECPDCL.
6. ***Budget and*** - No grant has been received by the Company.
7. **Accounting System in the company *as well as in the R.O's/Branch offices*** Company is maintaining its accounts in Tally ERP.9 accounting software.
8. **Manpower Analysis viz., Executive/Non-Executive and Sanctioned/Actual etc. as on 31.03.2021. -** There is no separate manpower deputed in company. The company is managed by the employees of the Holding Co.
9. **MoU Targets and Achievements for last three financial years (2018-19 to 2020-21) in the format given below:**

S.No.	PARTICULARS	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
	Turnover from operations	There are no such MoU targets and achievements available.					
	Operating profit						
	Return on investment						
	Overall rating						

10. **Computerization :** Company is maintaining its accounts in Tally ERP.9 accounting software
11. **Internal Audit**

    Internal Audit is not applicable on the company.
12. **Act, Rules, other documents applicable to the Organisation**.:The following Act and Rules are applicable to the organization:-

    1. Companies Act, 2013 and rule made thereunder to the extent applicable to the Company.

2. GST Act, Income Tax Act etc. and rules thereof to the extent applicable to the Company.

13. **Operation Results (Target vis-à-vis Achievement) for last three financial *years (2018-19 to 2020-21).*** There are no such targets and achievements available.

14. **Financial Working Result for last three financial years (2018-19 to 2020-21) in the following format:**

(Rs.in thousands)

Particulars	**2018-19**	**2019-20**	**2020-21**
Income			
Revenue from operations	-	-	-
Other Income	3571.43	-	-
Total Income(A)	3571.43	-	-
Total Expenditure(B)	18701.11	3984.04	101.00
Net Profit/(loss) (A-B)	(15129.68)	(3984.04)	(101.00)

15. **Disinvestment** : There is no disinvestment in the Company.

16. **Environment Management*:*** The activites of the organization have no impact on the environment.

E. MP POWER TRANSMISSION PACKAGE I LIMITED

1. **Introduction of the Organisation :**MP Power Transmission Package I Limited is a wholly owned subsidiary of REC Power Distribution Company Limited (RECPDCL) (erstwhile REC Transmission Projects Company Limited i.e. RECTPCL). Government of Madhya Pradesh has appointed holding company as a Bid Process Co-coordinator for"Development of intra state transmission work and transmissionsystem strengthening works in Madhya Pradesh in two packages". On completion of the bid process, the successful bidder is to acquire one hundred percent (100%) of the equity shares of the company along with all its related assets and liabilities.

a) date of formation – 04th August 2020

b) administrative ministry – Ministry of Power through RECPDCL.

c) vision and mission -To plan, Promote, and develop an integrated and efficient power transmission system network in accordance with the policies, guidelines, and objectives laid down by the Central Government from time to time.

d) nature of business including geographical scope –

Government of Madhya Pradesh has appointed holding company as a Bid Process Co-coordinator for"Development of intra state transmission work and transmission system strengthening works in Madhya Pradesh in two packages". On completion of the bid process, the successful bidder is to acquire one hundred percent (100%) of the equity shares of the company along with all its related assets and liabilities.

e) offices/region/sub-offices etc. –

REGISTERED OFFICE : Core-4, SCOPE Complex,7, Lodhi Road, New Delhi-110003

CORPORATE OFFICE : D- Block, REC Corporate Headquarter, Plot No. I-4, Sector-29, Gurugram (Haryana)- 122001, Landmark: Near IFFCO Chowk Metro Station

2. **Objectives of the Organization**. – The company is a special purpose vehicle incorporated for"Development of intra state transmission work and transmissionsystem strengthening works in Madhya Pradesh in two packages" under Tariff Based Competitive Bidding (TBCB) process. On completion of the bid process, the successful bidder is to acquire one

hundred percent (100%) of the equity shares of the company along with all its related assets and liabilities on payment of acquisition price to RECPDCL.

3. **Capital Structure as on 31.03.2021**.*:*Authorised, Issued, Subscribed and Paid upEquity Share Capital of Rs 5,00,000/- (50000 shares @ 10/- each). 49,994 Equity Shares held by holding co. RECPDCL and Balance 6 Equity Shares through other nominee of RECPDCL Ltd.

4. **Organizational Set up (in organogram form).**There is no separate organizational set up of the company. The company is managed by the employees of the Holding Co.

5. **Activities of the Organisation**.–The company is a special purpose vehicle incorporated for "Development of intra state transmission work and transmission system strengthening works in Madhya Pradesh in two packages" under Tariff Based Competitive Bidding (TBCB) process. On completion of the bid process, the successful bidder is to acquire one hundred percent (100%) of the equity shares of the company along with all its related assets and liabilities on payment of acquisition price to RECPDCL.

6. ***Budget and Planning***--The company has been incorporated on 04.08.2020. No grant has been received by the company.

7. **Accounting System in the company *as well as in the R.O's/Branch offices*** Company is maintaining its accounts in Tally ERP.9 accounting software.

8. **Manpower Analysis viz., Executive/Non-Executive and Sanctioned/Actual etc. as on 31.03.2021. -** There is no separate manpower deputed in company. The company is managed by the employees of the Holding Co.

9. **MoU Targets and Achievements for last three financial years (2018-19 to 2020-21) in the format given below:**

S.No.	PARTICULARS	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
	Turnover from operations						
	Operating profit						
	Return on investment						

	Overall rating	The company has been incorporated on 04.08.2020. Further, there are no MOU targets and achievements available

10. **Computerization** Company is maintaining its accounts in Tally ERP.9 accounting software.

11. **Internal Audit :**Internal Audit is not applicable on the company.

12. **Act, Rules, other documents applicable to the Organisation**.:The following Act and Rules are applicable to the organization:-

1. Companies Act, 2013 and rule made thereunder to the extent applicable to the Company.
2. GST Act, Income Tax Act etc. and rules thereof to the extent applicable to the Company.

13. **Operation Results (Target vis-à-vis Achievement) for last three financial *years (2018-19 to 2020-21).*** The company has been incorporated on 04.08.2020. Further, there are no targets and achievements available.

14. **Financial Working Result for last three financial years (2018-19 to 2020-21) in the following format:**

(Rs.in thousands)

Particulars	**2018-19**	**2019-20**	**2020-21**
Income			
Revenue from operations	-	-	-
Other Income	-	-	2500.00
Total Income(A)	-	-	2500.00
Total Expenditure(B)	-	-	11193.28
Net Profit/(loss) (A-B)	-	-	(8693.28)

15. **Disinvestment** : There is no disinvestment in the Company.

16. **Environment Management*:*** The activities carried on by the Company have no impact on the environment.

F. MP POWER TRANSMISSION PACKAGE II LIMITED

1. **Introduction of the Organisation :**MP Power Transmission Package II Limited is a wholly owned subsidiary of REC Power Distribution Company Limited (RECPDCL) (erstwhile REC Transmission Projects Company Limited i.e. RECTPCL). Government of Madhya Pradesh has appointed holding company as a Bid Process Co-coordinator for"Development of intra state transmission work and transmissionsystem strengthening works in Madhya Pradesh in two packages". On completion of the bid process, the successful bidder is to acquire one hundred percent (100%) of the equity shares of the company along with all its related assets and liabilities.

   a) date of formation – 20^{th} August 2020

   b) administrative ministry – Ministry of Power through RECPDCL.

   c) vision and mission -To plan, Promote, and develop an integrated and efficient power transmission system network in accordance with the policies, guidelines, and objectives laid down by the Central Government from time to time.

   d) nature of business including geographical scope - Government of Madhya Pradesh has appointed RECPDCL as a Bid Process Co-coordinator for "Development of intra state transmission work and transmission system strengthening works in Madhya Pradesh in two packages". On completion of the bid process, the successful bidder is to acquire one hundred percent (100%) of the equity shares of the company along with all its related assets and liabilities.

   e) offices/region/sub-offices etc. –

   <u>REGISTERED OFFICE</u> : Core-4, SCOPE Complex,7, Lodhi Road, New Delhi-110003

   <u>CORPORATE OFFICE</u> : D- Block, REC Corporate Headquarter, Plot No. I-4, Sector-29, Gurugram (Haryana)- 122001, Landmark: Near IFFCO Chowk Metro Station

2. **Objectives of the Organization**. – The company is a special purpose vehicle incorporated for"Development of intra state transmission work and transmissionsystem strengthening works in Madhya Pradesh in two packages" under Tariff Based Competitive Bidding (TBCB) process. On completion of the bid process, the successful bidder is to acquire one

hundred percent (100%) of the equity shares of the company along with all its related assets and liabilities on payment of acquisition price to RECPDCL.

3. **Capital Structure as on 31.03.2021**.*:*Authorised, Issued, Subscribed and Paid upEquity Share Capital of Rs 5,00,000/- (50000 shares @ 10/- each). 49,994 Equity Shares held by holding co. RECPDCL and Balance 6 Equity Shares through other nominee of RECPDCL Ltd.

4. **Organizational Set up (in organogram form).**There is no separate organizational set up of the company. The company is managed by the employees of the Holding Co.

5. **Activities of the Organisation**.– The company is a special purpose vehicle incorporated for "Development of intra state transmission work and transmission system strengthening works in Madhya Pradesh in two packages" under Tariff Based Competitive Bidding (TBCB) process. On completion of the bid process, the successful bidder is to acquire one hundred percent (100%) of the equity shares of the company along with all its related assets and liabilities on payment of acquisition price to RECPDCL.

6. ***Budget and Planning***

The company has been incorporated on 20.08.2020. No grant has been received by the company.

7. **Accounting System in the company *as well as in the R.O's/Branch offices*** Company is maintaining its accounts in Tally ERP.9 accounting software.

8. **Manpower Analysis viz., Executive/Non-Executive and Sanctioned/Actual etc. as on 31.03.2021. -** There is no separate manpower deputed in company. The company is managed by the employees of the Holding Co.

9. **MoU Targets and Achievements for last three financial years (2018-19 to 2020-21) in the format given below:**

S.No.	PARTICULARS	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
	Turnover from operations	The company has been incorporated on 20.08.2020. Further, there are no MOU targets and achievements available.					
	Operating profit						
	Return on investment						
	Overall rating						

10. **Computerization** Company is maintaining its accounts in Tally ERP.9 accounting software.

11. **Internal Audit :**Internal Audit is not applicable on the company.

12. **Act, Rules, other documents applicable to the Organisation**.:The following Act and Rules are applicable to the organization:-

    1. Companies Act, 2013 and rule made thereunder to the extent applicable to the Company.
    2. GST Act, Income Tax Act etc. and rules thereof to the extent applicable to the Company.

13. **Operation Results (Target vis-à-vis Achievement) for last three financial *years (2018-19 to 2020-21).*** The company has been incorporated on 20.08.2020. Further, there are no targets and achievements available.

14. **Financial Working Result for last three financial years (2018-19 to 2020-21) in the following format:**

(Rs.in thousands)

Particulars	**2018-19**	**2019-20**	**2020-21**
Income			
Revenue from operations	-	-	-
Other Income	-	-	2500.00
Total Income(A)	-	-	2500.00
Total Expenditure(B)	-	-	11345.98
Net Profit/(loss) (A-B)	-	-	(8845.98)

15. **Disinvestment** : There is no disinvestment in the Company.

16. **Environment Management*:*** The activities carried out by the Company have no impact on the Environment.

G. RAJGARH TRANSMISSION LIMITED

1. **Introduction of the Organisation :**Rajgarh Transmission Limited is a wholly owned subsidiary of REC Power Distribution Company Limited (RECPDCL) (erstwhile REC Transmission Projects Company Limited i.e. RECTPCL). Government of India has appointed holding company as a Bid Process Co-coordinator for "Transmission system for evacuation of power from RE projects in Rajgarh (2500 MW) SEZ in Madhya Pradesh". On completion of the bid process, the successful bidder is to acquire one hundred percent (100%) of the equity shares of the company along with all its related assets and liabilities.

a) date of formation – 06th June 2020

b) administrative ministry – Ministry of Power through RECPDCL.

c) vision and mission -To plan, Promote, and develop an integrated and efficient power transmission system network in accordance with the policies, guidelines, and objectives laid down by the Central Government from time to time.

d) nature of business including geographical scope - Government of India has appointed RECPDCL as a Bid Process Co-coordinator for "Transmission system for evacuation of power from RE projects in Rajgarh (2500 MW) SEZ in Madhya Pradesh". On completion of the bid process, the successful bidder is to acquire one hundred percent (100%) of the equity shares of the company along with all its related assets and liabilities.

e) offices/region/sub-offices etc. –

REGISTERED OFFICE :Core-4, SCOPE Complex,7, Lodhi Road, New Delhi-110003

CORPORATE OFFICE :D- Block, REC Corporate Headquarter, Plot No. I-4, Sector-29, Gurugram (Haryana)- 122001, Landmark: Near IFFCO Chowk Metro Station

2. **Objectives of the Organization**. – The company is a special purpose vehicle incorporated for"Transmission system for evacuation of power from RE projects in Rajgarh (2500 MW) SEZ in Madhya Pradesh" under Tariff Based Competitive Bidding (TBCB) process.On completion of the bid process, the successful bidder is to acquire one hundred percent (100%) of the equity shares of the company along with all its related assets and liabilities on payment of acquisition price to RECPDCL.

3. **Capital Structure as on 31.03.2021**.:Authorised, Issued, Subscribed and Paid upEquity Share Capital of Rs 5,00,000/- (50000 shares @ 10/- each). 49,994 Equity Shares held by holding co. RECPDCL and Balance 6 Equity Shares through other nominee of RECPDCL Ltd.
4. **Organizational Set up (in organogram form).**There is no separate organizational set up of the company. The company is managed by the employees of the Holding Co.
5. **Activities of the Organisation**.–The company is a special purpose vehicle incorporated for "Transmission system for evacuation of power from RE projects in Rajgarh (2500 MW) SEZ in Madhya Pradesh" under Tariff Based Competitive Bidding (TBCB) process. On completion of the bid process, the successful bidder is to acquire one hundred percent (100%) of the equity shares of the company along with all its related assets and liabilities on payment of acquisition price to RECPDCL.
6. ***Budget and Planning*** - The company has been incorporated on 06.06.2020. NO grant has been received by the company.
7. **Accounting System in the company *as well as in the R.O's/Branch offices* :** Company is maintaining its accounts in Tally ERP.9 accounting software.
8. **Manpower Analysis viz., Executive/Non-Executive and Sanctioned/Actual etc. as on 31.03.2021. -** There is no separate manpower deputed in company. The company is managed by the employees of the Holding Co.
9. **MoU Targets and Achievements for last three financial years (2018-19 to 2020-21) in the format given below:**

MoU Targets and Achievements for last three financial years (2018-19 to 2020-21) in the format given below:S.No.	PARTICULARS	2018-19	2019-20	2020-21

		Target	Actual	Target	Actual	Target	Actual
	Turnover from operations	The company has been incorporated on 06.06.2020. Further, there are no MOU targets and achievements available.					
4	Operating profit						
4	Return on investment						
4	Overall rating						

10. **Computerization :** Company is maintaining its accounts in Tally ERP.9 accounting software

11. **Internal Audit :** Internal Audit is not applicable on the company.

12. **Act, Rules, other documents applicable to the Organisation**.:The following Act and Rules are applicable to the organization:-

    1. Companies Act, 2013 and rule made thereunder to the extent applicable to the Company.

    2. GST Act, Income Tax Act etc. and rules thereof to the extent applicable to the Company.

13. **Operation Results (Target vis-à-vis Achievement) for last three financial *years (2018-19 to 2020-21).*** The company has been incorporated on 06.06.2020. Further, there are no targets and achievements available.

14. **Financial Working Result for last three financial years (2018-19 to 2020-21) in the following format:**

(in Rs thousands)

Particulars	**2018-19**	**2019-20**	**2020-21**
Income			
Revenue from operations	-	-	-
Other Income	-	-	4500.00
Total Income(A)	-	-	4500.00
Total Expenditure(B)	-	-	3859.94
Net Profit/(loss) after tax	-	-	473.94

15. **Disinvestment** : There is no disinvestment in the Company.

16. **Environment Management*:*** The activities carried out by the Company have no impact on the environment.

H. BIDAR TRANSMISSION LIMITED

1. **Introduction of the Organisation :**Bidar Transmission Limited is a wholly owned subsidiary of REC Power Distribution Company Limited (RECPDCL) (erstwhile REC Transmission Projects Company Limited i.e. RECTPCL). Government of India has appointed holding company as a Bid Process Co-coordinator for "Transmission Scheme for Solar Energy Zone in Bidar (2500 MW), Karnataka". On completion of the bid process, the successful bidder is to acquire one hundred percent (100%) of the equity shares of the company along with all its related assets and liabilities.

a) date of formation – 08^{th} June 2020

b) administrative ministry – Ministry of Power through RECPDCL.

c) vision and mission -To plan, Promote, and develop an integrated and efficient power transmission system network in accordance with the policies, guidelines, and objectives laid down by the Central Government from time to time.

d) nature of business including geographical scope –Government of India has appointed RECPDCL as a Bid Process Co-coordinator for "Transmission Scheme for Solar Energy Zone in Bidar (2500 MW), Karnataka". On completion of the bid process, the successful bidder is to acquire one hundred percent (100%) of the equity shares of the company along with all its related assets and liabilities.

e) offices/region/sub-offices etc. –

REGISTERED OFFICE : Core-4, SCOPE Complex,7, Lodhi Road, New Delhi-110003

CORPORATE OFFICE : D- Block, REC Corporate Headquarter, Plot No. I-4, Sector-29, Gurugram (Haryana)- 122001, Landmark: Near IFFCO Chowk Metro Station

2. **Objectives of the Organization**. – The company is a special purpose vehicle incorporated for"Transmission Scheme for Solar Energy Zone in Bidar (2500 MW), Karnataka" under Tariff Based Competitive Bidding (TBCB) process.On completion of the bid process, the successful bidder is to acquire one hundred percent (100%) of the equity shares of the

company along with all its related assets and liabilities on payment of acquisition price to RECPDCL.

3. **Capital Structure as on 31.03.2021**.*:*Authorised, Issued, Subscribed and Paid upEquity Share Capital of Rs 5,00,000/- (50000 shares @ 10/- each). 49,994 Equity Shares held by holding co. RECPDCL and Balance 6 Equity Shares through other nominee of RECPDCL Ltd.
4. **Organizational Set up (in organogram form).**There is no separate organizational set up of the company. The company is managed by the employees of the Holding Co.
5. **Activities of the Organisation**.– The company is a special purpose vehicle incorporated for "Transmission Scheme for Solar Energy Zone in Bidar (2500 MW), Karnataka" under Tariff Based Competitive Bidding (TBCB) process. On completion of the bid process, the successful bidder is to acquire one hundred percent (100%) of the equity shares of the company along with all its related assets and liabilities on payment of acquisition price to RECPDCL.
6. ***Budget and Planning*** - The company has been incorporated on 08.06.2020. No grant has been received by the company.
7. **Accounting System in the company *as well as in the R.O's/Branch offices*:** Company is maintaining its accounts in Tally ERP.9 accounting software.
8. **Manpower Analysis viz., Executive/Non-Executive and Sanctioned/Actual etc. as on 31.03.2021. -** There is no separate manpower deputed in company. The company is managed by the employees of the Holding Co.
9. **MoU Targets and Achievements for last three financial years (2018-19 to 2020-21) in the format given below:**

S.No.	PARTICULARS	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
	Turnover from operations	The company has been incorporated on 08.06.2020. Further, there are no MOU targets and achievements available.					
	Operating profit						
	Return on investment						
	Overall rating						

10. **Computerization :** Company is maintaining its accounts in Tally ERP.9 accounting software

11. **Internal Audit:**. Internal Audit is not applicable on the company.

12. **Act, Rules, other documents applicable to the Organisation**.:The following Act and Rules are applicable to the organization:-

    1. Companies Act, 2013 and rule made thereunder to the extent applicable to the Company.
    2. GST Act, Income Tax Act etc. and rules thereof to the extent applicable to the Company.

13. **Operation Results (Target vis-à-vis Achievement) for last three financial *years (2018-19 to 2020-21).*** The company has been incorporated on 08.06.2020. Further, there are no targets and achievements available.

14. **Financial Working Result for last three financial years (2018-19 to 2020-21) in the following format:**

(in Rs. thousands)

Particulars	**2018-19**	**2019-20**	**2020-21**
Income			
Revenue from operations	-	-	-
Other Income	-	-	3500.00
Total Income(A)	-	-	3500.00
Total Expenditure(B)	-	-	3207.57
Net Profit/(loss) after tax	-	-	216.40

15. **Disinvestment** : There is no divestment in the Company.

16. **Environment Management*:*** The activities carried out by the Company have no impact on the Environment.

I. GADAG TRANSMISSION LIMITED

1. **Introduction of the Organisation :**Gadag Transmission Limited is a wholly owned subsidiary of REC Power Distribution Company Limited (RECPDCL) (erstwhile REC Transmission Projects Company Limited i.e. RECTPCL). Government of India has appointed holding company as a Bid Process Co-coordinator for "Transmission Scheme for Solar Energy Zone in Gadag (2500 MW), Karnataka - Part A". On completion of the bid process, the successful bidder is to acquire one hundred percent (100%) of the equity shares of the company along with all its related assets and liabilities.
   a) date of formation – 02nd June 2020
   b) administrative ministry – Ministry of Power through RECPDCL.
   c) vision and mission -To plan, Promote, and develop an integrated and efficient power transmission system network in accordance with the policies, guidelines, and objectives laid down by the Central Government from time to time.
   d) nature of business including geographical scope - Government of India has appointed RECPDCL as a Bid Process Co-coordinator for "Transmission Scheme for Solar Energy Zone in Gadag (2500 MW), Karnataka - Part A". On completion of the bid process, the successful bidder is to acquire one hundred percent (100%) of the equity shares of the company along with all its related assets and liabilities
   e) offices/region/sub-offices etc. –

   REGISTERED OFFICE : Core-4, SCOPE Complex,7, Lodhi Road, New Delhi-110003

   CORPORATE OFFICE : D- Block, REC Corporate Headquarter, Plot No. I-4, Sector-29, Gurugram (Haryana)- 122001, Landmark: Near IFFCO Chowk Metro Station

2. **Objectives of the Organization**. – The company is a special purpose vehicle incorporated for"Transmission Scheme for Solar Energy Zone in Gadag (2500 MW), Karnataka - Part Aunder Tariff Based Competitive Bidding (TBCB) process.On completion of the bid process, the successful bidder is to acquire one hundred percent (100%) of the equity shares of the company along with all its related assets and liabilities on payment of acquisition price to RECPDCL.
3. **Capital Structure as on 31.03.2021**.:Authorised, Issued, Subscribed and Paid upEquity Share Capital of Rs 5,00,000/- (50000 shares @ 10/- each). 49,994 Equity Shares held by

holding co. RECPDCL and Balance 6 Equity Shares through other nominee of RECPDCL Ltd.

4. **Organizational Set up (in organogram form).**There is no separate organizational set up of the company. The company is managed by the employees of the Holding Co.

5. **Activities of the Organisation**.– The company is a special purpose vehicle incorporated for "Transmission Scheme for Solar Energy Zone in Gadag (2500 MW), Karnataka - Part A under Tariff Based Competitive Bidding (TBCB) process. On completion of the bid process, the successful bidder is to acquire one hundred percent (100%) of the equity shares of the company along with all its related assets and liabilities on payment of acquisition price to RECPDCL.

6. ***Budget and Planning****-* The company has been incorporated on 02.06.2020. No grant has been received by the company.

7. **Accounting System in the company *as well as in the R.O's/Branch offices* :** Company is maintaining its accounts in Tally ERP.9 accounting software.

8. **Manpower Analysis viz., Executive/Non-Executive and Sanctioned/Actual etc. as on 31.03.2021. -** There is no separate manpower deputed in company. The company is managed by the employees of the Holding Co.

9. **MoU Targets and Achievements for last three financial years (2018-19 to 2020-21) in the format given below:**

S.No.	PARTICULARS	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
	Turnover from operations	The company has been incorporated on 02.06.2020. No grant has been received by the company.					
	Operating profit						
	Return on investment						
	Overall rating						

10. **Computerization :** Company is maintaining its accounts in Tally ERP.9 accounting software

11. **Internal Audit :**. Internal Audit is not applicable on the company.

12. **Act, Rules, other documents applicable to the Organisation**.:The following Act and Rules are applicable to the organization:-

1. Companies Act, 2013 and rule made thereunder to the extent applicable to the Company.
2. GST Act, Income Tax Act etc. and rules thereof to the extent applicable to the Company.

13. **Operation Results (Target vis-à-vis Achievement) for last three financial *years (2018-19 to 2020-21).*** The company has been incorporated on 02.06.2020. Further, there are no targets and achievements available.

14. **Financial Working Result for last three financial years (2018-19 to 2020-21) in the following format:**

(Rs.in thousands)

Particulars	**2018-19**	**2019-20**	**2020-21**
Income			
Revenue from operations	-	-	-
Other Income	-	-	4000.00
Total Income(A)	-	-	4000.00
Total Expenditure(B)	-	-	4046.52
Net Profit/(loss) (A-B)	-	-	(46.52)

15. **Disinvestment** : There is no disinvestment in the Company.

16. **Environment Management*:*** The activities carried out by the Company have no impact on the Environment.

J. KALLAM TRANSMISSION LIMITED

1. **Introduction of the Organisation :**Kallam Transmission Limited is a wholly owned subsidiary of REC Power Distribution Company Limited (RECPDCL) (erstwhile REC Transmission Projects Company Limited i.e. RECTPCL). Government of India has appointed holding company as a Bid Process Co-coordinator for"Transmission system for evacuation of power from RE projects in Osmanabad area (1GW) in Maharashtra". On completion of the bid process, the successful bidder is to acquire one hundred percent (100%) of the equity shares of the company along with all its related assets and liabilities.

   a) date of formation – 28th May 2020
   b) administrative ministry – Ministry of Power through RECPDCL.
   c) vision and mission -To plan, Promote, and develop an integrated and efficient power transmission system network in accordance with the policies, guidelines, and objectives laid down by the Central Government from time to time.
   d) nature of business including geographical scope - Government of India has appointed RECPDCL as a Bid Process Co-coordinator for"Transmission system for evacuation of power from RE projects in Osmanabad area (1GW) in Maharashtra". On completion of the bid process, the successful bidder is to acquire one hundred percent (100%) of the equity shares of the company along with all its related assets and liabilities.
   e) offices/region/sub-offices etc. –

   REGISTERED OFFICE : Core-4, SCOPE Complex,7, Lodhi Road, New Delhi-110003

   CORPORATE OFFICE : D- Block, REC Corporate Headquarter, Plot No. I-4, Sector-29, Gurugram (Haryana)- 122001, Landmark: Near IFFCO Chowk Metro Station

2. **Objectives of the Organization**. – The company is a special purpose vehicle incorporated for"Transmission system for evacuation of power from RE projects in Osmanabad area (1GW) in Maharashtra".under Tariff Based Competitive Bidding (TBCB) process. On completion of the bid process, the successful bidder is to acquire one hundred percent

(100%) of the equity shares of the company along with all its related assets and liabilities on payment of acquisition price to RECPDCL.

3. **Capital Structure as on 31.03.2021**.*:*Authorised, Issued, Subscribed and Paid upEquity Share Capital of Rs 5,00,000/- (50000 shares @ 10/- each). 49,994 Equity Shares held by holding co. RECPDCL and Balance 6 Equity Shares through other nominee of RECPDCL Ltd.

4. **Organizational Set up (in organogram form).**There is no separate organizational set up of the company. The company is managed by the employees of the Holding Co.

5. **Activities of the Organisation**.– The company is a special purpose vehicle incorporated for "Transmission system for evacuation of power from RE projects in Osmanabad area (1GW) in Maharashtra". under Tariff Based Competitive Bidding (TBCB) process. On completion of the bid process, the successful bidder is to acquire one hundred percent (100%) of the equity shares of the company along with all its related assets and liabilities on payment of acquisition price to RECPDCL.

6. ***Budget and Planning -*** The company has been incorporated on 28.05.2020. NO grant has been received by the company.

7. **Accounting System in the company** ***as well as in the R.O's/Branch offices*****:** Company is maintaining its accounts in Tally ERP.9 accounting software.

8. **Manpower Analysis viz., Executive/Non-Executive and Sanctioned/Actual etc. as on 31.03.2021. -** There is no separate manpower deputed in company. The company is managed by the employees of the Holding Co.

9. **MoU Targets and Achievements for last three financial years (2018-19 to 2020-21)**

S.No.	Particulars	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
	Turnover from operations	The company has been incorporated on 28.05.2020. Further, there are no MOU targets and achievements available.					
	Operating profit						
	Return on investment						
	Overall rating						

10. **Computerization :** Company is maintaining its accounts in Tally ERP.9 accounting software

11. **Internal Audit :**. Internal Audit is not applicable on the company.

12. **Act, Rules, other documents applicable to the Organisation**.:The following Act and Rules are applicable to the organization:-

1. Companies Act, 2013 and rule made thereunder to the extent applicable to the Company.
2. GST Act, Income Tax Act etc. and rules thereof to the extent applicable to the Company.

13. **Operation Results (Target vis-à-vis Achievement) for last three financial *years (2018-19 to 2020-21).*** The company has been incorporated on 28.05.2020. Further, there are no targets and achievements available.

14. **Financial Working Result for last three financial years (2018-19 to 2020-21) in the following format:**

(Rs. in thousands)

Particulars	**2018-19**	**2019-20**	**2020-21**
Income			
Revenue from operations	-	-	-
Other Income	-	-	3000.00
Total Income(A)	-	-	3000.00
Total Expenditure(B)	-	-	3951.56
Net Profit/(loss) (A-B)	-	-	(951.56)

15. **Disinvestment** : There is no disinvestment in the Company.

16. **Environment Management*:*** The activities of the Company have no impact on the environment.

Subsidiaries of PFC as Special Purpose Vehicles (SPVs)

I. BIHAR INFRA POWER LIMITED

1. **Introduction of the Organization viz.,**
   a) date of formation: 30.06.2015
   b) administrative ministry: Ministry of Power
   c) vision and mission: Bihar Infrapower Limited was incorporated on 30.06.2015 as a wholly owned subsidiary of Power Finance Corporation Limited for holding the land and the coal block of Banka Ultra Mega Power Project (UMPP) in the State of Bihar.
   d) nature of business including geographical scope: To hold the ownership of Coal Mine and land for the power plant & Coal Mines in the state of Bihar.
   e) offices/region/sub-offices etc.: NIL
2. **Objectives of the Organization:** The Company is a Special Purpose Vehicle (SPV) for holding Coal Blocks License, Coal Blocks Land, Power Plant Land & Land for Corridors for the construction, operation and maintenance of electricity system and integrated fuel system and to act as a nodal agency for lease license of land, coal blocks etc. of Ultra Mega Power Project in the State of Bihar.
3. **Capital Structure as on 31.03.2021.:** Paid up capital Rs. 5,00,000/- (50,000 Equity Shares of Rs. 10/- each)
4. **Organizational Set up (in organogram form).:** Not Applicable (Since PFCCL is appointed as Bid processor coordinator by MoP in respective of UMPPs, the organizational setup of PFCCL may be considered for this UMPP also)
5. **Activities of the Organization**: The Company has been incorporated to hold Coal Block License, Coal Blocks Land, Power Plant Land and Land for Corridors for the construction, operation and maintenance of electricity system and integrated fuel system and to act as a nodal agency for lease license of land, coal blocks etc. of Ultra Mega Power Project in the State of Bihar.

   Till date, no such activities have been undertaken by the Company as the guidelines for Infra SPVs are yet to be finalized by Ministry of Power (MoP).

6. **Budget and Planning :** Not Applicable as the company has not yet commenced any business activities and is still under development stage.
7. **Accounting System in the company as well as in the R.O's/Branch offices:** Centralized Accounting
8. **Manpower Analysis viz., Executive/Non-Executive and Sanctioned/Actual etc. as on 31.03.2021.:** Not Applicable (Since PFCCL is appointed as Bid processor coordinator by MoP in respective of UMPPs, the manpower analysis of PFCCL may be considered for this UMPP also)
9. **MoU Targets and Achievements for last three financial years (2018-19 to 2020-21) in the format given below:**

S. N.	Particulars	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
	Turnover from operations	Not Applicable					
	Operating profit						
	Return on investment						
	Overall rating						

10. **Computerization:** Oracle ERP (Version 12.1.1) No IT audit undertaken by CAG or any other agency.
11. **Internal Audit:** Not Applicable (There is no system of separate internal audit of SPVs/ITPs books. The PFCCL has outsourced internal auditor which does the audit of all expenditure including allocated expenditure to SPVs/ITPs)
12. **Act, Rules, other documents applicable to the Organization:** Companies Act, 2013, Electricity Act, 2003 and others (List is not Exhaustive)

13. **Operation Results (Target vis-à-vis Achievement) for last three financial years (2018-19 to 2020-21):** This Company has not yet commenced any business activities and is still under development stage.

Particulars	2018-19		2019-20		2020-21	
	Target	**Achievement**	**Target**	**Achievement**	**Target**	**Achievement**
Operating Turnover	NA	NA	NA	NA	NA	NA
Gross Operating Margin	NA	NA	NA	NA	NA	NA
Operating Expenses/Operating turnover (%)	NA	NA	NA	NA	NA	NA
PAT/Turnover (%)	NA	NA	NA	NA	NA	NA
Operating Turnover/ Employee	NA	NA	NA	NA	NA	NA
PAT/ Employee	NA	NA	NA	NA	NA	NA
Revenue from Operations	NA	NA	NA	NA	NA	NA
Profit/Surplus before tax or (excluding other income, extraordinary income & exceptional items)	NA	NA	NA	NA	NA	NA
Dividend/PAT (%)	NA	NA	NA	NA	NA	NA
PAT/Networth (%)	NA	NA	NA	NA	NA	NA
Dividend/Networth(%)	NA	NA	NA	NA	NA	NA

14. **Financial Working Result for last three financial years (2018-19 to 2020-21) in the following format**:

(Rs. in crore)

Particulars	2018-19	2019-20	2020-21
Income	-	-	-
Revenue from operations	-	-	-
Other Income	-	-	-
Total Income(A)	-	-	-

Total Expenditure(B)	-	-	-
Net Profit/(loss) (A-B)	-	-	-

15. **Disinvestment:** Not Applicable as it is a special purpose vehicle.
16. **Environment Management:** Since there is no activity in the Company. So there is no impact of operation on environment.

II. BIHAR MEGA POWER LIMITED

1. **Introduction of the Organization** viz.,
   a) Date of Formation: 09.07.2015
   b) Administrative Ministry: Ministry of Power
   c) Vision and Mission: The Company is a special purpose vehicle incorporated to facilitate the acquisition of land and complete preliminary work regarding statutory clearances including that of environment, forest, CRZ etc. for the purpose of establishing Ultra Mega Power Project of 4000 MW in the state of Bihar.
   d) Nature of business including geographical scope: To develop Ultra Mega Power Project in the state of Bihar.
   e) Offices/Region/Sub-Offices etc: NIL
2. **Objectives of the Organization**: To undertake developmental activities for the proposed Ultra Mega Power Project in the State of Bihar. The project would be developed as per the Tariff based competitive bidding guidelines issued by Ministry of Power, Government of India. The broad activities include land acquisition, undertake various developmental activities, obtained statutory clearances and approvals etc. and to undertake bidding process to select the successful bidder.
3. **Capital Structure as on 31.03.20**21: Paid up capital Rs. 5,00,000/- (50,000 Equity Shares of Rs. 10/- each)
4. **Organizational Set up (in organogram form).:** Not Applicable (Since PFCCL is appointed as Bid processor coordinator by MoP in respective of UMPPs, the organizational setup of PFCCL may be considered for this UMPP also.)
5. **Activities of the Organization**: To undertake developmental activities for the proposed Ultra Mega Power Project in the State of Bihar. The project would be developed as per the Tariff based competitive bidding guidelines issued by Ministry of Power, Government of India. The broad activities include land acquisition, undertake various developmental activities, obtained statutory clearances and approvals etc. and to undertake bidding process to select the successful bidder.
6. **Budget and Planning**

Not Applicable as the company has not yet commenced any business activities and is still under development stage.

7. **Accounting System in the company as well as in the R.O's/Branch offices** Centralized Accounting

8. **Manpower Analysis viz., Executive/Non-Executive and Sanctioned/Actual etc. as on 31.03.2021:** Not Applicable (Since PFCCL is appointed as Bid processor coordinator by MoP in respective of UMPPs, the manpower analysis of PFCCL may be considered for this UMPP also)

9. **MoU Targets and Achievements for last three financial years (2018-19 to 2020-21) in the format given below:**

S.N.	Particulars	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
	Turnover from operations						
	Operating profit						
	Return on investment						
	Overall rating						

10. **Computerization**: Oracle ERP (Version 12.1.1). No IT audit undertaken by CAG or any other agency.

11. **Internal Audit :** Not Applicable (There is no system of separate internal audit of SPVs/ITPs books. The PFCCL has outsourced internal auditor which does the audit of all expenditure including allocated expenditure to SPVs/ITPs)

12. **Act, Rules, other documents applicable to the Organization:** Companies Act, 2013, Electricity Act, 2003 and others (List is not Exhaustive)

13. **Operation Results (Target vis-à-vis Achievement) for last three financial years (2018-19 to 2020-21)**.: There is no operational activities in the Company.

Particulars	2018-19	2019-20	2020-21

Not Applicable (As the company has not entered/signed any MOU)

	Target	Achieveme nt	Target	Achieveme nt	Target	Achieveme nt
Operating Turnover	NA	NA	NA	NA	NA	NA
Gross Operating Margin	NA	NA	NA	NA	NA	NA
Operating Expenses/Operating turnover (%)	NA	NA	NA	NA	NA	NA
PAT/Turnover (%)	NA	NA	NA	NA	NA	NA
Operating Turnover/ Employee	NA	NA	NA	NA	NA	NA
PAT/ Employee	NA	NA	NA	NA	NA	NA
Revenue from Operations	NA	NA	NA	NA	NA	NA
Profit/Surplus before tax or (excluding other income, extraordinary income & exceptional items)	NA	NA	NA	NA	NA	NA
Dividend/PAT (%)	NA	NA	NA	NA	NA	NA
PAT/Networth (%)	NA	NA	NA	NA	NA	NA
Dividend/Networth(%)	NA	NA	NA	NA	NA	NA

14. **Financial Working Result for last three financial years (2018-19 to 2020-21) in the following format:**

(Rs. in crore)

Particulars	2018-19	2019-20	2020-21
Income	-	-	-
Revenue from operations	-	-	-
Other Income	-	-	-
Total Income(A)	-	-	-
Total Expenditure(B)	-	-	-
Net Profit/(loss) (A-B)	-	-	-

15. **Disinvestment**: Not Applicable as it is a special purpose vehicle formed for establishing a 4000 MW power project.
16. **Environment Management:**ToR is granted to the project and the Environmental Impact Assessment studies are going on.

III. CHEYYUR INFRA LIMITED

1. **Introduction of the Organization** viz.,
   a) date of formation: 21.01.2014
   b) administrative ministry: Ministry of Power
   c) vision and mission: CHEYYUR INFRA LIMITED has been incorporated as a wholly owned subsidiary of the Company on 21st January, 2014 under Companies Act, 1956 as a wholly owned subsidiary of Power Finance Corporation Limited, a Government of India Undertaking for development of Ultra Mega Power Project in the State of Cheyyur.
   d) nature of business including geographical scope: To hold the ownership of Coal Mine and land for the power plant & Coal Mines in the state of Tamil Nadu
   e) offices/region/sub-offices etc.: NIL

2. **Objectives of the Organization:** The Company is a Special Purpose Vehicle (SPV) for holding Coal Block License, Coal Blocks Land, Power Plant Land & Land for Corridors for the construction, operation and maintenance of electricity system and integrated fuel system and to act as a nodal agency for lease license of land, coal blocks etc. of Ultra Mega Power Project in the State of Cheyyur.
3. **Capital Structure as on 31.03.2021**.: Paid up capital Rs. 5,00,000/- (50,000 Equity Shares of Rs. 10/- each)
4. **Organizational Set up (in organogram form).:** Not Applicable (Since PFCCL is appointed as Bid processor coordinator by MoP in respective of UMPPs, the organizational setup of PFCCL may be considered for this UMPP also.)
5. **Activities of the Organization**: The Company has been incorporated to hold Coal Blocks License, Coal Blocks Land, Power Plant Land and Land for Corridors for the construction, operation and maintenance of electricity system and integrated fuel system and to act as a nodal agency for lease license of land, coal blocks etc.

   Till date, no such activities have been undertaken by the Company as the guidelines for Infra SPVs are yet to be finalized by Ministry of Power (MoP).

6. **Budget and Planning :** Not applicable as the company has not yet commenced any business activities and is still under development stage.

7. **Accounting System in the company as well as in the R.O's/Branch offices** Centralized Accounting

8. **Manpower Analysis viz., Executive/Non-Executive and Sanctioned/Actual etc. as on 31.03.2021:** Not Applicable (Since PFCCL is appointed as Bid processor coordinator by MoP in respective of UMPPs, the manpower analysis of PFCCL may be considered for this UMPP also)

9. **MoU Targets and Achievements for last three financial years (2018-19 to 2020-21) in the format given below:**

S.N.	PARTICULARS	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
	Turnover from operations						
	Operating profit						
	Return on investment						
	Overall rating						

Not Applicable (As the company has not entered/signed any MOU)

10. **Computerization :** Oracle ERP (Version 12.1.1). No IT audit undertaken by CAG or any other agency.

11. **Internal Audit:** Not Applicable (There is no system of separate internal audit of SPVs/ITPs books. The PFCCL has outsourced internal auditor which does the audit of all expenditure including allocated expenditure to SPVs/ITPs)

12. **Act, Rules, other documents applicable to the Organization**: Companies Act, 2013, Electricity Act, 2003 and others (List is not Exhaustive)

13. **Operation Results (Target vis-à-vis Achievement) for last three financial years (2018-19 to 2020-21):** This Company has not yet commenced any business activities and is still under development stage.

Particulars	**2018-19**		**2019-20**		**2020-21**	
	Target	**Achievement**	**Target**	**Achievement**	**Target**	**Achievement**
Operating Turnover	NA	NA	NA	NA	NA	NA
Gross Operating Margin	NA	NA	NA	NA	NA	NA
Operating Expenses/Operating turnover (%)	NA	NA	NA	NA	NA	NA
PAT/Turnover (%)	NA	NA	NA	NA	NA	NA
Operating Turnover/ Employee	NA	NA	NA	NA	NA	NA
PAT/ Employee	NA	NA	NA	NA	NA	NA
Revenue from Operations	NA	NA	NA	NA	NA	NA
Profit/Surplus before tax or (excluding other income, extraordinary income & exceptional items)	NA	NA	NA	NA	NA	NA
Dividend/PAT (%)	NA	NA	NA	NA	NA	NA
PAT/Networth (%)	NA	NA	NA	NA	NA	NA
Dividend/Networth(%)	NA	NA	NA	NA	NA	NA

14. **Financial Working Result for last three financial years (2018-19 to 2020-21) in the following format:**

(Rs. in crore)

Particulars	2018-19	2019-20	2020-21
Income	-	-	-
Revenue from operations	-	-	-
Other Income	-	-	-
Total Income(A)	-	-	-
Total Expenditure(B)	-	-	-

Net Profit/(loss) (A-B)	-	-	-

15. **Disinvestment:** Not Applicable as it is a special purpose vehicle

16. **Environment Management :** Since there is no activity in the Company. So there is no impact of operation on environment.

IV. CHATTISGARH SURGUJA POWER LIMITED

1. **Introduction of the Organization viz**.,
   a) date of formation: February 10, 2006
   b) administrative ministry: Ministry of Power
   c) vision and missionThe Company was incorporated as a special purpose vehicle to facilitate the acquisition of land and complete preliminary work regarding statutory clearances including that of environment, forest, etc. for the purpose of establishing Ultra Mega Power Project of 4000 MW in the state of Chhattisgarh (Project)
   d) nature of business including geographical scope: To develop Ultra Mega Power Project in the state of Chhattisgarh.
   e) offices/region/sub-offices etc. NIL

2 **Objectives of the Organization** :To undertake developmental activities for the proposed Ultra Mega Power Project in the State of Chhattisgarh. The project would be developed as per the Tariff based competitive bidding guidelines issued by Ministry of Power, Government of India. The broad activities include land acquisition, undertake various developmental activities, obtained statutory clearances and approvals etc. and to undertake bidding process to select the successful bidder.

3 **Capital Structure as on 31.03.2021**. Paid up capital Rs. 500,000 (50,000 Eq. Shares of Rs. 10 each)

4 **Organizational Set up (in organogram form).**Not Applicable (Since PFCCL is appointed as Bid processor coordinator by MoP in respective of UMPPs, the organizational setup of PFCCL may be considered for this UMPP also.

5 **Activities of the Organization.**To undertake developmental activities for the proposed Ultra Mega Power Project in the State of Chhattisgarh. The project would be developed as per the Tariff based competitive bidding guidelines issued by Ministry of Power, Government of India. The broad activities include land acquisition, undertake various developmental activities, obtained statutory clearances and approvals etc. and to undertake bidding process to select the successful bidder.

However, Government of Chhattisgarh vide its Letter No. 1312/R-10/2015/13/2/ED/UMPP dated April 5, 2016 has informed to the Ministry of Power (MoP) its decision to close the project to which MoP has directed PFC to take needful action vide letter dated June 06, 2016. Accordingly, the Board of Directors of Chhattisgarh Surguja Power Limited (CSPL) in its 46th meeting held on July 25, 2016 has approved the closure of CSPL subject to approval of PFC &MoP. Subsequently, Board of PFC in its 350th meeting of board held on August 09, 2016 has approved the closure of CSPL. MoP has given its approval for closure of CSPL vide its letter dated January 16, 2017. Following directions of MoP,the holding company has taken necessary steps for closure of company

6 **Budget and Planning :** Not applicable as the company has not yet commenced any business activities and is still under Closure stage**.**

7 **Accounting System in the company** ***as well as in the R.O's/Branch offices*** Centralized Accounting

8 **Manpower Analysis viz., Executive/Non-Executive and Sanctioned/Actual etc. as on 31.03.2021.**Not Applicable (Since PFCCL is appointed as Bid processor coordinator by MoP in respective of UMPPs, the manpower analysisofPFCCLmay be considered for this UMPP also)

9 **MoU Targets and Achievements for last three financial years (2018-19 to 2020-21) in the format given below:**

S.No.	PARTICULARS	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
	Turnover from operations	**Not Applicable (As the company has not entered/signed any MOU)**					
	Operating profit						
	Return on investment						
	Overall rating						

10 **Computerization**

Oracle ERP (Version 12.1.1). No IT audit undertaken by CAG or any other agency.

11 **Internal Audit** Not Applicable (There is no system of separate internal audit of SPVs/ITPs books.The PFCCL has outsourced internal auditor which does the audit of all expenditure including allocated expenditure to SPVs/ITPs)

12 **Act, Rules, other documents applicable to the Organisation**:Companies Act, 2013, Electricity Act 2003 and others

13 **Operation Results (Target vis-à-vis Achievement) for last three financial** ***years (2018-19 to 2020-21).*** There are no operational activities.

Particulars	**2018-19**		**2019-20**		**2020-21**	
	Target	**Achievement**	**Target**	**Achievement**	**Target**	**Achievement**
Operating Turnover	NA	NA	NA	NA	NA	NA
Gross Operating Margin	NA	NA	NA	NA	NA	NA
Operating Expenses/Operating turnover (%)	NA	NA	NA	NA	NA	NA
PAT/Turnover (%)	NA	NA	NA	NA	NA	NA
Operating Turnover/ Employee	NA	NA	NA	NA	NA	NA
PAT/ Employee	NA	NA	NA	NA	NA	NA
Revenue from Operations	NA	NA	NA	NA	NA	NA
Profit/Surplus before tax or (excluding other income, extraordinary income & exceptional items)	NA	NA	NA	NA	NA	NA
Dividend/PAT (%)	NA	NA	NA	NA	NA	NA
PAT/Networth (%)	NA	NA	NA	NA	NA	NA
Dividend/Networth(%)	NA	NA	NA	NA	NA	NA

14 **Financial Working Result for last three financial years (2018-19 to 2020-21) in the following format:**

(Rs. in crore)

Particulars	2018-19	2019-20	2020-21
Income	-	-	-
Revenue from operations	-	-	-
Other Income	-	-	-
Total Income(A)	-	-	-
Total Expenditure(B)	-	-	-
Net Profit/(loss) (A-B)	-	-	-

15 **Disinvestment:**Not Applicableas it is a special purpose company.

16 **Environment Management** Not ApplicableSince there is no activity in the Company. So there is no impact of operation on environment**.**

V. COASTAL KARNATAKA POWER LIMITED

1. **Introduction of the Organization viz**.,
   a) date of formation: February 10, 2006
   b) administrative ministry: Ministry of Power
   c) vision and missionThe Company is a special purpose vehicle incorporated to facilitate the acquisition of land and complete preliminary work regarding statutory clearances including that of environment, forest etc. for the purpose of establishing Ultra Mega Power Project of 4000 MW in the state of Karnataka.
   d) nature of business including geographical scope: To develop Ultra Mega Power Project in the state of Karnataka.
   e) offices/region/sub-offices etc. NIL

2 **Objectives of the Organization**: The Company is a special purpose vehicle incorporated to facilitate the acquisition of land and complete preliminary work regarding statutory clearances including that of environment, forest etc. for the purpose of establishing Ultra Mega Power Project of 4000 MW in the state of Karnataka.

3. **Capital Structure as on 31.03.2021***:* Paid up capital Rs. 500,000 (50,000 Eq. Shares of Rs. 10 each)

4. **Organizational Set up (in organogram form**).The Company has a functional Board which consists of employee of PFC.

5. **Activities of the Organization.**To undertake developmental activities for the proposed Ultra Mega Power Project in the State of Karnataka. The project would be developed as per the Tariff based competitive bidding guidelines issued by Ministry of Power, Government of India. The broad activities include land acquisition, undertake various developmental activities, obtained statutory clearances and approvals etc. and to undertake bidding process to select the successful bidder.

   Till date, no such activities have been undertaken by the Company Government of Karnataka during the FY 2019-20 has decided to close the UMPP/the company vide letter dated 29.08.2019 and thereafter Ministry of Power, Govt of India (MoP) vide office memorandum dated 16.09.2019 has directed PFC/PFCCL for taking necessary action in this regard.

6. **Budget and Planning :** Not applicable as the company has not yet commenced any business activities and is still under Closure stage.

7. **Accounting System in the company *as well as in the R.O's/Branch offices*** Centralized Accounting

8. **Manpower Analysis viz., Executive/Non-Executive and Sanctioned/Actual etc. as on 31.03.2021**. Not ApplicableNot Applicable (Since PFCCL is appointed as Bid processor coordinator by MoP in respective of UMPPs, the manpower analysisofPFCCLmay be considered for this UMPP also)

9. **MoU Targets and Achievements for last three financial years (2018-19 to 2020-21) in the format given below***:*

S.No.	PARTICULARS	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
	Turnover from operations	Not Applicable (As the company has not entered/signed any MOU)					
	Operating profit						
	Return on investment						
	Overall rating						

10. **Computerization** Oracle ERP (Version 12.1.1). No IT audit undertaken by CAG or any other agency.

11. **Internal Audit** Not Applicable (There is no system of separate internal audit of SPVs/ITPs books.The PFCCL has outsourced internal auditor which does the audit of all expenditure including allocated expenditure to SPVs/ITPs)

12. **Act, Rules, other documents applicable to the Organisation.**Companies Act, 2013, Electricity Act 2003 and others

13. **Operation Results (Target vis-à-vis Achievement) for last three financial** ***years (2018-19 to 2020-21).*** There is no operational activity in the Company.

Particulars	**2018-19**		**2019-20**		**2020-21**	
	Target	**Achievement**	**Target**	**Achievement**	**Target**	**Achievement**
Operating Turnover	NA	NA	NA	NA	NA	NA
Gross Operating Margin	NA	NA	NA	NA	NA	NA
Operating Expenses/Operating turnover (%)	NA	NA	NA	NA	NA	NA
PAT/Turnover (%)	NA	NA	NA	NA	NA	NA
Operating Turnover/ Employee	NA	NA	NA	NA	NA	NA
PAT/ Employee	NA	NA	NA	NA	NA	NA
Revenue from Operations	NA	NA	NA	NA	NA	NA
Profit/Surplus before tax or (excluding other income, extraordinary income & exceptional items)	NA	NA	NA	NA	NA	NA
Dividend/PAT (%)	NA	NA	NA	NA	NA	NA
PAT/Networth (%)	NA	NA	NA	NA	NA	NA
Dividend/Networth(%)	NA	NA	NA	NA	NA	NA

14. **Financial Working Result for last three financial years (2018-19 to 2020-21) in the following format:**

There is no operational activity in the Company.

(Rs. in crore)

Particulars	2018-19	2019-20	2020-21
Income	-	-	-
Revenue from operations	-	-	-
Other Income	-	-	-
Total Income(A)	-	-	-
Total Expenditure(B)	-	-	-
Net Profit/(loss) (A-B)	-	-	-

15. **Disinvestment**

Not Applicable as the Company is a Special Purpose Vehicle.

16. ***Environment Management**:*Not Applicable

VI. COASTAL MAHARASHTRA MEGA POWER LIMITED

1. **Introduction of the Organization viz.**,
   a) date of formation: March 1, 2006
   b) administrative ministry: Ministry of Power
   c) vision and missionThe Company is a special purpose vehicle incorporated to facilitate the acquisition of land and complete preliminary work regarding statutory clearances including that of environment, forest etc. for the purpose of establishing Ultra Mega Power Project of 4000 MW in the state of Maharashtra (Project)
   d) nature of business including geographical scope: To develop Ultra Mega Power Project in the state of Maharashtra
   e) offices/region/sub-offices etc. NIL

2 **Objectives of the Organization** :To undertake developmental activities for the proposed Ultra Mega Power Project in the State of Maharashtra. The project would be developed as per the Tariff based competitive bidding guidelines issued by Ministry of Power, Government of India. The broad activities include land acquisition, undertake various developmental activities, obtained statutory clearances and approvals etc. and to undertake bidding process to select the successful bidder.

3 **Capital Structure as on 31.03.2021**. Paid up capital Rs. 500,000 (50,000 Eq. Shares of Rs. 10 each)

4. **Organizational Set up** (in organogram form)Applicable (Since PFCCL is appointed as Bid processor coordinator by MoP in respective of UMPPs, the organizational setup of PFCCL may be considered for this UMPP also.)

5. **Activities of the Organization** :To undertake developmental activities for the proposed Ultra Mega Power Project in the State ofMaharashtra. The project would be developed as per the Tariff based competitive bidding guidelines issued by Ministry of Power, Government of India. The broad activities include land acquisition, undertake various developmental activities, obtained statutory clearances and approvals etc. and to undertake bidding process to select the successful bidder.

However, due to Environmental issues, the Government of Maharashtra has proposed to discontinue the development of UMPP at Munage,TalDeogad, Maharashtra under Coastal maharashtra Mega Power Limited vide letter dated 05.03.2019. Ministry of Power (MoP) has forwarded the same to the company in office memorandum (OM) dated 27.03.2019 for necessary action.

The Board of Directors of the company in its Board meeting dated 20.05.2019 has decided to initiate for closure of the company in accordance with the provisions of section 248-252 of the Companies Act 2013 and the Rules made thereunder subject to approvals of PFC and MoP. Thereafter the Board of Directors of PFC in its meeting dated 13.08.2019 has approved the proposal of striking off/closure of the Company subject to approval of MoP and accordingly MoP was requested for approving the same. MoP vide its OM dated January 7,2020 has conveyed its approval for closure of the company.

6. **Budget and Planning :** Not applicable as the company has not yet commenced any business activities and is still under closure stage

7. **Accounting System in the company *as well as in the R.O's/Branch offices*** Centralized Accounting

8. **Manpower Analysis viz., Executive/Non-Executive and Sanctioned/Actual etc. as on 31.03.2021.**Not Applicable (Since PFCCL is appointed as Bid processor coordinator by MoP in respective of UMPPs, the manpower analysis of PFCCL may be considered for this UMPP also)

9. **MoU Targets and Achievements for last three financial years (2018-19 to 2020-21) in the format given below***:*

S.No.	PARTICULARS	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
	Turnover from operations	**Not Applicable (As the company has not entered/signed any MOU)**					
	Operating profit						
	Return on investment						
	Overall rating						

10. **Computerization**

Oracle ERP (Version 12.1.1). No IT audit undertaken by CAG or any other agency.

11. **Internal Audit** Not Applicable (There is no system of separate internal audit of SPVs/ITPs books. The PFCCL has outsourced internal auditor which does the audit of all expenditure including allocated expenditure to SPVs/ITPs **)**

12. **Act, Rules, other documents applicable to the Organisation**.Companies Act, 2013, Electricity Act 2003 and others (List is not Exhaustive)

13. **Operation Results (Target vis-à-vis Achievement) for last three financial *years (2018-19 to 2020-21)*.** There is no operational activity in the Company.

Particulars	**2018-19**		**2019-20**		**2020-21**	
	Target	**Achievement**	**Target**	**Achievement**	**Target**	**Achievement**
Operating Turnover	NA	NA	NA	NA	NA	NA
Gross Operating Margin	NA	NA	NA	NA	NA	NA
Operating Expenses/Operating turnover (%)	NA	NA	NA	NA	NA	NA
PAT/Turnover (%)	NA	NA	NA	NA	NA	NA
Operating Turnover/ Employee	NA	NA	NA	NA	NA	NA
PAT/ Employee	NA	NA	NA	NA	NA	NA
Revenue from Operations	NA	NA	NA	NA	NA	NA
Profit/Surplus before tax or (excluding other income, extraordinary income & exceptional items)	NA	NA	NA	NA	NA	NA
Dividend/PAT (%)	NA	NA	NA	NA	NA	NA

PAT/Networth (%)	NA	NA	NA	NA	NA	NA
Dividend/Networth(%)	NA	NA	NA	NA	NA	NA

14. Financial Working Result for last three financial years (2018-19 to 2020-21) in the following format:

(Rs. in crore)

Particulars	2018-19	2019-20	2020-21
Income	-	-	-
Revenue from operations	-	-	-
Other Income	-	-	-
Total Income(A)	-	-	-
Total Expenditure(B)	-	-	-
Net Profit/(loss) (A-B)	-	-	-

15. **Disinvestment** :Not Applicable as the Company is a Special Purpose Vehcile.

16. **Environment Management :** Since there is no activity in the Company. So there is no impact of operation on environment.

VII. COASTAL TAMIL NADU POWER LIMITED

1. **Introduction of the Organization viz.,**
   a) date of formation: 09.01.2007
   b) administrative ministry: Ministry of Power
   c) vision and mission: The Government of India has envisaged a Power Generation Capacity of 100000 MW during the decade 2002 to 2012 to meet its Mission of Power to all by 2012. To accomplish the mission of the Government of India, the Ministry of power in association with Central Electricity Authority and Power Finance Corporation Limited (PFC) had launched an initiative for development of Ultra Mega Power Project of 4000 MW capacity each.
   d) nature of business including geographical scope: To develop Ultra Mega Power Project in the state of Tamil Nadu.
   e) offices/region/sub-offices etc: NIL
2. **Objectives of the Organization**: In furtherance of the mission of GoI, various SPV companies have been formed to develop Ultra Mega Power Projects in various states which will ultimately get transferred to successful bidder through International Competitive Bidding. Costal Tamil Nadu Power Limited has been established as a wholly owned subsidiary of Power Finance Corporation Limited for developing Cheyyur Ultra Mega Power Project in Tamil Nadu. CTNPL is to undertake preliminary studies and to obtain necessary clearances and tie up inputs including water, land and power selling arrangements etc. for power project.
3. **Capital Structure as on 31.03.2021**: Paid up capital Rs. 5,00,000/- (50,000 Equity Shares of Rs. 10/- each)
4. **Organizational Set up (in organogram form).:** Not Applicable (Since PFCCL is appointed as Bid processor coordinator by MoP in respective of UMPPs, the organizational setup of PFCCL may be considered for this UMPP also.)
5. **Activities of the Organiz**ation: Costal Tamil Nadu Power Limited has been established as a wholly owned subsidiary of Power Finance Corporation Limited to facilitate the acquisition of land and complete preliminary work regarding statutory clearances including

that of environment, forest, CRZ etc. for the purpose of establishing Ultra Mega Power Project of 4000 MW in the state of Tamil Nadu (Project) at Cheyyur.

The bidding process for the Cheyyur UMPP was initiated earlier but was terminated by Ministry of Power (MoP) vide Office Memorandum No.12/4/2013-UMPP dated 29/12/2014 and kept on hold for revision of Standard Bidding Documents.

Due to some operational issues, all the beneficiary of Cheyyur UMPP i.e. the State Procurers (including host state utility TANGEDCO) have opted out of the Project. MoP vide letter dated 02.06.2021 has written to all the state procures for seeking their consent for closure of Cheyyur UMPP. Consent from Procurers is still awaited.

6. **Budget and Planning :** Not applicable as the company has not yet commenced any business activities and is still under development stage.
7. **Accounting System in the company as well as in the R.O's/Branch offices (Whether accounting centralized or decentralized, costing system/records etc.):** Centralized Accounting
8. **Manpower Analysis viz., Executive/Non-Executive and Sanctioned/Actual etc. as on 31.03.2021:** Not Applicable (Since PFCCL is appointed as Bid processor coordinator by MoP in respective of UMPPs, the manpower analysisofPFCCLmay be considered for this UMPP also)
9. **MoU Targets and Achievements for last three financial years (2018-19 to 2020-21) in the format given below:**

S.N.	PARTICULARS	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
	Turnover from operations						
	Operating profit						
	Return on investment						
	Overall rating						

Not Applicable (As the company has not entered/signed any MOU)

10. **Computerization:** Oracle ERP (Version 12.1.1). No IT audit undertaken by CAG or any other agency.
11. **Internal Audit :** Not Applicable (There is no system of separate internal audit of SPVs/ITPs books. The PFCCL has outsourced internal auditor which does the audit of all expenditure including allocated expenditure to SPVs/ITPs)
12. **Act, Rules, other documents applicable to the Organization**: Companies Act, 2013, Electricity Act, 2003 and others (List is not Exhaustive)
13. **Operation Results (Target vis-à-vis Achievement) for last three financial years (2018-19 to 2020-21).:** This company has not yet commenced any business activities and is still under development stage.

Particulars	**2018-19**		**2019-20**		**2020-21**	
	Target	**Achievement**	**Target**	**Achievement**	**Target**	**Achievement**
Operating Turnover	NA	NA	NA	NA	NA	NA
Gross Operating Margin	NA	NA	NA	NA	NA	NA
Operating Expenses/Operating turnover (%)	NA	NA	NA	NA	NA	NA
PAT/Turnover (%)	NA	NA	NA	NA	NA	NA
Operating Turnover/ Employee	NA	NA	NA	NA	NA	NA
PAT/ Employee	NA	NA	NA	NA	NA	NA
Revenue from Operations	NA	NA	NA	NA	NA	NA
Profit/Surplus before tax or (excluding other income, extraordinary income & exceptional items)	NA	NA	NA	NA	NA	NA

Dividend/PAT (%)	NA	NA	NA	NA	NA	NA
PAT/Networth (%)	NA	NA	NA	NA	NA	NA
Dividend/Networth(%)	NA	NA	NA	NA	NA	NA

14. **Financial Working Result for last three financial years (2018-19 to 2020-21) in the following format:**

(Rs. in crore)

Particulars	2018-19	2019-20	2020-21
Income	-	-	-
Revenue from operations	-	-	-
Other Income	-	-	-
Total Income(A)	-	-	-
Total Expenditure(B)	-	-	-
Net Profit/(loss) (A-B)	-	-	-

15. **Disinvestment:** Not Applicable as it is a special purpose vehicle formed for establishing a 4000 MW power project

16. **Environment Management:** Since there is no activity in the Company. So there is no impact of operation on environment.

VIII. DEOGHAR INFRA LIMITED

1. **Introduction of the Organization viz**.,
   a) date of formation: 30.06.2015
   b) administrative ministry: Ministry of Power
   c) vision and mission: Deoghar Infra Limited has been incorporated on June 30, 2015 under the Companies Act 2013 as a wholly owned subsidiary of Power Finance Corporation Limited (PFCL), a Govt. of India Undertaking for development of Ultra Mega Power Project in the State of Jharkhand.
   d) nature of business including geographical scope: To hold the ownership of Coal Mine and land for the power plant & Coal Mines in the state of Jharkhand.
   e) offices/region/sub-offices etc.: NIL
2. **Objectives of the Organization:** The Company is a Special Purpose Vehicle (SPV) for holding Coal Blocks License, Coal Blocks Land, Power Plant Land & Land for Corridors for the construction, operation and maintenance of electricity system and integrated fuel system and to act as a nodal agency for lease license of land, coal blocks etc. of Ultra Mega Power Project in the State of Jharkhand.
3. **Capital Structure as on 31.03.2021**: Paid up capital Rs. 5,00,000/- (50,000 Equity Shares of Rs. 10/- each)
4. **Organizational Set up (in organogram form):** Not Applicable (Since PFCCL is appointed as Bid processor coordinator by MoP in respective of UMPPs, the organizational setup of PFCCL may be considered for this UMPP also)
5. **Activities of the Organization:** The Company has been incorporated to hold Coal Blocks License, Coal Blocks Land, Power Plant Land and Land for Corridors for the construction, operation and maintenance of electricity system and integrated fuel system and to act as a nodal agency for lease license of land, coal blocks etc. of Ultra Mega Power Project in the State of Jharkhand.

   Till date, no such active ities have been undertaken by the Company as the guidelines for Infra SPVs are yet to be finalized by Ministry of Power (MoP).
6. **Budget and Planning :** Not Applicable as the company has not yet commenced any business activities and is still under development stage.

7. **Accounting System in the company as well as in the R.O's/Branch offices** Centralized Accounting
8. **Manpower Analysis viz., Executive/Non-Executive and Sanctioned/Actual etc. as on 31.03.2021:** Not Applicable (Since PFCCL is appointed as Bid processor coordinator by MoP in respective of UMPPs, the manpower analysis of PFCCL may be considered for this UMPP also)
9. **MoU Targets and Achievements for last three financial years (2018-19 to 2020-21) in the format given below:**

S.N.	Particulars	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
	Turnover from operations						
	Operating profit						
	Return on investment						
	Overall rating						

Not Applicable

10. **Computerization:** Oracle ERP (Version 12.1.1). No IT audit undertaken by CAG or any other agency.
11. **Internal Audit:** Not Applicable (There is no system of separate internal audit of SPVs/ITPs books. The PFCCL has outsourced internal auditor which does the audit of all expenditure including allocated expenditure to SPVs/ITPs)
12. **Act, Rules, other documents applicable to the Organization:** Companies Act, 2013, Electricity Act, 2003 and others (List is not Exhaustive)
13. **Operation Results (Target vis-à-vis Achievement) for last three financial years (2018-19 to 2020-21):** This Company has not yet commenced any business activities and is still under development stage.

Particulars	**2018-19**		**2019-20**		**2020-21**	
	Target	**Achievement**	**Target**	**Achievement**	**Target**	**Achievement**

Operating Turnover	NA	NA	NA	NA	NA	NA
Gross Operating Margin	NA	NA	NA	NA	NA	NA
Operating Expenses/Operating turnover (%)	NA	NA	NA	NA	NA	NA
PAT/Turnover (%)	NA	NA	NA	NA	NA	NA
Operating Turnover/ Employee	NA	NA	NA	NA	NA	NA
PAT/ Employee	NA	NA	NA	NA	NA	NA
Revenue from Operations	NA	NA	NA	NA	NA	NA
Profit/Surplus before tax or (excluding other income, extraordinary income & exceptional items)	NA	NA	NA	NA	NA	NA
Dividend/PAT (%)	NA	NA	NA	NA	NA	NA
PAT/Networth (%)	NA	NA	NA	NA	NA	NA
Dividend/Networth(%)	NA	NA	NA	NA	NA	NA

14. **Financial Working Result for last three financial years (2018-19 to 2020-21) in the following format:**

(Rs. in crore)

Particulars	2018-19	2019-20	2020-21
Income	-	-	-
Revenue from operations	-	-	-
Other Income	-	-	-
Total Income(A)	-	-	-
Total Expenditure(B)	-	-	-
Net Profit/(loss) (A-B)	-	-	-

15. **Disinvestment**: Not Applicable as it is a special purpose vehicle.

16. **Environment Management :** Since there is no activity in the Company. So there is no impact of operation on environment.

IX. DEOGHAR MEGA POWER LIMITED

1. **Introduction of the Organization viz.,**

   a) The Company has been incorporated on 26thApril, 2012 as a wholly owned subsidiary of Power Finance Corporation Limited (PFC) for the development of 2nd Ultra Mega Power Project in the state of Jharkhand.

   b) date of formation: 26.04.2012

   c) administrative ministry: Ministry of Power

   d) vision and mission: Deoghar Mega Power Ltd. is one of the various SPVs and was incorporated on 26th April, 2006 under Companies Act, 1956 as a wholly owned subsidiary of Power Finance Corporation Limited for the development of Ultra Mega Power Project in the State of Jharkhand. DMPL has been established to undertake preliminary studies and to facilitate tie ups of inputs, linkages and clearances for the projects such as water, land, environment clearance before transfer of company.

   e) nature of business including geographical scope: To develop Ultra Mega Power Project in the state of Jharkhand.

   f) offices/region/sub-offices etc: NIL

2. **Objectives of the Organization**: The Government of India has envisaged a Power Generation Capacity of 100000 MW during the decade 2002 to 2012 to meet its Mission of Power to all by 2012. To accomplish the mission of the Government of India, Ministry of power in association with Central Electricity Authority and Power Finance Corporation Limited had launched an initiative for development of Ultra Mega Power Project of 4000 MW capacity each. In furtherance of the above various SPV companies have been formed to develop Ultra Mega Power Projects in various states and will ultimately get transfer to successful bidder through International Competitive bidding. Deoghar Mega Power Ltd. was established as a wholly owned subsidiary of Power Finance Corporation for the development of Ultra Mega Power Project in Jharkhand. DMPL has been established to

undertake preliminary studies and to facilitate tie ups of inputs, linkages and clearances for the projects such as water, land environment clearance.

3. **Capital Structure as on 31.03.2021***:* Paid up capital Rs. 5,00,000/- (50,000 Equity Shares of Rs. 10/- each)

4. **Organizational Set up (in organogram form).:** Not Applicable (Since PFCCL is appointed as Bid processor coordinator by MoP in respective of UMPPs, the organizational setup of PFCCL may be considered for this UMPP also)

5. **Activities of the Organization**: The Government of India has envisaged a Power Generation Capacity of 100000 MW during the decade 2002 to 2012 to meet its Mission of Power to all by 2012. To accomplish the mission of the Government of India, Ministry of power in association with Central Electricity Authority and Power Finance Corporation Limited had launched an initiative for development of Ultra Mega Power Project of 4000 MW capacity each. In furtherance of the above various SPV companies have been formed to develop Ultra Mega Power Projects in various states and will ultimately get transfer to successful bidder through International Competitive bidding. Deoghar Mega Power Ltd. was established as a wholly owned subsidiary of Power Finance Corporation for the development of Ultra Mega Power Project in Jharkhand. DMPL has been established to undertake preliminary studies and to facilitate tie ups of inputs, linkages and clearances for the projects such as water, land environment clearance.

6. **Budget and Planning :** Not Applicable (Not applicable as the company has not yet commenced any business activities and is still under development stage.)

7. **Accounting System in the company *as well as in the R.O's/Branch offices*** Centralized Accounting

8. **Manpower Analysis viz., Executive/Non-Executive and Sanctioned/Actual etc. as on 31.03.2021***:* Not Applicable(Since PFCCL is appointed as Bid processor coordinator by MoP in respective of UMPPs, the manpower analysis of PFCCL may be considered for this UMPP also)

9. ***MoU Targets and Achievements for last three financial years (2018-19 to 2020-21) in the format given below**:*

S.N.	Particulars	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual

	Turnover from operations			
	Operating profit			
	Return on investment			
	Overall rating			

Not Applicable (As the company has not entered/signed any MOU)

10. **Computerization*:***Oracle ERP (Version 12.1.1). No IT audit undertaken by CAG or any other agency.

11. **Internal Audit:**Not Applicable (There is no system of separate internal audit of SPVs/ITPs books .The PFCCL has outsourced internal auditor which does the audit of all expenditure including allocated expenditure to SPVs/ITPs)

12. **Act, Rules, other documents applicable to the Organization**: Companies Act, 2013, Electricity Act, 2003 and others (List is not Exhaustive)

13. **Operation Results (Target vis-à-vis Achievement) for last three financial *years (2018-19 to 2020-21).:***_There are no operational activities in the Company._

Particulars	**2018-19**		**2019-20**		**2020-21**	
	Target	**Achievement**	**Target**	**Achievement**	**Target**	**Achievement**
Operating Turnover	NA	NA	NA	NA	NA	NA
Gross Operating Margin	NA	NA	NA	NA	NA	NA
Operating Expenses/Operating turnover (%)	NA	NA	NA	NA	NA	NA
PAT/Turnover (%)	NA	NA	NA	NA	NA	NA
Operating Turnover/ Employee	NA	NA	NA	NA	NA	NA
PAT/ Employee	NA	NA	NA	NA	NA	NA

Revenue from Operations	NA	NA	NA	NA	NA	NA
Profit/Surplus before tax or (excluding other income, extraordinary income & exceptional items)	NA	NA	NA	NA	NA	NA
Dividend/PAT (%)	NA	NA	NA	NA	NA	NA
PAT/Networth (%)	NA	NA	NA	NA	NA	NA
Dividend/Networth(%)	NA	NA	NA	NA	NA	NA

14. **Financial Working Result for last three financial years (2018-19 to 2020-21) in the following format:**

(in crore)

Particulars	2018-19	2019-20	2020-21
Income	-	-	-
Revenue from operations	-	-	-
Other Income	-	-	-
Total Income(A)	-	-	-
Total Expenditure(B)	-	-	-
Net Profit/(loss) (A-B)	-	-	-

15. **Disinvestment***:* Not Applicable as it is a special purpose vehicle formed for establishing a 4000 MW power project

16. **Environment Management:**ToR is granted to the project and the Environmental Impact Assessment studies are going on.

X. GHOGARPALLI INTEGRATED POWER COMPANY LIMITED

1. **Introduction of the Organization viz.,**
   a) date of formation: May 22, 2008
   b) administrative ministry: Ministry of Power
   c) vision and missionThe Company is a special purpose vehicle incorporated to facilitate the acquisition of land and complete preliminary work regarding statutory clearances including that of environment, forest, CRZ etc. for the purpose of establishing Ultra Mega Power Project of 4000 MW in the state of Odisha.
   d) nature of business including geographical scope:To develop Ultra Mega Power Project in the state of Odisha.
   e) offices/region/sub-offices etc. NIL

2 **Objectives of the Organization** :To undertake developmental activities for the proposed Ultra Mega Power Project in the State of Odisha. The project would be developed as per the Tariff based competitive bidding guidelines issued by Ministry of Power, Government of India. The broad activities include land acquisition, undertake various developmental activities, obtained statutory clearances and approvals etc. and to undertake bidding process to select the successful bidder.

3 **Capital Structure as on 31.03.2021**. Paid up capital Rs. 500,000 (50,000 Eq. Shares of Rs. 10 each)

4 **Organizational Set up (in organogram form)**.Not Applicable (Since PFCCL is appointed as Bid processor coordinator by MoP in respective of UMPPs, the organizational setup of PFCCL may be considered for this UMPP also.)

5 **Activities of the Organization**.To undertake developmental activities for the proposed Ultra Mega Power Project in the State of Odisha. The project would be developed as per the Tariff based competitive bidding guidelines issued by Ministry of Power, Government

of India. The broad activities include land acquisition, undertake various developmental activities, obtained statutory clearances and approvals etc. and to undertake bidding process to select the successful bidder.

6 **Budget and Planning :** Not Applicable as the company has still not commenced any business operations and is till under development stage.

7 **Accounting System in the company as well as in the R.O's/Branch offices** Centralized Accounting

8 **Manpower Analysis viz., Executive/Non-Executive and Sanctioned/Actual etc. as on 31.03.2021**.Not Applicable (Since PFCCL is appointed as Bid processor coordinator by MoP in respective of UMPPs, the manpower analysisofPFCCLmay be considered for this UMPP also

9 **MoU Targets and Achievements for last three financial years (2018-19 to 2020-21) in the format given below**:

S.No.	PARTICULARS	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
	Turnover from operations	**Not Applicable (As the company has not entered/signed any MOU)**					
	Operating profit						
	Return on investment						
	Overall rating						

10 **Computerization : Oracle ERP (Version 12.1.1).** No IT audit undertaken by CAG or any other agency.

11 **Internal Audit :** Not Applicable (There is no system of separate internal audit of SPVs/ITPs books.The PFCCL has outsourced internal auditor which does the audit of all expenditure including allocated expenditure to SPVs/ITPs)

12 **Act, Rules, other documents applicable to the Organisation.**Companies Act, 2013, Electricity Act 2003 and others.

13. Operation Results (Target vis-à-vis Achievement) for last three financial years (2018-19 to 2020-21). There are no operational activities.

Particulars	**2018-19**		**2019-20**		**2020-21**	
	Target	**Achievement**	**Target**	**Achievement**	**Target**	**Achievement**
Operating Turnover	NA	NA	NA	NA	NA	NA
Gross Operating Margin	NA	NA	NA	NA	NA	NA
Operating Expenses/Operating turnover (%)	NA	NA	NA	NA	NA	NA
PAT/Turnover (%)	NA	NA	NA	NA	NA	NA
Operating Turnover/ Employee	NA	NA	NA	NA	NA	NA
PAT/ Employee	NA	NA	NA	NA	NA	NA
Revenue from Operations	NA	NA	NA	NA	NA	NA
Profit/Surplus before tax or (excluding other income, extraordinary income & exceptional items)	NA	NA	NA	NA	NA	NA
Dividend/PAT (%)	NA	NA	NA	NA	NA	NA
PAT/Networth (%)	NA	NA	NA	NA	NA	NA
Dividend/Networth(%)	NA	NA	NA	NA	NA	NA

14. Financial Working Result for last three financial years (2018-19 to 2020-21) in the following format:

(Rs. in crore)

Particulars	2018-19	2019-20	2020-21
Income	-	-	-
Revenue from operations	-	-	-
Other Income	-	-	-

Total Income(A)	-	-	-
Total Expenditure(B)	-	-	-
Net Profit/(loss) (A-B)	-	-	-

15. **Disinvestment**: Not Applicable as it is a special purpose vehicle.

16. **Environment Management:** Since there is no activity in the Company. So there is no impact of operation on environment

XI. JHARKHAND INFRA POWER LIMITED

1. **Introduction of the Organization viz.,**
   a) date of formation: December 10, 2015
   b) administrative ministry: Ministry of Power
   c) vision and mission: The Company has been incorporated for holding Coal Block License, Coal Blocks Land, Power Plant Land & Land for Corridors for the construction, operation and maintenance of electricity system and integrated fuel system and to act as a nodal agency for lease license of land, coal blocks etc. for Tiliya Ultra Mega Power Project in the State of Jharkhand.
   d) nature of business including geographical scope:To hold the ownership of Coal Mine and land for the power plant & Coal Mines in the state of Jharkhand
   e) offices/region/sub-offices etc.NIL

2. **Objectives of the Organization** :The Company has been incorporated for holding Coal Block License, Coal Blocks Land, Power Plant Land & Land for Corridors for the construction, operation and maintenance of electricity system in Jharkhand.
3. **Capital Structure as on 31.03.2021**:Paid up capital Rs. 500,000 (50,000 Eq. Shares of Rs. 10 each)
4. **Organizational Set up (in organogram form).**Not Applicable (Since PFCCL is appointed as Bid processor coordinator by MoP in respective of UMPPs, the organizational setup of PFCCL may be considered for this UMPP also.)
5. **Activities of the Organization**.The Company has been incorporated for holding Coal Block License, Coal Blocks Land, Power Plant Land & Land for Corridors for the construction, operation and maintenance of electricity system in Jharkhand.
6. **Budget and Planning :** Not Applicable as the Company has not commenced nay business operations and is still under closure stage.
7. **Accounting System in the company as well as in the R.O's/Branch offices**
   Centralized Accounting

8. ***Manpower Analysis viz., Executive/Non-Executive and Sanctioned/Actual etc. as on 31.03.2021****. Not Applicable Not Applicable (Since PFCCL is appointed as Bid processor coordinator by MoP in respective of UMPPs, the manpower analysisofPFCCLmay be considered for this UMPP also)*

9. **MoU Targets and Achievements for last three financial years (2018-19 to 2020-21) in the format given below:**

S.No.	PARTICULARS	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
	Turnover from operations	**Not Applicable (As the company has not entered/signed any MOU)**					
	Operating profit						
	Return on investment						
	Overall rating						

10. **Computerization: Oracle ERP (Version 12.1.1).** No IT audit undertaken by CAG or any other agency.

11. **Internal Audit :** Not Applicable (**There is no system of separate internal audit of SPVs/ITPs books.The PFCCL has outsourced internal auditor which does the audit of all expenditure including allocated expenditure to SPVs/ITPs)**

12. **Act, Rules, other documents applicable to the Organisation.**Companies Act, 2013, Electricity Act 2003 and others.

13. **Operation Results (Target vis-à-vis Achievement) for last three financial years (2018-19 to 2020-21).** There are no operations in the Company.

Particulars	**2018-19**		**2019-20**		**2020-21**	
	Target	**Achieveme nt**	**Target**	**Achieveme nt**	**Target**	**Achieveme nt**
Operating Turnover	NA	NA	NA	NA	NA	NA
Gross Operating Margin	NA	NA	NA	NA	NA	NA

Operating Expenses/Operating turnover (%)	NA	NA	NA	NA	NA	NA
PAT/Turnover (%)	NA	NA	NA	NA	NA	NA
Operating Turnover/ Employee	NA	NA	NA	NA	NA	NA
PAT/ Employee	NA	NA	NA	NA	NA	NA
Revenue from Operations	NA	NA	NA	NA	NA	NA
Profit/Surplus before tax or (excluding other income, extraordinary income & exceptional items)	NA	NA	NA	NA	NA	NA
Dividend/PAT (%)	NA	NA	NA	NA	NA	NA
PAT/Networth (%)	NA	NA	NA	NA	NA	NA
Dividend/Networth(%)	NA	NA	NA	NA	NA	NA

14. **Financial Working Result for last three financial years (2018-19 to 2020-21) in the following format:**

(Rs. in crore)

Particulars	2018-19	2019-20	2020-21
Income	-	-	-
Revenue from operations	-	-	-
Other Income	-	-	-
Total Income(A)	-	-	-
Total Expenditure(B)	-	-	-
Net Profit/(loss) (A-B)	-	-	-

15. **Disinvestment :** Not Applicable as it is a Special Purpose Vehicle.

16. **Environment Management :** Since there is no activity in the Company. So there is no impact of operation on environment

XII. ODISHA INFRA POWER LIMITED

1. **Introduction of the Organization** viz.,
   a) date of formation: 23.01.2014
   b) administrative ministry: Ministry of Power
   c) vision and mission: ODISHA INFRAPOWER LIMITED has been incorporated as a wholly owned subsidiary of the Company on 23rd January, 2014 under Companies Act, 1956 as a wholly owned subsidiary of Power Finance Corporation Limited, a Govt. of India Undertaking for development of Ultra Mega Power Project in the State of Odisha.
   d) nature of business including geographical scope: To hold the ownership of Coal Mine and land for the power plant & Coal Mines in the state of Odisha.
   e) offices/region/sub-offices etc.: NIL
2. **Objectives of the Organization**: The Company is a Special Purpose Vehicle (SPV) for holding Coal Blocks License, Coal Blocks Land, Power Plant Land & Land for Corridors for the construction, operation and maintenance of electricity system and integrated fuel system and to act as a nodal agency for lease license of land, coal blocks etc. of Ultra Mega Power Project in the State of Odisha.
3. **Capital Structure as on 31.03.2021**.: Paid up capital Rs. 5,00,000/- (50,000 Equity Shares of Rs. 10/- each)
4. **Organizational Set up (in organogram form):** Not Applicable (Since PFCCL is appointed as Bid processor coordinator by MoP in respective of UMPPs, the organizational setup of PFCCL may be considered for this UMPP also)
5. **Activities of the Organization**: The Company has been incorporated to hold Coal Blocks License, Coal Blocks Land, Power Plant Land and Land for Corridors for the construction, operation and maintenance of electricity system and integrated fuel system and to act as a nodal agency for lease license of land, coal blocks etc. of Ultra Mega Power Project in the State of Odisha.

   Till date, no such activities have been undertaken by the Company as the guidelines for Infra SPVs are yet to be finalized by Ministry of Power (MoP).

6. **Budget and Planning :** Not applicable as the company has not yet commenced any business activities and is still under development stage.
7. **Accounting System in the company as well as in the R.O's/Branch offices** Centralized Accounting
8. **Manpower Analysis viz., Executive/Non-Executive and Sanctioned/Actual etc. as on 31.03.2021:** Not Applicable (Since PFCCL is appointed as Bid processor coordinator by MoP in respective of UMPPs, the manpower analysis of PFCCL may be considered for this UMPP also)
9. **MoU Targets and Achievements for last three financial years (2018-19 to 2020-21) in the format given below:**

S.N.	Particulars	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
	Turnover from operations						
	Operating profit						
	Return on investment						
	Overall rating						

Not Applicable

10. **Computerization**: Oracle ERP (Version 12.1.1). No IT audit undertaken by CAG or any other agency.
11. **Internal Audit :** Not Applicable (There is no system of separate internal audit of SPVs/ITPs books. The PFCCL has outsourced internal auditor which does the audit of all expenditure including allocated expenditure to SPVs/ITPs)
12. **Act, Rules, other documents applicable to the Organization:** Companies Act, 2013, Electricity Act, 2003 and others.
13. **Operation Results (Target vis-à-vis Achievement) for last three financial years (2018-19 to 2020-21**): This Company has not yet commenced any business activities and is still under development stage.

Particulars	**2018-19**		**2019-20**		**2020-21**	
	Target	**Achievement**	**Target**	**Achievement**	**Target**	**Achievement**
Operating Turnover	NA	NA	NA	NA	NA	NA
Gross Operating Margin	NA	NA	NA	NA	NA	NA
Operating Expenses/Operating turnover (%)	NA	NA	NA	NA	NA	NA
PAT/Turnover (%)	NA	NA	NA	NA	NA	NA
Operating Turnover/ Employee	NA	NA	NA	NA	NA	NA
PAT/ Employee	NA	NA	NA	NA	NA	NA
Revenue from Operations	NA	NA	NA	NA	NA	NA
Profit/Surplus before tax or (excluding other income, extraordinary income & exceptional items)	NA	NA	NA	NA	NA	NA
Dividend/PAT (%)	NA	NA	NA	NA	NA	NA
PAT/Networth (%)	NA	NA	NA	NA	NA	NA
Dividend/Networth(%)	NA	NA	NA	NA	NA	NA

14. **Financial Working Result for last three financial years (2018-19 to 2020-21) in the following format:**

(Rs. in crore)

Particulars	2018-19	2019-20	2020-21
Income	-	-	-
Revenue from operations	-	-	-
Other Income	-	-	-
Total Income(A)	-	-	-

Total Expenditure(B)	-	-	-
Net Profit/(loss) (A-B)	-	-	-

15. **Disinvestment**: Not Applicable as it is a special purpose vehicle.

16. **Environment Management:** Since there is no activity in the Company. So there is no impact of operation on environment.

XIII. ORISSA INTEGRATED POWER LIMITED

1. **Introduction of the Organization** viz.,

The Company was incorporated on 24th August, 2006 as a Special Purpose Vehicle (SPV) for UMPP in the State of Orissa by Power Finance Corporation Limited (PFC) as its wholly owned subsidiary Company.

a) date of formation: 24.08.2006
b) administrative ministry: Ministry of Power
c) vision and mission: The Government of India has envisaged a Power Generation Capacity of 100000 MW during the decade 2002 to 2012 to meet its Mission of Power to all by 2012. To accomplish the mission of the Government of India, the Ministry of Power in association with Central Electricity Authority and Power Finance Corporation Limited (PFC) had launched an initiative for development of Ultra Mega Power Project of 4000 MW capacity each.
d) nature of business including geographical scope: To develop Ultra Mega Power Project in the state of Odisha.
e) offices/region/sub-offices etc: NIL

2. **Objectives of the Organization**: The Government of India has envisaged a Power Generation Capacity of 100000 MW during the decade 2002 to 2012 to meet its Mission of Power to all by 2012. To accomplish the mission of the Government of India, the Ministry of Power in association with Central Electricity Authority and Power Finance Corporation Limited had launched an initiative for development of Ultra Mega Power Project of 4000 MW capacity each. In furtherance of the above SPVs have been formed to develop Ultra Mega Power Projects in various states and will ultimately get transferred to successful bidder after international competitive bidding. Orissa Integrated Power Limited was formed for the development of Ultra Mega Power Project in the State of Orissa. OIPL has been established to undertake preliminary studies and to facilitate tie ups of inputs, linkages and clearances for the projects such as water, land, environment clearance before transfer of company.

3. **Capital Structure as on 31.03.2021***:* Paid up capital Rs. 5,00,000/- (50,000 Equity Shares of Rs. 10/- each)

4. **Organizational Set up (in organogram form)**.: Not Applicable(Since PFCCL is appointed as Bid processor coordinator by MoP in respective of UMPPs, the organizational setup of PFCCL may be considered for this UMPP also.)

5. **Activities of the Organization**: The Government of India has envisaged a Power Generation Capacity of 100000 MW during the decade 2002 to 2012 to meet its Mission of Power to all by 2012. To accomplish the mission of the Government of India, the Ministry of Power in association with Central Electricity Authority and Power Finance Corporation Limited had launched an initiative for development of Ultra Mega Power Project of 4000 MW capacity each. In furtherance of the above SPVs have been formed to develop Ultra Mega Power Projects in various states and will ultimately get transferred to successful bidder after international competitive bidding. Orissa Integrated Power Limited was formed for the development of Ultra Mega Power Project in the State of Orissa. OIPL has been established to undertake preliminary studies and to facilitate tie ups of inputs, linkages and clearances for the projects such as water, land, environment clearance before transfer of company.

6. **Budget and Planning :**Not Applicable as the Company has not yet commenced any business activity and is still under development stage.

7. **Accounting System in the company *as well as in the R.O's/Branch offices*** Centralized Accounting

8. **Manpower Analysis viz., Executive/Non-Executive and Sanctioned/Actual etc. as on 31.03.2021***:* Not Applicable (Since PFCCL is appointed as Bid processor coordinator by MoP in respective of UMPPs, the manpower analysis of PFCCL may be considered for this UMPP also)

9. **MoU Targets and Achievements for last three financial years (2018-19 to 2020-21) in the format given below:**

S.N.	PARTICULARS	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual

	Turnover from operations	Not Applicable (As the company has not entered/signed any MOU)
	Operating profit	
	Return on investment	
	Overall rating	

10. **Computerization**

Oracle ERP (Version 12.1.1). No IT audit undertaken by CAG or any other agency.

11. **Internal Audit:** Not Applicable(There is no system of separate internal audit of SPVs/ITPs books. The PFCCL has outsourced internal auditor which does the audit of all expenditure including allocated expenditure to SPVs/ITPs)

12. **Act, Rules, other documents applicable to the Organization**: Companies Act, 2013, Electricity Act, 2003 and others (List is not Exhaustive)

13. **Operation Results (Target vis-à-vis Achievement) for last three financial years (2018-19 to 2020-21).:**The Company has not yet commenced any business activites and is still under development stage.

Particulars	2018-19		2019-20		2020-21	
	Target	Achievement	Target	Achievement	Target	Achievement
Operating Turnover	NA	NA	NA	NA	NA	NA
Gross Operating Margin	NA	NA	NA	NA	NA	NA
Operating Expenses/Operating turnover (%)	NA	NA	NA	NA	NA	NA
PAT/Turnover (%)	NA	NA	NA	NA	NA	NA
Operating Turnover/ Employee	NA	NA	NA	NA	NA	NA
PAT/ Employee	NA	NA	NA	NA	NA	NA

Revenue from Operations	NA	NA	NA	NA	NA	NA
Profit/Surplus before tax or (excluding other income, extraordinary income & exceptional items)	NA	NA	NA	NA	NA	NA
Dividend/PAT (%)	NA	NA	NA	NA	NA	NA
PAT/Networth (%)	NA	NA	NA	NA	NA	NA
Dividend/Networth(%)	NA	NA	NA	NA	NA	NA

14. **Financial Working Result for last three financial years (2018-19 to 2020-21) in the following format:**

(Rs. in crore)

Particulars	2018-19	2019-20	2020-21
Income	-	-	-
Revenue from operations	-	-	-
Other Income	-	-	-
Total Income(A)	-	-	-
Total Expenditure(B)	-	-	-
Net Profit/(loss) (A-B)	-	-	-

15. **Disinvestment:**Not Applicable as it is a Special Purpose Vehicle to establish 4000 MW power project.

16. **Environment Management :**ToR is granted to the project and MoEF had granted Environmental clearance for the project.

XIV. SAKHIGOPAL INTEGRATED POWER COMPANY LIMITED

1. **Introduction of the Organization viz.,**
   a) date of formation: May 21, 2008
   b) administrative ministry: Ministry of Power
   c) vision and missionThe Company is a special purpose vehicle incorporated to facilitate the acquisition of land and complete preliminary work regarding statutory clearances including that of environment, forest, CRZ etc. for the purpose of establishing Ultra Mega Power Project of 4000 MW in the state of Odisha.
   d) nature of business including geographical scope:To develop Ultra Mega Power Project in the state of Odisha.
   e) offices/region/sub-offices etc. NIL

2. **Objectives of the Organization**

To undertake developmental activities for the proposed Ultra Mega Power Project in the State of Odisha. The project would be developed as per the Tariff based competitive bidding guidelines issued by Ministry of Power, Government of India. The broad activities include land acquisition, undertake various developmental activities, obtained statutory clearances and approvals etc. and to undertake bidding process to select the successful bidder.

3. **Capital Structure as on 31.03.2021**.Paid up capital Rs. 500,000 (50,000 Eq. Shares of Rs. 10 each)
4. **Organizational Set up (in organogram form)**. (Since PFCCL is appointed as Bid processor coordinator by MoP in respective of UMPPs, the organizational setup of PFCCL may be considered for this UMPP also.)
5. **Activities of the Organization**.To undertake developmental activities for the proposed Ultra Mega Power Project in the State of Odisha. The project would be developed as per the Tariff based competitive bidding guidelines issued by Ministry of Power, Government of India. The broad activities include land acquisition, undertake various developmental activities, obtained statutory clearances and approvals etc. and to undertake bidding process to select the successful bidder.

6. **Budget and Planning :** Not Applicable as the COmpnay has not yet commenced any business operations and is still under closure stage.
7. **Accounting System in the company as well as in the R.O's/Branch offices (Whether accounting centralized or decentralized, costing system/records etc.)**Centralized Accounting
8. **Manpower Analysis viz., Executive/Non-Executive and Sanctioned/Actual etc. as on 31.03.2021.**Not Applicable (Since PFCCL is appointed as Bid processor coordinator by MoP in respective of UMPPs, the manpower analysisofPFCCLmay be considered for this UMPP also)
9. **MoU Targets and Achievements for last three financial years (2018-19 to 2020-21) in the format given below**:

S.No.	Particulars	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
	Turnover from operations	**Not Applicable (As the company has not entered/signed any MOU)**					
	Operating profit						
	Return on investment						
	Overall rating						

10. **Computerization**

    Oracle ERP (Version 12.1.1). No IT audit undertaken by CAG or any other agency.
11. **Internal**

    Not Applicable (There is no system of separate internal audit of SPVs/ITPs books.The PFCCL has outsourced internal auditor which does the audit of all expenditure including allocated expenditure to SPVs/ITPs **)**
12. **Act, Rules, other documents applicable to the Organisation**.Companies Act, 2013, Electricity Act 2003 and others
13. **Operation Results (Target vis-à-vis Achievement) for last three financial years (2018-19 to 2020-21**). There are no operational activities in the Company.

Particulars	**2018-19**		**2019-20**		**2020-21**	
	Target	**Achievement**	**Target**	**Achievement**	**Target**	**Achievement**
Operating Turnover	NA	NA	NA	NA	NA	NA
Gross Operating Margin	NA	NA	NA	NA	NA	NA
Operating Expenses/Operating turnover (%)	NA	NA	NA	NA	NA	NA
PAT/Turnover (%)	NA	NA	NA	NA	NA	NA
Operating Turnover/ Employee	NA	NA	NA	NA	NA	NA
PAT/ Employee	NA	NA	NA	NA	NA	NA
Revenue from Operations	NA	NA	NA	NA	NA	NA
Profit/Surplus before tax or (excluding other income, extraordinary income & exceptional items)	NA	NA	NA	NA	NA	NA
Dividend/PAT (%)	NA	NA	NA	NA	NA	NA
PAT/Networth (%)	NA	NA	NA	NA	NA	NA
Dividend/Networth(%)	NA	NA	NA	NA	NA	NA

14. **Financial Working Result for last three financial years (2018-19 to 2020-21) in the following format:**

(Rs. incrore)

Particulars	2018-19	2019-20	2020-21
Income	-	-	-
Revenue from operations	-	-	-

Other Income	-	-	-
Total Income(A)	-	-	-
Total Expenditure(B)	-	-	-
Net Profit/(loss) (A-B)	-	-	-

15. **Disinvestment**

Not Applicable as the Company is a Special Purpose Vehicle.

16. **Environment Management**

Not Applicable Since there is no activity in the Company. So there is no impact of operation on environment.

XV. TATIYA ANDHRA MEGA POWER LIMITED

1. **Introduction of the Organization viz.,**
   a) date of formation: April 17, 2009
   b) administrative ministry: Ministry of Power
   c) vision and mission The Company is a special purpose vehicle incorporated to facilitate the acquisition of the land and complete the preliminary works viz the statutory clearances including that of environment, forest, etc. for the purpose of establishing ultra mega power project for 4000 MW in the state of Andhra Pradesh (Project).
   d) nature of business including geographical scope: To develop Ultra Mega Power Project in the state of Andhra Pradesh (Project)
   e) offices/region/sub-offices etc. NIL

2. **Objectives of the Organization** To undertake developmental activities for the proposed Ultra Mega Power Project in the State of Andhra Pradesh. The project would be developed as per the Tariff based competitive bidding guidelines issued by Ministry of Power, Government of India. The broad activities include land acquisition, undertake various developmental activities, obtained statutory clearances and approvals etc. and to undertake bidding process to select the successful bidder.
3. **Capital Structure as on 31.03.2021**. Paid up capital Rs. 500,000 (50,000 Eq. Shares of Rs. 10 each)
4. **Organizational Set up (in organogram form).** Not Applicable (Since PFCCL is appointed as Bid processor coordinator by MoP in respective of UMPPs, the organizational setup of PFCCL may be considered for this UMPP also.)
5. **Activities of the Organization.** The Company is a special purpose vehicle incorporated to facilitate the acquisition of the land and complete the preliminary works viz the statutory clearances including that of environment, forest, etc. for the purpose of establishing ultra mega power project for 4000 MW in the state of Andhra Pradesh (Project).

   However, Ministry of Power vide its Letter No. 12/9/2008-UMPP dated January 2, 2014 informed its decision to close the project in view of the decision of the Government of Andhra Pradesh not to proceed further with the said project informed to the Ministry vide its letter No. 9072/PR.IV/2010-1 dated 03.12.2013 and requested PFC Limited to take necessary action in this regard.

The Board of Directors of Power Finance Corporation Limited in its meeting held on 14.08.2014 has approved the proposal of winding up of TAMPL in accordance with the provision of section 560 and other applicable provisions,ifany,of the Companies Act 1956 including any statutory notifications on enactment thereof,for the time being in force and any other applicable laws subject to approval of Ministry of Power (MoP) and accordingly Ministry of Power has been requested for approving the same.MoP vide its OM dated 21st June, 2016 has conveyed its approval for winding up of TAMPL. Accordingly TAMPL has prepared NIL Balance Sheet for the purpose of striking off/winding up of the company.

6. **Budget and Planning :** Not applicable as the company has not yet commenced any business activities and is still under closure stage.

7. **Accounting System in the company as well as in the R.O's/Branch offices** Centralized Accounting

8. **Manpower Analysis viz., Executive/Non-Executive and Sanctioned/Actual etc. as on 31.03.2021.** Not Applicable (Since PFCCL is appointed as Bid processor coordinator by MoP in respective of UMPPs, the manpower analysis of PFCCL may be considered for this UMPP also)

9. **MoU Targets and Achievements for last three financial years (2018-19 to 2020-21) in the format given below:**

S.No.	PARTICULARS	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
	Turnover from operations	Not Applicable (As the company has not entered/signed any MOU)					
	Operating profit						
	Return on investment						
	Overall rating						

10. **Computerization**

Oracle ERP (Version 12.1.1). No IT audit undertaken by CAG or any other agency.

11. **Internal Audit**

Not Applicable (There is no system of separate internal audit of SPVs/ITPs books. The PFCCL has outsourced internal auditor which does the audit of all expenditure including allocated expenditure to SPVs/ITPs)

12. **Act, Rules, other documents applicable to the Organization**. The Companies Act 2013 with different relevant Acts if applicable.

13. **Operation Results (Target vis-à-vis Achievement) for last three financial years (2018-19 to 2020-21).** There is no operational activities in the Company. Under Closure

Particulars	**2018-19**		**2019-20**		**2020-21**	
	Target	**Achievement**	**Target**	**Achievement**	**Target**	**Achievement**
Operating Turnover	NA	NA	NA	NA	NA	NA
Gross Operating Margin	NA	NA	NA	NA	NA	NA
Operating Expenses/Operating turnover (%)	NA	NA	NA	NA	NA	NA
PAT/Turnover (%)	NA	NA	NA	NA	NA	NA
Operating Turnover/ Employee	NA	NA	NA	NA	NA	NA
PAT/ Employee	NA	NA	NA	NA	NA	NA
Revenue from Operations	NA	NA	NA	NA	NA	NA
Profit/Surplus before tax or (excluding other income, extraordinary income & exceptional items)	NA	NA	NA	NA	NA	NA
Dividend/PAT (%)	NA	NA	NA	NA	NA	NA
PAT/Networth (%)	NA	NA	NA	NA	NA	NA

Dividend/Networth(%)	NA	NA	NA	NA	NA	NA

14. Financial Working Result for last three financial years (2018-19 to 2020-21) in the following format:

(Rs. in crore)

Particulars	2018-19	2019-20	2020-21
Income	-	-	-
Revenue from operations	-	-	-
Other Income	-	-	-
Total Income(A)	-	-	-
Total Expenditure(B)	-	-	-
Net Profit/(loss) (A-B)	-	-	-

15. **Disinvestment** Not Applicable as it is a special vehicle purpose company.

16. **Environment Management**

Since there is no activity in the Company. So there is no impact of operation on environment.

SJVN LIMITED

1. **Introduction**

SJVN Limited, a Mini Ratna, Category-I and Schedule –'A' CPSE under administrative control of Ministry of Power, Govt. of India, was incorporated on May 24, 1988 as a joint venture of the Government of India (GOI) and the Government of Himachal Pradesh (GOHP). SJVN is now a listed Company having shareholders pattern of 59.92 % with Govt. of India, 26.85% with Govt. of Himachal Pradesh and rest of 13.23 % with Public. The present paid up capital and authorized capital of SJVN is Rs. 3,929.79 Crore and Rs. 7,000 Crore respectively. The Net Worth as on 31.03.2021 is Rs.12761.84 Crore.

Beginning with a single project and single State operation (i.e. India's largest 1500 MW NathpaJhakri Hydro Power Station in Himachal Pradesh), the Company has commissioned seven projects totaling 2016.5 MW of installed capacity and 86 km 400 KV Transmission Line. SJVN is presently implementing or operating power projects in Himachal Pradesh, Uttarakhand, Bihar, Maharashtra, Uttar Pradesh and Gujarat in India besides neighbouring countries of Nepal and Bhutan.

a) **Date of Incorporation** : 24th May 1988
b) **Administrative Ministry**: Ministry of Power, Government of India
c) **Vision and Mission**

Vision

To be best-in-class Indian Power Company globally admired for developing affordable clean power and sustainable value to all stake holders.

Mission

To drive socio-economic growth and optimize shareholders and stakeholders interest by:

- Developing and operating projects in cost effective and socio-environment friendly manner.
- Nurturing human resources talent with care.
- Adopting innovative practices for technological excellence.
- Focusing on continuous growth and diversification.

d) Nature of business including geographical scope

SJVN is a power generating company and has now diversified in almost all forms of energy viz; hydro, solar, wind, thermal and transmission lines.

Beginning with a single Project and single state operation (i.e. India's largest 1500 MW NathpaJhakri Hydro Power Station in Himachal Pradesh), the Company is presently having Power Projects in Himachal Pradesh, Uttarakhand, Gujarat, Bihar and Maharashtra in India besides neighboring countries viz. Nepal and Bhutan. The present installed capacity of SJVN is 2016.5 MW (comprising of 1912 MW Hydro Power + 97.6 MW Wind Power + 6.9 MW Solar Power). In addition, 86 ckm 400 kV Transmission Line (CPTC - JV Mode - 26% Equity participation) for trade between Nepal & India is also under operation.

e) Offices/ region/ sub-offices

LIST OF ADDRESS OF SJVN & ITS UNITS

Sr. No.	Regd. & Corporate Office and Its Units	Address
1.	SJVN Corporate Office	SJVN Corporate Office Headquarter Shanan Shimla - India FAX - N.A. Phone 0177-266003
2.	Liasion Office: Delhi: Dehradun:	 SJVN Ltd. Office, Office Block, NBCC Complex, East Kidwai Nagar, New Delhi-110023 SJVN Ltd., Regional Office, Dehradun, Near Hotel Sunpark, ITBP Road, Niranjanpur, Dehradun, U.K – 248146.
3.	NathpaJhakri Hydro Power Station	SJVN Ltd., Jhakri, Post Office Jhakri, District Shimla, Himachal Pradesh, Pincode – 172201
4.	Rampur Hydro Power Station	SJVN Ltd., Bayal, Post Office Koyal, Tehsil Nirmand, District Kullu, Himachal Pradesh, Pincode – 172023
5.	Luhri Hydro Electric Projects I & II–Bithal	SJVN Ltd., Post Office Shanathla, Distt. Shimla, Pincode– 172030
6.	Sunni Dam Hydro Electric Project	SJVN Ltd., Gupta Niwas, Kol Dam Colony, Tehsil Sunni, Distt. Shimla , Himachal Pradesh, Pincode– 171301

7.	Dhaulasidh Hydro Electric Project	SJVN Ltd., House No. 113, Ward No. 1, Krishna Nagar, District Hamirpur, Himachal Pradesh, Pincode – 177001
8.	JangiThopan Hydro Electric Project	SJVN Ltd., Shudarang, Near DFO Office, ReckongPeo, Distt. Kannaur, Himachal Pradesh,– 172107
9.	SJVN Ltd. Chenab Valley Projects	SJVN Ltd., VPO Udaipur, Distt. Lahul-Spiti, Himachal Pradesh, Pincode-175142
10.	Devsari Hydro Electric Project	SJVN Ltd., Kulsari, Tehsil Tharali, District Chamoli, Uttarakhand, Pincode – 246481
11.	Naitwar-Mori Hydro Electric Projects	SJVN Ltd., Tehsil Mori, Distt. Uttarkashi, Uttarakhand , Pincode – 249128
12.	JakholSankri Hydro Electric Projects	SJVN Ltd., Tehsil Mori, Distt. Uttarkashi, Uttarakhand, Pincode – 249128
13.	Buxar Thermal Project Project (STPL)	SJVN Ltd., 2ND & 3RD Floor, NavDurga Complex, AmbedkarChowk, Distt. Buxar, Bihar, Pincode– 802103
14.	Khirvire Wind Power Project	SJVN Ltd., Plot No. 12, Shivaji Nagar, Near DattaMandir, Sinnar, District Nashik, Maharashtra, Pincode– 422103
15.	Charnaka Solar Power Project	SJVN Ltd., Plot No. 89B, 90B, 111B Charanka, Tehsil Santalpur District Patan, Gujrat, Pincode – 385350
16.	Sadla Wind Power Project	SJVN Ltd., H.No. 3, MI Park Society, Near MP Shah Commerce College, Vikas Path Road, Wadhawan City, Surendranagar, Gujrat, Pincode– 363035
17.	SJVN Arun–III Hydro Electric Project (SAPDC)	SJVN Ltd., Koshi Highway, Khandwari, District Sakhuwasabha, Nepal
18.	Kholongchu Hydro Electric Project	SJVN Ltd., Zanfpoozor, Post Office Duksum, District Trashiyangtse, Bhutan.

2 Objectives of the Company

Activities of the Organization:

1. **Development of Power**

a) To plan, promote, develop all forms of power, both renewable as well as non-renewable and all ancillary activities related thereto, in India and abroad including planning, investigation, research, design and preparation of preliminary, feasibility and definite Project reports, construction, generation, comprehensive operation, maintenance, Renovation &Modernisation of power stations and projects, transmission, distribution, sale of power generated at Stations in India and abroad.

b) To undertake, where necessary, construction of transmission lines and ancillary works for proper evacuation and distribution of power.

2. **Co-ordination and control**

To coordinate the activities of its subsidiaries to determine their economic and financial objectives/targets and to review, control, guide and direct their performance with a view to secure optimum utilisation of all resources placed at their disposal.

3 **Agent of Public Sector Financial Institutions**

To act as an agent of Government/Public Sector financial Institutions, to exercise all the rights and powers exercisable at any meeting of any Company engaged in the planning, investigations, research, design and preparation of preliminary, feasibility and definite project reports, construction, generation, operation, maintenance, Renovation &Modernisation of power stations and projects, transmission, distribution and sale of power in respect of any shares held by the Governments, Public financial Institutions, nationalised banks, nationalised insurance companies with a view to secure the most effective utilisation of the financial investments and loans in such companies and the most efficient development of the concerned industries.

4 Manufacturing, Trading and other business

To carry on the business of purchasing, selling, importing, exporting, producing, trading, manufacturing or otherwise dealing in all aspects of planning, investigation, research, design and preparation of preliminary, feasibility and definite Project reports, development, construction, generation, operation and maintenance, renovation & modernization, transmission, distribution and sale of power, both from renewable as well as non-renewable sources , ancillary and other allied industries and for that purpose to install, operate and manage all necessary plants, establishments and works.

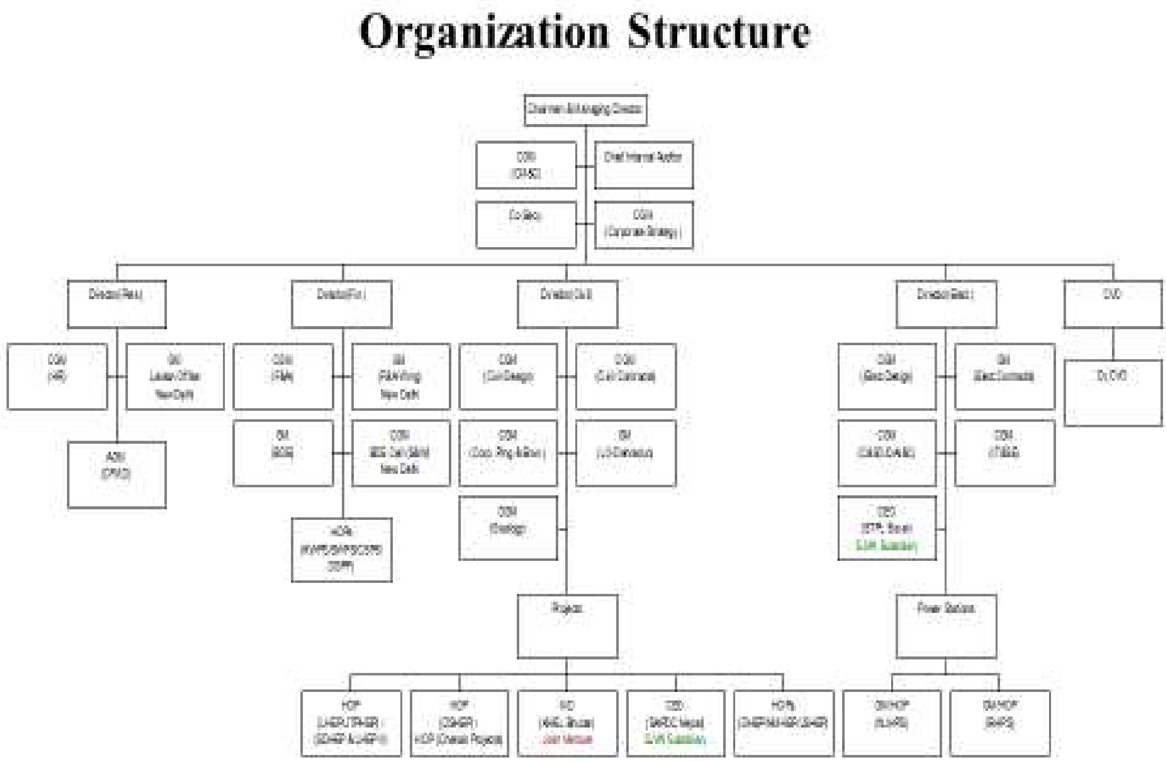
3**.** **CapitalStructure as on 31.03.2021:**

Authorized Capital	: ₹7000 Crores
Paid Up Share Capital	: ₹3929.80 Crores

Shareholding Pattern as on: 31.03.2021

Government of India	: 2354802133 Shares
Government of Himachal Pradesh	: 1055014800 Shares
Public	: 519978242 Shares

4. **Organisational Structure**:



Note:
•Projects shall mean Projects in Investigation, Pre-Construction and Construction Stage.

5. Activities of the Organisation:

. Development of Power

a) To plan, promote, develop all forms of power, both renewable as well as non-renewable and all ancillary activities related thereto, in India and abroad including planning, investigation, research, design and preparation of preliminary, feasibility and definite Project reports, construction, generation, comprehensive operation, maintenance, Renovation &Modernisation of power stations and projects, transmission, distribution, sale of power generated at Stations in India and abroad.

b) To undertake, where necessary, construction of transmission lines and ancillary works for proper evacuation and distribution of power.

2. Co-ordination and control

    To coordinate the activities of its subsidiaries to determine their economic and financial objectives/targets and to review, control, guide and direct their performance with a view to secure optimum utilisation of all resources placed at their disposal.

3. Agent of Public Sector Financial Institutions

    To act as an agent of Government/Public Sector financial Institutions, to exercise all the rights and powers exercisable at any meeting of any Company engaged in the planning, investigations, research, design and preparation of preliminary, feasibility and definite project reports, construction, generation, operation, maintenance, Renovation &Modernisation of power stations and projects, transmission, distribution and sale of power in respect of any shares held by the Governments, Public financial Institutions, nationalised banks, nationalised insurance companies with a view to secure the most effective utilisation of the financial investments and loans in such companies and the most efficient development of the concerned industries.

4. Manufacturing, Trading and other business

    To carry on the business of purchasing, selling, importing, exporting, producing, trading, manufacturing or otherwise dealing in all aspects of planning, investigation, research, design and preparation of preliminary, feasibility and definite Project reports, development, construction, generation, operation and maintenance, renovation & modernization, transmission, distribution and sale of power, both from renewable as well as non-renewable sources , ancillary and other allied industries and for that purpose to install, operate and manage all necessary plants, establishments and works.

6. Budget and Planning

SJVN does not take any grants from Government of India and entire expenditure on various projects is being met from Internal and Extra Budgetary Resources (IEBR). While preparing Budget all information/data/inputs regarding physical and financial performance of the ongoing projects is collected from various expenditure centers and same is examined, finalized and put up to the Management for approval. Budget approved by the Management is placed before the Board of Directors (BoD) of SJVN for approval. Budget approved by BoD is submitted to the Ministry of Power (MoP) and detailed approved budget is also circulated to various expenditure centres. This whole exercise of Budget preparation upto the submission of approved budget to MoP is carried out from the month of July to October of a particular year which includes Revised Budget

Estimate of current Financial Year (F.Y.) and Budget Estimate of next F.Y.MoP and Department of Public Enterprises monthly monitor the budget for a particular Financial Year. The Budget Estimate, Revised Budget Estimate and actual expenditure for the last three financial years i.e. 2018-19, 2019-20 and 2020-21 is tabulated below:

(Rs. in crore)

Name	2018-19			2019-20			2020-21		
	BE	RE	Actual Exp.	BE	RE	Actual Exp.	BE	RE	Actual Expenditure
SJVN Ltd.	935.00	935.00	863.24	1200.00	1200.00	1250.04	2880.00	2030.00	2383.12

7 Accounting System:

Accounts of the company are prepared in ERP-SAAP and accounting system is decentralized.

8. **Manpower Analysis viz., Executive/Non-Executive and Sanctioned/Actual etc. as on 31.03.2021.**

Category	Sanctioned	Actual
Executive	1059	844
Non-Executive	1386	655
Total	2445	1499

9. **MOU Targets and achievements for last three financial years (2018-19 to 2020-21):**

(Rs. in crore)

S.N.	Particulars	2018-19		2019-20		2020-21	
		Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**
1	Turnover from operations						
	Revenue from Operations-Net (Cr.)	2175	2655.77	2450	2701.52	2800	2025.18*

2	Operating Profits (Cr.)						
	Operating Profit as percentage of Revenue from Operation (Net)	53	60.11	55	58.18	61.70	60.68*
3	Return on Investment						
	PAT as percentage of Average Net Worth	11.50	12.44	11	14.37	17.45	8.38*
4	Overall rating	Very Good		Excellent		Under Evaluation	

*As per December 31, 2020

10. **Computerization:**

ERP:

1. SAP S/4 HANA ERP system has been implemented in SJVN covering major business functions of SAP ERP landscape Finance & Accounting, Plant Maintenance, Human Resource Management including Payroll and employee Self Services (ESS) Material Management, Procurement and Contract Management, Project Management, Commercial & Billing etc. SAP FIORI mobile app has also been launched for the employees to access useful applications on mobile. Accounting system as mentioned at Sr. No. 7 of 'format for updation of Commercial Audit Manual' is covered under SAP ERP System.
2. For the automation of office work, SAP file life Cycle Management has also been implemented.
3. Audit of SAP S/4 HANA ERP hardware infrastructure comprising servers, network devices, storage systems, firewall etc. are being carried through Cert-In empaneled firm annually.
4. Other software mentioned below are also used in SJVN to leverage technology:
   - Online Recruitment System.
   - Online Annual Property Return System
   - Online Vigilance Clearance system
   - Online Performance Management System
   - Contract Labour Information Portal
   - Mobile Apps for Generation data and Satluj rive discharge data
   - E-procurement system (services availed from M/s e-procurement Technologies)

- Autodesk Products : Autocad ,Civil 3D, Revit Architecture Suite, MAP 3D Raster Design
- Bentley STAAD Pro
- MIKE 11
- Multigroudnz Software package
- ANSYS
- Primavera
- Libsys
- Biometric Attendance System.

5. SJVN Website was last audited in june 2020 from CERT-IN empanelled agency. Periodicity of audit every 2 years or addition of a new module, whichever is earlier.

11. Internal Audit:

Separate wing exists for Internal Audit. The periodicity of Audit is twice a year. Internal Audit Manual is also available.

12. Act, Rules, other documents applicable to the Company:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(d) 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;

(e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(i) The Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015

(vi) Secretarial Standards issued by the Institute of Company Secretaries of India

(vii) Guidelines on Corporate Governance for CPSE as issued by Department of Public Enterprises.

(viii) Income Tax Act,1961

(ix) GST

(x) Foreign Exchange Management Act

(xi) Employee Provident Act

(xii) Payment of Gratuity Act.

13. Operation Results (Target vis-à-vis Achievement) for last three financial years (2018-19 to 2020-21)

Particulars	2018-19		2019-20		2020-21	
	Target	Actual	Target	Actual	Target	Actual (31.12.20)
Generation (MU)	9200	8435.03	9100	9678.15	9680 (Annual Target)	8451.81
Plant Availability Factor						
NJHPS (%)	97.2	103.506	101.5	105.48	-	108.735
RHPS (%)		103.255		104.88		108.518

14. Financial Working Results for last three financial years (2016-17 to 2018-19):

(Rs. in crore)

Particulars	2018-19	2019-20	2020-21
Income			Figures are in the process of finalization
Revenue from operations	2655.77	2701.52	
Other Income	253.22	387.63	
Regulatory Income	187.31	192.94	
Total Income (A)	3096.30	3282.09	
Total Expenditure(B)	1303.76	1322.72	
Net Profit/(loss) (A-B)	1792.54	1959.36	

15. Disinvestment Details:

The following disinvestment activities have been undertaken:

(i) Government of India disinvested 56, 36,169 fully paid of equity shares though Bharat-22 ETF during 22nd June 2018 to 9th July 2018.

(ii) Government of India disinvested 432, 66,555 fully paid of equity shares though CPSE ETF on 4th December 2018.

(iii) Government of India disinvested 95, 78,964 fully paid of equity shares though CPSE ETF on 19th February, 2019.

(iv) Government of India disinvested 19,902,572 fully paid of equity shares though CPSE ETF on 25th March,2019.

(v) Government of India disinvested 3,04,76,470 fully paid of equity shares though investment in ETF on 22nd July,2019.

(vi) Government of India disinvested 42,72,044 fully paid of equity shares though investment in ETF on 10th October,2019.

(vii) Government of India disinvested 4,43,24,919 fully paid of equity shares though investment in ETF on 03rd February,2020.

16. Environment Management:

SJVN is aware of its obligation to conserve and protect the environment. SJVN strictly adheres to all policies and guidelines of the Ministry of Environment, Forest and Climate Change (MoEF&CC), Govt. of India (GoI) concerning identification and mitigation of environmental impacts of projects.

All hydropower projects in operation comply with to the environmental flow (e-flow) recommended by various statutory and regulatory authorities for sustenance of downstream ecology.

To achieve sustainable development, studies like Environmental Impact Assessment (EIA) and Environment Management Plan (EMP) are carried out as per Environment Impact Assessment Notification, 2006, through NABET accredited consultants for specific sectors and authorized by MoEF&CC. All environmental aspects are suitably addressed in the Environment Impact Assessment & Environment Management Plan reports. The EIA/EMP report identifies the potential Environmental impacts and mitigates them in the Environment Management Plan which includes a muck management plan, Catchment Area Treatment plan, Wildlife & Biodiversity Management Plan, Fisheries Management Plan, Compensatory Afforestation plan, Green Belt Development Plan, Reservoir Rim Treatment plan, Restoration plan for Quarry sites, Water, Air and Noise Quality Management plan, Sanitation and Solid waste Management plan, Disaster management plan, Environmental safeguard measures taken during construction of project, regular environmental parameters monitoring plan, etc. Suitable measures are adopted to negate any adverse impact on the environment and ecology during construction and operation stages.

SJVN is committed to generating reliable eco-friendly power employing state of the art technology, excellence in engineering and continual improvement in quality management. The

Company predominantly deals with hydropower generation which in itself is clean power and reduces the greenhouse gas emission vis-à-vis fossil fuel energy.

The Environment Policy of the company directly covers all activities undertaken by SJVN. However, concerning subsidiary and associate companies, the policy states that "Each subsidiary and associate company will be encouraged to put in place similar arrangements to enable compliance to be reported on a half-yearly basis."

Various wastes generated during operation phase like batteries, used oils/lubricants, etc. are recycled through suppliers/vendors or have been stored effectively for their disposal through the authorized recyclers Solid waste scrap, steel, tyres, etc. is sold through an auction which is facilitated by MSTC Ltd. (Metal Scrap Trading Corporation)Furthermore, organic waste generated from canteens or township being recycled for getting compost/biogas. Various methodologies like organic waste converter, vermicomposting, biomethanation, etc. are in place at various project sites for the same. The company has also inventoried its e-waste and hazardous wastes and has been filing returns for its Himachal Pradesh and Uttarakhand projects/offices to the concerned SPCBs on regular basis.

In hydro sector impact on environment is noticeable during construction stage and well managed in line with the EIA/EMP Report.

In addition to above, projects obtain Consent to Establish for construction period and Consent to Operate for operation period from Pollution Control Board. These consents are renewed periodically. Project/Station are granted consent with multiple conditions of generic and specific nature. Hence, compliance to these conditions itself ensures projects are meeting stipulatory requirements.

All the legal requirements related to emissions, waste generation, etc. are being complied by the company and compliance reports are periodically submitted to concerned authorities such as MoEF&CC, SPCB, etc. against the general and specific conditions mentioned in Environment Clearance (EC) accorded to the projects in construction or operation phases. Environment monitoring of projects is carried out regularly by the regulatory authorities as well as SJVN through its internal monitoring mechanism. For this purpose, the company has established an Environment Laboratory at Jhakri, which presently caters to both the operational hydro projects of the company and will further be utilized by upcoming projects of SJVN in the vicinity.

Projects/Power Stations are having dedicated departments to see compliance of statutory requirements. All our Projects/Stations in operation are certified under ISO 9001:2015 and ISO 14001:2015.

Further, SJVN ensures celebration of World Environment Day &SwatchhtaPakhwada every year to raise awareness amongst employees and local people. SJVN believes in supporting environmental conservation activities, reflected through its involvement in

SwachhVidyalayaAbhiyan (Central Government). SJVN endlessly commits itself towards a sustainable future.

NEYVELI UTTAR PRADESH POWER LIMITED

1. INTRODUCTION

Neyveli Uttar Pradesh Power Limited (NUPPL) was incorporated on 9th November 2012 as a joint venture company between the promoters Neyveli Lignite Corporation Ltd. (a Navratna Company under the Ministry of Coal) and Uttar Pradesh Rajya Vidyut Utpadan Nigam Ltd. (an Undertaking of U.P. Govt.) having equity participation in the ratio of 51:49.

A) Date of Formation: 09.11.2012

b) Administrative ministry: Ministry of Coal.

c) Vision and Mission: "To emerge as a leading Power Company in the State of Uttar Pradesh and continue to be socially responsive."

d) Nature of business including geographical scope: Coal Based Thermal Power Plant with capacity 19880 MW (3x660 MW) a GhatampurThesil, Kanpur, Uttar Pradesh, (Under Construction)

e) Holding Companies: NLC India Limited (A GOI enterprise), 51% (A Navratna Company) First Floor, NO.8 Mayor Sathyamurthy Road, FSD, Egmore Complex of Food Corporation of India, Chennai-600031

2. OBJECTIVE

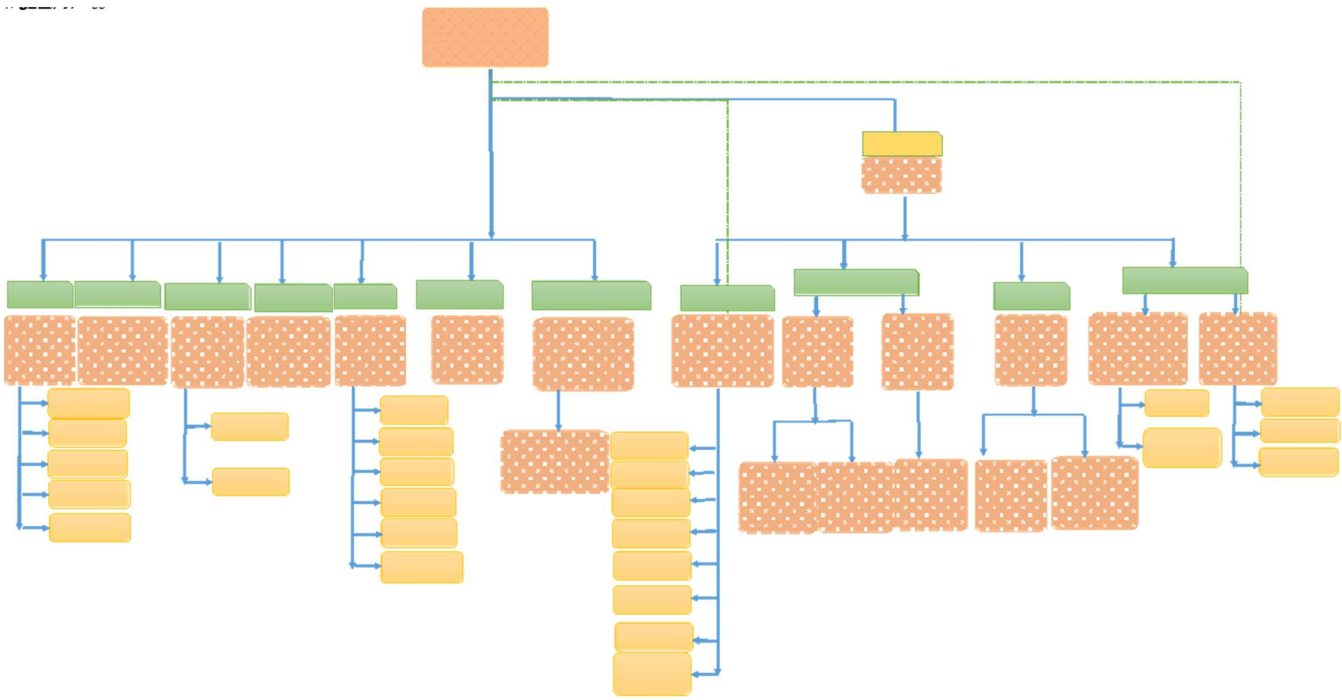
Neyveli Uttar Pradesh Power Limited was incorporated on 09.11.2012 with the objective to carry out mining and power generation, with due attention to quality, economy and efficiency. The Company is presently in construction of 3x660 MW Thermal Power in Plant in Ghatampur, Uttar Pradesh. Govt. of India has allotted Pachwara South Coal Block in the State of Jharkhand, to cater coal requirements. Presently activities are in progress through Mine Developer and Operator for carrying out entire mining operations.

3. CAPITAL STRUCTURE (as on 31 March 2021)

Authorized Capital (Rs in crore)	Paid Up Capital (Rs in crore)	Contribution of shareholders (%)

5000.00	3258.53	100%

4. ORGANISATIONAL SETUP (in organogram form) as on 31.3.2021:



5. ACTIVITIES OF THE ORGANIZATION

Presently project construction activities are in progress.

6. BUDGET AND PLANNING

S. No.	Particulars	2018-19		2019-20		2020-21	
		Budgeted	Actual	Budgeted	Actual	Budgeted	Actual
1. 1.	Capital Expenditure	3500	3518	4500	3525	2000	2260
2.	Revenue Expenditure*	NA	1.72	NA	1.09	NA	1.01
3	Government Grants	NA	NA	NA	NA	NA	NA

* Project is under construction, hence Revenue Expenditure not planned

7. ACCOUNTING SYSTEM IN THE COMPANY AS WELL AS IN THE R.O'S/ BRANCH OFFICES ETC

NUPPL is currently using Oracle based Financial Accounting System, which is centralize at Parent Company NLCIL.

8. MANPOWER ANALYSIS (As on 31.3.2021):

	Sanctioned	Actual
Executives	237	195
Non Executives	54	2
Total	291	197

9. MOU TARGETS and ACHIEVEMENTS for the last three financial years 2018-19 to 2020-21 :

	2018-19		2019-20		2020-21	
Particulars	Target	Actual	Target	Actual	Target	Actual
Turnover from Operations (cr)	Nil	Nil	Nil	Nil	Nil	Nil
Operating profit	Nil	Nil	Nil	Nil	Nil	Nil
Return on Investment (%)	Nil	Nil	Nil	Nil	Nil	Nil
Capex	3500	3518	4500	3525	2000	2260
Overall rating	Excellent	Excellent	Excellent	Very Good	Excellent	Excellent

10. COMPUTERIZATION

NUPPL is in the process of implementing SAP ERP system.

11. INTERNAL AUDIT

Internal Audit function is currently outsourced and M/s JLN US & Co. Chartered Accountants, Gujarat. Internal Audit is performed on Quarterly Basis. Currently No Inernal Audit Manual exists.

12. ACT, RULES, OTHER DOCUMENTS APPLICABLE to the ORGANIZATION.

Companies Act 2013

CERC Tariff Regulations.

Other relevant Rules, Acts and Regulations.

13. OPERATING RESULTS (Targets vis –a-vis achievements) : The Company is under the construction stage hence no operational income and profit.

14. FINANCIAL WORKING RESULTS :

	Amount (Rs in Cr)		
Particulars	2018-19	2019-20	2020-21
INCOME			
Revenue from operations	0	0	0
Other Income	0.05	0.34	0.05
Total Income (A)	0.05	0.34	0.05
Total Expenditure (B)	1.72	1.09	1.01
Profit before Tax (A-B)	-1.67	-0.75	-0.96

15. Disinvestment

The project is in Construction phase. Hence, not Applicable.

16. ENVIRONMENT MANAGEMENT (Impact of operation on environment, whether environment protection mechanism exists, step taken by company to preserve environment etc., if any).

1. **Impact of operation on environment:** Project is in construction phase. Operation is yet to start.
2. **Whether Environment protection mechanisms exists:** Yes

Steps taken by company to preserve environment etc.-The following steps are being taken to preserve the environment.

a) **Controlling of Particulate Matter:**To minimize particulate matter construction of Electrostatic precipitators (ESP) are in progress.
b) **Controlling of NO_x:**Selective Catalytic Reduction (SCR) which is an advanced active emissions control technology to reduce NOx installation work under progress.
c) **Controlling of SO_x:**Flue Gas Desulphurization (FGD) which is an advance technology to remove $S0_2$ is under tendering process.
d) **Controlling of Coal Dust:**For minimization of dust becoming airborneConstructionofAsh Pond dyke and Ash handing silos are in progress. Also, railway siding works are in progress for supply of coal.

e) **Wastewater management and Zero Liquid Discharge:** Effluent treatment plant and Sewage treatment plant to treat the effluents and sewage of the plant is under construction. A separate 600 KLD STP was also installed and in operation at township. Treated water are used for plantation and gardening purposes.
f) **Reduction of fuel consumption:** Adoption of advance technology like Super Critical Boilers to reduce consumption of fuel.
g) **Green belt development:** Mass plantation of native species of plants are being taken up frequently to develop the Greenbelt area as per guidelines.
h) **Statutory compliance** – Half yearly Environment Clearance conditions compliance report submitted periodically. Observance of all environment days for general awareness to the public and employees, Vriksharopan Abhiyan conducted yearly. Knowledge sharing regarding environment rules and regulations to the employees done from time to time.
i) **Biomedical waste management:** An MoU with M/s MPCC (CBMWTF) for handling of biomedical waste from M/s NUPPL General Hospital was done on 10.05.2021.
j) **Monitoring of ambient Air Quality:** Locations for installation of the 04 AAQMS stations is approved by UPPCB, Kanpur. Procurement is under progress by EPC Contractor.

OTHERS:

DETAILS OF UNITS/DEPARTMENT OF THE ORGANISATION

As the project is in implementation stage, a project team consisting of Civil, Mechanical, Electrical Engineers, Finance and HR professionals are implementing the project. There are no separate department in the Company.

DIVERSIFICATION

None

LIST OF RECORDS AND BOOKS MAINTAINED BY THE COMPANY

The Company is required to maintain all books of accounts as required by the Companies Act 2013 and other applicable Acts and Regulation.

PROJECT IN HAND /ORDER IN HAND

The company has its power project under construction.

PRODUCTS AND PROCEDURES, BYE-PRODUCTS

Generation of Electricity using Coal Thermal Power Plant.

INSTALLED BUDGETED AND ACTUAL CAPACITY OF EACH PRODUCT/ PLANNING AND PROGRAMMES.

The under construction power project has installed capacity of 1980 MW(3 units of 660 MW).

PURCHASE POLICY AND PROCEDURES

There is no separate policy and procedure are formulated by the Company. Presently company is following the procedures and rules of Neyveli Lignite Corporation Ltd (One of Parent Company).

SALES POLICY AND PROCEDURES

Power Purchase Agreement (PPA) has been entered into with Uttar Pradesh Power Corporation Ltd.

PRICING POLICY

After the start of Commercial production, CERC will determine the tariff.

POLICY ON FRAUD AND CORRUPTION

Presently the policies of the parent Company, NLC are being followed.

VIGILANCE

Being subsidiary of NLC, the activities of NUPPL come within the ambit of vigilance branch of NLC. The Vigilance Branch is functioning under the overall guidance of the Central Vigilance Commission.

CASH MANAGEMENT/FINANCING PATTERN

The project is being finance under 70:30 debt to equity ratio. Cash management policy will come into force after start of commercial production. Presently, 71 employees have been posted in the company.

COSTING SYSTEM

N/A as the project is under implementation stage.

INVENTORY CONTROL PROCEDURES

N/A as the project is under implementation stage.

HUMAN RESOURCE MANAGEMENT

All the Employees of NUPPL have been deputed by the Promoter Company(NLC) and their service conditions are governed by the rules of Parent Company.

MANAGEMENT INFORMATION SYSTEM

Adequate systems are in place for MIS.

PERFORMANCE APPRAISAL SYSTEM

All the Employees of NUPPL have been have been deputed by the Promoter Company (NLC) and their service conditions are governed by the HR rules of Parent Company.

NORMS OF AUDIT

Being the subsidiary of a Govt company, accounts are under the ambit of C&AG and the Statutory Auditors appointed by the CAG. The Internal Audit is being carried out periodically by the Chartered Accountant firms appointed as Internal Auditor by the Board.

ISO CERTIFICATION

The company does not have any ISO certification at present.

RESEARCH & DEVELOPMENTAL ACTIVITIES

Not Applicable as the project is under implementation.

AUDITING METHODOLOGY

Auditing Standard and Checklist for Accounts Audit, Phase Audit and Contract Audit mentioned in Chapter II and given in Annexures should be followed.

AUDIT PLAN AND MANDAYS (for the year 2019-20)

Nature of Audit	**Mandays**
Compliance Audit	60
Accounts Audit	36

THDC INDIA LIMITED

1. **Introduction**

The Planning Commission approved in June 1972, Tehri Dam Project for generation of 600 MW of electricity at an estimated cost of Rs.197.92 crore as a State Sector Project. As little progress was made in the project, it was decided to implement the project as a joint venture of Government of Uttar Pradesh and Government of India. The Equity is shared in the ratio of 75:25 between GoI and GoUP. Accordingly, Tehri Hydro Development Corporation Limited (THDC), renamed as THDC India Limited (since December 2009) was incorporated as a Government Company on 12th July, 1988. The generation capacity of the project was further revised to 2400 MW at estimated cost of Rs.5583 crore. The work included construction of Dam at Tehri/ Koteshwar and rehabilitation of families affected due to construction of dam. The rehabilitation work was transferred to State Government w.e.f. January 2001. The Company was awarded 'Mini-Ratna Category -1' status by the Government of India in October 2009 and it was graded as 'Schedule-A' company.

a) **Date of formation:** 12th July,1988
b) **Administrative Ministry :** Ministry of Power
c) **Vision and mission :**

VISION: A world class energy entity with commitment to environment and social values.

MISSION:

- To plan, develop and operate energy resources efficiently.
- To adopt state of the art technologies.
- To achieve performance excellence by fostering work ethos of learning and innovation.
- To build sustainable value based relationship with stakeholders through mutual trust.
- To undertake rehabilitation and resettlement of project affected persons with human face.

d) **Nature of business including Geographical scope:-** The business of company is to generate of power.

The locations where business activity is undertaken by the company are:

Dehradun, Ghaziabad, Tehri Garhwal, Chamoli, Bulandshahar, Jhansi, Patan, Devbhumi Dwarika, Singrauli, Pithoragharh, Panchkula, Nainital, Lucknow, Reasi and New Delhi

e) **Branches/sub-branches:** Nil

2. **Objectives Of The Company**

a) **Short Term objectives (1 – 2 Years)**

- Commissioning of Tehri PSP (1000 MW) by 2022-23.
- To develop 600 MW capacity of Solar Park, each at Jhansi and Lalitpur District of UPunder UMREPPs through JV Company (TUSCO).
- To enter into JV with RRPCL for development of Ultra Mega Solar Power Parks in Rajasthan.
- To obtain Hydro Power Projects in the State of Uttarakhand and neighboring country Bhutan.
- Business diversification through utilization of the available in-house technical and managerial expertise.
- Preparation & Submission of DPR of Bokang Bailing (200 MW).
- Firming up modalities for implementation of Bunakha HEP (180MW) and of Sankosh HEP (2585 MW).

b) **Medium Term Objective (2 – 5 Years)**

- Commissioning of VishnugadPipalkoti HEP (444 MW) by 2023-24.
- Commissioning of Khurja STPP (1320 MW) by 2024-25.
- Finalization and signing of Implementation Agreement with Maharashtra State Govt. for 700 MW MalshejGhat PSS.
- Commissioning of Solar Power Projects (with SECI) totaling to 200 MW capacity by 2024-25.
- To start construction works of Bokang Bailing (200 MW).
- To develop additional 800 MW Solar Power Park in Uttar Pradesh, through JV.
- To develop 1500 MW Solar Power Park in Rajasthan through JVC between THDCIL and RRPCL.
- To secure solar power capacity of atleast 1000 MW under International Solar Alliance
- To increase the business spread of THDCIL in storage technologies and geographical expansion in Foreign Countries.

c) **Long Term objectives (> 5 Years)**

- To ensure commissioning of the following Projects

Sl. No.	Name of scheme	Capacity
1.	JhelamTamak HEP	108 MW
2.	Bokang Bailing	200 MW
3.	MalshejGhat PSP	700MW

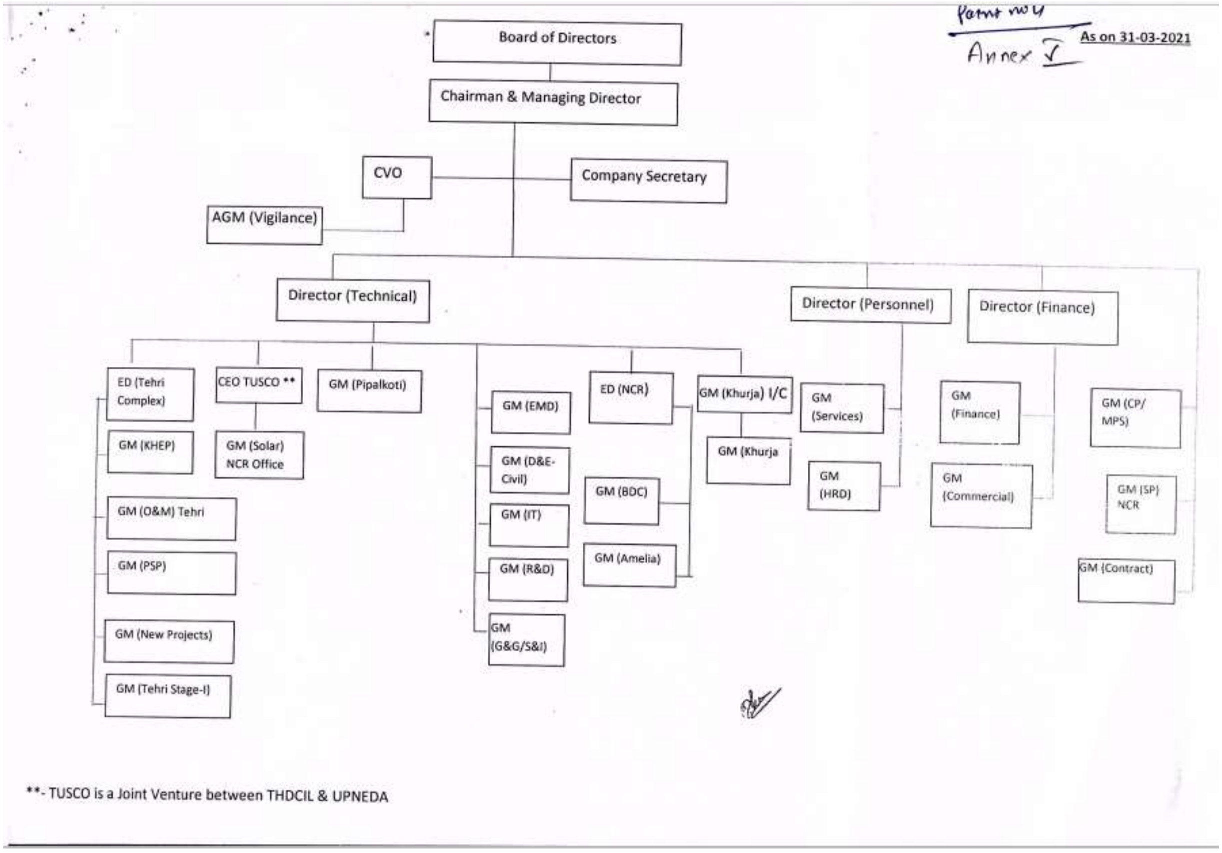
- To attain stand alone installed capacity of 1000 MW in Wind Power and Solar Power.
- To undertake projects and participate in Govt of India's National Hydrogen Mission

3. **Capital Structure**

Capital Structure	
	31.03.2021
Authorised Share capital	4000.00
Issued, subscribed and Paid up capital	3665.88
Share of GoI	2730.94

Share of GoUP	934.94

4. **Organisational Set Up**



5. **Activities**

THDC is engaged in the development of Hydro , Solar , Wind and Thermal Power Projects and generation of electricity from self developed power plants. Electricity is supplied to Distribtuion Companies of States.

6. **Budget And Planning :**

			(Rs. In crore)
Year	**GBS**	**IEBR**	**Total BE**
2018-19	52	1248.37	1300.37

2019-20	21	879.00	900.00
2020-21	52(Rs.39 Crore from NTPC and Rs.13 Crore from GoUP)	1768.00	1820.20
*Since the GOI equity has been transferred to NTPC due to Strategic sale, the equity of Rs.39 Crore from NTPC and Rs.13 Crores from GOUP has been shown under GBS.			

7. **Accounting System**

Accounting System is decentralized.

8. **Manpower Analysis**

Manpower as on 31-03-2021

Level	ACTUAL	AGREED
Executive	842	789
Supervisors	83	207
Workmen	811	725
Total	1736	1721

9. **MOU Targets And Achievements**

MOU Targets and achievements for last three financial years in the format given below:

MoU Target and Achivements for last three years (2018-19 to 2020-21) (in crore)

S.N	PARTICULARS	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
1	Revenue from Operations	2000.00	2767.96	1800.00	2048.61	1800.00	1796.01
2	Operating Profit/Revenue from Operation	37%	51.64%	44%	47.96%	41.8%	37.72%
3	Return on investment PAT/Av. Net Worth	8.5%	14.11%	7.5%	9.77%	11%	11.23%

4	Overall Rating	Very Good	Still awaited	Still awaited

10. Computerization

THDCIL is an IT enabled organization where most of the processes have been computerized and some are in the process. Majority of the manpower is computer literate. THDCIL has well established IT infrastructure at its corporate office and various projects units. Various application being used in THDCIL are as under

i. **Attendance System:** The biometric machines installed at various locations in the local area network for recording the daily attendance. The data from these machines are updated in the server at defined interval where data is processed and send to the Finance for adjustment / deductions. Employees are given access to the software where they can record the requisite details and these are approved by the designated officer at department level. The attendance details are also ported in HRMS to generate the absentee report.

ii. **Bill Tracking System:** The bill Tracking System (BTS) a web based application software has been implemented in THDCIL to facilitate the vendors / contractor to upload their bills and monitor the payment process and progress of their bills. The vendor has latest status / queries related to their bills. Whenever Finance make the payment, they get the option to choose payment against the the Bill which has been generated through the BTS so the payment advice is automatically uploaded and the vendor / executing department know the details of payment and deductions. Also this is being monitored internally by the Vigilance department for delay in the payment if any. This system also spread the message about the transparency in the organization.

iii. **Grievance Tracking and MIS:** This application is open to the public as well as to the employees through our website. The public can lodge the complaint, which are examined by the Vigilance department and categorized as grievance or vigilance complaint after due verification process. User can upload the documents and they can also check the status of their complaints with the case id generated at the time of lodging the complaints. The dashboard gives the status of the complaints at various stages.

iv. **CPP portal:** The Central Public Procurement Portal of Government of India facilitates all the Central Government Organizations to publish their Tender Enquiries, Corrigendum and Award of Contract details. The system also enables the users to migrate to total electronic procurement mode. THDCIL is using CPP portal for e-tendering and e-procurement. This is being managed and hosted by NIC. To enhance transparency, efficiency and speed in procurement, GeM(Government e-Market Place) portal is being used.

v. **Project Monitoring:** Primavera project management is being used for online monitoring of various projects. The software is accessible across the organization over internet.

vi. **Quality Assurance and Inspection system:** This software application has been developed and is operational in THDCIL. The software is being used for inspection of equipment as per the approved quality plans. This includes all the processes from main contractors, subcontractor, quality plan, and inspection till material dispatch. Vendors are given the access to upload the relevant documents. After checking the internal requirement such as approved drawings etc. inspection schedule is approved and shared with the vendor.

vii. **Commercial and Billing System :** This is a web based software being used for generating various types of bills to be issued to the beneficiaries such as Energy Bills, Income Tax Bills, Regulatory Asset Bills, FERV Bills , Interest Bills, Petition Fee Bills and bill letters, Payment Surcharge Bills, Debit & Credit Notes ,Reconciliation Statements ,Statement of Outstanding Dues , Management Information System (MIS),Energy Sent Out (ESO) Report, Monthly Billing Reports ,Monthly Information for Commercial Tax Return, Revenue Realization Report, Daily Generation Report (DGR) , Monthly Revenue Collection Report, Age Analysis of Sundry Debtors, UI Report ,UI Interest Report ,Project-wise Annual Sales Forecast etc. and Integration with FMS

viii. **Human Resource Management System:** The software is operational to caters to the need of the life-cycle of an employee. All the processes from recruitment to retirement are computerized. This include the details of employee and their dependents, all types of claims, advances and loans, PMR & Leave system, Upload of circular, manuals and Office orders etc.

ix. **Financial Management System (FMS) :** The FMS software is being used by the Finance department for various accounting functions. This include Payroll, Income Tax, PF Trust and Pension Trust and its Accounting, Financial Accounting System, Balance sheet, Fixed Assets, Stores, Priced Store Ledger, BG system . Bank Reconciliation System, TDS etc.. Budget. The System is such that on click of the mouse the balance sheet is generated. From the Balance sheet one can drill down to the voucher level. The FMS application is IndAS compliant, The Financial statement for Fy 2016-17 has are IndAS compliant. Employee uses this system for viewing their Pay slips, History sheets, Income tax, Pension Statement, PF statement, details of transaction for last 12 months including various payments made other than salary. Form 16 can be downloaded from the system. Telephone claim, Conveyance claims are filled by the employee through the employee portal in FMS. They also know the details of their claims. Budgetary Control has also been implement. Now all the payments of Capital and OM budget are linked to the approved budget provision. In case of some works for which budget provision was not kept, addition budget / re-appropriation is done in the system after approval from competent authority.

x. **Incident Reporting System:**
The web-based software application for Incident entry and reporting has been developed and implemented. The software is used for all types of accidents (fatal and nonfatal) that happens at project site. The concerned safety officer makes the entry and that entry is visible to the concerns. They can also generate the reports. In the home screen of the user get the preliminary data entry with two options i.e. Fataland Non-fatal. The Fatal has further two options Electrical and Civil Power House. Non-fatal is

for all. Once the preliminary report is filled by the designated user, the emails are sent to the concerned officer automatically. Various reports are also generated.

xi. Software for Quarterly Vigilance Clearance :

The web based software application has been developed based on the requirement of Vigilance department for quarterly vigilance clearance of E5 and E9 executives. The users enters the requisite details and can generate the report. The application is being used by Vigilance department. The Dash board provide the summary for number of executives in agreed list, prosecution, departmental inquiries, penalties. The report for clearance is also generated and emailed. The user can select the officer from the list and can fill the data for particular quarter.

xii. E-Office

The letters and files processing in THDCIL was being done in legacy manner through papers/registers only. Some communication was being done via emails. In this process, tracing and tracking of files & letters was time consuming. In order to move gradually towards the paperless office working and improving the efficiency, consistency and effectiveness in the responses from the individual / department(s) in handling the letters and files, THDC has decided to implement the eOffice software application, developed by NIC.

THDCIL has implemented eOffice software at all offices and projects sites. The eoffice software is hosted at NIC cloud at New Delhi, which can be accessed at https://eofficethdc.co.in. The eOffice can be accessed with official email credentials. For security of the notes and correspondences,**eSign** is also integrated. The eoffice facilitate for sms and email notification once the file is sent. It has reduced the turnaround time /processing delays and has established transparency and accountability. The retrieval and monitoring of various types of communication such as parliamentary questions, VIP letters , important files etc. is quite fast. This has also reduced in the approval time of files originating from projects, requiring immediate approval from Corporate office.

xiii Office working software

Open office Libre is being used in THDCIL. Also 100 Nos of Licenses pf MS Office have been procured and installed. Additional 30 licenses of MS Office 365 has been procured with one year subscription.

xiv: Video Conferencing:

During Covid 19 pandemic most of the meetings were conducted on line through the VC studio or through some software apps. Normally THDCIL scheduled and conducted the VC through the Microsoft Teams App, as licenses were already procured.

Cyber Security

1. **Awareness Training:** Cyber Security Awareness training given to the officials of THDCIL and specially to IT and O & M. In the October 2020 THDCIL celebrated National Cyber Security month 2020 by conducting a series of web session Cyber security from industry expert, academicians, and Government officials having expertise in the field of Cyber Security.
2. **Endpoint Security:** All the endpoint devices have been provided Antivirus software to protect the endpoints from the malicious software. The AV is centrally managed. Further Secure Web gateway has also been installed in the endpoints at Corporate office which will protect the systems (Desktop, Laptop, tablet, mobile etc.) when connected to insecure networks.
3. **Security Audit:**
   (a) **Application:** Security audit of software application was completed in July 2019. The audit was conducted by the CERT-in empanelled agencies. Website security audit is in progress
   (b) **Power Plants:** The Vulnerability Assessment and Penetration Testing (VAPT) of Tehri and Koteshwar Power plant was completed in May 2019.
   (c) **Network:** The Security audit of IT network at Rishikesh has been awarded and deferred due to Covid 19.

11. **Internal Audit**

Separate wing exists for internal audit. Internal Audit is conducted twice a year in two phases from April to September and October to March. Internal Audit Manual of the Company exists.

12. **Acts Applicable To The Company**

List of Acts/Laws applicable to the organization are as follows:

- Contract Labour (Regulation & Abolition) Act, 1970 and Rules 1971
- Employees provident Fund and [Miscellaneous Provisions] Act, 1952
- Minimum Wages Act, 1948 and Rules, 1950
- Payment of Gratuity Act,1972
- Industrial Disputes Act, 1947
- Right to Information Act, 2005
- Industrial Employment (Standing Order) Act, 1946
- EDLI (Employee's Deposit Linked Insurance Scheme, 1976 (Death Benefit)
- Employees Pension Scheme, 1995
- Companies Act, 2013
- Employees State Insurance Act, 1948
- Payment of Bonus Act, 1965
- Payment of wages Act, 1936
- Factories Act, 1948 & U.P. Factory Rules, 1950 (Provision for Chapter-4, safety Clause No. 38 – Precaution in case of Fire).
- Maternity Benefit Act, 1961
- Employee's Compensation Act, 1923

- Child and Adolescent Labour (Prohibition & Regulation) Act, 1986 and Rules, 1986
- Sexual Harassment at the workplace(Preventive, Prohibition and Redressal) Act and Rules, 2013
- Trade Union Act, 1926
- Motor Vehicles Act, 1988 as amended in 1994 and the Central Motor Vehicles (Amendment) Rules, 1999
- IGST (Integrated Goods and Services Tax) Act, 2017
- CGST (Central Goods and Services Tax) Act, 2017
- Uttarakhand GST Act, 2017
- GST(Compensation to States) Amendment Act, 2017
- THDC CDA (Conduct, Discipline & Appeals) Rules, 1990
- THDCIL Rules (General Terms and Conditions of Service)
- The Income Tax Act, 1961
- SEBI Act, 1992
- LODR-2015
- Central Electricity Regulatory Commission Regulations
- Indian Electricity Act, 2003 and Rules 2005
- Environment (Protection) Act, 1986 &Environment (Protection) Rules, 1986
- Forest Conservation Act, 1980 &Forest Conservation Rules, 2003
- Indian Wildlife (Protection) Act, 1972, Amended 1993
- The wild life(Protection) Rules, 1995
- The wild life(Protection) Act, 200
- The National Board for wildlife Rules, 2003
- Biological Diversity Act, 2002
- Air (Prevention and Control of Pollution) Act, 1981
- Water (Prevention and Control of Pollution) Act, 1974, Amended 1988 & Rules 1975
- Solid Waste Management Rules, 2016
- The Central Vigilance Commission Act, 2003
- Building and other Construction Workers (Regulations of Employment and Conditions of Service) Act, 1996, Central Rules, 1998
- Contract Labour (Regulation & Abolition) Act, 1970 and Rules 1971
- Employees provident Fund and [Miscellaneous Provisions] Act, 1952
- Minimum Wages Act, 1948 and Rules, 1950
- Payment of Bonus Act, 1965
- Child and Adolescent Labour (Prohibition & Regulation) Act, 1986 and Rules, 1986
- Payment of wages Act, 1936
- Right to Information Act, 2005
- Employee’s Compensation Act, 1923
- Employees State Insurance Act, 1948

Apart from above acts, DPE Guidelines, SEBI regulations and directions by other regulatory authority are also applicable to the organization.

13. **Operational Results**

Operational results of the THDC India Ltd. for the last three years are summarized below:

Target Vs Achievment						
Generation(MU)				PAF(%)		
FY	Excellent	VG	Achievement	Excellent	VG	Achievement
2018-19	4650	4590	4687	78.84%	77.89%	79.81%
2019-20	4650	4500	4526.8	80.00%	79.82%	80.92%
2020-21	4700	4530	4565.4	78.85%	78.07%	81.47%

14. **Financial Working Results**

Financial working results of the THDC India Ltd. for the last three years are summarized below:

(Rs. in Crore)

Particulars	**2018-19**	**2019-20**	**2020-21**
Income			
Revenue fromOperatiion	2449.26	2123.10	1796.01
Other Income	394.09	282.26	705.92
Total Income(A)	2843.35	2405.36	2501.93
Total expenditure(B)	1426	1416.07	1118.62
Net Profit/(Loss) A-B) (Profit Before Regulatory Deferral Account Balances, Exceptional items and Tax)	1417.35	989.29	1383.31

15. **Disinvestment :**

Cabinet Committee on Economic Affairs (CCEA) has given “In-principle” approval for strategic sale of the entire shareholding of Government of India in THDC India Limited to NTPC along with transfer of management control on 20.11.2019.

Accordingly, a share purchase agreement was signed between NTPC (Acquirer) and Government of India (Seller) on 25thMarch, 2020 to acquire the legal and beneficial ownership of 27309412 equity shares representing 74.4965 of the paid-up share capital of the Company for an aggregate consideration of Rs. 7500 Crore. Entire shareholding of Government of India is now transferred to NTPC Limited w.e.f 27.03.2020.

As per the share purchase agreement the acquirer (NTPC Limited) shall exercise management control over THDCIL in consultation with and through the Ministry of Power. Presently, THDCIL is a subsidiary of NTPC Limited with shareholding shared between NTPC Limited and GoUP in the ratio of 74.496 and 25.504 respectively.

16. **Environment Management**

Currently, two large Hydro electric power plant (Tehri HEP 1000 MW and Koteshwar HEP 400 MW) and one small hydro electric power plant (Dhukwan SHEP 24 MW) are in operational phase.

All the power projects are implemented in three different stages such as; survey & investigation, construction and **operational stage.** Among all the three stages **operational stage** has minimum impacts on the environment. With respect to the Hydro power plant the impacts that likely to be occurred during operational stage are as; impact on the river water quality, impact on the fish biodiversity and generation of green house gases. All these impacts are managed by engineering/ biological tools as suggested in mitigation plan. (Annexure-1)

A comprehensive study (EIA, Environment ImpactAssessment) is performed during S&I stage to predict all the impacts likely to be occurred on the near by environment such as land, river, soil, air and water etc. and impacts of social aspect of near by society such as change in the demography, due to the implementation of the project in both the construction and operation stage. This study **(i.e. Environment Protection mechanism**) has been performed as per the various guidelines issued by MoEF&CC (GoI) for time to time such as EIA Notification 2006 and its various amendments. An mitigation plan for impacts likely to be occurred is also prepared/proposed by the project proponent (PP) i.e. EMP (Environment Management Plan) for protection of the environment and society.

MoEF&CC after recommendation of Expert Appraisal Committee (EAC), who reviewed the EIA/EMP report submitted by PP, grant the Environment Clearance to the PP for implementation of project.

SN	Impacts on Environment	Stage	Mitigation
1	River Water Quality	Construction	Restriction of direct disposal of waste into the river
2	Loss of Forest Vegetation		Compensatory Afforestation as per MoEF&CC guidelines

3	Loss of Biodiversity		Conservation/Protection Plan for Biodiversity.
4	Siltation and Eco restoration		CAT Plan
4	Fish Biodiversity	Operational	Fish Hatchery is constructed
5	River Water Quality		Quality testing on quarterly basis

Step taken by Company to preserve environment

Tehri Power Complex: (During implementation of TPC various measure was already taken wrt environment concern, although there is no specific guidelines notified by MoEF&CC)

- Green Belt Development: The Green Belt has so far been developed over 1138 ha land at Tehri HEP and over 450 ha land at KHEP.
- Compensatory Afforestation: Against Tehri power complex, compensatory afforestation has been done in 3959 ha in district Lalitpur, UP, 638.22 ha land in Jhansi, UP and 2716.40 ha of degraded forest land in KhanpurForest Range in Haridwar, Uttarakhand.
- Catchment Area Treatment: CAT plan has been implemented in 52204 ha. (44157 ha forest land + 8047 ha. Agriculture land).
- Botanical garden at Koti: As per recommendations of MoEF, a Botanical Garden has been developed in an area of 14.28 ha. Near Koti. A total of 274 different species of plant including medicinal, ornamental, timber, fuel and fodder have been planted in the garden. The Botanical garden is being maintained & cared by Deptt. of Forest, GoUK since 2011 while financial expenditure is being borne by THDCIL.
- Mahasheer Fish Hatchery: On the recommendations of ZSI, Mahaseer fish hatchery having capacity of 3 lacs seeds per annum was constructed near Jurasi Nala Koteshwar with the consultation of National Research Centre for Cold Water Fisheries (NRCCWF), Bhimtal. An expenditure of Rs. 110 lac was incurred in the development of fish hatchery. The fish hatchery is under operations and has been transferred to state Fisheries deptt.,GOUK on lease for a period of 29 years.

Dhukwan SHP:

- Green Belt Development: Work completed. Expenditure of Rs. 11.75 lacs (approx.) has been made till June, 2020.
- Compensatory Afforestation: Total 39.00 ha Forest land was diverted for the project. CA work has already been completed (17.92 ha land in village Raipura and 21.08 ha land in Jhansi) with planting 16004 nos. trees.
- Bio-Diversity Management Plan: Plantation of 1604 tress by the Forest department has been completed and an expenditure of 16.28 lakhs has incurred till date.

THDCIL regularly conducting various studies with aim to find out any significant changesoccurred due to impoundment created by Tehri power Complex and mitigating the same,

Various Studies for Sustainability and Ecological Impacts prediction was conducted; such as:

- Post Impoundment Faunal Survey & Analysis by H.N.B. Garhwal University, Uttarakhand in **2009-2011**.
- Post Impoundment Floristic Survey and Analysis by Botanical Survey of India, **Oct-2011.**
- Water Quality of Bhagirathi / Ganga River in Himalayan Region by National Environmental Engineering Research Institute in **July 2011.**
- Measurement of Methane in Tehri Dam, CSIR-national institute of oceanography, **May-2016.**

Joint Ventures of THDC Ltd.

1. TUSCO Ltd.

1. **Introduction of the Organisation viz.**,

A joint venture of THDC and Uttar Pradesh New and Renewable Energy Development Corporation Limited (UPNEDA) , TUSCO Limited was incorporated for the implementation of the Ultra Mega Renewable Energy Power Parks in the state of Uttar Pradesh.

a) **date of formation** -12-09-2020
b) **administrative ministry** - Ministry of Power,Govt Of India .
c) **vision and mission**

Mission

i. To plan, develop and operate energy resources efficiently.
ii. To adopt state of the art technologies.
iii. To achieve performance excellence by fostering work ethos of learning and innovation.
iv. To build sustainable value based relationship with stakeholders through mutual trust.

Vision

a) A world class energy entity with commitment to environment and social values.
b) nature of business including geographical scope - Generation of Solar Power
c) offices/region/sub-offices etc.- Lucknow ,Jhansi ,Lalitpur and Chitrakoot .

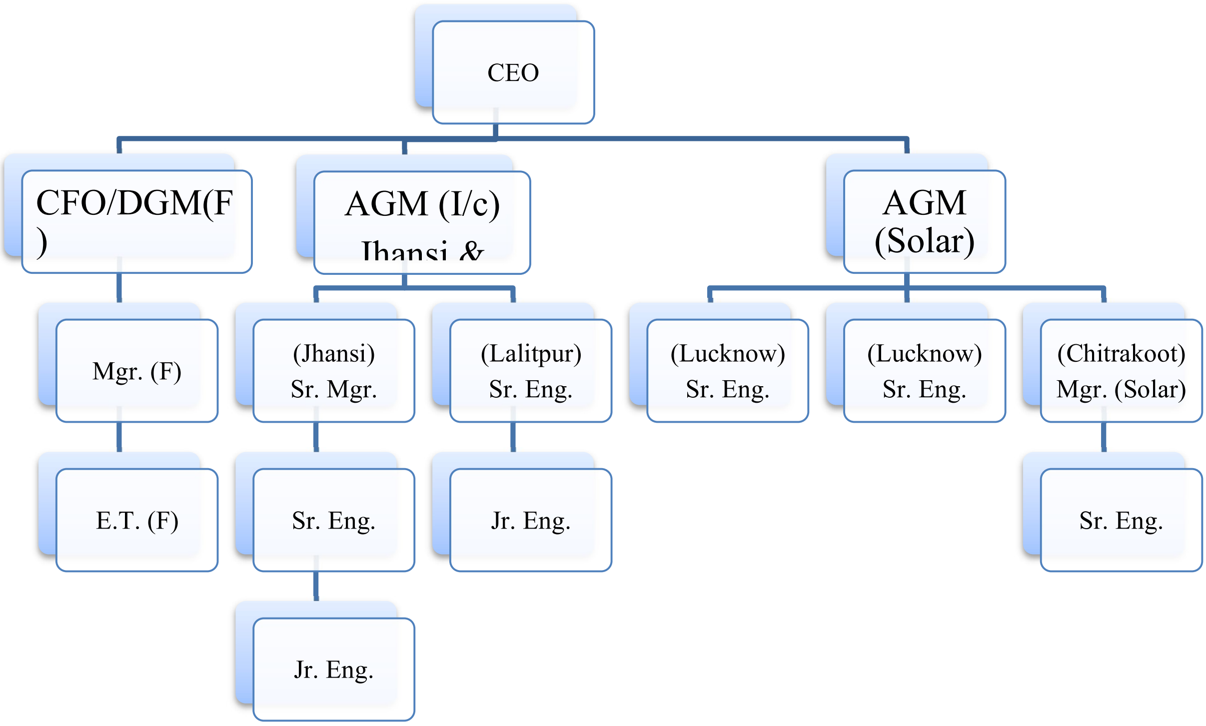
Location of the Major Units:	Corporate Office,Lucknow	Jhansi ,Power Park	Lalitpur , Power Park	Chitrakoot , Power Park
Name of Major Units	Corporate Registered Office	600MW Jhansi Solar Power Park	600MW Lalitpur Solar Power Park	800MW Chitrakoot Solar Power Park
Type	Corporate Registered Office	Solar Power Park	Solar Power Park	Solar Power Park
State/UT	Uttar Pradesh	Uttar Pradesh	Uttar Pradesh	Uttar Pradesh
District Name	Lucknow	Jhansi	Lalitpur	Chitrakoot
Pincode	226010	284203	284126	210209

Location	4thFloor,UPNEDABhawan , VibhutiKhand , Gomti Nagar	Garotha	Talbehat	Mau

2. **Objectives of the Organization.**: To plan and develop solar power energy resources efficiently as per MNRE guidelines.

3. **Capital Structure as on 31.03.2021**.*AuthorisedEquity Share capital of Rs50 Crore and Paid Up Equity Share capital of Rs. 10 Crore.*

4. **Organizational Set up**



5. **Activities of the Organisation** :Development of Ultra Mega Solar Power Plant of a capacity of 2000MW**.**

6. ***Budget and Planning :*** Not Applicable

7. **Accounting System in the company *as well as in the R.O's/Branch offices***: Centralized Accouting System

8. ***Manpower Analysis viz., Executive/Non-Executive and Sanctioned/Actual etc. as on 31.10.2021.***

Number of persons working in the units	**Total**
1. Lucknow (Registered office)	**7**
2. Jhansi	**4**
3. Lalitpur	**2**
4.Mau	**2**
Total	**15**

9. **MoU Targets and Achievements for last three financial years (2018-19 to 2020-21)**

S.No.	Particulars	**2018-19**		**2019-20**		**2020-21**	
		Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**
	Turnover from operations	NA	NA	NA	NA	0	0
	Operating profit	NA	NA	NA	NA	0	0
	Return on investment	NA	NA	NA	NA	0	0
	Overall rating	NA		NA		N.A.	

10. **Computerization:** No
11. **Internal Audit :** Not Applicable
12. **Act, Rules, other documents applicable to the Organisation.**
    Companies Act 2013
13. **Operation Results (Target vis-à-vis Achievement) for last three financial years (2018-19 to 2020-21).**Nil

14. **Financial Working Result for last three financial years (2018-19 to 2020-21) in the following format:**

(Rs. in Crore)

Particulars	2018-19	2019-20	2020-21
Income	**NA**	**NA**	
Revenue from operations	**NA**	**NA**	**0**
Other Income (Interest on Bank Account)	**NA**	**NA**	**0.08**
Total Income(A)	**NA**	**NA**	**0.08**
Total Expenditure(B) (Preliminary Expenses)	**NA**	**NA**	**0.42**
Net Profit/(loss) (A-B)	**NA**	**NA**	**0.34**

15. **Disinvestment :** No

16. **Environment Management :** Not applicable

CHAPTER-VI

STEEL

MOIL LIMITED

1. **Introduction:-**

MOIL is a Schedule “A” Miniratna Category-I Company. It was originally incorporated as Manganese Ore (India) Limited in the year 1962. Subsequently, name of the Company was changed from Manganese Ore (India) Limited to MOIL Limited during the financial year 2010-11.

MOIL was originally set up in the year 1896 as Central Province Prospecting Syndicate which was later renamed as Central Provinces Manganese Ore Company Limited (CPMO), a British Company incorporated in the UK. In 1962, as a result of an agreement between the Government of India and CPMO, the assets of the latter were taken over by the Government and MOIL was formed with 51% capital held between the Govt. of India and the State Governments of Maharashtra and Madhya Pradesh and the balance 49% by CPMO. It was in 1977, the balance 49% shareholding was acquired from CPMO and MOIL became a 100% Government Company under the administrative control of the Ministry of Steel.

MOIL produces and sells different grades of Manganese Ore. MOIL has set up a plant based on indigenous technology to manufacture 1,500 MT per annum capacity of Electrolytic Manganese Dioxide (EMD). This product is used for the manufacture of dry battery cells. EMD produced by the Company is of good quality and well accepted by the market.MOIL is having a Ferro manganese plant with a capacity of 12,000 MT per annum for value addition. In order to promote non-conventional energy resources, MOIL has installed 4.8 MW Wind Energy Farm at Nagda Hills and 15.2 MW Wind Farm at Ratedi Hills, Dist. Dewas in Madhya Pradesh.

a) **Date of Formation :** 22/06/1962

b) **Administrative ministry:**Ministry of Steel

c) **Vision and Mission:**

- To sustain market leadership in Indian Manganese industry and be a globally diversified enterprise, through strategic alliances and technological up-gradation.
- Our mission is to create long-term value for our stakeholders, through exploration and development of natural resources, in an efficient, safe, cost-effective and eco-friendly manner.

d) Nature of business including geographical scope:
Predominantly Mining of manganese ore in the State of Maharashtra and Madhya Pradesh

e) Offices/region/sub-offices etc.

Location of Mines, Plants and Wind Farms

LIST OF MINES

Sr. No.	MINES NAME & ADDRESS
	MAHARASHTRA
1.	Chikla Mine, P.O.- Chikla, Tah.-Tumsar, Dist- Bhandara, Maharashtra, Pin-441904
2.	DongriBuzurg Mine, P.O.- DongriBuzurg, Tah.-Tumsar, Dist- Bhandara, Maharashtra, Pin-441907
3.	Beldongri Mine, P.O. – Satuk, Tah- Ramtek, Dist-Nagpur, Maharashtra, Pin-440401
4.	Kandri Mine, P.O. – Kandri`, Tah- Ramtek, Dist-Nagpur, Maharashtra, Pin-441401
5.	Munsar Mine,

	P.O. - Mansar, Tah- Ramtek, Dist-Nagpur, Maharashtra, Pin-441106
6.	Gumgaon Mine, P.O. - Khapa, Tah-Saoner, Dist-Nagpur, Maharashtra, Pin-441101
7.	Parsoda Mine: Village Parsoda, TahsilRamtek, District Nagpur, Maharashtra Pin-441101
MADHYA PRADESH	
8.	Balaghat Mine, P.O. Bharveli, Dist-Balaghat, M.P., Pin-481102
9.	Ukwa Mine, P.O.- Ukwa, Dist - Balaghat, M.P., Pin-481105
10.	Tirodi Mine, P.O Tirodi, Dist -Balaghat, M.P. , Pin-481449
11.	Sitapatore Mine P.O. Sukli, Dist - Balaghat, M.P., Pin-418449
PLANT	
1.	Ferro Manganese Plant 12000 (MT/A) capacity, Balaghat
2.	Electrolytic Manganese Dioxide (EMD) Plant (1500 MT/A) capacity, Dongri Buzurg

LIST OF WIND FARMS

1.	Nagda Hills, Dist. Dewas, M.P	Capacity 4.8 MW
2.	Ratedi Hills, Dist. Dewas, M.P	Capacity 15.2 MW

(a) Offices/region/sub-offices-
(i) Corporate Office: MOIL Limited, MOIL Bhawan, 1-A, Katol Road, Nagpur-440013
(ii) Regional Office: Core6, 2nd Floor, SCOPE COMPLEX Lodhi Road, New Delhi : 110003 Office : 011-24360380, Residence : 011-25127307 Fax : 011-24366262

2. **Objective of the company:-**

- To strive towards objective of catering to the Mn demand in the country by

enhancing production to 3 million MT by 2030.
.

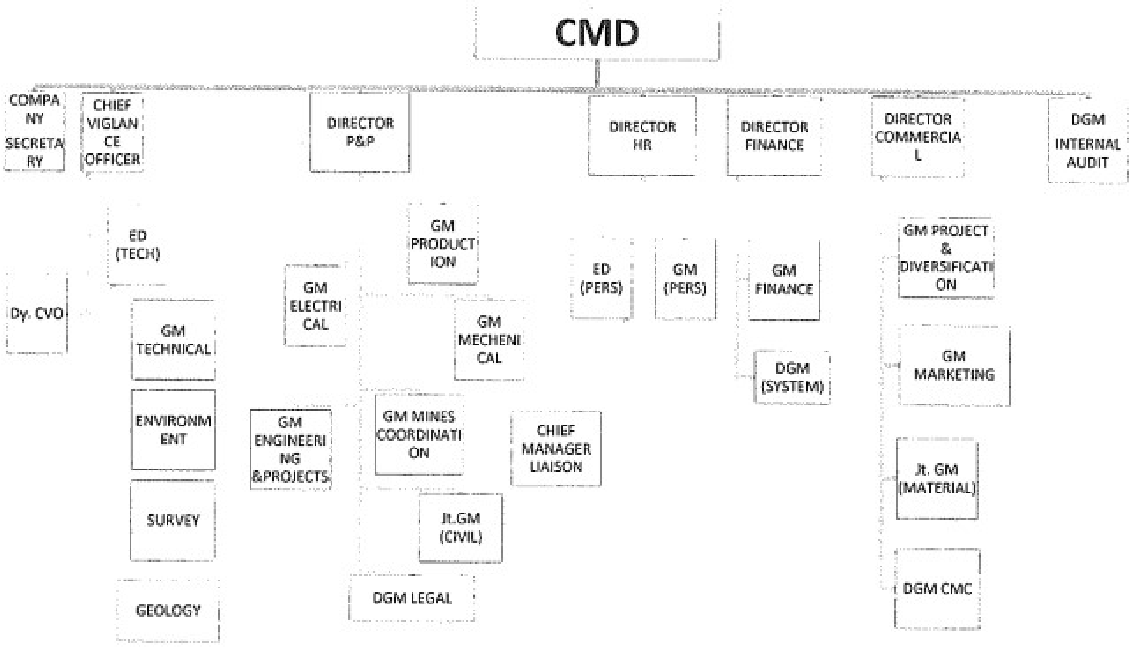
- To explore various diversification options into related businesses & geographies and add value to shareholders.
- To enrich the lives of employees and providing the best opportunities for growth.To make our mining areas clean, green and eco-friendly..

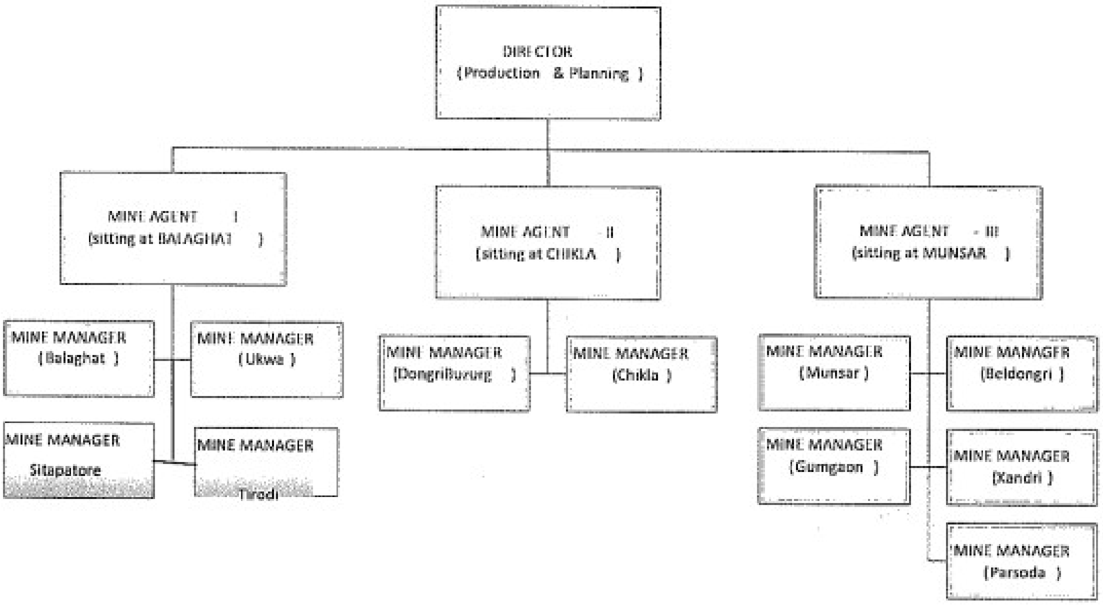
3. **Capital Structure as on 31 March 2021:-**

The total paid up capital is Rs. 237.33 crore

Sr. no	Category	No. of Shares	Percentage
1.	Central Government	127783925	53.84
2.	Maharashtra	12132134	5.11
3.	Madhya Pradesh	12813840	5.40
4.	Public	84597980	35.65
	Total	**237327879**	**100.00**

4. **Organisational set up:-**


CMD
COMPANY SECRETARY
CHIEF VIGLANCE OFFICER
DIRECTOR P&P
DIRECTOR HR
DIRECTOR FINANCE
DIRECTOR COMMERCIAL
DGM INTERNAL AUDIT
ED (TECH)
Dy. CVO
GM TECHNICAL
ENVIRONMENT
SURVEY
GEOLOGY
GM PRODUCTION
GM ELECTRICAL
GM MECHENICAL
GM ENGINEERING &PROJECTS
GM MINES COORDINATION
CHIEF MANAGER LIAISON
Jt.GM (CIVIL)
DGM LEGAL
ED (PERS)
GM (PERS)
GM FINANCE
DGM (SYSTEM)
GM PROJECT & DIVERSIFICATION
GM MARKETING
Jt. GM (MATERIAL)
DGM CMC



5. **Activities of the Company:-**

Mining of Manganese ore, Production of Ferro Manganese and Electrolytic Manganese Dioxide (EMD), Power Generation through Solar Power Plants and Wind Turbine Farms.

6. **Budget and planning:-**

MOIL has adopted comprehensive dynamic system of preparation and review of Revenue and Capital budgets. Considering the prevailing market scenario, the targets and achievements are reviewed and revised for short term as well as long term planning.

MOIL has prepared Corporate plan for 2017-18 to 2021-22, which serves the basis for planning and estimating each year targets in addition to the MOU targets setup by the administrative ministry.

Regarding grants, there are no Government aids or grants received during last three years (i.e. 2018-19, 2019-20, 2020-21).

7. **Accounting system:-**

Basis of preparation of financial statements

(a) Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (*Ind AS*) under the historical cost convention on accrual basis (except for certain financial instruments, which are measured at fair values), the provisions of Companies Act, 2013 (‘Act’) to the extent notified and the guidelines issued by the Securities and Exchange Board of India (SEBI). The *Ind AS* are prescribed under Section 133 of the Act read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

(b)Basis of measurement
The financial statements are prepared on historical cost basis except for the following assets and liabilities, which have been measured at fair value: -
• Certain financial assets and liabilities which are classified as fair value through profit and loss or fair value through other comprehensive income.
• Assets held for sale, at the lower of the carrying amounts or fair value less cost.
• Defined benefit plans and plan assets.

(c)Functional and presentation currency
The financial statements have been presented in Indian Rupees (₹) which is the Company’s functional currency. All financial information presented in Rupees (₹) have been rounded off to the nearest two decimals of lakh unless otherwise stated.

(d)Use of estimates, assumptions and management judgements
In preparing the financial statements in conformity with Company’s accounting policies, management is required to make estimates and assumptions that affect reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements, the amount of revenue and expenses during the reported period and notes to financial statements. Actuals may differ from those estimates and the difference is recognized in the period in which the same is determined.
*Accounting is decentralised.
*Cost records are maintained as prescribed under section 148(1) of Companies Act,2013

8. **Manpower Analysis:-**

Manpower strength as on 31st March 2021 excluding CMD and Functional Directors is as follows :

Category	Manpower As on 31.03.2021
Executives	321
Non executives	1994
P.R.Workers	3546
Total	**5861**

9. **MoU Targets and Achievements for last three financial years (2018-19 to 2020-21):-**

Sr. No.	Particulars	UoM	2018-19		2019-20		2020-21	
			Target (VG)	Actual	Target (VG)	Actual	Target (VG)	Actual
1	Turnover from operations	Rs. in Crores	1300.00	1440.67	1610.00	1038.07	1145.00	1177.38
2	Operating profit	%	34.00	36.71	37.00	15.35	15.35	16.23
3	Return on investment : PAT / Average Net worth	%	13.00	16.11	17.00	8.49	8.50	7.61
4	Overall rating	Grade	Excellent		Fair (Provisional : Not yet finalised by DPE)		Very Good (Provisional : Not yet finalised by DPE)	

10. **Computerisation:-**

MOIL has introduced robust ERP SAP system for integration of all functions like production, quality, plant maintenance, material and stores, sales and distribution, personnel and finance functions. With implementation of ERP SAP, duplication of data entry has been eliminated and thereby, reduced data entry cost, secured access of system ensures accountability of transactions and instant availability of complex reports to aid management decision making, Workflow integration helps in considerable reduction in paperwork, reduction in human errors and compliance of defined procedures. Due to in-built systems, business process re-engineering has improved process efficiency.

MOIL has introduced file life cycle management (FLM) in ERP SAP system for approval of proposals and digitalization in office communication. Use of FLM has resulted in Transparent & Faster decision making due to Centralized digitized file Solution, which can be accessed from anywhere. Increase in Productivity has been accomplished due to file automation.

MOIL has introduced ESS (Employee Self Service) system which provides employee related data including pay slip to employees without printing. Thus, it reduces printing and stationary cost. Employees, who are provided with ESS facility, are applying for leave, tour approval and leave encashment, performance appraisals, Income Tax declaration etc. through transparent online system which can be accessed from anywhere.

Information System Audits are conducted periodically through Cert-In empanelled agencies. Following are the details of recent audits conducted.

- Security and vulnerability audit of SAP Applications: **February 2019**
- Website Security Audit: **September 2019**
- Web Application Security Audit **May 2021.**

11. **Internal Audit:-**

MOIL has separate internal audit department consisting of senior executives at corporate office and for availing the professional expertise in the internal audit, MOIL has engaged four firms of Chartered Accountants to conduct internal audit at regular intervals during the year. Internal audit manual is available in MOIL.

12. **Act, Rules, other documents applicable to the company:-**

The Company is registered under Companies Act, 1956 (presently Companies Act, 2013) and governed as per the provisions of the Companies Act, 2013 and rules made thereunder, DPE Guidelines, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other allied act, rules and regulations.

In addition to above, MOIL being a mining company, following is major Acts/Rules/Regulations, etc. applicable to the company:

(a) The Mines Act, 1952
(b) Mines and Minerals (Development and Regulation) Act, 1957
(c) The Iron ore Mines Manganese ore Mines & Chrome ore mines Labour welfare Fund Act, 1976.

13. **Operational Results:-**

Sr. No.	Particulars	UoM	2018-19		2019-20		2020-21	
			Target (V.G)	Actual	Target (V.G)	Actual	Target (V.G)	Actual
1.	Production of Manganese Ore	Lakh MT	13.25	13.01	14.75	12.77	13.00	11.44

14. **Financial results:-**

(Rs.in crores)

Particulars	2018-19	2019-20	2020-21
Revenue from operations	1440.67	1038.07	1177.38
Other income	190.81	181.11	102.47
Total income(A)	1631.48	1219.18	1279.85
Total expenditure(B)	911.73	878.69	1039.74
Net Profit / Loss (A-B)	719.75	340.49	240.11

15. **Disinvestment:-**

Nature of Disinvestment	Year	No. of Shares	Per Share Price	Amount received by GoI (in Crores)
Buy Back	2019-20	164,96,768	152	250.75

16. **Environment management:-**

Various measures are undertaken for control of pollutants:

Air Pollution Control

Wet drilling of blast holes.
Muck pile will be wetted before loading

Haulage roads are frequently sprinkled with water for which truck mounted water tankers with sprinkler arrangement have been provided.

Maintaining the drilling speed as recommended by the manufacturers should control dust produced during deep large blast hole drilling.

Green belt development would be taken up all along the haul roads and overburden dumps.
In order to promote non-conventional energy resources, MOIL has installed 4.8 MW wind energy farm at Nagda Hills and 15.2 MW wind farm at Ratedi Hills, both in Dist. Dewas of Madhya Pradesh. MOIL has also installed 48 KW roof top solar panel at MOIL Bhawan, Nagpur. The company has also installed 10.50 MW capacity solar power projects at its mines.

Company is installing Continuous Ambient Air Quality Monitoring System (CAAQMS) at all mines. Monitoring air quality is important for employees and residents in mine areas and the health of the environment. Faster data analytics through CAAQMS allows for on-time pollution monitoring for taking immediate measures to avoid critical situations in the future.

Noise Pollution

Noise is best abated at source by choosing machinery and equipment suitably, by proper mounting of equipment & ventilation systems and by providing noise insulating enclosures or padding where practicable.

Equipments procured are new and as such the noise emission are optimal for their design/ operation. Proper maintenance/working are done which keeps the noise level within limits.

Planting of bushy trees or rich canopy in and around the mine area which intercept noise transmission. A 50m wide belt of trees of different heights are useful to act as noise attenuator in the mining areas.

Water Pollution

The water pumped during underground mining operation is fully utilized for plantation and sand stowing operations.

The rain water collected in open pit is a source of water for dust suppression and plantation activity which is carried out in every year.

There is no discharge of water from any of the mine in the nearby water sources.

Solid Waste Management

The solid waste is produced during the mining activity form opencast and underground mines. MOIL has adopted a system to segregate these wastes in two categories namely (i) 'white waste and' (ii) 'black waste'. Both the wastes are dumped separately and systematically. White waste is totally a waste rock and black waste is mostly magniferous rocks or 'sub-grade mineral' which can be utilized in future.

White dumps once stabilized, are covered with plantation. MOIL in consultation with National Environmental Engineering Research Institute (NEERI) has successfully carried out plantation over these white dumps.

Plantation: Massive plantation is carried out with local tree species. MOIL has planted more than 21.46 lakhs trees in all the mines over the last recorded 40 years covering 530 ha area with an average 75% survival rate of plants.

MOIL is attentive for Ecological Restoration on Barren Manganese Mine Spoil Dumps and Rejuvenation of Waste Dumps by Integrated Biotechnological approach for sustainable development and betterment of environment at mines.

CHAPTER-VII

OIL

GAIL (INDIA) Ltd.

Profile of the Company

GAIL (India) Ltd. is a Central Public Sector Undertaking (PSU) under the Ministry of Petroleum and Natural Gas, with the mission of accelerating and optimizing the effective and economic use of Natural Gas and its fractions for the benefit of the national economy.I was incorporated on 16 August 1984.

GAIL, having started as a Gas Transmission Company during the late eighties, has grown organically by building a large network of Natural Gas pipelines covering over. 12400 km; 02 LPG trunk Pipelines covering more than 2033 km; 05 Gas Processing plants at 04 Locations for production of LPG and other liquid hydrocarbons, with a combined production capacity of around 1.4 Million Metric Tonnes per Annum(MMTPA). GAIL has a Petrochemical plant at Pata in UP with a capacity 810000 TPA and North-east India with a capacity of 280000 TPA. The company has integrated upstream into the business of Exploration & Production(E&P) with participating interests in 11 E&P Blocks, including 02 blocks in Myanmar. GAIL has also integrated downstream into the high growth retail City Gas Distribution business both in India and abroad.

With an aim to ensure cleaner and quality energy in Eastern India Jagdishpur – Haldia & Bokaro – Dhamra Natural Gas Pipeline Project (JHBDPL), popularly known as the Urja Ganga of Eastern India, is being taken up at an investment of Rs. 15520 Crore. The pipeline is also being extended to Guwahati for further connectivity to the North-Eastern states. The project is scheduled to be completed by Dec'2021 except Durgapur-Haldia and Barauni-Guwahati section in West Bengal, which will be completed by Dec'2022

With overseas presence in 04 countries, GAIL is today an integrated energy company in the hydrocarbon sector with focus on gas and beyond.

Date of Incorporation: 16 August 1984

Administrative Ministry :Ministry of Petroleum and Natural Gas

Vision and Mission

GAIL's Vision:

Be the leader in Natural Gas value-chain and Beyond, with Global presence, creating value for Stakeholders with Environmental Responsibility

GAIL's Mission:

Enhancing Quality of life through clean energy and beyond.

Nature of business including geographical scope:

1 Natural gas transmission, distribution and marketing

2 City Gas Distribution (CGD)

3 Petrochemical /Polymer manufacturing & marketing.

4 LPG & Liquid hydrocarbon production & transportation.

5 Gas sourcing and Upstream

6 Renewables.

Offices/region/sub-offices ,etc.

Registered office:

Gail(India)limited,

16 Bhikaiji Cama Place,

R. K. Puram

New Delhi-110066

Objectives

1 To carry on the business of Selling, transportation, distribution, purchase etc. of Natural or associated or any other gas containing hydrocarbon and by-products, and co-products

2 Plan, design and construct pipelines for gas, oil and oil products and other related facilities and systems

3 Manufacture, produce, refine prepare, store, sell and to trade and deal in petroleum and its derivatives

4 Transportation, distribution, conservation, marketing and sale of natural resources

5 All type of petrochemicals and their by-products

6 Terminals of various kinds and forms of crude oil and refined petroleum products, gases, chemicals, liquids

7 Exploration/drilling on need basis

8 Electricity generation, distribution etc. within India or outside India.

9 Electric Power stations and Projects and other allied industries

10 Generation, distribution and marketing of wind, tidal, solar and any other form of renewable energy on commercial basis.

11 Various types of Chemicals and chemical products

12 Petroleum reservoir, storage and transportation of oil, gas and other minerals by pipeline

Consultancy services and training

13 Telecommunication services within and outside India

14 Steam and other energy products like Flue gases, Hot Water on commercial basis

15 Biogas in any form

16 Water and slurry

17 Consultancy services such as gas management, gas metering audits, pipeline integrity assessments, safety audits etc.

18 Leasing of land & buildings, plant and machineries, movable and immovable properties and all other assets

19 Gas meter, CNG kits etc.

20 Electric vehicles, batteries, charging stations etc.

21 EPC in the areas of GAIL's business

22 To develop all forms and kinds of energy resources individually or in association or joint venture with any person or persons or body corporate or unincorporated joint venture

23 To purchase, lease, construct, build or otherwise acquire and develop any real or leasehold estate or other rights of property, port facilities, terminals, installations building plant and machinery ships, vessels as may be necessary.

24 To make investment in Start-Ups in Core and Non-core business areas either directly or indirectly through any other entity

Main Activities

- Natural gas transmission, distribution and marketing
- City Gas Distribution (CGD)
- Petrochemical /Polymer manufacturing & marketing.
- LPG & Liquid hydrocarbon production & transportation.
- Gas sourcing and Upstream
- Renewables.

Capital Structure as on 31 March 2021:

The paid up capital of the Company as on 31 March 2021 was 4,440.39 crore.

As on 31.03.21, the shareholding pattern was as follows: (in %)

Share holders	Share percentage
PRESIDENT OF INDIA*	51.45
IOC	2.45
ONGC	4.91
MUTUAL FUNDS/UTI	8.46
FINANCIAL INSTITUTIONS/BANKS	0.16
LIC	8.87
FPI's	15.52

GDR's	0.71
OTHERS	7.47
Total	100

Ref: GAIL Annual Report 2019-20

Organizational Set up

As on 31stMarch, 2021, there were 8 (eight) Directors on the Board comprising of 5 (five) Functional Directors including the Chairman & Managing Director, 3 (three) Non-Executive Directors [comprising of 2 (two) Government Nominee Directors and 1 (one) Independent Director)].

Budget and Planning (Details of System and Grants for the last 3 years viz. 2018-19, 2019-20, 2020-21)

(Rs in crore)

S.No.	Particulars	2018-19			2019-20			2020-21		
		BE	RE	Actual	BE	RE	Actual	BE	RE	Actual
A	Revenue from operations	54,967	72,015	75,127	72,819	73,837	71,876	74,498	58,200	56,738
B	Expenditure									
1	Employee benefits expenses	1,587	1,627	1,778	1,587	1,735	1,519	1,937	1,677	1,531

2	Const. Material / sub contract*	45,418	58,855	61,036	58,877	60,787	59,404	61,632	49,412	45,593
3	Facilities & other cost	3,322	3,205	3,103	3,267	3,070	2,226	3,263	3,178	3,179
4	CSR	111	135	119	134	175	125	182	160	145
5	Depreciation	1,546	1,602	1,550	1,838	1,709	1,836	1,879	1,899	1,908
B	Total expenditure	51,984	65,424	67,587	65,704	67,475	65,111	68,892	56,326	52,356
C	Operating profit (A-B)	2,983	6,591	7,540	7,115	6,362	6,765	5,606	1,874	4,381
D	Other income	699	780	1,545	843	1,180	1,178	887	1,121	2,004
E	Profit before tax (C+D)	3,682	7,372	9,085	7,958	7,542	7,943	6,493	2,995	6,386
F	Provision for tax	1,216	2,527	3,059	2,729	2,534	1,323	2,188	661	1,496
G	Profit after tax (E-F)	2,467	4,845	6,026	5,229	5,009	6,621	4,305	2,334	4,890

*Purchase of Gas, Raw material & Fuel net of internal consumption & stock adjustment

Accounting System

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared as a going concern on accrual basis of accounting. The company has adopted historical cost basis for assets and liabilities except for certain items which have been measured on a different basis and such basis is disclosed in the relevant accounting policy.

The preparation of the Company's Consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities/assets at the date of the consolidated financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require adjustment to the carrying amount of assets or liabilities affected in future periods

Manpower analysis

The position of manpower for the last three financial years was as under:

Year	31.03.2019	31.03.2020	31.03.2021
Executives	3625	3731	3805
Non-Executives	898	945	894
Total	4523	4676	4699

MoU Targets and Achievements for last three financial years (2018-19 to 2020-21):

(Rs in Crore)

S.No.	PARTICULARS	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
1	Turnover from operations	61,158 68,784 *	75,126	81,000 74,300 *	71,871	61,358 63,510 *	56,730
2	Operating profit	10.0	10.47	10.40	8.94	11.08	7.72
3	Return on investment	11.5	16.24	16.0	16.34	16.34	11.46
4	Overall rating	93.62		76.74		82.48#	

*As per IMC minutes for formulation of MoU FY 2018-19, FY 2019-20, adjustment in target of Revenue from operations is allowed w.r.t. Average Domestic Gas Price, Average LT RLNG price & Exchange rate.

#FY 2020-21 valuation is under progress

Computerization

In order to improve operational efficiency and productivity, the Company implemented SAP R/3 ERP system in 2004-05 and had also upgraded various modules viz. Material Management (MM), Sales & Distribution (SD), Finance & Controlling (FICO), Human Resource (HR), Payroll, Plant Maintenance (PM), Gas Management System (GMS), Linear Asset Management (LAM), Project Systems (PS), Production Planning (PP), Quality Management (QM), Environment Health & Safety Management (EHSM), Management of Change (MoC), Hydrocarbon Product Management (HPM), Traders & Schedulers Workbench (TSW), Joint Venture Accounting (JVA), Supplier Relationship Management (SRM), Reverse Auctioning (RA), Governance & Risk Compliance (GRC), Access Control (AC) on time to time basis as per organizational needs.

GAIL is also having Corporate Intranet for hosting various web-based applications used within the organization. For communication and collaboration- E-mail system, Video conferencing system, MS Teams, Document Management System (DMS) etc. are operational in GAIL. Specialized systems like Geographic Information System (GIS), Energy Trading & Risk Management (ETRM), E&P interpretation system etc. are also deployed in GAIL.

For ease of operation, Mobile enabled applications, Analytics & Dashboards are also operational in GAIL.Internal Audit

The Company is having centralized Internal Audit Department (IAD) comprising of two wings viz. Commercial and Technical; headed by CGM(IA) and consisting of 21 executives in multi-disciplinary categories. IAD conducts internal audit of different units/manufacturing plants of the Company in line with annual audit plan of the Company.

Act, Rules other documents applicable for the CPSE

1. The Companies Act, 2013 (the Act) and the rules made there under
2. Secretarial Standards issued by the Institute of Company Secretaries of lndia
3. The Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015
4. DPE Guidelines on Corporate Governance for CPSE (DPE Guidelines)
5. The Petroleum Act, 1934
6. The Petroleum Rules, 2002
7. The Oilfields (Regulation and Development) Act, 1948
8. The Petroleum and Natural Gas Rules, 1959
9. The Petroleum and Minerals Pipelines (Acquisition of Right of User in Land) Act, 1962
10. The Explosives Act 1884 and Indian Explosives Rules 1983
11. The Gas Cylinders Rules 2004
12. Oil Industry Development Act, 197
13. The Petroleum and Natural Gas Regulatory Board Act, 2006,

14. The Solvent, Raffinate and Slop (Acquisition, Sale, Storage & prevention of Use in Automobiles) Order, 2000

15. The Petroleum and Natural Gas Regulatory Board (Exclusivity for City or Local Natural Gas Distribution Network) Regulations, 2008

16. The Petroleum Products (Maintenance of Production, Storage and Supply) Order, 1999

17. Environment Protection Act, 1986 and Environment (Protection Rules, L986

18. Hazardous Wastes (Management and Handling) Rules, 1989

19. The Noise Pollution (Regulation and Control) Rules, 2000

20. Water (Prevention and Control of Pollution) Cess Act, 1977 and Water (prevention and Control of Pollution) Cess Rules, 1978

21. Batteries (Management and Handling) Rules, 2001

22. The Central Motor Vehicles Rules, 1989

23. The Water (Prevention and Control of pollution) Act, 1974

24. The Air (Prevention and Control of pollution) Act, 1974

25. Manufacture, Storage and lmport of Hazardous Chemicals Rules, 1989

26. Static and Mobile Pressure Vessels (Unfired) Rules, 1981 as amended by the SMPV (U) Rules, 1999

27. Indian Forest Act, 1927

28. The Ozone Depleting Substances (Regulation and Control) Rules, 2000

29. The Information Technology Act, 2000

30. The Indian Telegraph Act, 1885 and the Indian Telegraph Rules, 1951

31. The Indian Wireless Telegraphy (Commercial Radio Operators Certificate Proficiency and License to Operate Global Maritime Distress and Safety System) Rules, 1994

32. The Indian Wireless Telegraphy Act, 1933

33. The. Mines Act, 1952.

34. The Arms Act, 1959.

35. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 2011

36. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

Operational results (Target vis a vis Achievement) for the last three years (2018-19 to 2020-21)

Description	2018-19		2019-20		2020-21	
	Target	Achieved.	Target	Achieved.	Target	Achieved.
NG Sales, MMSCMD	91	96.93	98	96.26	97	89.20
Petrochemical Sales, Kilo Tonnes (KT)		735		737		871
LPG Transmission throughput, MMTPA		3.97		3.91		4.16
Liquid Hydrocarbon Production, Million Tonnes		1.32		1.26		1.14

Financial working results for the last three years (2018-19 to 2020-21)

(Rs In Crore)

Particulars	2018-19	2019-20	2020-21
Revenue from Operations	75126.76	71876.35	56,738
Other Income	1544.81	1416.84	2,004
Total Income(A)	76671.57	73293.19	58742
Total Expenditure(B)	70645.9	66672.56	53852
Net Profit/Loss (A-B)	6025.67	6620.63	4890

Disinvestment

The shareholding of the Government of India as on 31 March 2020 was Rs. 2,334.44 crore constituting 51.76% of the total share capital. This reduced to Rs. 2284.59 crore as on 31 March 2021 constituting 51.45% of the total paid-up capital.

Environment management

Since its inception, GAIL has been committed to being a responsible corporate citizen. Our vision statement, "Be the leader in Natural Gas value-chain and Beyond, with Global presence, creating value for Stakeholders with Environmental Responsibility"

With ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007 certifications, GAIL is committed towards producing quality products while creating, maintaining and ensuring a safe and clean environment. Being a flagship energy company, GAIL is dedicated to play a key role in building sustainable energy future for the country. The Environment Protection Rules 1986 framework is adopted for the purpose of protecting, improving the quality of the environment, preventing, and abating environmental pollution, the standards for emission or discharge of environmental pollutants from the operations or processes to report on effective management.GAIL has taken prime initiatives to safe guard environment by:

1 Adopting newer technologies to promote efficient and environment friendly O&M activities

2 Embed safety, quality and integrity management of all assets throughout the value chains of O&M.

3 Compliances of all statutory, legal and regulatory requirements and government guidelines by performing beyond internally set targets.

4 The Environmental Management System helps maintain the environmental standards and manage emissions, effluents and waste in operational processes.

Subsidiaries of GAIL (India) Ltd

Bengal Gas Limited

Introduction of the Organisation

Gas Company Limited is ajoint venture company of GAIL (India) Ltd,aMaharatna Company of Govt. of India and Greater Calcutta Gas Supply Corporation Ltd, (GCGSCL), an undertaking of West Bengal Government. The Company was incorporated on 04 January 2019.

Date of Incorporation: 04 January 2019

Administrative Ministry: Ministry of Petroleum and Natural Gas

Vision and Mission

Vision:

To be a leading City Gas Distribution Company (CGD) by keeping our approach ethical, credible, eco-friendly and customer centric, being innovative and a learning organization.

Mission:

Provide Eco friendly energy solution with innovative technology to create Clean, Green, Safe & Healthy environment with emphasis on high level customer satisfaction.

Nature of business including geographical scope

Main business of the company is to develop City Gas Distribution Network in Kolkata G.A (CGD network in Kolkata city and parts of adjoining districts of North 24 Parganas, south 24 Paraganas, Howrah, Hooghly and Nadia) and to cater gas supply to customers in the domestic, transport, and commercial sectors. The Company is undertaking the project to lay, build, operate and expand City Gas Distribution networks along with distribution and marketing of Compressed Natural Gas (CNG), Piped Natural Gas (PNG), Natural Gas, LNG, Auto LPG in the state of West Bengal.

Offices/region/sub-offices etc

Registered Office:

4th Floor, Block B, Finance Centre CBD,

Action Area - II B, New Town, North 24 Parganas,

Kolkata-700161, W.B, India.

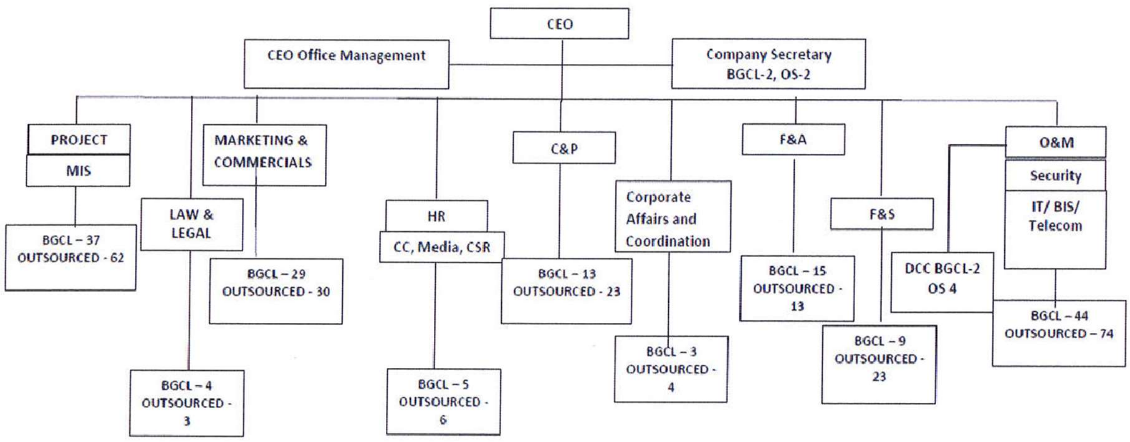
Objectives of the Organization.

- To provide safe, convenient and reliable natural gas supply to its customers in the domestic, industrial and commercial sectors and
- To provide a cleaner, environment-friendly and cost-effective alternative auto fuel in Transport Sector to considerably bring down the alarmingly high levels of pollution.

Capital Structure as on 31.03.2019, 31.03.2020 and 31.03.2021

Capital Structure as on:	31.03.2019	31.03.2020	31.03.2021.
Authorized Capital:	100 crore	100 crore	100 crore
Paid-up Capital:	50 crore	50 crore	50 crore

Organizational Set up (in organogram form).



Activities of the Organisation.

1 Development of City Gas Distribution Network in the Kolkata GA

2 Distribution, sale and marketing of CNG/PNG/LNG/Natural Gas/ Auto LPG

3 Supply of Piped Natural Gas to domestic, industrial or commercial sectors and CNG to transport sector

Budget and Planning (Details of system and grants with last three financial years' i.e. 2018-19, 2019-20 and 2020-21

No grants received from Government. Hence , not applicable.

Accounting System in the company as well as in the R.O's/Branch offices

Company follows Ind-As system of accounting. There is no Branch Office of the company.Company uses Tally ERP 9 for the accounting of its stock and financial transactions.

Manpower Analysis

Board of the company consists of four Non-Executive Directors who are nominated by the promoter organizations. There is no permanent employee on the roll of the company. Company is run by the employees on deputation from the promoter organizations.

MoU Targets and Achievements for last three financial years (2018-19 to 2020-21)

Not applicable.

Computerization

Accounts of the company are maintained in Tally. No IT audit has been carried out by any agency.

Internal Audit

Internal Audit is carried out, on annual basis, by an independentprofessional/ Firm which is appointed by the Board.

Act, Rules, other documents applicable to the Organisation.

Business of the company is carried on in accordance with the Memorandum of Association, Articles of Association, Joint Venture Agreement and provisions of the Companies Act 2013 and rules made thereunder. Besides, wherever applicable, Rules and Regulations formulated by the Petroleum and Natural Gas Regulatory Board (PNGRB) are also followed.

Operational & Financial Results (Target vis-à-vis Achievement) for last three financial years (2018-19 to 2020-21

Particulars	2018-19	2019-20**	2020-21
Income	N.A		
Revenue from operations	N.A	NIL	19,440
Other Income	N.A	2,56,12,971	1,39,70,894
Total Income(A)	N.A	2,56,12,971	1,39,90,334
Total Expenditure(B)	N.A	3,64,91,262	3,48,99,581
Net Profit/(loss) (A-B)	N.A	(1,08,78,291)	(2,09,09,247)

** Being First Financial Year of the Company.

Financial Working Result for last three financial years (2018-19 to 2020-21

(In Rs.)

Particulars	2018-19	2019-20**	2020-21
Income	N.A		
Revenue from operations	N.A	NIL	19440
Other Income	N.A	2,56,12,971	13970894
Total Income(A)	N.A	2,56,12,971	13990334
Total Expenditure(B)	N.A	3,64,91,262	34899581
Net Profit/(loss) (A-B)	N.A	(1,08,78,291)	(20909247)

** Being First Financial Year of the Company.

Disinvestment

Not Applicable

Environment Management

Company operates in distribution and marketing of Natural Gas which doesn't have any material adverse effect on Environment

GAIL GAS Ltd.

Profile of the Company

GAIL Gas Limited (GAIL Gas) is a wholly owned subsidiary of Maharatna PSU GAIL (India) Limited (GAIL). It was incorporated on 27 May 2008 for the smooth implementation of City Gas Distribution (CGD) projects. It functions under the administrative purview of the Ministry of Petroleum and Natural Gas.

Date of Incorporation: 27 May 2008

Administrative Ministry: Ministry of Petroleum and Natural Gas

Vision and Mission

Vision

"Be the leading company in retailing, distribution and marketing of Natural Gas with focus on City Gas Distribution committed to customer care, value creation for all stakeholders and environmental responsibility"

Mission

"To accelerate and optimize the effective and economic use of Natural Gas in Industries and CGD to the benefit of National Economy".

Nature of business including geographical scope:

GAIL Gas Ltd. (GAIL Gas) is a wholly owned subsidiary of GAIL (India) Ltd. GAIL Gas is involved in implementation of City Gas Distribution Projects in geographical areas (GAs) authorized by Petroleum and Natural Gas Regulatory Board (PNGRB).

Offices/ Regions/Sub-offices ,etc

List of GAs authorized to GAIL Gas is mentioned below:

S. No.	Geographical Area/ CGD Networks	State
1	Dewas	Madhya Pradesh
2	Sonipat	Haryana
3	Meerut	Uttar Pradesh
4	Firozabad (TTZ)	Uttar Pradesh, Rajasthan
5	Bengaluru Rural and Urban Districts	Karnataka
6	Giridih& Dhanbad Districts	Jharkhand
7	Dakshin Kannada District	Karnataka
8	Sundargarh& Jharsuguda Districts	Odisha
9	Ganjam, Nayagarh& Puri Districts	Odisha
10	Dehradun District	Uttarakhand
11	Seraikela-Kharsawan District	Jharkhand
12	West Singhbhum District	Jharkhand
13	Raisen, Shajapur&Sehore Districts	Madhya Pradesh
14	Mirzapur, Chandauli&Sonbhadra Districts	Uttar Pradesh

In addition, GAIL Gas is pursuing City Gas Business in Andhra Pradesh, Rajasthan, Gujarat, Uttarakhand, Assam,Kerala and Goa through its Joint Ventures

S.No.	Name of JVC	Shareholding Details-As per Paid-up Capital	
		Entity	Percentage
1	Vadodara Gas Ltd. (VGL)	GAIL (India) Ltd.	32.93%
		GAIL Gas Ltd.	17.07%
		VMSS (Vadodara MahanagarSewaSadan)	50%
2	Andhra Pradesh Gas Distribution Corporation Ltd. (APGDC)	GAIL Gas Ltd.	50%
		APGIC (Andhra Pradesh Gas Infrastructure Corporation Pvt. Ltd.)	26.60%
		APGENCO (Andhra Pradesh Power Generation Corporation Ltd.)	15.70%
		APIIC (Andhra Pradesh Industrial Infrastructure Corporation Ltd.)	7.70%
3	Rajasthan State Gas Ltd. (RSGL)	GAIL Gas Ltd.	50%
		RSPCL (Rajasthan State Petroleum Corporation Ltd.)	50%
4	Haridwar Natural Gas Pvt. Ltd. (HNGPL)	GAIL Gas Ltd.	50%
		BPCL	50%
5	Goa Natural Gas Pvt. Ltd. (GNGPL)	GAIL Gas Ltd.	50%
		BPCL	50%
6		GAIL Gas Ltd.	26%

	Purba Bharati Gas Pvt. Ltd. (PBGPL)	AGCL (Assam Gas Company Ltd.)	48%
		OIL (Oil India Ltd.)	26%
7	Kerala GAIL Gas Ltd. (KGGL)	GAIL Gas Ltd.	50%

Objectives

The primary objectives of the company are as under:-

- Distribution and Marketing of Natural Gas in CGD company
- Setting up of facilities for compression of Natural Gas, laying of the pipelines from City Gate Stations(s) to the consumption areas and associated facilities, distribution points / retail outlets for CNG, transportation of gas through mobile cascades / lorries in the various cities of India and along the National Highways for building CNG Corridors.
- Building gas business opportunities through participation with Gas Producers / Strategic partners for implementation of the downstream distribution projects
- Development of City Gas Distribution projects
- Secondary distribution of NG / RLNG to end consumers

Main Activities

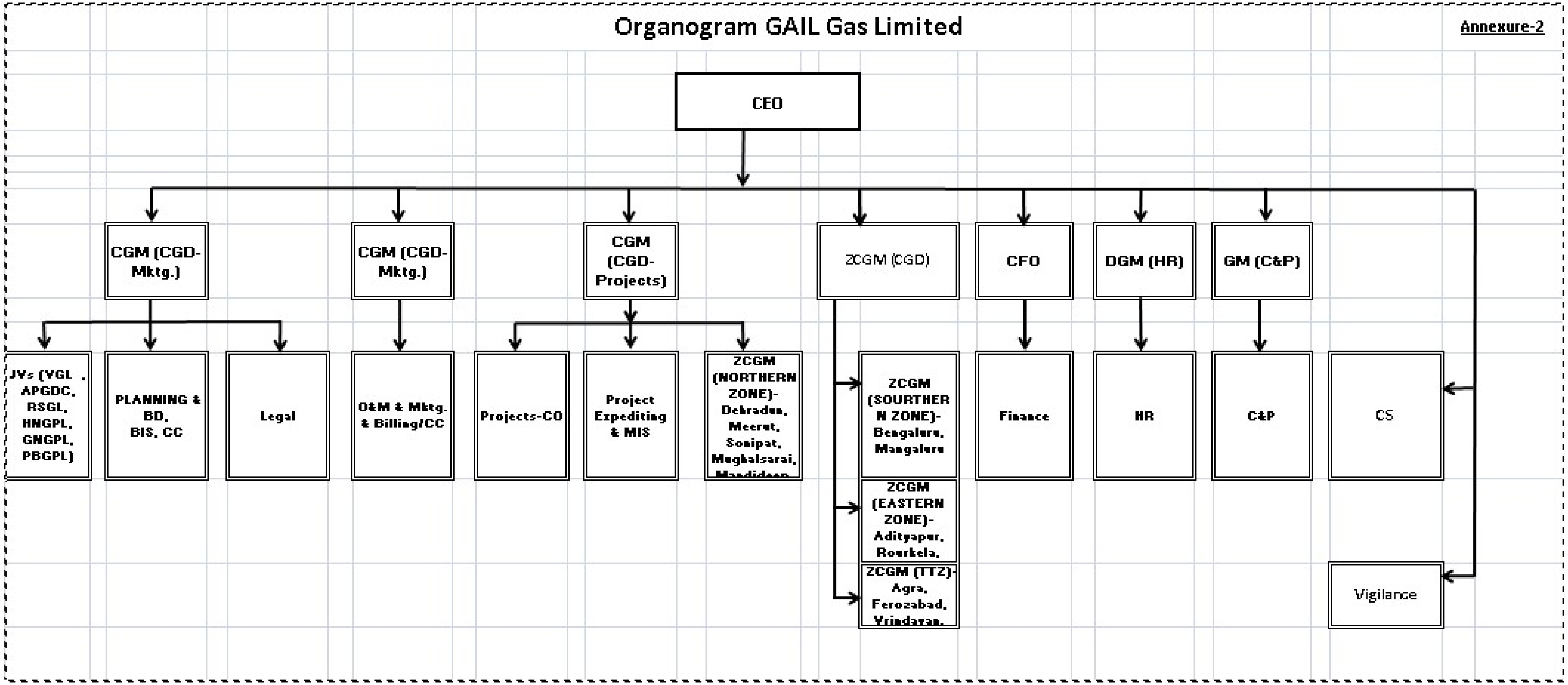
The main activities of the company are as under:

- Development of CGD network in authorized GAs
- Piped Natural Gas for Domestic / Commercial / Industrial Purposes
- Setting up of facilities for compression of Natural Gas, laying of the pipelines from City Gate Stations(s) to the consumption areas and associated facilities, distribution points / retail outlets for CNG, transportation of gas through mobile cascades / lorries in the various cities of India and along the National Highways for building CNG Corridors.
- Building gas business opportunities through participation with Gas Producers / Strategic partners for implementation of the downstream City Gas Distribution projects & Secondary distribution of NG / RLNG to end consumers
- Entrusted with setting up LNG/L-CNG Stations along Golden Quadrilateral (GQ) highway & under Govt. of India initiative, issuing Letter of Intents to entrepreneurs for supplying Compressed Bio-Gas (CBG) to authorized GAs of GAIL Gas
- Marketing of Natural Gas to Bulk customer like NFL etc.

Capital Structure as on 31 March 2021:

Particulars	Equity share of Rs 10/- each	Amount (Rs. in Crores)	Owned by
Authorized Share Capital	200,00,00,000	2000.00	
Issued, Subscribed &Paid-up Capital	159,07,00,000	1590.70	100% GAIL(I) Ltd.

Organizational Set up



Budget and Planning

No grant have been received during last three financial years from GOI i.e. 2018-19, 2019-20 and 2020-21.

Accounting System

The Company is maintaining (Accounting & Costing) records in SAP System. The access available to different sites as per roles & responsibility has been assigned to them.

Manpower Analysis

Manpower Analysis as on 31.03.2021 (Includes manpower deputed in Joint Venture Companies of GAIL Gas Ltd.)

Particulars	Number (Full Time)
Executive	209
Non-Executive	43
Total	252

No. of Executive in JVs: 24

MoU targets and Achievements for last three financial years (2018-19 to 2020-21)

S.No.	Particulars	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
1	Turnover from Operations (Rs. Cr.)	5592	5367.05	6100	5143.86	4142	4014.60
2	Operating Profit (Rs. Cr.)	167.76	112.19	158.6	190.58	156.15	208.85
3	Return on Investment (%)	8.00	6.17	7.5	10.25	10.26	8.10
4	Overall Rating	-	Fair	-	Very Good (Final Rating to Be declared by DPE)	-	Very Good (Self Evaluation, details to be submitted to DPE)

Computerization

In respect of various IT system audits, the following are informed:

- GAIL Gas Ltd is using IT infrastructure of its parent company i.e. GAIL (India) Ltd, The Data Centre of GAIL is ISO-27000 certified and System & Vulnerability Audit are carried out on yearly basis.
- Application developed for GAIL Gas are audited by 3rd party prior to making the application live.
- During the financial audit carried out by Internal Auditor and CAG auditor, the IT systems are also audited quarterly/yearly (as the case may be) basis and they submit the points related to IT (if any) along with other points in account consolidated report.

Internal Audit

The Company has appointed external agencies for Internal Audit. Presently, M/s. O.P.Bagla& Co., Chartered Accountants has been appointed as Internal Auditor of the Company from FY 20-21 to FY 22-23.

Act, Rules other documents applicable for CPSE

Primarily, GAIL Gas is governed by Companies Act, 2013, Secretarial Standards, issued by the Institute of Company Secretaries of India & DPE Guidelines on Corporate Governance for CPSE. It is also governed by PNGRB Act & Regulations. List of other applicable Acts, Rules is as follows:

1	Petroleum Act 2002	Yes
2	Legal Metrology Act 2009	Yes
3	Legal Metrology(General)Rules 2011	Yes
4	Petroleum Rules 2002	Yes
5	Petroleum and Natural Gas Regulatory Board (Codes of practices for Emergency Response and Disaster Management Plan) Regulations 2010	Yes
6	Legal Metrology(National Standards)Rules, 2011	Yes
7	Legal Metrology(Numeration)Rules, 2011	Yes

8	Central Excise Act 1944 And Rules2002	Yes
9	Central Sales Tax Act 1956 and Central Sales Tax (Registration and Turnover) Rules 1957	Yes
10	Income Tax Act 1961 And The Income Tax Rules 1962	Yes
11	CGST Act r.w. CGST Rules	Yes
12	U.P. Value Added Tax Act 2008 and Rules 2008	Yes
13	Punjab Value Added Tax Act 2005 and Punjab Value Added Rules 2005	Yes
14	Madhya Pradesh Value Added Tax Act 2003 and Rules 2006	Yes
15	Rajasthan VAT Act 2003 and Rules 2006	Yes
16	Gujarat Value Added Tax Act 2003 and Rules 2006	Yes
17	The Uttar Pradesh Air (Prevention and Control of Pollution) Rules 1983	Yes
18	THE BATTERIES (MANAGEMENT AND HANDLING) RULES 2001	Yes
19	The Gas Cylinders Rules2004	Yes
20	THE E-WASTE (MANAGEMENT AND HANDLING) RULES 2002	Yes
21	The Companies Act 2013	Yes
22	Sexual Harassment of Women at Workplace (Prevention Prohibition and Redressal) Act 2013 and Sexual Harassment of Women at Workplace (Prevention Prohibition and Redressal) Rules 2013	Yes
23	Contract Labour (Regulation And Abolition) Act 1970 & Contract Labour (Regulation And Abolition) Rules 1971	Yes
24	Equal Remuneration Act 1976 And Equal Remuneration Rules 1976	Yes
25	Payment of Wages Act 1936	Yes
26	Employment Exchange (Compulsory Notification of Vacancies) Act 1959 & Employment Exchange (Compulsory Notification of Vacancies) Rules 1960	Yes
27	Maternity Benefit Act 1961	Yes

28	Payment of Bonus Act 1965 & The Payment of Bonus Rules 1975	Yes
29	The Minimum Wages Act 1948 & Minimum Wages(Central) Rules 1980	Yes
30	Apprentices Act 1961 and Apprenticeship Rules 1992	Yes
31	Employees Provident Fund and Miscellaneous Provisions Act 1952 & Employees Provident Funds Scheme 1952	Yes
32	Payment of Gratuity Act 1972 & The Payment of Gratuity (Central) Rules 1972	Yes
33	Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act 1996 and Building and other Construction Workers (Regulation of Employment and Conditions of Service) Rules 1998	Yes
34	Industrial Employment (Standing Order) Act 1946 & Industrial Employment (Standing Order) Rules 1946	Yes
35	Industrial Disputes Act 1947 & Industrial Disputes (Central) Rules 1957	Yes
36	The Employees State Insurance Act1948	Yes
37	The Employees State Insurance (General) Regulations1950	Yes
38	Personal Injuries Compensation Insurance Act 1963 and Personal Injuries (Compensation Insurance) Rules 1972	Yes
39	Public Liability Insurance Act 1991 and Public Liability Insurance Rules 1991	Yes
40	U.P Dookan aur VanijyaAdhisthanAdhiniyam 1962 and U.P Dookan aur VanijyaAdhisthanNiyamavali 1963	Yes
41	The Madhya Pradesh anchayatsMuncipalitiesMuncipal Corporations And State Tax on ProfessionalsTradersCallings And Employments Acts1976	Yes
42	The Madhya Pradesh Shops and Establishments Act 1958 and the Madhya Pradesh Shops and Establishment Rules 1959	Yes
43	Employees Compensation Act 1923 & Employees Compensation Rules 1923	Yes
44	Labor Welfare Fund Act	Yes

45	Factories Act, 1948	Yes

Operation Results (Target vis-à-vis Achievement) for last three financial years (2018-19 to 2020-21):

(Rs in Crore)

S.No.	Parameters for draft MoU 2021-22	2018-19		2019-20		2020-21	
		Excellent Target	Achievement	Excellent Target	Achievement	Excellent Target	Expected Achievement
1	Revenue from Operations (Net of Taxes) (Rs. Crore)	5592	5330	6100	5098	4142	3973.53
2	Operating Profit as % of Revenue from Operations (%)	3	2.11	2.6	3.74	3.77	5.26
3	PAT as a % of Average Net-worth (%)	8	6.17	7.5	10.25	10.26	8.1
4	Total Annual Gas Sales Volume (MMSCM)	2250	1712	1850	1763	1850	1680
5	Achievement of CAPEX target (Rs. Cr.)	360	423	600	412	900 (100%)	513 (57%)
6	Percentages of value of CAPEX contracts/ projects running/ completed during the year without time/ cost overrun to total value of CAPEX contracts running/ completed during the year (%)	100	100	100	94.2	100	
7	Laying of MDPE Network (Kms)	550	564	800	1268	1000	1604
8	Laying of Steel Network (Kms)	-	-	80	153	100	139
9	Increase in CNG Stations Base over & above the nos. achieved during the previous year (Nos.)	30	37	112	81	120	87
10	Increase in Industrial and Commercial Customer Base over & above the nos. achieved during the previous year (Nos.)	80	85	200	202	250	272
11	Reduction in Claims against the Company not acknowledged as debt over previous year – Overall (%)	10	1.29	15	12.75	20	
12	Achievement of Targets for PNG (Domestic) Connection	120000	121304	233000	163233	350000 (100%)	187465 (54%)
13	Achievement of Targets for Work Order for Establishment of CNG stations under DODO policy (Nos.)	-		-		100 (100%)	112 (112%)
14	MoU Parameter related to GeM: Percentage of procurement of goods and services through GeM portal to total procurement of goods and services during the previous year i.e. FY 2020-21 (%)	-		-		25	17.72
15	Achievement of Targets as given by Administrative Ministry for Financial Closure of LNG/L-CNG stations i.e. 6 Nos. (%)	-		-		100% (6 Nos.)	100% (6 Nos.)
16	Achievement of Targets as given by Administrative Ministry for Financial Closure of Compressed Bio Gas plants achieved by Project Proponents i.e. 15 Nos.(%)	-		-		100% (15 Nos.)	40% (6 Nos.)

Financial working results for the last three years

(Rs. in crore)

Particulars	2018-19	2019-20	2020-21
Revenue from Operations (Rs. Cr.)	5367.05	5143.86	4014.60
Other Income (Rs. Cr.)	13.42	12.93	4.89

Total Income (Rs. Cr.) (A)	5380.47	5156.79	4019.49
Total Expenditure (Rs. Cr.) (B)	5254.86	4953.28	3805.75
Profit / (Loss) Before Tax (A-B)	125.61	203.51	213.74
Tax (Rs. Cr.)	44.67	47.26	56.04
Net Profit / (loss) (Rs. Cr.)	80.94	156.25	157.70

Disinvestment

No disinvestment proposal has been put up to Board till date.

Environment Management

Since Natural Gas/CNG is environment friendly, there is no impact on environment due to CGD operations.

Subsidiaries of GAIL Gas Ltd

A. HARIDWAR NATURAL GAS PRIVATE LIMITED

Profile of the Company

Haridwar Natural Gas Private Limited (HNGPL) is Joint Venture Company of BPCL and GAIL Gas Limited incorporated on 20thApril, 2016 with equal equity participation. It works under the purview of the Petroleum and Natural Gas Regulatory Board.

Date of Incorporation: 20 April 2016

Administrative Ministry:Petroleum and Natural Gas Regulatory Board

Vision and Mission

Vision: To be the leading company in sale, supply, distribution and marketing of CNG as fuel for vehicles and PNG for Domestic/Industrial/Commercial purpose.

Mission: Creation of value for all its stakeholders while fulfilling its responsibilities to its customers and the environment.

Nature of business including geographical scope:

Implementation of City Gas Distribution Network in the city of Haridwar, Uttarakhand

Offices/regions/sub-offices etc:

There is no region/Sub-offices of HNGPL

Objectives

Implementation of City Gas Distribution Network in the city of Haridwar, Uttarakhand.

Capital Structure as on 31 March 2021

(Rs in Crore)

Particular	31.03.2019	31.03.2020	31.03.2021
Debt	50.00	68.00	103.40
Equity	25.00	44.40	44.40

Inter Corporate loan	0.00	0.00	30.00

Organizational Set up

Thin Organizational Setup with CEO/CFO and other five to head different departments.

Main Activities

Implementation of CGD Network for supply of natural gas to Domestic, Industrial & Commercial sectors and CNG to Auto sector.

Budget and Planning (Details of system and grants with last three financial years' i.e. 2018-19, 2019-20 and 2020-21

There are no Grants received from any government department. Capex/opex incurred from equity and debts.

Accounting System

Tally ERP software is being used.

Manpower Analysis

Year	31.03.2019		31.03.2020		31.03.2021	
	Sanctioned	Actual	Sanctioned	Actual	Sanctioned	Actual
Executives	7	7	7	7	7	6
Non-executives						
Total	7	7	7	7	7	6

MoU Targets and Achievements for last three financial years (2018-19 to 2020-21)

S.No.	PARTICULARS	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
1	Turnover from operations		0.09		3.41		16.74
2	Operating profit		(1.99)		(1.99)		0.67
3	Return on investment		(2.75)%		(1.85)%		0.39%
4	Overall rating						

Computerization

Tally is being followed for accounting. ERP software is being followed for billing.

Internal Audit

Internal audit is being got done through an appointed CA Firm.

Act, Rules other documents applicable for CPSE

Delegation of Power and C&P Procedure followed.

Operation Results (Target vis-à-vis Achievement) for last three financial years (2018-19 to 2020-21).

Description	2018-19	2019-20	2020-21
Profit/(Loss) Rs. in Crore	(1.99)	(1.99)	0.67

Financial Working Result for last three financial years (2018-19 to 2020-21)

(Rs. In Crore)

Particulars	2018-19	2019-20	2020-21
Income			
Revenue from operations	0.09	3.39	16.74
Other Income	0.00	0.02	0.00
Total Income(A)	0.09	3.41	16.74
Total Expenditure(B)	2.78	6.03	15.50
Net Profit/(loss) (A-B)	(2.69)	(2.62)	1.24

Disinvestment

There has been no disinvestment in the Company.

Environment Management

- The benefits of CNG and PNG for the society are as follows:
- Prevents Health Hazard of polluting fuels viz Coke, Kerosene and Firewood
- Infrastructure development
- Employment and enhanced standard of living
- Green State Initiative allowing Carbon Credits
- Cleaner fuel

KERALA GAIL GAS Ltd.

The company is under the process of Voluntary Liquidation Process u/s 59 of Insolvency and Bankruptcy Code, 2016 hence NA.

Joint Ventures of GAIL (India) Ltd.

CENTRAL UP GAS LIMITED (CUGL)

Profile of the Company

Central UP Gas Limited (CUGL) established on 25-Feb 2005 is a natural gas distribution company authorized by the PNGRB (administered under MPOPNG) for CGD (City Gas Distribution) related activities in the geographical areas of Kanpur (including some part of Unnao), Bareilly and Jhansi.

CUGL is a joint venture between two Indian Maharatna PSUs i.e. GAIL (India) Ltd. and Bharat Petroleum Corp. Ltd.

Beginning in Kanpur, the company also expanded to Bareilly, Unnao and Jhansi. Primarily as a City Gas Distribution company, CUGL has been making inroads to bring gas to all sections of consumers like vehicle, domestic, industrial, & commercial to reduce air pollution and make the cities more cleaner and greener.

As on 31st March 2021, CUGL was supplying CNG (Compressed Natural Gas) to more than 100,000 vehicles through a network of 56 CNG stations and PNG (Piped Natural Gas) to more than 1,00,000 households, 360 commercial and 104 Industrial establishments

Date of Incorporation: 25 February 2005

Administrative Ministry: Ministry of Petroleum and Natural Gas

Vision and Mission

Mission

Provide Eco friendly energy solution to create Clean, Green, Safe & Healthy environment with emphasis on customer satisfaction

Vision

To be the best CGD Company by keeping our approach ethical, credible, eco-friendly and customer centric being innovative and a learning organization.)

Nature of business including geographical scope:

CGD (City Gas Distribution) related activities in the geographical areas of Kanpur (including some part of Unnao), Bareilly and Jhansi.

Office/region/sub-office etc:

CUGL has offices at following address-

Head Office

Central UP Gas Limited

7th Floor, UPSIDC Building

Lakhanpur, Kanpur- 208024.

UP, India.

Bareilly Branch

Central UP Gas Limited

Near Satellite bus stand

Bareilly- 243005

UP, India.

Jhansi Branch

Central UP Gas Limited

C/O GAIL Maintenance Base

Opp. Rajghat Colony, Nandanpura

Jhansi. 284003

UP, India.

Objectives

To provide safe, convenient and reliable source of energy in the form of PNG (Piped Natural Gas) and CNG (Compressed Natural Gas) to its customers in the Domestic, Commercial, Industrial and Automotive (CNG) segments.

Capital Structure as on 31 March 2021

Company has paid up capital of 6,00,00,000 equity shares having a par value of Rs 10 each. Company's equity shareholding is a below-

Equity Shares Held By	No Of Shares (in Lakh)	Amount (Rs in Lakh)
GAIL (india) Limited	150	1500
Bharat Petroleum Corp Limited	150	1500
Indraprastha Gas Limited	300	3000
Total	600	6000

Organizational Set up

Company has following organizational set up-

- Managing Director (Nominated by GAIL on rotation basis)
- Director Commercial (Nominated by BPCL on rotation basis)
- Functional In charges on CUGL payroll
- HOD – Finance
- HOD – Project
- HOD – Operations & Maintenance
- HOD – Contract & Procurements (C&P)
- HOD – Marketing
- PNG Domestic
- CNG
- Industrial / Commercial
- HOD – Human Resource & Admin

- HOD – Legal, CS & Corporate Governance
- Team is further supported by staff for various roles & requirements.

Main Activities

- Main activities of the company are as below-
- Laying of Pipeline infrastructure (CS & MDPE)
- Setting up of CNG stations
- Operation & Maintenance
- PNG Connections-
- Domestic
- Industrial
- Commercial
- Health Safety and Environment
- Business Development & Marketing
- Support functions for Governance & Compliance

Budget and Planning

Company does not get any grant from the Government or Public Sector Undertaking. All the CAPEX and OPEX outflow is done from internal sources.

Accounting System

Company has head office located in Kanpur, U.P. and at present accounting is done centralized at head office. Company is using SAP B1 ERP system at present for accounting operations.

As the Company falls within the purview of the Action 148 of the Companies Act 2013 and The Companies (Cost Records and Audit) Rules, 2014, all required cost records are maintained and cost audit is conducted as per compliance.

Manpower analysis

Total approved manpower: 89 nos

Available manpower as on 31.3.2021: 64 nos

Year	31.03.2021
Executives	52

Non-Executives	12
Total	64

MoU targets and achievement for last three years

Details of MOU targets and achievement are as below-

Financial Year	Domestic PNG Connection		CNG Stations	
	Target	Achievements	Target	Achievements
2018-19	55,000	25,052	22	15
2019-20	50,000	30987	20	10
2020-21	50,000	31942	24	11

Computerization

The company has implemented software package SAP B1 ver 9.2 PL08 with following modules

- Material Management,
- Financials and Controlling Module
- Sales and Distribution (SD) module.
- Billing & Localization

Further Company is in the process to implement SAP S/4 Hana ERP system and project is under process. Besides this, Company is using MS Outlook for emailing and MS Office for routine day to work.Further Company is using MS Outlook for emailing and MS Office for routine day to work.

Internal Audit

The internal audit is a continuous activity in the Company and all the business critical processes are audited by internal auditor. Internal auditor's appointment and scope of work is decided by the Audit Committee and is designed in such a manner that major activities are covered in the internal audit on rotation basis.

Company does not have separate internal audit department, however, independent internal auditor is appointed to conduct and present quarterly report to the audit committee.

Internal Audit for FY 2018-19 was conducted by M/s S. P. Chopra & Co, Chartered Accountants, New Delhi.The internal audit is a continuous activity in the Company and all the business critical process are audited by internal auditor. Internal auditor's appointment and scope of work is decided by the Audit Committee and is designed in such a manner that major activities are covered in the internal audit on rotation basis.

Company does not have separate internal audit department, however, independent internal auditor is appointed to conduct and present quarterly report to the audit committee.

M/s S. P. Chopra & Co, Chartered Accountants, New Delhi. The same firm has been appointed as internal auditors for FY 2020-21 as well.

Act, Rules other documents applicable for the CPSE

The Company doesn't fall under the category of CPSE, however, following Acts, Rules etc apply to the Co-

- The Companies Act, 2013 (the Act) and the rules made there under;
- Income Tax Act, 1961
- Goods and Service Tax Act 2017
- Central Excise Act 1944
- VAT
- The following other laws as may be applicable specifically to the Company:
- The Air (Prevention and Control Pollution) Act, 1981
- The Water (Prevention and Control Pollution) Act, 1974
- The Environment Protection Act, 1986
- Gas Cylinders Rules, 2004
- The Legal Metrology Act, 2009
- Explosives Rules, 2008
- Explosives Act, 1884
- The Petroleum and Natural Gas Regulatory Board Act, 2006
- Petroleum Rules, 2002
- The Petroleum Act, 1934

Operational results for the last three years

Financial Years	PNG Domestic	CNG Stations

	Achievement	Achievement
2018-19	25052	15
2019-20	50000	10
2020-21	31941	11

Financial working results for last three years

(Rs in Lakh)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Total Revenue	30,183.04	35,303.77	33,565.48
Total Expenditure	17,652.87	24,148.47	24,444.82
EBITDA	12,530.17	11,155.30	9,120.66
Depreciation	1,956.70	1,981.01	1,231.62
Interest	39.33	51.99	-
PBT	10,534.14	9,122.30	7,889.04
Taxation	2,657.00	1,758.46	2,677.62

PAT	7,877.14	7,363.84	5,211.42

Disinvestment

Company is a subsidiary of two CPSEs and therefore there is no direct Government of India holding in the Company. Accordingly there is no disinvestment applicable

Environment management

Company has separate department for Health, Safety and Environment (HSE). Company follows required safety guidelines for environment protection and continues training programs are conducted for internally and externally.

Company has implemented Health, Safety and Environment policy with following goal-

“No Accident, No Harm to people / society and No Damage to the Environment.”

GREEN GAS LIMITED

Profile of the Company

Pursuant to the directive of Hon'ble Supreme Court of India, GAIL had undertaken a study to supply natural gas to the automobile, industrial, commercial and domestic Consumers in the cities of Agra and Lucknow to accomplish improvement of its ambient air quality.

Joint Venture agreement (JV) was signed between GAIL (India) Ltd. and Indian Oil Corporation Limited on May 11, 2005, which was followed by incorporation of Green Gas Ltd (GGL). The company was incorporated On October 07, 2005, with the objective of supplying City Gas & CNG in Agra and Lucknow. It works under the administrative control of the Petroleum and Natural Gas Regulatory Board.

Currently, GGL is authorized by the Central Government to lay, build, operate and expand City Gas Distribution Projects in Lucknow, Agra, Ayodhya, Sultanpur, Unnao (except area already authorized) cities in the state of U.P.

Date of Incorporation: 07 October 2005

Administrative Ministry: Petroleum and Natural Gas Regulatory Board

Vision & Mission:

Vision of the company

To make Green Gas Limited an unparalleled natural gas distribution company, providing eco-friendly and clean fuel to transport, domestic, commercial and industrial sectors, with a total commitment to provide quality service to its customers.

Mission of the company

- To provide safe, convenient and reliable gas supply to our customers in transport, domestic, commercial and industrial sectors.
- To provide a cleaner and environment friendly auto fuel to clients.
- To facilitate conversions of commercial and private vehicles to CNG through external agencies by
- Making available the quality kits; and
- Creating a network of workshops to undertake reliable and speedy conversion to CNG.

Nature of business including geographical scope:

Green Gas Limited (GGL) is a Joint Venture Company of GAIL (India) Limited (GAIL) and Indian Oil Corporation Limited (IndianOil). It is committed to supply safe and uninterrupted natural gas to domestic, commercial, industrial, and automotive sector at Lucknow, Agra, Unnao (except areas already authorized), Ayodhya and Sultanpur Geographical Areas (GAs)in Uttar Pradesh.

Offices/region/sub-offices:

The Registered office of the Company is in Lucknow. There is abranch office in Agra.

Objectives:

- To provide safe, reliable and clean energy solutions to improve quality of life and enhance stakeholder's value.
- To be India's leading clean energy solution provider through customer centricity, innovative technology and diversification with international presence.

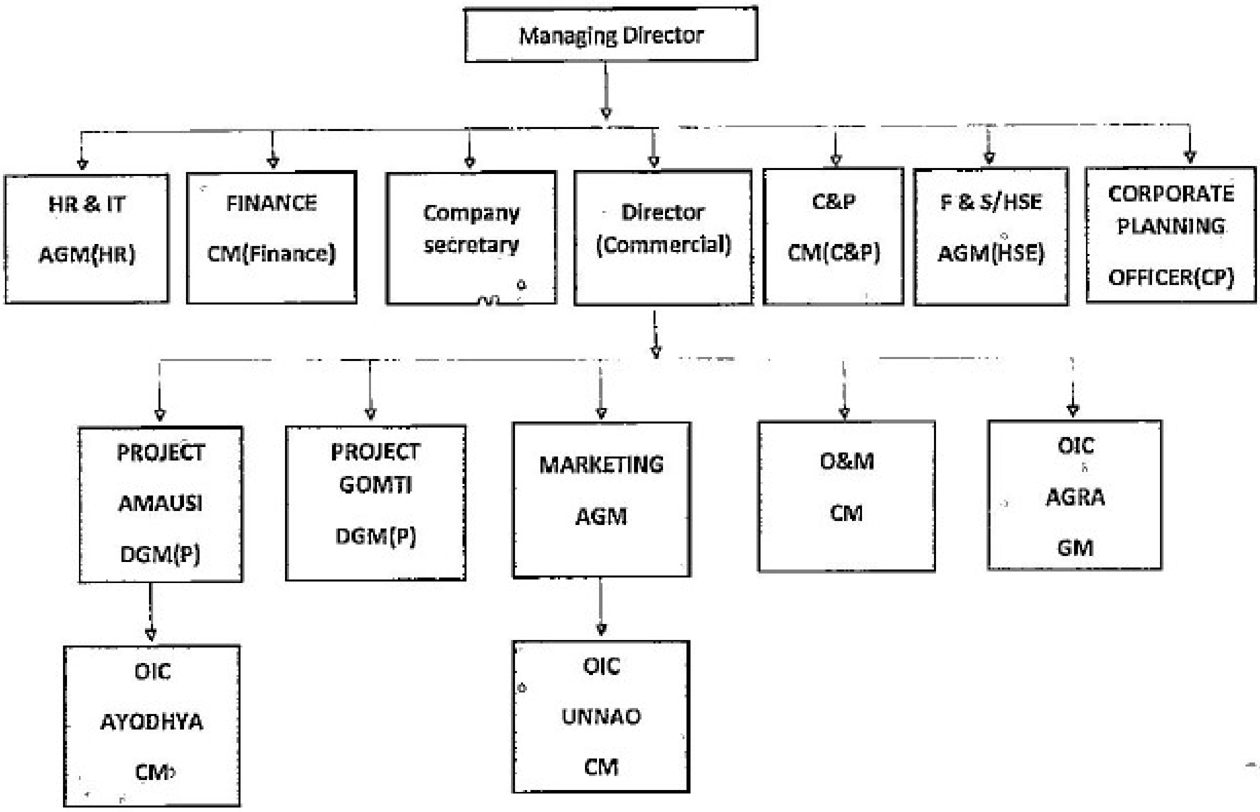
Capital Structure:

The Shareholding pattern of Green Gas Limited as on 30.03.2021 is as follows:

S. No	Name/Joint Name(s) of Shareholders	No. of Equity Shares held
1	GAIL (India) Limited	2,30,42,247
2	Indian OilCorporation Limited	2,30,42,247
3	Kamalesh Tripathi	1
4	Kamal Kumar Gwalani	1
5	Gagan Deep Singh Kohli	1

6	Anil Kumar Jha jointly with GAIL (India) Limited	1
7	Sushil Kumar jointly with GAIL (India) Limited	1
8	Chinmoy Mandal jointly with GAIL (India) Limited	1
9	Rakesh Kumar Sharma	1,250
10	Kamta Prasad Roy	1,250
11	Sharat Chandra Meshram	1,250
12	Sirish Chandra Hatwal	1,250
13	Vistra ITCL (India) Limited - A/c IL and FS Pvt Equity Trust-Leverage India Fund	10,000
14	IDFC First Bank Limited	10,000
	TOTAL	4,61,09,500

Organisational Structure:



Main Activities

The Company is in the business of City Gas Distribution.

Budget and Planning (Details of system and grants with last three financial years' i.e. 2018-19, 2019-20 and 2020-21:

LUCKNOW

Detailed planning of CGD activities at Lucknow for the Financial Years 2018-19, 2019-20 & 2020-21 is presented below:

Sr. No.	Particulars	
1.	New CNG Stations	
2.	Steel Pipelines in km	
3.	MDPE Pipelines in km	
4.	PNG Dom. Connections	
5.	PNG C&I Connections	
Sr. No.	Particulars	Actual for FY 20-21
1.	New CNG Stations	2
2.	Steel Pipelines in km	3.3
3.	MDPE Pipelines in km	821
4.	PNG Dom. Connections	20,376
5.	PNG C&I Connections	0

AGRA

Detailed planning of CGD activities at LucknowAgra for the Financial Yearthe Financial Years 2018-19, 2019-20 & 2020-21is presented below:

Sr. No.	Particulars	Actual for FY 18-19	Actual for FY 19-20	Actual for FY 20-21
1.	New CNG Stations	7	4	3
2.	Steel Pipelines	10.1	0	8.8
3.	MDPE Pipelines	205	217	652
4.	PNG Connections	11,789	22049	24603
5.	PNG C&I Connections	17	12	-
Sr. No.	Particulars	Actual for FY 19-20	Actual for FY 19-20	Actual for FY 19-20
1.	New CNG Stations	4	4	4
2.	Steel Pipelines	0	0	0
3.	MDPE Pipelines	217	217	217
4.	PNG Connections	22049	22049	22049
5.	PNG C&I Connections	12	12	12
Sr. No.	Particulars	Actual for FY 20-21	Actual for FY 19-20	Actual for FY 20-21
1.	New CNG Stations	3	4	3
2.	Steel Pipelines	8.8	0	8.8
3.	MDPE Pipelines	652	217	652
4.	PNG Connections	24603	22049	24603

5.	PNG C&I Connections	-	12	-

Ayodhya

Sr. No.	Particulars	Actual for FY 20-21
1.	New CNG Stations	2
2.	Steel Pipelines	0
3.	MDPE Pipelines	16
4.	PNG Connections	841
5.	PNG C&I Connections	-

Unnao (Except area already authorized)

Sr. No.	Particulars	Actual for FY 19-20 & 20-21
1.	New CNG Stations	1
2.	Steel Pipelines	-
3.	MDPE Pipelines	-
4.	PNG Connections	-
5.	PNG C&I Connections	-

Accounting System:

Company follows centralized accounting system, all the powers and authority with respect to planning and decisions lies with top management.

Company maintains its cost records as prescribed under section 148(1) of the companies act 2013 and get its records audited as prescribed under section 148(2) of the companies act 2013.

For the FY 2020-21, Cost audit was conducted by K. B. Saxena & Associates.

Manpower Analysis

The position of manpower for the last three financial years was as under:

Year	31.03.2019		31.03.2020		31.03.2021	
	Sanctioned	Actual	Sanctioned	Actual	Sanctioned	Actual
Executives	61	53	61	59	81	58
Non-executives	-	-	-	-	-	-
Total	61	53	61	59	81	58

MoU Targets and Achievements for last three financial years (2018-19 to 2020-21)

The MOU targets & achievement for last three years are as follows:

S.No.	PARTICULARS	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
	Turnover from operations	MOU with promoter companies exists in respect of following parameters:					

	Operating profit Return on investment Overall rating	PNG No of comnnections CNG no of stations Capex in Rs. In Lac

Status of computerization

GGL has implemented SAP as a transaction processing system. The company is currently working on SAP B1 9.2 PL08 with Material Management, Financials and Controlling Module and Domestic Billing Add on of Sales and Distribution (SD) module.

Internal Audit:

G.K. Surekha & Co., Chartered Accountant is the Internal auditors of the company and have successfully conducted audits for all the four Quarters of FY 2020-21.

The internal audit is a continuous activity, and the various process are audited by internal auditor.

Internal auditor's scope of work is decided by the Audit Committee and is designed in such a manner that major activities are covered in the internal audit on rotation basis.

Acts , Rules , Other documents applicable to the Company:

The following Acts & laws as may be applicable to the Company:

- The Companies Act, 2013 (the Act) and the rules made there under;
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 ;
- The following other laws as may be applicable specifically to the Company:
- The Air (Prevention and Control Pollution) Act, 1981
- The Water (Prevention and Control Pollution) Act, 1974
- The Environment Protection Act, 1986
- Gas Cylinders Rules, 2004
- The Legal Metrology Act, 2009
- Explosives Rules, 2008

- Explosives Act, 1884
- The Petroleum and Natural Gas Regulatory Board Act, 2006
- Petroleum Rules, 2002
- The Petroleum Act, 1934

Operation Results (Target vis-à-vis Achievement) for last three financial years (2018-19 to 2020-21).

Sl.No.	Financial Year	No of D-PNG connections		No of CNG Stations		Capex (Rs. In Crores)	
		Target	Achievement	Target	Achievement	Target	Achievement
1	FY 2018-19	55,000	25794	30	18	272	108
2	FY 2019-20	61,000	36626	30	12	302	115
3	FY 2020-21	61,000	45820	33	7	130	180

Financial working results for the last three years

Financial results of the Company for last three financial years are as follows:

(Rs. in lakh)

Particulars	2018-19	2019-20	2020-21
Income			
Revenue from operations	35,271.29	41,788.16	31,085.87
Other Income	188.84	111.41	89.90
Total Income(A)	35,460.13	41,899.57	31,175.77
Total Expenditure(B)	28,303.18	32,047.21	23,437.76

Net Profit/(loss) (A-B)	7,156.95	9,852.36	7,738.01

Disinvestment

No disinvestment has been made in the company

Environment Management

Green Gas Limited continuously implements safety education and training programs for all its employees to spread awareness of safety culture. Safety is the prime motto of GGL. Our company strongly promotes safety measures and actively strives to consolidate a firm safety culture.

Our Company is in the business of supplying Piped and Compressed Natural Gas that is environment friendly and safe. Whilst doing this, our Company adheres to high standards of Health, Safety, Environment and Security. Our Company complies with all legal and statutory requirements applicable to its operations as a minimum standard and aspires to attain recognized world-class performance.

Security management in GGL has evolved as the physical assurance process supporting its business. Rapid changes in socio-economic scenario led to a thorough reassessment of security management through risk assessment & reviews, especially focused on protection of critical infrastructure and support to key processes. Our Company has responded by evolving and adopting effective ways to incorporate security practices and programs into its overall business operations.

Security adequacy of our company is continuously tested through reviews of its planning and organization and thereafter implementing the result of such reviews. These include risk and vulnerability assessments, threat information & appreciation, facility access controls, awareness training, incident management drills and exercises. The Security Management System is being audited periodically by highly reputed third party agencies to identify areas of improvement in security and vigilance measures.

Employee involvement in HSE decision-making process is a characteristic of a positive safety culture and has also been recognized as being fundamental to the successful implementation and sustainability of HSE management system.

GGL promotes safety culture, where safety and health are understood to be, and are accepted as, the number one priority. Primary responsibility of our Company is always towards its people.

The company believes that safe behavior is essential for safety improvement and a good business performance cannot be achieved without a good performance in HSE.

INDIAN OIL CORPORATION LIMITED (IOCL)

Profile of the Company

Indian Oil Corporation Limited (IndianOil) is one of India's largest commercial enterprises and the country's flagship integrated and diversified energy major. The Company's philosophy is embedded in the principles of strong customer connect, quality consciousness and transparency, where energy is tapped responsibly and delivered to the consumers most affordably. It was incorporated on 30 June 1959 and works under the administrative control of the Ministry of Petroleum and Natural Gas.

Date of Incorporation: 30 June 1959

Administrative Ministry: Ministry of Petroleum and Natural Gas

Vision and Mission

The Vision of Indian Oil is as follows:

Indian Oil's 'Vision with Values' encompasses the Corporation's new aspirations – to broaden its horizons, to expand across new vistas, and to infuse new-age dynamism among its employees. Adopted in the company's Golden Jubilee year (2009), as a 'shared vision' of Indian Oil People and other stakeholders, it is a matrix of six cornerstones that would together facilitate the Corporation's endeavours to be 'The Energy of India' and to become 'A globally admired company.More importantly, the Vision is infused with the core values of Care, Innovation, Passion and Trust, which embody the collective conscience of the company and its people, and have helped it to grow and achieve new heights of success year after year.

Nature of business including geographical scope:

IndianOil is India's flagship Maharatna national oil company with business interests straddling the entire hydrocarbon value chain - from refining, pipeline transportation & marketing, to exploration & production of crude oil & gas, petrochemicals, gas marketing, alternative energy sources and globalisation of downstream operations. It also has global aspirations, fulfilled to an extent by the formation of subsidiaries in Sri Lanka, Mauritius, the UAE, Sweden, USA and The

Netherlands. It is pursuing diverse business interests with the setting up of over 15 joint ventures with reputed business partners from India and abroad to explore global opportunities.

Office/regions/sub-offices:

Name of Major Offices/region/sub-offices etc- Northen Region		
SN	Particulars	Division
1	Research & Development Centre, Faridabad Sector 13, Faridabad, Haryana - 121007	R&D
2	Indian Oil Corporation Ltd, Business Development, Yusufsarai, New Delhi - 110016.	BD
3	Pipelines Head Office (PLHO), Indian Oil Bhawan, A-1, Udyog Marg, Sector-1, Noida-201301	Pipeline
4	Northern Region Pipelines, Panipat, Village Baholi, Panipat Refinery Complex, Panipat-132140	Pipeline
5	Northern Region Pipelines, Bijwasan, Kapashera-Najafgarh Road, Bijwasan, New Delhi-110061	Pipeline
6	Dadri Panipat Pipelines (DPPL), Village Baholi, Panipat Refinery Complex, Panipat-132140	Pipeline
7	Scope Complex , Core - 2 , Lodhi Road New Delhi - 110003	Refinery
8	Mathura Refinery, Mathura ,UP-281005	Refinery
9	Panipat Refinery &Pterochemical Complex, Baholi, Panipat -132140, Haryana	Refinery
10	Indian Oil Bhavan, 1 Sri Aurobindo Marg, Yusuf Sarai, New Delhi-16.	Marketing
11	Indian Oil Corporation Limited , 2nd floor , world trade centre , Babar Road , New Delhi 110001.	Marketing

12	Indian Oil Corporation Limited (MD), Punjab State Office, 3A, Sector 19 A, Madhya Marg, Chandigarh – 160 019	Marketing
13	Indian Oil Bhawan, Indian Oil Corporation Ltd.(M.D.), Ashok Chowk Near Radha Swamy Satsang Bhawan, Adarsh Nagar, Jaipur - 302004.	Marketing
14	Indian Oil Bhawan, Indian Oil Corporation Ltd.(M.D.),TC-39/V, Vibhuti Khand, Gomti Nagar, Lucknow.	Marketing
15	Indian Oil Bhawan, Indian Oil Corporation Ltd.(M.D.), UP STATE OFFICE-II, E-8.SECTOR-1, NOIDA-201301.	Marketing

Objectives:

The objective of the company is to serve the national interest in Oil and related sectors in accordance with Government Policies to ensure continuous and smooth supplies of petroleum products and to enhance country's self-sufficiency in oil refining.

Capital Structure

Capital Structure of IOCL as on 31 March 2021 is given as under:

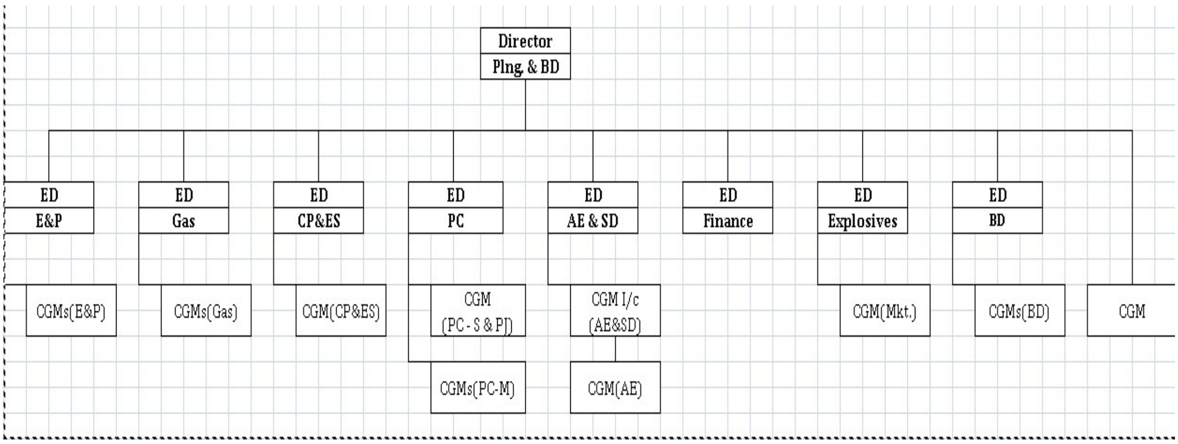
Particulars	Amount (in Rs. Crore)
Authorised Share Capital (15,00,00,00,000 equity shares of Rs. 10 each)	15,000
Issued, subscribed and paid up (9414158922 equity shares of Rs. 10 each full paid up)	9414.16

Less: Equity Shares held under IOC Shares Trust (233118456 equity shares of Rs. 10 each fully paid up)	233.12
Total	9181.04

Details of Shareholders holding more than 5% shares

Name of Shareholder	Number of shares held	Percentage of Holding
The President of India	4848133178	51.50
Oil and Natural Gas Corporation Limited	1337215256	14.20
Life Insurance Corporation of India	722680547	7.68
Oil India Limited	485590496	5.16

Organizational Structure



Main Activities

IndianOil is India's flagship Maharatna national oil company with business interests straddling the entire hydrocarbon value chain - from refining, pipeline transportation & marketing, to exploration & production of crude oil & gas, petrochemicals, gas marketing, alternative energy sources and globalisation of downstream operations. It also has global aspirations, fulfilled to an extent by the formation of subsidiaries in Sri Lanka, Mauritius, the UAE, Sweden, USA and The Netherlands. It is pursuing diverse business interests with the setting up of over 15 joint ventures with reputed business partners from India and abroad to explore global opportunities.

Budget and Planning (Details of system and grants with last three financial

years' i.e. 2018-19, 2019-20 and 2020-21)

IOCL has a system of having Annual Budget both for Revenue and Capital Expenditure. Original Budget Estimate is prepared for next year and Revised Budgeted Estimate is prepared for Current year. The same is approved by respective Divisional Directors and consolidated budget is put up for approval of the Board.

Accounting system

The Company has implemented ERP solutions - SAP in all units/ locations. Accounting is done by respective locations and the same is also available on consolidated basis.

The Company has prepared financial statements which comply with applicable IndAS for periods ending 31st March 2021, together with the comparative period data for the year ended 31st March 2020.

Cost Records are prepared in accordance with the mandatory cost accounting standards as per the Companies (Cost Records and Audit) Rules amended upto 2017 and provisions of the Companies Act. The cost accounting records as required by the said rule are maintained and reconciled with financial records.

Manpower Analysis:

Year	31.03.2019	31.03.2020	31.03.2021

Numbers	Actual	Actual	Actual
Executives	17704	17977	17762
Non-executives	15794	15021	13886
Total	33498	32998	31648

MoU Targets and Achievements for last three financial years (2018-19 to 2020-21)

The MOU targets & achievement for last three years are as follows:

Particulars	2018-19		2019-20		2020-21	
	MOU (Adjusted target)	Actual (as per audited accounts)	MOU (Adjusted target)	Actual (as per audited accounts)	MOU (Adjusted target)	Actual (as per audited accounts)
Revenue from Operation (Net of excise duty) excl. Sales to Petroleum CPSEs (₹ Crore)	4,56,392	4,61,959	4,30,757	436282	3,48,105	3,32,024
Operating Profit as % of Revenue from Operation (Net of excise duty)	6.87%	5.97%	4.35%	4.15%	6.87%	6.66%
Reduction in claims against the company	10.00%	44.56%	15.00%	23.67%	20.00%	25.66%

not acknowledged as Debt over previous year 2016-17: CPSEs 2017-18: CPSE & Others						
PAT/ Average Net Worth (%)	24.63%	24.02%	18.00%	20.74%	24.63%	23.24%
Achievement of Dividend target as given by DIPAM (%)					100.00%	168.18%
Overall Rating	Very Good		Rating not yet finalized by DPE			

Note: For FY 2019-20 & FY 2020-21, ratings not yet finalized by DPE, so achievements are based on self-evaluation as submitted to DPE.

Computerisation:

- SAP system is implemented across the Company.
- Development & Implementation of SDMS-CRM across LOBs such as LPG, IB, Lubes & Aviation including implementation for Retail
- Single Loyalty for across the business line implemented replacing retail loyalty
- Digital Workplace introduced through e-Telemedicine, e-Praman, e-Attendance etc.
- Implemented management of digital keys, signatures, and encryption/decryption through Hardware Security Module for Aadhar data
- Implementation of e-Invoicing & generation of IRN No along with QR Code through NIC Portal for Service Invoices along with development of IRN Dashboard.
- Crude Procurement Portal developed
- Consultancy provided for SAP Implementation at IHB & ITPL
- Filing of GSTR1, GSTR6 & GSTR-7 thru' DigiGST.
- Document Management System (DMS) facilitated in SAP for easy storage & retrieval of business documents
- ECMS - The paperless approval system proved to be real paradigm shift for the organization towards e-approval of proposals in place of paper-based approval during trying times in COVID-19 pandemic
- Developed Electronic Facility Maintenance System (eFMS), Reconstitution module for LOI Holder / Dealer for Retail
- Developed & implemented CVTMS (Centralized Vehicle Tracking & Management System) across POL locations for real-time monitoring & alerts of TT movement

- Developed REMS (Real Estate Management System)consisting of common repository of IOCL Real Estate properties and facility of processing / making various types of Real Estate payments.
- Developed CLAS (Contingent Liabilities and Assets) software for Finance for online updation / maintenance of all contingent liabilities and assets and easy retrieval of data for reporting in Financial Statements, MOU, CARO etc. Also developed INDAS to facilitate generation of quarterly financial entries of Marketing including cashflow, depreciation and interest as per new accounting standards INDAS116.
- IT General Control (ITGC) Audit carried out for 2020-21 by Statutory Auditor(M/S Singhi& Co)
- Regular Cyber Security Audit (including VA/PT) carried out by M/s CDAC

Internal Audit:

Internal Audit is a continuous process and Audit is being conducted round the year. There is a separate function for Internal Audit in IOC. IOC officers from finance and other functional group are posted in Internal Audit Function. Audit is being conducted by them round the year based on their program schedule.

Act, Rules and other Regulations applicable

Indian Oil is a company incorporated under the Companies Act, 1956. Accordingly the Companies Act as amended from time to time and rules made thereunder are applicable to Indian Oil. Further the shares of Indian Oil are listed on NSE & BSE and hence the SEBI Listing Regulations and related SEBI regulations / guidelines are applicable to Indian Oil.

Operational Results for last three years (Target Vis-a Vis Achievement)

Target Vs Achievement for the years (MOU) is already submitted as per Point No 14 above. Operational Results are as under.

(Rs in Crore)

Financial	2018-19	2019-20	2020-21
Revenue from operations	605932	566354	514890
Profit Before Exceptional Items, Finance Cost, Tax, Depreciation &Amortisation (EBITDA)	36952	22356	42614
Profit Before Exceptional Items, Finance Cost & Tax (EBIT)	29438	13590	32810
Profit Before Exceptional Items & Tax	25127	7611	29716

Profit Before Tax	25127	-3694	29716
Profit After Tax	16894	1313	21836
Other Comprehensive Income (net of tax)	-2324	-10409	4584
Total Comprehensive Income	14570	-9096	26420

Financial Working Result for last three financial years (2018-19 to 2020-21

(Rs in Crore)

Particulars	2018-19	2019-20	2020-21
Income			
Revenue from operations	605932	566353	514890
Other Income	3129	3555	4551
Total Income(A)	609061	569908	519441
Total Expenditure(B)	583934	562297	489725
Net Profit/(loss) (A-B)	25127	7611	29716

Particulars	2018-19	2019-20	2020-21
Profits Before Tax	25127	-3694	29716
Tax	8233	-5007	7880
Profit After Tax	16894	1313	21836

Disinvestment

The details of disinvestment by PoI during 2018-19 is given below:

Till May 2018 President of India (PoI) was holding 553,34,36,444 equity shares constituting 56.98% of the total equity share capital. Thereafter in June 2018 the PoI disinvested 2,18,90,396 equity shares in favor of Bharat 22 ETF (an exchange traded fund comprising of 22 stocks managed by ICICI Prudential Mutual Fund) whereby the PoI holding reduced to 551,15,46,048 equity shares constituting 56.75% of the paid up equity share capital.

On 04.12.18, the PoI further disinvested 26,13,74,221 equity shares in favor of CPSE ETF (an exchange traded fund comprising of 11 stocks managed by Reliance Nippon Life Asset Management Company) whereby the PoI holding reduced to 525,01,71,827 equity shares constituting 54.06% of the paid up equity share capital.

Under the Company's Buyback of Shares, 17,78,54,068 shares were bought back from the President of India (PoI) and consequently the shareholding of PoI reduced from 5,25,01,71,827 equity shares (54.06%) to 5,07,23,17,759 equity shares constituting 53.88% of the paid-up equity share capital .

On 21.02.19 the PoI disinvested 3,72,03,876 equity shares in favor of Bharat 22 ETF whereby the PoI holding further reduced to 503,51,13,883 equity shares constituting 53.48% of the paid-up equity share capital.

On 25.03.19, the PoI further disinvested 12,29,64,424 equity shares in favor of CPSE ETF, whereby the PoI holding reduced to 491,21,49,459 equity shares constituting 52.18% of the paid-up equity share capital.

The details of disinvestment by PoI during 2019-20 is given below:

Till 20.07.2019 President of India (PoI) was holding 491,21,49,459 Equity Shares constituting 52.18% of the total Equity Share Capital. Thereafter on 21.07.2019, the PoI disinvested 6,40,16,281 Equity Shares in favour of CPSE ETF (an exchange traded fund comprising of 11 stocks managed by Reliance Nippon Life Asset Management Company) whereby the PoI holding reduced to 484,81,33,178 Equity Shares constituting 51.50% of the paid up Equity Share Capital.

The details of disinvestment by PoI during 2020-21 is given below:

No disinvestment was carried by the Govt. of India during the year. The shareholding remains at 51.50%.

Environment Management

IOCL continuously strives to minimize adverse environmental impact from company activities, products and services by using processes, practices, materials and products that avoid, reduce or control pollution.

Before starting of a green field project or before any expansion to existing facility, feasibility study and Environment Impact Assessment is carried out.

All necessary approvals and clearances are taken from MoEF&CC and other statutory authorities before the start of work.

In addition to this, Quantitative Risk Analysis and HAZOP study is also conducted, and mitigation measures suggested are implemented.

Latest technology and facilities are provided at installations which avoid, reduce or control pollution.

While operation of facilities, our processes ensure zero discharge.

Quality parameters of effluent discharge, if any, are ensured to be well within limits, as prescribed by State / Central Govt. Authorities from time to time, all through its operation.

Joint Ventures of IOCL

DELHI AVIATION FUEL FACILITY PRIVATE LIMITED

Profile of the Company

Delhi Aviation Fuel Facility Private Limited (DAFFPL) is a Joint Venture comprising Indian Oil Corporation Ltd. (IOCL), Bharat Petroleum Corporation Ltd. (BPCL), and Delhi International Airport (P.) Ltd. (DIAL). The company provides the infrastructure aimed at ensuring an uninterrupted flow of Aviation Turbine Fuel (ATF) to all type of aircrafts at the Indira Gandhi International Airport, New Delhi (IGI Airport) as per international benchmarking.

Date of Incorporation: 11 August 2009.

Administrative Ministry: Not Applicable

Vision and Mission:

To design, develop, construct, manage, maintain, upgrade and operate the aviation fuel facility on BOOT (Build, Own, Operate and Transfer) basis at the Indira Gandhi International Airport, New Delhi

Our aim is to provide adequate guarantee of uninterrupted, competitive, safe and secure flow of ATF to the Airport with international benchmark

Nature of business including geographical scope:

To Provide Infrastructure facility for uninterrupted, competitive, safe and secure flow of ATF to the IGI Airport with international benchmark.

The company operates at IGI Airport situated in Delhi.

Regions/office/sub-office:

Aviation Fueling Station, Shahbad Mohammad Pur, IGI Airport, New Delhi-110061

Objectives:

The primary objects of the company are:

- To design, develop, construct, manage, maintain, upgrade and operate the aviation fuel facility on BOOT (Build, Own, Operate and Transfer) basis at the Indira Gandhi International Airport, New Delhi and

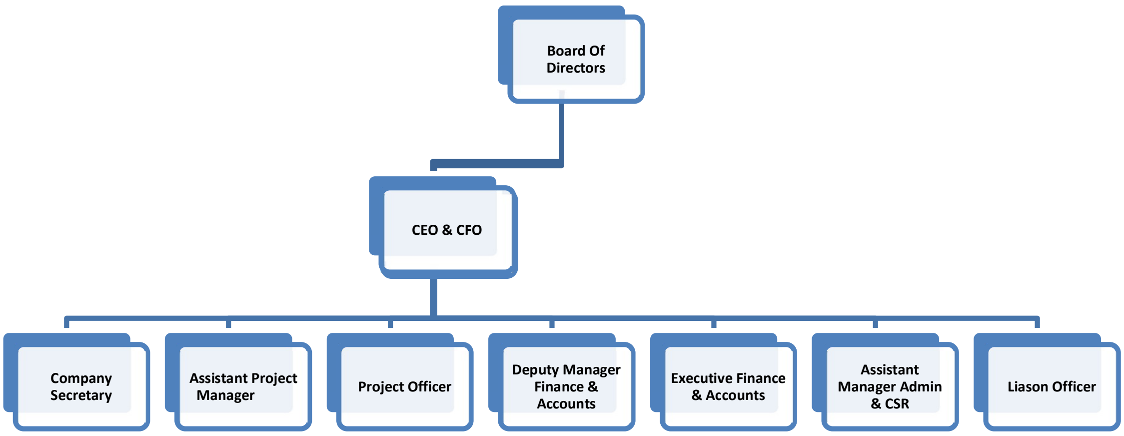
- To establish and maintain fuel yards and fuel depots, hydrant system, fire system, rail siding, tank truck unloading facility, integration pipelines and other allied facilities for supply of aviation fuel to all types of aircraft on local, domestic and international flights including en-route navigation and other automobile services.
- Our aim is to provide adequate guarantee of uninterrupted, competitive, safe and secure flow of ATF to the Airport with international benchmark

Capital Structure:

Particulars	As on 31.03.2020	As on 31.03.2021
Authorized Capital	Rs.17,000.00 lacs	Rs.17,000.00 lacs
Paid up Capital	Rs.16,400.00 lacs	Rs.16,400.00 lacs

Details of Shares Held		
Name of holder	As on 31.03.2020	As on 31.03.2021
Indian Oil Corporation Limited	Rs.6,068.00 lacs	Rs.6,068.00 lacs
Bharat Petroleum Corporation Limited	Rs.6,068.00 lacs	Rs.6,068.00 lacs
Delhi International Airports Limited	Rs.4,264.00 lacs	Rs. 4,264.00 lacs

Organizational Set Up :



Main Activities

- To design, develop, construct, manage, maintain, upgrade and operate the aviation fuel facility on BOOT (Build, Own, Operate and Transfer) basis at the Indira Gandhi International Airport, New Delhi and
- To establish and maintain fuel yards and fuel depots, hydrant system, fire system, rail siding, tank truck unloading facility, integration pipelines and other allied facilities for supply of aviation fuel to all types of aircraft on local, domestic and international flights including en-route navigation and other automobile services.
- Our aim is to provide adequate guarantee of uninterrupted, competitive, safe and secure flow of ATF to the Airport with international benchmark.

Budget and Planning (Details of System and grant with last three years information):

Grants for the Financial Year is Nil.

Accounting System:

Company has no unit/branch. All the accounting is done at office located at Aviation Fueling Station, Shahbad Mohammad Pur, IGI Airport, New Delhi-110061

Company maintains all applicable books of accounts/records stipulated under various provision of the applicable law(s).

Manpower Analysis:

Year	31.03.2020		31.03.2021	
	Sanctioned	Actual	Sanctioned	Actual
Executives	NA	7	NA	7 *
CEO & CFO Deputed from Parents company	NA	2	NA	2
Non-executives	NA	0	NA	0
Total	NA	9	NA	9

*Two employees resigned in 4th Quarter of F.Y. 2020-21and two new employees joined in subsequent year.

MOU Targets and Achievements

Not Applicable

Computerization:

Company is using SAP B-1 (for small organization with limited activities) from F.Y. 2019-20 for accounting& record keeping purpose.

SAP support services is provided by our SAP implementation partner on regular basis,to improve functionality or mitigate any technical glitches in the system.

Internal Audit:

Internal audit is conducted by an external CA firm on quarterly basis, accordingly total 8number of internal audits has been carried out in financial year 2019-20& 2020-21.

Act, Rules other documents applicable:

Company has to comply with the provisions of Companies Act, Income Tax Act, & GST Act.

Apart from above the company is formed as SPV by three companies (i.e. IOCL, BPCL & DIAL) and promoters has signed Concessioner & Operating Agreement for terms and condition on which company should work, hence Company has to comply terms & condition as mentioned in the Concessioner & Operating Agreement.

Also, Company Fuel infrastructure charges (FIC) collected by the company is regulated by AERA (Airport Economic Regulatory Authority) hence company has to comply guidelines of AERA for its FIC determination.

Operation Results (Target vis-à-vis Achievement) :

Particulars	ATF in KL 2019-20	ATF in KL 2020-21
Sales Volume in TKL	2,368.40	1,237.34

Financial Working Result for last two financial years (2019-20 to 2020-21) in the following format

Particulars	2019-20	2020-21
Income		
Revenue from operations	12,395.82	5,735.59
Other Income	663.88	712.24
Total Income(A)	13,059.70	6,447.83

Total Expenditure(B)	8,525.73	8,075.30
Net Profit/(loss)Before Tax (A-B)	4,533.97	(1,627.47)

Disinvestment:

No Disinvestment during the given respective years

Environment Management

To preserve the environment company has implemented impervious layer intank farm area and installed Oil water separator system to ensure there is no environmental impact

CHAPTER-VIII

PETROLEUM AND NATURAL GAS

ENGINEERS INDIA LIMITED

1. Profile of the Company

Engineers India Limited (EIL), with its Registered and Corporate office located in New Delhi was incorporated on 15 March 1965 as a joint venture between Govt. of India and M/s Bechtel International Corporation of USA. The Company becomes a wholly owned Govt. company during the financial year 1967-68. As on 31st March, 2021, Government of India shareholding is 51.32 per cent. The company comes under the purview of Ministry of Petroleum & Natural Gas (MoPNG).

b) Vision and Mission

Our Vision

- To be a world-class globally competitive EPC and total solutions Consultancy Organization.

Our Mission

- Achieve 'Customer Delight' through innovative, cost effective and value added consulting and EPC services.
- To maximize creation of wealth, value and satisfaction for stakeholders with high standards of business ethics and aligned with national policies.

c) Nature of Business

EIL is the leading design and engineering organization in South Asia. EIL provides its services in the areas of Petroleum Refining, Petrochemicals, Fertilizers, Pipelines, Oil & Gas Processing, Offshore Structures and Platforms, Terminals & Storages, Mining/ Metallurgy and Infrastructure in India and abroad (majorly Middle east & Central Asia).

EIL is known for its capability of providing services from "Concept to Commissioning" under one roof. The services provided by EIL are in line with internationally accepted practices and include:

- Pre-Project Services viz. Feasibility Studies, Environment Impact Assessment, Process & Technology Licensor Selection, Cost Estimation, etc.
- Basic Design & Engineering of Process Package including Technology License (as applicable)
- Front End Engineering & Design (FEED)
- Project Management Consultancy (PMC) Services
- Project Implementation Services viz. Engineering, Procurement, Construction Supervision and Project Management Services (EPCM)
- Specialized Services such as Process Design/Development, R&D, Heat & Mass Transfer Equipment Design, Energy Conservation Services, Environmental Engineering, Advanced Control/Optimization, Systems Engineering & Computer Services, Specialist Materials and Maintenance Services, Plant Operation & Safety including HAZOP Studies and Risk Analysis, Refinery Optimization Studies, Yield & Energy Optimization Studies etc.
- LSTK (Lump-sum Turnkey project management) through OBE (Open Book Estimate) and / or EPC (Engineering procurement and Construction)

d) Offices/Regions / Sub-Offices:

To cater to the emergent market demands and business opportunities both in India and overseas, EIL has established offices at the following locations:

- Regional offices: Chennai, Vadodara and Kolkata
- Branch office: Mumbai
- Overseas Engineering Office (Branch office): Abu Dhabi
- Inspection/Procurement offices: All over India and in London, Milan and Shanghai.
- Construction offices: At project sites both in India & abroad

2. Objectives

The main objectives of Engineers India Ltd. are as follows:

- To undertake all the technical, engineering and project management consultancy services in various modes related to petroleum refineries, oil and gas processing facilities, pipelines, Petrochemical complexes, chemical intermediate and all other types of industrial projects in India and overseas markets including sectors like Infrastructure, Fertilizers, etc.

- To undertake procurement, inspection, construction management and related services in connection with the projects of all kinds
- Specialize in the field of process industries, systems design and engineering and Project Management Services.
- Evaluate, modify and adopt technologies, wherever available to suit local requirements.
- Faster and accelerate and develop indigenous technologies.
- Foster and sustain a strong, highly competitive and dynamic technological work force.
- Promote linkages between R&D process design and equipment manufactures;

3. Capital Structure as on 31 March 2021

As on 31.03.2021, the Share capital of Company consisted of 56,20,43,373 shares of Face Value of Rs. 5 per share amounting of Rs. 281.02 crore (after Buyback of 6,98,69,047 equity shares of face value of Rs. 5/- each at a Buyback price of Rs. 84/- per share in FY 2020-21).

4. Organizational Set up

The administrative and overall functional control of the Company is vested with the Board of Directors headed by the Chairman & Managing Director. As at the end of March 31, 2021, the Company's board comprised of eight (8) Directors represented by five (5) full time functional directors, one (1) non-official and two (2) govt. nominee Independent directors and a company secretary.

इंजीनियर्स इंडिया लिमिटेड ENGINEERS INDIA LIMITED

CORPORATE ORGANIZATION STRUCTURE

Document No. 3-0000-0007

Page 1 of 1

BOARD OF DIRECTORS

CHAIRMAN & MANAGING DIRECTOR

- Company Secretary
- Corporate Quality Assurance & Health Safety Security & Environment
- Corporate MIS
- Vigilance
- Internal Audit
- Project Controls

DIRECTOR PROJECTS

- Project Management*
- Construction

DIRECTOR TECHNICAL

- Process
- Environment, Water, Safety and Sustainability (EWSS)
- Research & Development
- Engineering
- Information Technology Services
- Library
- Standards Bureau

DIRECTOR COMMERCIAL

- Marketing & Business Development
- Supply Chain Management (SCM)
- Cost Engineering

DIRECTOR FINANCE

- Finance & Accounts (F&A)

DIRECTOR HR

- HR Core
- Employee Relations, Legal & Corporate Affairs
- Administration & Estate
- Training& Development

अनुमोदित/APPROVED
हस्ताक्षर/Sign.: Rakesh
नाम/Name: R.K. SABHARWAL
दिनांक/Date: 6/4/21

*NOTE:

1. Project Management is done through six Project Verticals where each Project Vertical comprises of Project Task forces comprising of Team members from various departments on need basis. EIL executes projects in Hydrocarbon (Refinery, Petrochemicals, Gas Processing & Cross Country Pipelines), Chemicals & Fertilizers, Mining & Metallurgy, Infrastructure, Port & Terminals and Power Sectors, which are handled by these Divisions.
2. All the officers in the task force shall retain their functional independence to ensure good corporate governance.

5. Activities of the Organization

The company is providing engineering and technical consultancy services across the hydrocarbon value chain including Refineries, Oil & Gas processing plants, Petrochemical complexes, Pipelines, etc. The Company is also providing its services in the diversified areas of Fertilizers, Infrastructure and Bio-fuels, etc. The Company is also undertaking Turnkey projects.

6. Budget and Planning (Details of system and grants with last three financial years' i.e. 2018-19, 2019-20 and 2020-21)

The Planning Division of EIL provides planning, scheduling, monitoring, project risk management and material control services to various projects. Using state-of-the-art tools and its database, the Division caters to diverse project execution roles of the Company, viz. EPCM, PMC, LSTK/ OBE modes.

The Revenue & Capital Budget of the Company is approved by the Board of Directors on yearly basis.

7. Accounting System

The Company has fully computerized accounting system and method of accounting system employed in the company is mercantile system. All books and records are generated through computer. The books of Accounts maintained by the company at different locations are as under: Cash Book, Bank Book Journal, Vendor Ledger, General ledger, Personnel Ledger, Fixed Assets Register, bills issued to the clients & other subsidiary ledgers.

8. Manpower Analysis

<table>
<tr><th>Year</th><th colspan="2">31.03.2019</th><th colspan="2">31.03.2020</th><th colspan="2">31.03.2021</th></tr>
<tr><th></th><th>Sanctioned</th><th>Actual</th><th>Sanctioned</th><th>Actual</th><th>Sanctioned</th><th>Actual</th></tr>
<tr><td>Executives</td><td rowspan="2">3750</td><td>2583</td><td rowspan="2">3750</td><td>2634</td><td rowspan="2">3750</td><td>2646</td></tr>
<tr><td>Non-executives</td><td>185</td><td>172</td><td>168</td></tr>
<tr><td>Total</td><td>3750</td><td>2768</td><td>3750</td><td>2806</td><td>3750</td><td>2814</td></tr>
</table>

9. MOU targets and achievements for Last Three years (upto 2018-19)

(Rs in Crore)

S.No.	PARTICULARS	2018-19		2019-20		2020-21	
		Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**
	Turnover from operations (Rs. in crore)	2295	2444	3157	3203	3203	3105
	Operating Profit as % of Revenue from Operation (Net)	16.24%	14.01%	17.06%	13.03%	17.00%	10.01%
	Return on investment - PAT/ Avg. Net worth or Shareholders fund (%)	15.84%	16.14%	19.46%	18.32%	18.32%	15.53%
	Overall rating	VERY GOOD		VERY GOOD (for approval with DPE)		UNDER FINALIZATION	

10. Computerization

Computerization at EIL started as a computational tool for calculations, analysis and simulation of technical data in the early seventies. Computerization done with the aim of seamless integration of all the phases of project execution, encompassing design, planning, procurement and engineering till the final execution at site.

EIL is having in-house developed workflow based IT systems and integrated with various bought out software with an object of integrating various inter and intra departmental day to day functions. The document flow within the organization has been undertaken through Electronic Document Management System (eDMS) implemented in the company and enables EIL to maintain database of various projects as Knowledge Resource for future projects. Apart from technical project related tasks, in-house functionalities such as employee services under HR, Finance and Accounts, Contracts & Purchase, Planning, Business Development and Recruitments are executed through computerization. Interaction with the outer world including client, contractor, suppliers, retired employees and public at large is IT enabled. Further, EIL has Implemented ISO-27001 in the EIL Data Centre which is certified for "Management and Operations of Data Centre".

11. Internal Audit

The Company has an Internal Audit Department having competent professionals. During the year, several internal audit assignments with focus on checks and controls on system and procedures, monitoring compliances and continuous upgrade of controls have been carried out and the reports are regularly submitted to the Management and the major findings to the Audit Committee of the Board. Internal Audit has been completed upto FY 2020-21.

12. Act, Rules other documents applicable for CPSE

EIL is incorporated under the Companies Act 2013 and being a CPSE it is governed by the DPE Guidelines. Other general laws which are applicable to EIL are Income Tax Act and Rules made there under; Payment of Gratuity Act; SEBI (Listing obligation and Disclosure Requirement) Regulations 2015; The Finance Act, 2004 and Service Tax Rules; CST/VAT Act; GST Act and Rules made there under; The Maternity Benefit Act and Rules made there under; Employees Provident Fund and Miscellaneous Provisions Act; Environment Laws; etc.

13. Operation Results (target vis-à-vis Achievement) for last three financial years (2018-19 to 2020-21).

(Rs. In Crore)

S. No.	Particulars	BE 18-19	RE 18-19	Actual 18-19	BE 19-20	RE 19-20	Actual 19-20	BE 20-21	RE 20-21	Actual 20-21
1.	Consultancy Revenue	1325	1315	1349	1355	1500	1565	1433	1347	1383
2.	Turnkey Revenue	850	1200	1095	1520	1510	1638	1742	1503	1721
A	**Revenue from Operations**	**2175**	**2515**	**2444**	**2875**	**3010**	**3203**	**3175**	**2850**	**3104**
	Expenditure									
1.	Employee Benefit Expenses	804	766	757	840	824	844	864	862	858
2.	Const. Material/ sub contract	770	1121	1062	1412	1436	1558	1647	1463	1663
3.	Facilities & Other Cost	295	292	251	284	327	349	310	286	237
4.	CSR	10	10	10	11	11	11	12	12	13
5.	Depreciation	26	26	22	26	26	24	26	26	23
B	**Total Expenditure**	**1905**	**2215**	**2102**	**2573**	**2624**	**2786**	**2859**	**2649**	**2794**

C	Operating Profit (A-B)	270	300	342	302	386	417	316	201	311
D	Other Income	144	217	225	204	233	258	216	196	195
E	Exceptional item	-	-	-	-	-	-	-	-	155
F	**Profit Before Tax (C+D-E)**	**414**	**517**	**567**	**506**	**619**	**675**	**532**	**397**	**351**
G	Provision for Tax	143	181	197	177	232	245	133	100	91
H	**Profit after Tax (F-G)**	**271**	**336**	**370**	**329**	**387**	**430**	**399**	**297**	**260**

14. Financial Working Result for last three financial years (2018-19 to 2020-21)

(Rs. In Crore)

Particulars	**2018-19**	**2019-20**	**2020-21**
Income :			
Revenue from operations	2444	3203	3105
Other Income	225	258	195
Total Income(A)	2669	3461	3300
Total Expenditure(B)	2102	2786	2949
Net Profit/(loss) (A-B) (Before Tax)	567	675	351

15. Disinvestment

During the Financial year 2018-19, Government of India, has sold 1, 25,738 equity shares of the company to BHARAT 22 ETF. Pursuant to above, Government of India (Promoter) Shareholding was reduced from 52.02 % to 52.00%.

During the Financial year 2019-20, Government of India disinvested 31,59,269 equity shares of the Company to BHARAT 22 ETF. Consequently, the Government of India (Promoter) shareholding was reduced to 51.50% of the paid up equity share capital of the Company.

Further, in FY 2020-21, the Company has bought back its 6, 98, 69,047 number of equity shares of face value of Rs.5/- each at a buyback price of Rs. 84/- per share. Pursuant to the Buyback of shares, the Government of India (Promoter) shareholding is reduced to 51.32% of the paid up equity share capital of the Company.

16. Environment Management

EIL is committed to ensuring compliance to all health, safety and environment requirements during delivery of products/services to customers. Minimizing environmental impact by conserving resources, reducing waste generation and preventing pollution in all our activities have always been an integral part of our policy.

The Company has been providing solutions for water resources management while protecting and restoring major water ecosystems. EIL has helped in enabling the adoption of innovative & integrated water and waste water management for industries & municipalities. Carrying out studies for reduction in fresh water intake of industries by reducing consumption in process units, maximizing the recycle & reuse of treated effluent and/or exploring the alternate sources of water such as fresh water production from sewage/sea water, reducing wastage of water through leaks and maximizing water pinching in industrial operations is an integral part of our business. EIL has executed several hundred projects in diversified fields of environmental engineering, including water & wastewater treatment; effluent recycle & reuse; Environmental Impact Assessment studies; environmental feasibility studies; air quality assessment, modelling & control; environmental management plans; etc.

Some of the major projects undertaken by the company during the year in Environmental field include the following:

- Adequacy Study for 9 numbers of Effluent Treatment Plants (ETPs) of IOCL's Refinery and Petrochemicals (Panipat, Haldia, Gujarat, Barauni and Bongaigaon) for remediation of various problems being faced in the ETPs. The study includes recommendation for modifications and enhancement of ETP performance, options and recommendations for recycle and maximum reuse of treated effluent and VOC collection and treatment system.
- Carried out a job for GAIL (India) Limited as an Independent Environmental and Social Consultant to undertake the study geared to Equator Principle 9 (Independent Monitoring and Reporting).The Environmental and Social monitoring report is prepared on the basis of International Finance Corporation (IFC)/ World Bank EHS guidelines along with national regulations with reconnaissance survey of the site, Environmental Monitoring, Data Analysis, Public Consultations and Discussions with other relevant stakeholders.

- Project Management Consultancy (PMC) Services for a Crude Oil Refinery in Mongolia including construction of entire water & wastewater treatment facilities including effluent recycle & reuse.
- Water & wastewater treatment facilities including effluent recycle & reuse to meet zero liquid discharge concept to minimize the fresh water consumption is being implemented for HRRL Rajasthan Refinery Project
- Environmental Clearances from Ministry of Environment, Forest and Climate Change (MoEFCC) were successfully obtained by EIL for CPCL's Cauvery Basin Refinery at Nagapattinam; NRL's Numaligarh Refinery Expansion Project at Numaligarh; installation of GT-IV and Enhanced Reaction Thermal Oxidizer (ERTO) at ONGC Uran; and GAIL Usar Petrochemical complex (PDH unit integrated with PP Unit).
- Quality Council of India (QCI) Accreditation was renewed for Engineers India Limited for carrying out Environmental Impact Assessment study and the accreditation is valid upto 14^{th} September 2022. EIL is accredited in 13 sectors with 4 EIA Coordinators and 16 Functional Area Experts.

Subsidiaries of Engineers India Ltd

I. CERTIFICATION ENGINEERS INTERNATIONAL LIMITED (CEIL)

1. Profile of the Company

Certification Engineers International Limited (Company) was incorporated on 26.10.1994 as a fully owned subsidiary of Engineers India Limited (EIL) to take care of the business and activities, which were earlier handled by its certificate division, to carry on the business of certifying agency, third party inspection, any other related technical work for petroleum projects and other type of industrial project with the objective to issue certificate of compliance for safety.The company comes under the purview of Ministry of Petroleum & Natural Gas (MoPNG).

b) Vision and Mission

Vision

To be a global leader, in the business of ensuring Quality, Integrity and Safety of Customer's Assets.

Mission

- To achieve Customer Delight through constant Value addition and Innovation
- To strive relentlessly, constantly improve ourselves, our team and our service to become the best.
- To attain uncompromised quality and integrity.
- To inspire and facilitate employees towards excellence and ethics.

c) Nature of business including geographical scope

CEIL is engaged in Providing Certification, Recertification, safety Audit and safety ManagementSystems for offshore and onshore Oil and Gas Facilities and Third Party Inspection Services for equipment and installations in the Hydrocarbon and other Quality Sensitive Sectors.

d) Offices/region/sub-offices etc

Company's Head Office is located at Navi Mumbai and Regd. Office at New Delhi. Besides Navi Mumbai and New Delhi, Company has offices at all major cities in India and abroad. The Chief Executive Officer situated at Head Office in Navi Mumbai is overall responsible for operations and business of the Company.

2. **Objectives**

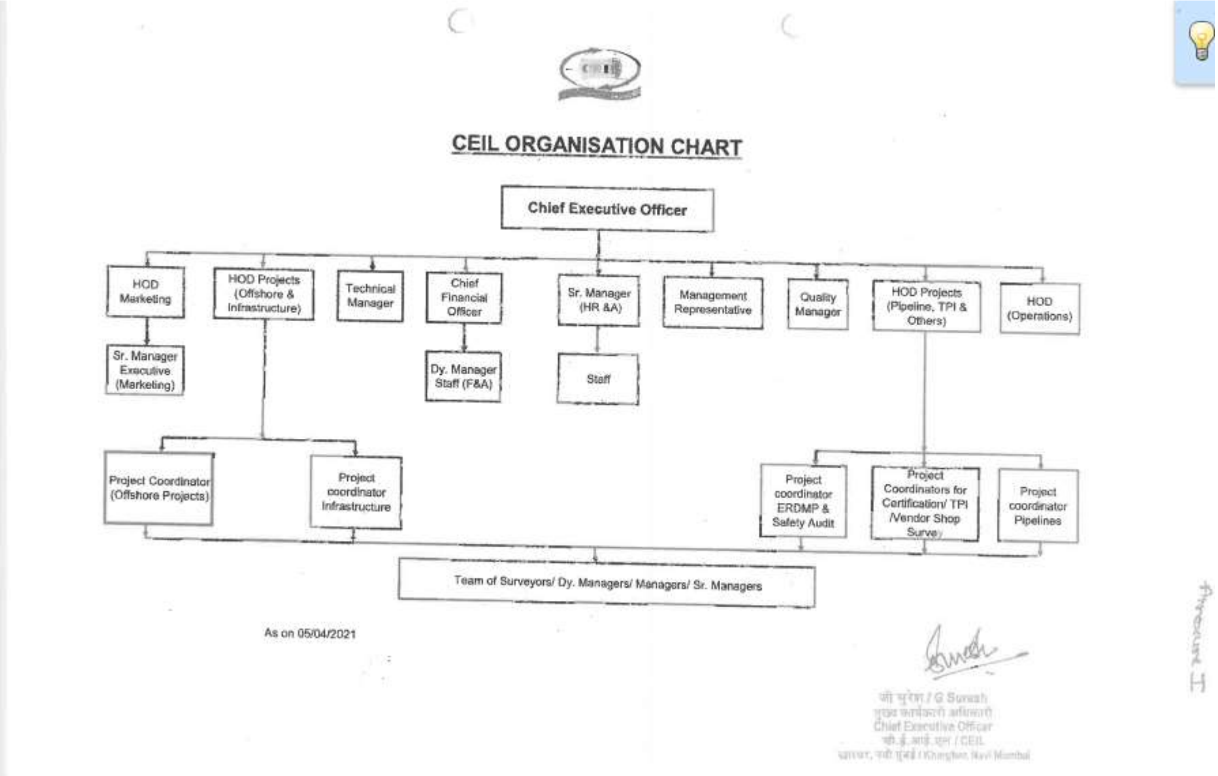
The objectives of the Certification and Engineers international Ltd .are:

- To achieve “Total Customer Satisfaction“ while delivering innovative, cost effective and value added Certification & Technical Inspection services at global level.
- To ensure growth and professional excellence by building intellectual and distinctive core competencies.
- To maximize creation of wealth, value and satisfaction for stakeholders.
- To promote and encourage best practices for Health, Safety, Environment and Ethics.
- To achieve prominence in developing, adopting and assimilating state-of-the-art technologies for competitive advantage.
- To foster a culture of participation and innovation for employees’ growth and contribution through a climate of fairness and transparency in operation.

3. **Capital Structure as on 31 March 2021**

- **Authorized Share Capital:** 12,00,000 Equity Shares of Rs.100/- each
- **Paid-up share Capital:** 9,00,000 Equity Shares of Rs.100/- each (100% holding by Engineers India Limited)

4. **Organizational Set up**



5. **Activities of the Organsiation**

CEIL is engaged in Providing Certification, Recertification, safety Audit and safety Management Systems for offshore and onshore Oil and Gas Facilities and Third Party Inspection Services for equipment and installations in the Hydrocarbon and other Quality Sensitive Sectors.

6. **Budget and Planning (Details of system and grants with last three financial years' i.e. 2018-19, 2019-20 and 2020-21**)

Budget is approved by the Board.

Nil Budgetary support or Grants from the Government or any other organization.

	2018-19	2019-20	2020-21
System and grants received from the Government or any other organization	NIL		

7. **Accounting System**

The Company operates as a single unit and the centralized Accounts are maintained at H.O., Navi Mumbai for the whole company. Accounting system in use by company (CEIL) is an integrated accounting system (merging the Jobwise costing system with Financial accounting system) has been developed by the parent Company EIL's ITS team.

8. **Manpower Analysis**

Year	31.03.2019		31.03.2020		31.03.2021	
	Sanctioned	Actual	Sanctioned	Actual	Sanctioned	Actual
Executives	83	67	83	66	83	65
Non-executives	3	3	3	3	3	3
Total	86	70	86	69	86	68

9. **MoU Targets and Achievements for last three financial years (2018-19 to 2020-21)**

The MOU targets & achievement for last three years are as follows:

S. No.	PARTICULARS	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
	Turnover from Operations	55.94	52.91	58.20	49.21	53.00	49.11
	Operating profit	27.94%	17.21%	Not a Target Parameter			
	Return on investment	17.58%	12.35%				

	Overall rating	Good	Yet to be received	Yet to be received

10. **Computerization**

Most of the core processes in CEIL are being managed with customized software packages developed by either the parent Company ITS team or by external agency.

S. No.	Application	Purpose
1	FAS, Vendor, Expense Reports	Accounting Packages for processing and recording vendor bills, employ0ees payments, statutory payments etc.
2	CPIS	Personnel Master Data
3	IRN System	Release Note issuance
4	TAMS & Movement Register	Management of employeesr official Tours; Control of employees Toovement (i.e. Touring period, place etc.)
5	Timesheet	Recording ofjobwise man-hours spent by employees
6	Payroll System	Employeesystemroll processing
7	Invoicing System	Issuance of Invoices
8	CEIL Portal	Employeetalpersonal details sharing (e.g. Monthly salaries, tax declarations, Bank Details etc.)
9	Bill Tracking System	Tracking of vendorsm bills

IT Audit is done by the Internal Audit team of parent company EIL while conducting internal audit of CEIL twice in a year.

11. **Internal Audit**

Internal audit of the company is done by Internal Audit Department of Engineers India Ltd., the parent company twice in a year. Internal Audit Reports are submitted to the Management and Audit Committee of the Board. In general Internal Audit system of the Company is effective.

12. **Act, Rules other documents applicable for CPSE**

The Companies Act, Income Tax Act, Goods and Services Act, Employees Provident Fund Act, Professions Tax Act, Payment of Gratuity Act, MSMED Act, RTI Act

DPE Guidelines on various matters including Recruitment, Investment of Surplus Funds, Procurement from MSME enterprises, etc.

13. **Operational Results (Target vis-à-vis Achievement) for last three financial years (2018-19 to 2020-21).**

(Rs. In Crore)

FY-2018-19:MOUTargetsandAchievement:-			
Evaluation Criteria	**Units**	**Excellent**	**Actual Achievement**
Turnover: Revenue from Operations	**Rs. Cr.**	55.94	52.91
Operating Profit/Loss: Operating Profit/Surplus as a percentage of Revenue from operations(net)	**%**	27.94	17.21%
Return on Investment: PAT or Surplus/Average Net Worth	**%**	17.58	12.35%

FY-2019-20:MOUTargetsandAchievement:-

Criterion	**MOU Excellent Target**	**Achievement**
Milestones with respect to subsidiary CPSEs not signing MoUs separately: Improvement in Revenue from Operation over previous year — Certification Engineers International Limited	10%	(-) 7%

FY-2020-21:MOU Targets and Achievement:-

Parameter	**Excellent Target**	**Achievement in FY 2020-21**

Milestones with respect to subsidiary CPSEs not signing MoUs separately: Revenue from Operations of Certification Engineers International Limited (Subsidiary)	Rs.53Crores	Rs.49.11Crores

14. **Financial working results for the last three years (upto2020-21)**

Rs. In Crore

Particulars	**2018-19**	**2019-20**	**2020-21**
Income			
Revenue from operations	52.91	49.21	49.11
Other Income	4.10	4.46	3.98
Total Income(A)	57.01	53.67	53.09
Total Expenditure(B)	43.80	39.69	38.07
Net Profit/(loss) (A-B)	**13.21**	**13.98**	**15.02**

15. **Disinvestment**

Nil.

16. **Environment Management**

Not applicable as the Company is engaged in Inspection services only.

INDRAPRASTHA GAS LIMITED

1. **Profile of the Company**

Indraprastha Gas Limited (the 'Company') or 'IGL' is a Company limited by shares domiciled in India and was incorporated on 23 December 1998 under the erstwhile Companies Act, 1956. The Company is a joint venture between GAIL (India) Limited, Bharat Petroleum Corporation Limited (BPCL) and Govt. of NCT of Delhi. The Company is listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The registered office is located at IGL Bhawan, Plot No.4, Community Centre, Sector 9, R.K. Puram, New Delhi -110022; company also has regional operation offices at Gurugram, Rewari, Karnal, Ajmer, Muzaffarnagar and Kanpur.

The Company is in the business of city gas distribution which comprises manufacturing of Compressed Natural Gas (CNG) and sale of Piped Natural Gas (PNG) to domestic, industrial and commercial consumers and CNG (transport) consumers. IGL is presently operating in the National Capital Territory of Delhi, Noida, Greater Noida, Ghaziabad, Hapur, Meerut (except area already authorised), Shamli, Muzaffarnagar, Kanpur (except area already authorised), Fatehpur, Hamirpur, Gurugram, Rewari, Karnal, Kaithal, Ajmer, Pali & Rajsamand.

a) **Date of Incorporation**: 23, December 1998

b) **Administrative Ministry**: The Company functions under the Administrative control of the Ministry of Petroleum and Natural Gas.

IGL has two associate companies namely, Central UP Gas Limited (CUGL) and Maharashtra Natural Gas Limited (MNGL).

c) **Vision & Mission**

Mission- To provide safe, reliable and clean energy solutions to improve quality of life and enhance stakeholder’s value.

Vision- To be India’s leading clean energy solution provider through customer centricity, innovative technology and diversification with international presence.

d) Nature of business including geographical scope

The Company is in the business of city gas distribution which comprises manufacturing of Compressed Natural Gas (CNG) and sale of Piped Natural Gas (PNG) to domestic, industrial and commercial consumers and CNG (transport) consumers. IGL is presently operating in the National Capital Territory of Delhi, Noida, Greater Noida, Ghaziabad, Hapur, Meerut (except area already authorised), Shamli, Muzaffarnagar, Kanpur (except area already authorised), Fatehpur, Hamirpur, Gurugram, Rewari, Karnal, Kaithal, Ajmer, Pali&Rajsamand.

e) Offices/Regions/Sub-Offices:

The registered office is located at IGLBhawan, Plot No.4, Community Centre, Sector 9, R.K. Puram, New Delhi -110022; company also has regional operation offices at Gurugram, Rewari, Karnal, Ajmer, Muzaffarnagar and Kanpur.

2. **Objectives:**

The two main business objectives of the company are –

- To provide safe, convenient and reliable natural gas supply to it's customers in the domestic and commercial sectors.

- To provide a cleaner, environment-friendly alternative as auto fuel to residents of the areas of NCT of Delhi; districts GautamBudh Nagar, Ghaziabad, Hapur, Muzaffarnagar, Shamli, uncovered parts of Meerut & Kanpur, Fatehpur and Hamirpur in Uttar Pradesh; districts Rewari, Gurugram, Karnal and Kaithal in Haryana; and, district Ajmer, Pali & Rajsamand in Rajasthan. This will considerably bring down the alarmingly high levels of pollution.

3. **Capital Structure as on 31 March 2021:**

The Authorized Share Capital of the Company is Rs. 220 crore. The Paid-up Capital of the Company is Rs. 140 crore consisting of 70 crore shares of Rs. 2 each.

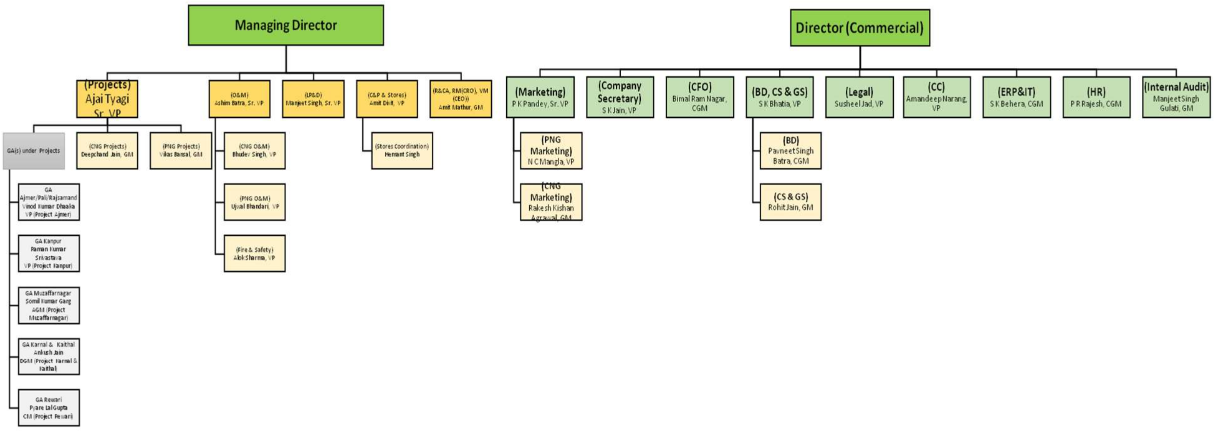
Particular	UoM	31.03.2021
Authorized Share Capital	Rs in Lacs	22000
Number of shares	No. in lacs	7000
Paid up Share Capital	Rs. in Lacs	14000

The shareholding pattern is as given below:

Shareholders	% Shares held
GAIL (India) Limited	22.5%
Bharat Petroleum Corporation Limited	22.5%
Govt. of NCT of Delhi	5%
General Public & Financial Institutions	50%

4. **Organizational Setup**

The Company is headed by Managing Director (MD) who is deputed from GAIL and is supported by Director (Commercial) deputed from BPCL. Further there is a professional team mainly comprising of Sr. Vice President (Marketing), Sr. Vice President (Operations & Maintenance), Sr. Vice President (Projects), Sr. Vice President (LP&D), Chief Financial Officer, Vice President (PNG Marketing), Vice President (Business Development), Vice President (Contracts & Procurements), Vice President (CNG O&M), Vice President (PNG O&M), Vice President (Legal), Vice President (Corp Communications), GA heads and a full time Company Secretary.



5. **Main Activities**

Incorporated in 1998, IGL took over Delhi City Gas Distribution Project in 1999 from GAIL (India) Limited (Formerly Gas Authority of India Limited).

The project was started to lay the network for the distribution of natural gas in the National Capital Territory of Delhi to consumers in the domestic, transport, and commercial sectors. With the backing of strong promoters – GAIL (India) Ltd. and Bharat Petroleum Corporation Ltd. (BPCL) – IGL plans to provide natural gas in the entire capital region.

The company aims to provide safe, convenient and reliable natural gas supply to it's customers in the domestic and commercial sectors and to provide a cleaner, environment-friendly alternative as auto fuel to residents of the areas of NCT of Delhi; districts Gautam Budh Nagar, Ghaziabad, Hapur, Muzaffarnagar, Shamli, uncovered parts of Meerut & Kanpur, Fatehpur and Hamirpur in Uttar Pradesh; districts Rewari, Gurugram, Karnal and Kaithal in Haryana; and, district Ajmer, Pali & Rajsamand in Rajasthan. This will considerably bring down the alarmingly high levels of pollution.

The transport sector uses natural gas as Compressed Natural Gas (CNG), the domestic and commercial sectors use it as Piped Natural Gas (PNG) and R-LNG is being supplied to industrial establishments.

IGL continues to augment its infrastructure so as to meet the increasing demand of CNG arising out of growing number of CNG vehicles in Delhi. The growth drivers for increase in demand of CNG are - car manufacturers coming up with CNG variants and Delhi Government's directive making it mandatory for all LCVs operating in Delhi to run on CNG. The company is in the process of enhancing its compression capacity by adding new stations.

On the PNG front, IGL is already operating in the residents of the areas of NCT of Delhi; districts Gautam Budh Nagar, Ghaziabad, Hapur, Muzaffarnagar, Shamli, uncovered parts of Meerut & Kanpur, Fatehpur and Hamirpur in Uttar Pradesh; districts Rewari, Gurugram, Karnal and Kaithal in Haryana; and, district Ajmer, Pali & Rajsamand in Rajasthan. Our customers will now be benefited with supply of PNG for non cooking applications like Geysers also. IGL is also planning to expand its pipelines even further.

6. ***Budget and Planning (Details of system and grants with last three financial years' i.e. 2018-19, 2019-20 and 2020-21)***

Budgetary system at the company mainly comprises laying of annual budgets, their GA/ department wise allocation, continuous monitoring of actual progress against sanctioned budgets throughout the year, management quarterly/ half yearly review of budgets against actuals, mid-year review of annual budgets &re-working of budget estimates and annual management budgetary review.

Revenue targets are broadly directed by MWP targets and growth strategies. Company follows zero base budgeting approach in preparing its budgets.

Budget targets or FY 2018-19, 2019-20 and 2020-21are given as follows: -

(Amounts in Rs. Crore)

Sl. No.	Particulars	2018-19	2019-20	2020-21
		Target	Target	Target
1	Revenue from operations (Gross)	5993.45	7571.00	5403.00
2	Operating Profit	1189.45	1654	1391.00
3	Profit before tax (PBT)	1088.00	1537.00	1232.00
4	Tax expense & OCI	379.00	387.00	304.00
5	Profit after tax (PAT)	709.00	1150.00	928.00

Company does not receive/ give any grants in normal course of business. However, during FY 2020-21, it entered into an agreement with Indian Oil Corporation Limited ('IOCL') for setting up of infrastructure for storage, compression and dispensing of Hydrogen blended Compressed Natural Gas ('H-CNG') at Rajghat bus depot, New Delhi. As per the terms of the agreement, the Company is eligible to receive a grant of 12.29 crore out of which 7.01 crore is received during the year ended 31 March 2021 and balance amount of ₹ 5.28 crore is receivable from IOCL as at 31 March 2021.

7. **Accounting system**

Company has presently centralized accounting and costing systems. Company has totally computerized & online accounting system and has implemented Financials and Controlling (FI/ CO) in SAP ECC 6.0 EHP -7 version.

8. **Manpower analysis as on 31 March 2021:**

The position of manpower as on 31 March 2021 was as under:

Category	Men-in-position			Reasons
	Sanctioned	Actual	Shortfall, if any	
Executives (Incl. Trainees)	749	501		Recruitments under process.
Non-Executives		206		
Total		**707**	**42**	

9. **MOU Targets and Achievements**

The MOU targets & achievement for last three years are as follows:

(Rs. in crore)

Sl. No.	PARTICULARS	2018-19		2019-20		2020-21	
		MoU Target	Actual	MoU Target	Actual	MoU Target	Actual
(i)	Turnover from operations (Gross)	NA	6361.87	NA	7165.49	NA	5438.68
(ii)	Operating profit	NA	1256.98	NA	1519.64	NA	1482.99
(iii)	Return on investment	NA	29.37%	NA	28.90%	NA	22.93%
(iv)	Overall rating	NA		NA		NA	

10. **Computerization**

The Company has implemented SAP as a transaction processing system and went live on SAP R/3 4.7 and had performed technical and functional upgrade to ECC-6 EHP-7. The below modules are currently running on SAP ECC 6.0 EHP -7 version:

- Materials Management (MM) and Quality Management (QM);
- Financials and Controlling (FI/ CO);
- Project Systems (PS);
- Plant Maintenance (PM);

- Human Resources (HR), including Employee Self Service (ESS) and Manager Self Service(MSS);
- Sales and Distribution (SD);
- Industry Specific Utilities (ISU);

Following IT Audits/ checks are being held at the given periodicity: -

Sl. No.	IT Audit/ Check	Periodicity	Audit by
(i)	IT controls testing (as part of statutory audit)	Annually	Statutory Auditors
(ii)	ICFR- ITGC	Bi-annually	External IT Auditors

11. **Internal Audit:**

The Company has its own Internal Audit Department. In addition to this, company has also engaged M/s. Ernst & Young as Internal Auditors and the area of audit has been divided between the both of them.

The Audit plan for carrying out internal Audit is approved by the Audit committee covering all the key processes in a span of 2 years. The areas to be audited are divided between in-house audit team and External audit team in the ratio; which is also approved by the Audit Committee along with the Audit plan

12. **Act, Rules, other document applicable**

Specifically applicable laws, rules, regulations on the company include: -

- Companies Act, 2013.
- PNGRB Regulations and Guidelines.
- Central Excise
- GST Acts
- State VAT Acts
- Income Tax Act, 1961
- Factories Act, 1948

- PESO Rules & Regulations
- State Fire Services Acts, Rules, Regulations
- Manufacture, Storage & Import of Hazardous Chemicals Rules

13. **Operation Results (Target vis-à-vis Achievement) for last three financial** ***years (2018-19 to 2020-21).***

(Rs in Crore)

Sl. No.	Particulars	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
1	Gross Sales	5973.00	6336.66	7548.00	7,131.29	5375.00	5,408.91
2	Other operating income	20.45	25.21	23.00	34.20	28.00	29.77
3	**Revenue from Operations (Gross) (1+2)**	**5993.45**	**6361.87**	**7571.00**	**7165.49**	**5403.00**	**5438.68**
4	Less: Excise Duty	563.00	597.03	717.00	680.22	491.00	497.88
5	**Revenue from operations (Net) (3-4)**	**5430.45**	**5764.84**	**6854.00**	**6,485.27**	**4912.00**	**4,940.80**
6	Gas Cost	3080.00	3397.32	3906.00	3,679.36	2236.00	2,229.54
7	**Gross profit (5-6)**	**2350.45**	**2367.52**	**2948.00**	**2,805.91**	**2676.00**	**2,711.26**
8	Operating expenses	1161.00	1110.54	1294.00	1,286.27	1285.00	1,228.27
9	**Operating Profit (7-8)**	**1189.45**	**1256.98**	**1654.00**	**1519.64**	**1391.00**	**1482.99**
10	Other income	118.55	146.15	152.00	156.38	140.00	150.23
11	Depreciation and amortisation expenses	218.00	201.07	265.00	252.25	290.00	290.39
12	Finance costs	2.00	2.05	4.00	8.12	9.00	11.34

13	**Profit before tax (PBT) (9+10-11-12)**	**1088.00**	**1,200.01**	**1537.00**	**1,415.65**	**1232.00**	**1,331.49**
14	Tax expense	379.00	413.34	387.00	279.11	304.00	325.84
15	**Profit after tax (PAT) (13-14)**	**709.00**	**786.67**	**1150.00**	**1,136.54**	**928.00**	**1,005.65**

14. **Financial Working Results for the last three years (2018-19 to 2020-21)**

(in Rs. crore)

Particulars	**2018-19**	**2019-20**	**2020-21**
Income			
Revenue from operations (Gross)	6361.87	7165.49	5438.68
Other Income	146.15	156.38	150.23
Total Income(A)	**6508.02**	**7321.87**	**5588.91**
Total Expenditure(B)	**5308.01**	**5906.22**	**4257.42**
Profit/(loss) before tax (A-B)	**1200.01**	**1415.65**	**1331.49**
Income Tax	**413.34**	**279.11**	**325.84**
Net Profit/(loss) (PBT-Income Tax)	**786.67**	**1136.54**	**1005.65**

15. **Disinvestment (Details of disinvestment for last three years, proposals in pipelines etc.)**

Nil

16. **Environment Management**

IGL is committed to environmental protection and understands its role and responsibility in mitigating the effects of climate change. In this regard, Company's biggest contribution is in the form of its product, i.e. natural gas, which is a cleaner form of fuel compared to fossil fuels, i.e. coal and petroleum products. The Company is committed to promote the use of environment friendly natural gases which could help in reduction of the carbon emission to a great extent and may contribute to prevent the global warming and the air pollution.

There is a minimal environmental risk from our operations owing to the nature of the business of the Company. There is no significant process emissions or waste generation in our operations and the limited wastes generated during the processing are disposed off in an environment friendly manner.

As a responsible organization, IGL is committed to take necessary steps for protection of the environment. As a step in this direction our Health, Safety and Environment (HSE) Policy, ensures best practices and provide a safe and healthy workplace for our employees and contractors and other stakeholders engaged in business with the Company. All the HSE standards and parameters are regularly reviewed by the Company. The Contractors are also required to monitor adherence of the policy and take strict actions on any issues arising out of non-adherence of the HSE Policy and the standard parameters. In line with the Company's HSE policy, safety audits and other statutory compliances are done to ensure safety in all facets of Company's operations.

ONGC VIDESH LTD.

1. **Profile of the Company**

ONGC Videsh Limited, a Miniratna Schedule "A" Central Public Sector Enterprise (CPSE) of the Government of India under the administrative control of the Ministry of Petroleum & Natural Gas, is the wholly owned subsidiary and overseas arm of Oil and Natural Gas Corporation Limited (ONGC), the flagship national oil company (NOC) of India. ONGC Videsh was incorporated as Hydrocarbons India Private Limited, on 5 March 1965 with registered office in New Delhi to perform international exploration and production business. The Company was rechristened as ONGC Videsh Limited on 15 June 1989.

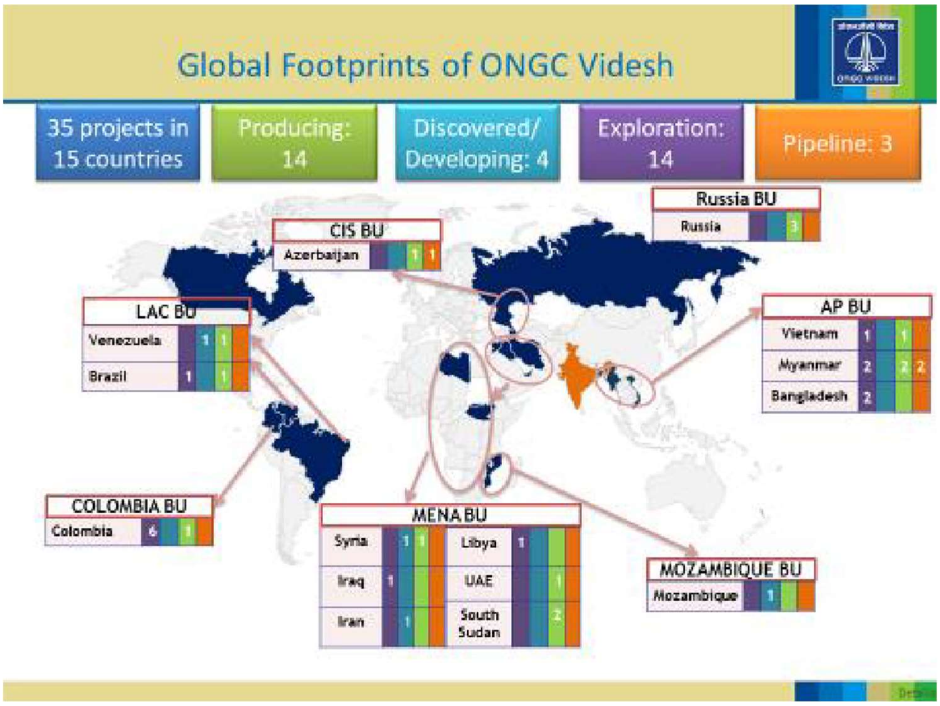
The primary business of ONGC Videsh is to prospect for oil and gas acreages outside India, including exploration, development and production of oil and gas. ONGC Videsh owns Participating Interests in 35 oil and gas assets in 15 countries and produced about 27.9% of oil and 22% of oil and natural gas of India's domestic production in 2020-21. In terms of reserves and production, ONGC Videsh is the second largest petroleum company of India, next only to its parent ONGC.
ONGC Videsh has stake in 35 oil and gas projects in 15 Countries, viz. Azerbaijan (2 projects), Bangladesh (2 Projects), Brazil (2 projects), Colombia (7 projects), Iran (1 project), Iraq (1 project), Libya (1 project), Mozambique (1 Project), Myanmar (6 projects), Russia (3 projects), South Sudan (2 projects), Syria (2 projects), UAE (1 project), Venezuela (2 projects), and Vietnam (2 projects).
ONGC Videsh adopts a balanced portfolio approach and maintains a combination of producing, discovered, exploration and pipeline assets. Currently, ONGC Videsh has oil and gas production from 14 Assets, 4 Assets where hydrocarbons have been discovered and are at various stages of development, 14 Assets are under various stages of Exploration and 3 projects are pipeline projects.

b. Vision and Mission

Vision -To be a world-class exploration and production company providing energy security to the country.Mission- By 2040, to contribute 40 MMTPA of equity oil & gas.

c. Nature of business including geographical scope

Geographical Spread as on 31.03.2021 of OVL is as below:



d. Offices/Regions/Sub-offices:

Head Quarter: ONGC Videsh Limited, New Delhi

Country Offices are as below: No	Country	Country Office
1	Mozambique	Maputo, Mozambique
2	USA	Texas, USA
3	Bangladesh	Dhaka, Bangladesh
4	Myanmar	Yangon, Myanmar
5	Vietnam	Ho Chi Minh City, Vietnam
6	Azerbaijan	Baku, Azerbaijan
7	Kazakhstan	Almaty, Kazakhstan (Country Office) Atyrau, Kazakhstan (Branch Office)
8	Netherlands	Amsterdam, Netherlands

9	Brazil	Rio De Janeiro, Brazil
10	Colombia	Bogota, Colombia
11	Venezuela	Caracas, Venezuela
12	Sudan	Khartoum, Sudan
13	South Sudan	Juba, South Sudan
14	UAE	Abu Dhabi, UAE
15	Russia	Yuzhno – Sakhalinsk, Russia
16		Tomsk, Russia
17		Krasnoyarsk, Russia
18	Singapore	OVVL, OVSL Singapore
19	Iran	Tehran, Iran
20	Libya	Tripoli

2. Objectives

- To support India's energy security
- To build balanced portfolio of exploration, discovered and producing assets in focus countries
- To build a team that excels in performance through assimilation of best practices and technologies
- To be at par with the best international oil and gas companies
- Be the strongest Indian Player in the international E&P
- Build collaborative relations with partners

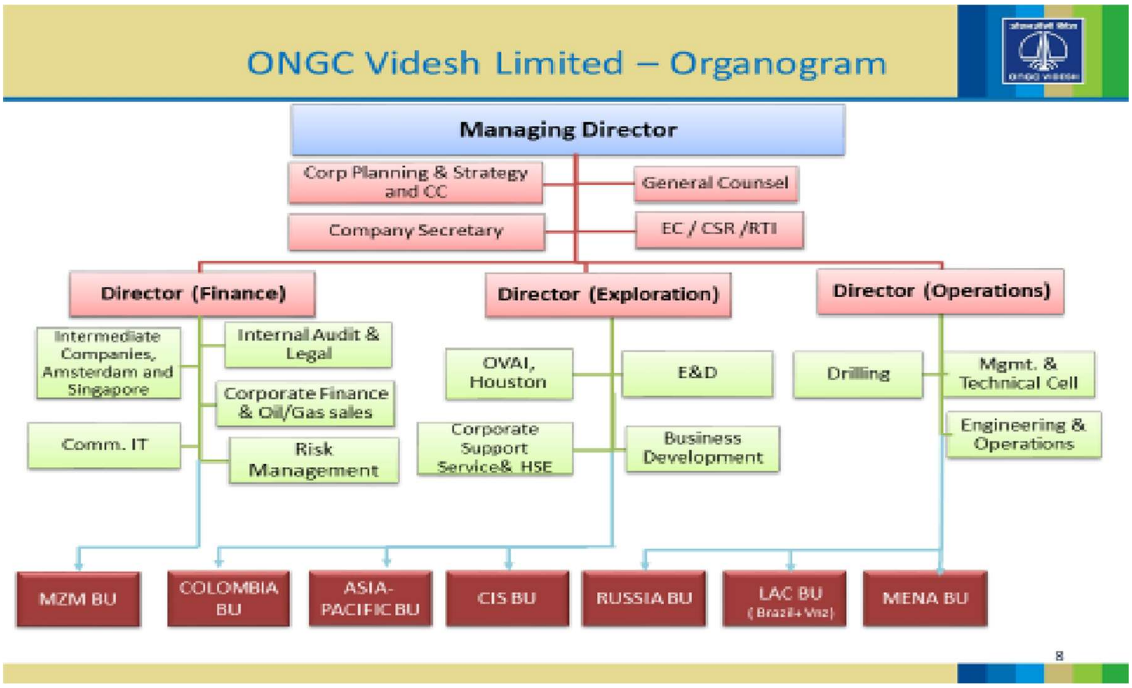
3. Capital Structure as on 31 March 2021:

Capital Structure of the Company consists of Net Debt (Debt, less cash & cash equivalents) and Total Equity. Capital Structure of the Company as on 31.03.2021 is as follows:

Particulars	**Amount as on 31.03.2021 (Rs./Crore)**
Total Debt	39,521.36

Less: Cash & Cash equivalents	3,055.87
Less: Other Bank balances	2,862.88
Net Debt	33,602.62
Total Equity	53,509.52
TOTAL	87,112.14

4. **Organizational Set up**



5. **Main Activities**

The primary business of ONGC Videsh is to prospect for oil and gas acreages outside India, including exploration, development, production and transportation of oil and gas.

6. **Budget and Planning (Details of system and grants with last three financial years' i.e. 2018-19, 2019-20 and 2020-21)**

ONGC Videsh group level capex budget and actual capital expenditure are as below:

(Rs In Crore)

	2018-19			2019-20			2020-21		
CAPEX	BE	RE	Actual	BE	RE	Actual	BE	RE	Actual

	5,886	6,111	5,827	5,161	6,590	5,435	7,235	6,750	5,734

There is no Govt. Grant in last 3 years i.e. **FY 2018-19, 2019-20 and 2020-21** to ONGC Videsh.

7. **Accounting System**

The accounts of the Company are maintained in SAP, ERP system. The consolidated financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and Guidance Note on Accounting for Oil and Gas Producing Activities (Ind AS) issued by the Institute of Chartered Accountants of India. Cost records are not required to be maintained/audited in terms of Govt of India notification dated 31 December 2014 since the revenue of the Company in foreign exchange is more than 75% of the total revenue.
The consolidated financial statements, except for cash flow information, are prepared using the accrual basis of accounting.

8. **Manpower Analysis:**

Year	31.03.2019		31.03.2020		31.03.2021	
	Sanctioned	Actual	Sanctioned	Actual	Sanctioned	Actual
Executives	-	300	-	280	-	280
Non-executives	-	10	-	10	-	11
Total	-	310	-	290	-	291

9. **MoU Targets and Achievements for last three financial years (2018-19 to 2020-21)**

Sl.No	PARTICULARS	2018-19		2019-20		2020-21	
		Target (VG)	Actual	Target (VG)	Actual	Target (VG)	Actual
1.	Turnover from operations -Revenue from Operations including share of	11,500	17,435	16,500	16,957	12,110	12,666 (P)

	profit of equity accounted investees projects-RsCrore						
	Revenue from Operations (Net) (including share of Profit of equity accounted investees)-Restated	14,699		15,189		12,615(P)	
2.	Operating Profit	Not a MOU Parameter					
	Operating Profit as a percentage of Revenue from operations (net) - %	14.7	36.5	25	36.42	18	18.21(P)
3.	Return on investment PAT as percentage of Average Net Worth-%	3.3	4.97	4.5	6.29	3	6.51(P)
4.	Overall rating	91.5 Excellent		Submitted Score 95.49 (Excellent) Final evaluation for MoU 2019-20 from DPE is awaited		Evaluation exercise is in progress	

10. **Computerization**

The business process of the company are all IT enabled and transactions are being done on state of the art ERP system.
Enterprise Email services is a critical business communication system used extensively by Company employees for dissemination of information and collaboration amongst themselves and external agencies. The services are available through desktop client, web browser and on mobile device.

The company has a G&G Data Center based on Hyper Coverage Private cloud virtual compute platform for virtualization of G&G applications. It can provide anywhere anytime global secure access to G&G applications and with facilities like multi-location collaboration

To meet challenges due to Covid19 pandemic change over to Work from Home was enabled with activation of Remote Desktop Access with two factor authentication to enable users to securely login to their office desktop from home and carry out their business functions.
Disaster Recovery system for the business data has been established at a different seismic zones.
The company has achieved ISO 27001 certification for its Data centers IT Operations & services. Infrastructure, and maintenance.
IT security audit is carried out every year by CERT-IN empaneled agency.

11. **Internal Audit**

The Company has well-established internal audit function. There is no separate wing for Internal Audit in ONGC Videsh Ltd. Internal audit of the company is conducted through reputed audit firm for every financial year

12. **Act, Rules other documents applicable for CPSE**

As per MOU guideline, the following instructions/guidelines issued by the Department of Public Enterprises (DPE) are regularly complied

- Compliance of Provisions of The Companies Act 2013 or the relevant Act under which they have been regulated (To the extent compliances are within the ambit of CPSEs).
- In case of listed CPSEs, compliance of provisions of Listing Agreement (To the extent compliances are within the ambit of CPSEs).
- Compliance of DPE guidelines having financial implications.
- Holding of AGM without seeking extension of time.
- Compliance of Public Procurement Policy for Micro and Small Enterprises issued by Ministry of Micro, Small & Medium Enterprises.
- Compliance of DPE guidelines on allocation of CSR fund by CPSEs for Swachh Bharat activities.
- Compliance of DPE guidelines on Digital India.
- Compliance of DPE guidelines on Accessible India Campaign (Sugamya Bharat Abhiyan).
- Compliance of DPE guidelines on Implementation of the Apprenticeship Act, 1961 in CPSEs.
- Compliance of DPE guidelines on ‘on boarding of CPSEs on TReDS Platform’.
- Compliance of DPE guidelines on any policy, issued from time to time, and prescribed specifically in this regard.
- DPE Guidelines on Corporate Governance for CPSE-2010;
- Securities Contracts (Regulations) Act, 1956; and
- Indian Stamp Act (relating to securities issued by the Company from time to time).

13. **Operation Results (Target vis-à-vis Achievement) for last three financial *years (2018-19 to 2020-21).***

(Rs in crore)

Particulars	2018-19		2019-20		2020-21	
	MOU VG	Actual Production	MOU VG	Actual Production	MOU VG	Actual Production
Oil Production MMT	9.500	10.097	9.964*	9.755	9.000	8.510
Gas Production BCM	4.134	4.736	4.740	5.226	4.800	4.529

*Crude Oil production targets are adjusted as per IMC minutes (0.133 MMT is subtracted from all level of targets due to exit from project GNPOC, Sudan w.e.f. 31.08.2019).

14. **Financial working results for the last three years (upto2020-21)**

(Rs. In Crore)

Particulars	2018-19	2019-20	2020-21
Income			
Revenue from operations	14,631.98	15,497.96	11,955.79
Other Income	3,264.40	2,085.43	1,198.49
Total Income(A)	17,896.38	17,583.40	13,154.28
Total Expenditure(B)	16,214.10	17,129.38	11,263.31
Net Profit/(loss) (A-B) *	1,682.28	454.02	1,890.97

* Profit/ (loss) for the period attributable to owners of the Company

15. **Disinvestment**

There has been no disinvestment of ONGC Videsh by way of equity sale of share upto March 2021. ONGC Videsh continues to remain the wholly owned subsidiary of ONGC.

Vide letter dated 3 July 2018 from DIPAM to the Secretary, Ministry of Petroleum and Natural Gas, it was desired that ONGC should takes steps for listing of ONGC Videsh through divestment of its shares. Two meetings were held with DIPAM on 6 April 2019 and 6 August 2019. DIPAM has viewed that the process of listing may be initiated by the company as soon as Cabinet decision on FID of Area 1 Mozambique is obtained. The agenda on listing was brought before 450th Board meeting of ONGC Videsh held on 14 January 2020. The Board, after due deliberation, desired that a study be carried out as to what are the challenges or impediments in listing the equity shares of the Company and what are the possible mitigating factors. The same is to be placed to the Board to decide the way forward.

The study has since been carried out through the consultant and its report shall be put up to the Board shortly.

16. **Environment Management**

QHSE Policy and QHSE Manual documents establish the Quality, Occupational Health, Safety and Environment Management System requirements of ONGC Videsh Limited. QHSE policy emphasizes the company's commitment to the protection of the environment including prevention of pollution, sustainable resource use, climate change mitigation and waste management.

Environment Management System based on ISO 14001:2015 provides a framework to protect the environment by preventing or mitigating adverse environmental impact and respond to changing environmental conditions in balance with socio-economic needs. It specifies requirements that enable to achieve the intended outcomes set for environmental management system for enhancing environmental performance.

ONGC Videsh establishes and maintains documented procedure to identify environmental aspects and hazards on ongoing and proactive basis. Hazards and environmental aspects thus identified along with their assessment are maintained in the OH&S Risk register and Aspect register and are being taken into account while developing QHSE management system including setting of objectives.

In overseas operations, approval/ clearances from the host Government and local authorities are obtained, as required, such as environmental approval needed for seismic/drilling/field development activities. Environment Impact assessment (EIA) study is conducted and necessary clearances like Environment Clearance Certificate (ECC) and other approvals/permits/ NOCs are obtained, prior to start of field operations, as per legal & statutory requirements of the respective country. Compliance to EIA commitments/recommendations/observations mentioned in approvals including environment monitoring and waste management are ensured on regular basis.

Subsidiaries of ONGC VIDESH Ltd

A. ONGC Videsh Rouvema Limited

1. Introduction

ONGC Videsh Rovuma Limited (OVRL) was incorporated on 15th April, 2019 as the wholly owned subsidiary of the ONGC Videsh Limited with the objective to monetize the natural gas resources through development of LNG project offshore in Area-1 of the Rovuma Block Mozambique project. The 10% participating Interest was transferred by ONGC Videsh to the Company with effect from 01st January 2020.

The Company functions under the administrative control of the Ministry of Petroleum and Natural Gas.

a. Vision and Mission

The vision and mission of the Company is aligned with that of Parent Company ONGC Videsh.

b. **Nature of business including geographical scope**

Exploration, Production and Sales of Oil, Natural Gas, LNG and condensate in Mozambique.

c. **Offices/region/sub-offices etc**

Registered Address: Plot No. 5A - 5B, Nelson Mandela Marg, VasantKunj New Delhi, South Delhi – 110070

Branch office: ONGC Videsh Rovuma Limited, 3rd Floor, Edificio 24, Av 24 de Julho, Maputo (Mozambique), Tel: +258 21421032, 845281302

2. Objectives of the Organization.

- To hold participating interests (PI) in the Exploration and Production Concession Contract ("EPC") with the Government of the Republic of Mozambique for Area 1 Offshore of Rovuma Block in the Republic of Mozambique (2006).
- To own, in proportion to held PI, all the rights and interests in and under the EPC, all Joint Property, and any Petroleum Produced from the EPC Area, subject to the terms of the EPC as a Concessionaire.
- To carry out in proportion to held PI, all obligations under the EPC as a Concessionaire.

- To own and carry out, in proportion to held PI, all rights and obligations with regard to Joint Petroleum Operations under the EPC as a Concessionaire, established through the Area 1 Joint Operating Agreement ("JOA") unless otherwise stated in the JOA.
- To share, in proportion to held PI, all liabilities and expenses incurred by Operator in connection with Joint Petroleum Operations in Area 1 Offshore of Rovuma Block, in accordance with the JOA, unless otherwise stated in the JOA.

3. Capital Structure

Capital Structure of the Company consists of Net Debt (Debt, less cash & cash equivalents) and Total Equity. Capital Structure as on 31.03.2020 & 31.03.2021 is as follows:

Particulars	**Amt as on 31.03.2021 (Rs./Crore)**	**Amt as on 31.03.2020 (Rs./Crore)**
Total Debt	16,827.63	17,849.40
Less: Cash & Cash equivalents	0.27	0.99
Net Debt	16,827.36	17,848.41
Total Equity	2,950.40	(103.04)
TOTAL	**19,777.75**	**17,745.37**

4 Organizational Set up (in organogram form).

Board of Director

ShriVivekanand, Director

Smt. RekhaMisra, Director & CFO

ShriMadhukar Mohan, Director

5 Activities of the Organisation.

- OVRL is engaged in activities for monetization of natural gas resources through development of LNG project offshore in Area-1 of the Rovuma Block Mozambique project, marketing of the LNG/condensate produced, activities related to project financing, etc.

6. Budget and Planning (Details of system and grants with last three financial years' i.e. 2018-19, 2019-20 and 2020-21

Budget approved at parent company i.e. ONGC Videsh level. Details are as below:

					Rs In Crore
Year	**2018-19**	**2019-2020**		**2020-21**	
Budget		**BE**	**RE**	**BE**	**RE**
	NA	369.54	1115.18	1706.34	2103.04

There was no Govt. grant in last 3 years i.e. 2018-19, 2019-20 and 2020-21to OVRL

7. **Accounting System**

Centralized system. The accounts of the Company are maintained in SAP ERP system. The consolidated financial statements have been prepared in accordance with Ind AS

8. **Manpower Analysis**

Company has three Directors and one Company Secretary. No other Employees.

Year	**31.03.2019**		**31.03.2020**		**31.03.2021**	
	Sanctioned	**Actual**	**Sanctioned**	**Actual**	**Sanctioned**	**Actual**
Executives						
Non-executives						
Total						

9. MoU Targets and Achievements for last three financial years (2018-19 to 2020-21) in the format given below:

N.A

10. Computerization

The business processes of the Company are all IT enabled and transactions are being done on systems established by parent company.

11. Internal Audit

Internal Audit is not mandatory up to FY 2020-21. However, internal audit of parent company covers the activities / areas of OVRL.

12. Act, Rules, other documents applicable to the Organisation

The laws applicable to the Company are Companies Act 2013 and the Rules issued there under, tax laws (direct as well as indirect taxes), FEMA and Rules issued there under, Securities and Exchange Board of India Act, 1992 and the Regulations thereon, Securities Contracts (Regulations) Act, 1956 ,Indian Stamp Act.etc

13. Operation Results (Target vis-à-vis Achievement) for last three financial ***years (2018-19 to 2020-21).***

Project is in development phase.

14. Financial Working Result for last three financial years (2018-19 to 2020-21)

		Rupees in Crores
Particulars	**2020-21**	**2019-20**
Income	-	-
Revenue from operations	-	-
Other Income	-	-
Total Income(A)	-	-
Total Expenditure(B)	20.98	0.82
Exceptional (income) / expense	(69.34)	800.87
Profit/(loss) before tax	48.36	(801.69)
Tax expense	(102.95)	(10.95)
Net Profit/(loss) (A-B)	**151.31**	**(790.74)**

15. Disinvestment

There has been no disinvestment of OVRL. OVRL continues to remain the wholly-owned subsidiary of ONGC Videsh Limited.

16. Environment Management

In overseas operations, approval/ clearances from the host Government and local authorities are obtained, as required, such as environmental approval needed for seismic/drilling/field development activities by the Operator.

PETRONET VK LIMITED

1. **Profile of the Company**

Petronet Vadinar Kandla Limited (PVKL) was incorporated on 21 May 1998 by Petronet India Limited (PIL), Indian Oil as promoters and Infrastructure Leasing & Financial Services (IL&FS) as investor shareholder for the purpose of constructing and operating a common carrier pipeline for transportation of petroleum products from Vadinar to Kandla. Later, through subscription agreement, erstwhile Reliance Petroleum Limited (RPL) and now Reliance Industries Ltd (RIL), Essar Oil Limited (EOL) and investors namely State Bank of India (SBI), Kandla Port Trust (KPT), Gujarat Industrial Investment Corporation Ltd. (GIIC) and Canara Bank were inducted as shareholders in the Company with different shareholdings. The Company functions under the Administrative purview of the Ministry of Petroleum and Natural Gas.

PVKL was commissioned on 30.05.2004 with the intent to connect Reliance Industries Limited's ('RIL') Refinery at Sikka and Essar Oil Limited's ('EOL') Refinery at Vadinar to Indian Oil's Kandla - Bhatinda Product Pipeline (KBPL) and to transport RIL and EOL products to consumption centers in Gujarat, Rajasthan, Haryana and Punjab. As the EOL refinery was not commissioned till 2006, the connectivity of PVKL to EOL was not made.

However, in August 2006 KBPL was converted to a crude oil pipeline to meet the increased crude oil requirement of Panipat Refinery. With the conversion of KBPL to Crude Pipeline, PVKL became non-operational. It has remained idle since then except for the initial 10 KM section of the pipeline from Sikka (Reliance refinery) to the jetty, which is being used by RIL for augmenting their jetty loading capacity at an annual rent of approx Rs.2.25 crore.

This revenue is the only source of income for PVKL through which it is able to meet its day to day expenditure, including legal expenses. Due to non-availability of any other income, PVKL was unable to meet its obligation towards repayment of loans along with interest and other outstanding liabilities to its major creditors viz. Central Bank of India and Standard Chartered Bank.

The assets of the company were under attachment with Debt Recovery Tribunal (DRT), Delhi and the affairs of the company were being managed by the Official Receiver appointed by the DRT. Pursuant to One Time Settlement with Banks, the DRT vide its order dated 11/07/2018 removed the attachment and restored the management to the Board of Directors of the PVKL. Due to attachment on the assets of the company, assets were lying unutilized except for minor portion of pipeline leased to Reliance Industries Limited. Considering the current scenario the management is considering the revival plan of the Company andhad issued tenders for revival works.

Owing to COVID-19 lockdown from 24thMarch, 2020, the revival work of the company could not be started even as company has issued necessary work order for the same. The same was commenced as soon as the lockdown was relaxed and relevant permissions were granted by the RIL authorities. The work is going on and slated to be completed in FY 2021-22 unless there is further disruption.

a. **Date of Incorporation**: 21 May 1998
b. **Administrative Ministry**: Ministry of Petroleum and Natural Gas
c. **Vision and Mission**

The vision and mission of the company is to revive its operations of operating as common carrier pipeline for transportation of petroleum products from Vadinar to Kandla.

d. **Nature of business including geographical scope**

Nature of business the company is of operating a common carrier pipeline for transportation of petroleum products from Vadinar to Kandla. The company does not have any other activity/business apart from transportation of petroleum products through Pipeline from Vadinar to Kandla.

e. Offices/region/sub-offices

The Company has Registered Office and Administrative office at following address.

- Reg Office: Marine Tank Farm,
  Reliance Industries Limited, Sikka
  Dist Jamnagar - 361140, Gujarat India

  Administrative Office: Plot No. 11/2, Dev Park
  B/h. Atul Petrol Pump, Mehulnagar, Jamnagar - 361006
  Gujarat India

2. Objectives

PVKL was commissioned on 30.05.2004 with the intent to connect Reliance Industries Limited's ('RIL') Refinery at Sikka and Essar Oil Limited's ('EOL') Refinery at Vadinar to Indian Oil's Kandla - Bhatinda Product Pipeline (KBPL) and to transport RIL and EOL products to consumption centers in Gujarat, Rajasthan, Haryana and Punjab. As the EOL refinery was not commissioned till 2006, the connectivity of PVKL to EOL was not made.

However, in August 2006 KBPL was converted to a crude oil pipeline to meet the increased crude oil requirement of Panipat Refinery. With the conversion of KBPL to Crude Pipeline, PVKL became non-operational. It has remained idle since then except for the initial 10 KM section of the pipeline from Sikka (Reliance refinery) to the jetty, which is being used by RIL for augmenting their jetty loading capacity at an annual rent of approx Rs.2.25 crore.

3. Capital Structure as on 31 March 2021:

1. Authorized Share Capital - Rs. 100 Crore
2. Paid up Share Capital - Rs. 100 Crore

List of Shareholders

Sl. No.	Name of Shareholders	% of holdings	No. of Shares
1	Indian Oil Corporation	50.000000	5,00,00,000
2	Petronet India Limited (held through Siddharth Kapur)	0.000010	10
3	Reliance Industries Limited	14.999990	1,49,99,990
4	Essar Oil Limited	13.000000	1,30,00,000
5	Gujarat Industrial Investment Corporation	5.000000	50,00,000
6	Infrastructure Leasing and Financial Services Ltd.	5.000000	50,00,000
7	State Bank of India	5.000000	50,00,000
8	Kandla Port Trust	5.000000	50,00,000
9	Canara Bank	2.000000	20,00,000
Total		**100.00**	**10,00,00,000**

4. **Organizational Set up**

Board of Directors

Manager | Company Secretary | Chief Financial Officer

5. **Main Activities**

Main activity of the company is Operating a common carrier pipeline for transportation of petroleum products from Vadinar to Kandla. The company does not have any other activity/business apart from transportation of petroleum products through Pipeline from Vadinar to Kandla.

6. **Budget and Planning**

Being in non-operative state, The company is having only few transactions (10 to 15 per month) that too of smaller values. Hence, company has set budget of administrative expenses of Rs. 1.5 Lakh a month. The Company had not received any grant in last three years.

7. **Accounting System**

Centralized accounting system is maintained at administrative office in tally software. All records as required to be maintained by the Law for the time being are maintained at administrative office.

8. **Manpower analysis**

The position of manpower for the last three financial years was as under:

Year	**31.03.2019**		**31.03.2020**	**31.03.2021**		
	Sanctioned	**Actual**	**Sanctioned**	**Actual**	**Sanctioned**	**Actual**
Executives	3	2	3	2	3	3
Non-executives						
Total	3	2	3	2	3	3

9. **MoU Targets and Achievements for last three financial years (2018-19 to 2020-21)**:

Since the company is in non-operational state and is being under revival process, there are no set targets. However company has achieved turnover as under.

Rs. In Crore

S.No.	PARTICULARS	2018-19		2019-20		2020-21	
		Target	Actual	Target	Actual	Target	Actual
	Turnover from operations		1.50		2.06		1.79
	Operating profit		1.42		1.86		0.66
	Return on investment		(10.23%)		(7.47%)		(9.10%)
	Overall rating						

10. **Computerization**

Due to minimal operations, the company is maintaining its accounting in one computer located at Administrative Office in Tally Software. No IT audit has been carried out by CAG or any other agency.

S. No.	**Application**	**Purpose**
1	Tally ERP	Accounting

11. **Internal Audit**

Internal Audit is conducted on Yearly basis by external Chartered Accountant firm, M/s Sarda&Sarda, Jamnagar. Last internal audit was conducted upto 31/03/2021.

12. **Act, Rules other documents applicable for the CPSE**

- The Companies Act, 2013 and Rules made there under
- Petroleum Act 1934 and Rules made there under
- Explosive Act 1984 (along with PESO Regulation)

13. **Operational results for the last three years**

(Rs. in Crore)

	2018-19	2019-20	2020-21
Operating Income	1.56	2.62	2.77
Less: Operating Expense	0.15	0.20	1.13
Net Operating Income	1.41	2.42	1.64

14. **Financial working results for last three years**

Working result of the Company for last three financial years is as follows:

(Rs. in crore)

Particulars	**2018-19**	**2019-20**	**2020-21**
Income			
Revenue from operations	150.19	206.33	179.37
Other Income	6.60	55.74	97.65
Total Income(A)	156.79	262.07	277.02
Total Expenditure(B)	1180.07	1009.21	1187.17
Net Profit/(loss) (A-B)	**(1023.28)**	**(747.14)**	**(910.15)**

15. **Disinvestment**

No disinvestment has been carried out ever in the company. No such proposal is being considered at present.

16. Environment Management

The company is not in operations for last fifteen years and have only limited pipeline transportation income from just 12 KM pipeline being used by RIL within its jetty and Marine Tank Farm area.

PRIZE PETROLEUM COMPANY LIMITED (PPCL)

1. **Profile of the Company**

Prize Petroleum Company Limited is an upstream company focused on the appraisal and development of hydrocarbon accumulations in the onshore and offshore projects. PPCL is wholly owned subsidiary of Hindustan Petroleum Corporation Limited (HPCL**).** The Company was incorporated on 28 October 1998. It functions under the administrative control of the Ministry of Petroleum and Natural Gas.

a. **Date of Incorporation**: 28 October 1998
b. **Administrative Ministry**: Ministry of Petroleum and Natural Gas.
c. **Vision and Mission**

"Prize Petroleum is World Class Company having Global Presence with balanced portfolio delivering superior and sustainable returns operating with a competent and cohesive team having highest commitment to HSSE and Society."

d. **Nature of business including geographical scope:**

Exploration, Development and Production of Hydrocarbons in India and Australia.

e. **Offices/Region/Sub-office:**

- **Registered Office**

  Jeevan Bharti Building,
  11th Floor,Tower-1,124,
  Conaught Place, Indira Chowk,
  New Delhi-110001(India)

- **Corporate Office**

  3rd Floor UCO Bank Building Parliament Street
  New Delhi-110 001
  E-mail :prizepetroleum@prizepetro.com
  Tel. :+91 11-23312996
  Fax: +91 11-23737898

- **Project Office**

  HPCL, PB No. 4032, Petroleum House,
  Behind Memnagar Fire Station,Navrangpura, Ahmedabad, Gujarat 380009

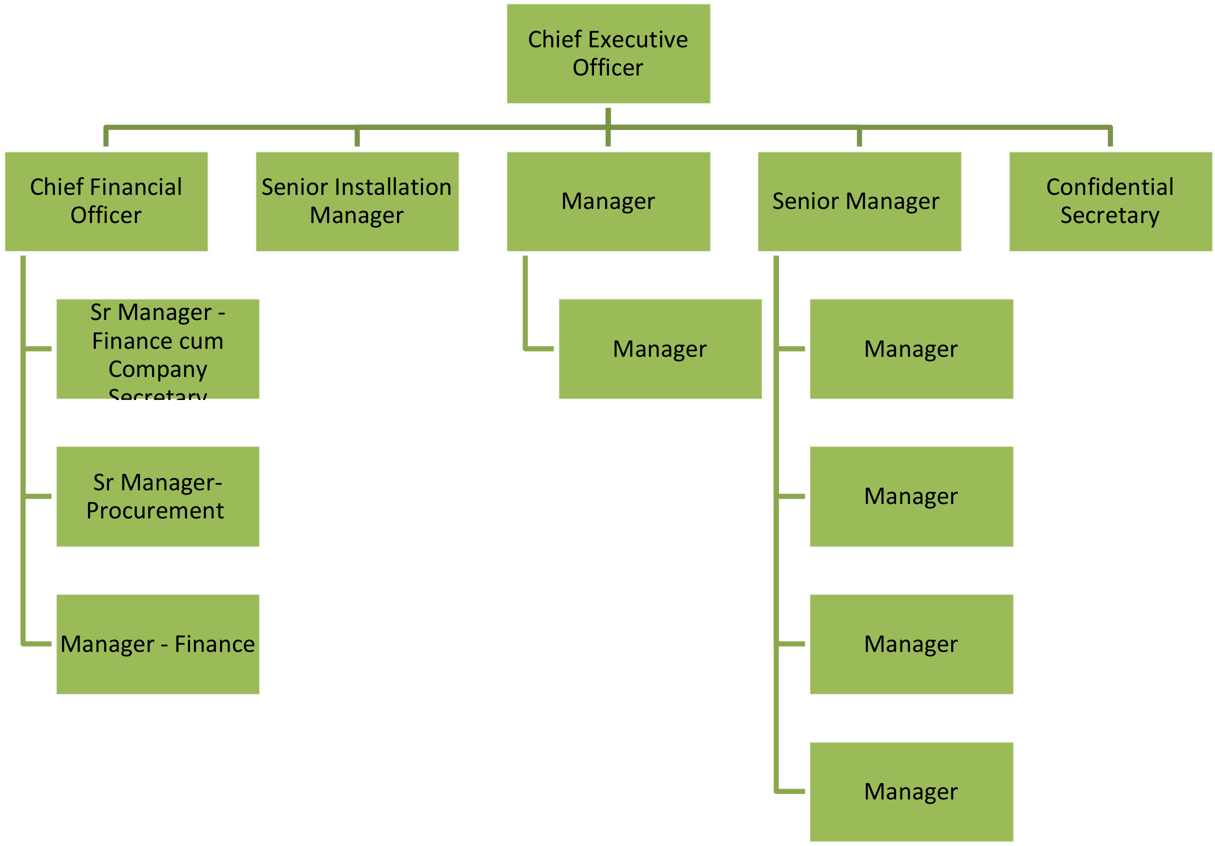
2. **Objectives**

The company has been established for exploration of and production of oil and gas, develop requisite skills and capabilities in Exploration and Production (E&P) field. The company's strategy is to acquire stake in producing/near to develop assets to have sustainable revenue stream. Capability building and Balanced Asset Portfolio are the key focus areas.

3. **Capital Structure as on 31 March 2021:**

Company is 100% equity financed from holding company Hindustan Petroleum Corporation Limited. PPCL Equity Capital as of 31st Mar 2021was Rs 245 Crore.

4. **Organizational Set up**



5. **Main Activities**

   Exploration, Production and Development of Hydrocarbons

6. **Budget and Planning**

   No grants received by the company during Financial Year 2018-19, 2019-20 and 2020-21.

7. **Accounting System**

   Accounting system is centralized and all transactions were recorded using Tally 8.9 software.

8. **Manpower analysis**

   The position of manpower for the last three financial years was as under:

Year	31.03.2019	31.03.2020	31.03.2021

	Sanctioned	Actual	Sanctioned	Actual	Sanctioned	Actual
Executives	19	19	15	15	14	14
Non-executives	-	-	-	-	-	-
Total	19	19	15	15	14	14

9. **MoU Targets and Achievements for last three financial years (2018-19 to 2020-21)**

The MOU targets & achievement for last three years are as follows:

S.No.	PARTICULARS	2018-19		2019-20*		2020-21*	
		Target	Actual	Target	Actual	Target	Actual
	Turnover from operations	90	92.42	NA	66.14	NA	86.60
	Operating profit	100%	32.67%	NA	-94.65%	NA	71.23%
	Return on investment	70%	-1.46%	NA	-28.79%	NA	30.51%
	Overall rating	Poor (32.79/100)		NA		NA	

*PPCL was exempted from signing of MOU for FY 2019-20 and 2020-21.

10. **Computerization**

Tally 9.0 used . No IT Audit conducted.

11. **Internal Audit**

Annual Internal Audit Conducted by Internal Audit Department of Holding Company HPCL

12. **Act, Rules other documents applicable for the CPSE**

Company is covered with Company Act 2013, Income Tax, GST Act, PF Act etc.

13. **Operational results for the last three years**

Description	**2018-19**	**2019-20**	**2020-21**
Dry crude Production-Hirapur Field	15,632 Bbls	14,101 Bbls	11,823 Bbls

Dry crude Production- Yolla Field (T/L1) Australia	4,29,541 BOE	287,559 BOE	283,149 BOE

Note: Hydrocarbon production in Yolla field is disclosed to the extent of PPIPL's participant interest (11.25 %) while Hydrocarbon production from Hirapur represents to the extent of PPCL production Share (50%) from the fields.

14. **Financial Working Result for last three financial years (2018-19 to 2020-21)**

Working results of the Company for last three financial years are as follows:

(Rs. in crore)

Particulars	2018-19	2019-20	2020-21
Income	67,082,400	73,920,000	63,888,000
Revenue from operations	857,108,746	587,513,799	802,146,759
Other Income	76,459,453	75,132,315	102,175,562
Total Income(A)	1,000,650,599	736,566,114	968,210,321
Total Expenditure(B)	1,139,035,687	1,115,523,714	986,278,292
Net Profit/(loss) (A-B)	(138,385,088)	(378,957,600)	(18,067,971)

15. **Disinvestment**

No Disinvestment during 2018-19 and 2020-21.

16. **Environment management**

Environmental Impact assessment conducted before carrying activity such as seismic, drilling and development facility. Consolidated Consent and Authorization (CC &A) obtain for carrying out production operations from concern department. PPCL collect periodical environmental monitoring data and submit the same to concerned Authority.

HPCL RAJASTHAN REFINERY LIMITED (HRRL)

1. Introduction

HPCL Rajasthan Refinery Limited (HRRL) was incorporated on September 18, 2013. The project envisages setting up a 9 of MMTPA Refinery cum Petrochemical Complex at Barmer district, Rajasthan. Company comes under Ministry of Petroleum & Natural Gas . fu

a. **Date of Incorporati**on: 18 September 2013
b. **Administrative Ministry**: Ministry of Petroleum & Natural Gas
c. **Vision and Mission:**

Setting up of 9 MMTPA Petroleum refinery and petrochemical complex at Pachpadra in Barmer District of Rajasthan state

d. **Nature of business including geographical area:**

At Pachpadra in Barmer District of Rajasthan state

e. **Offices/Sub-offices:**

- HRRL Refinery, Sajiyali Roopji, Pachpadra ,Distt Barmer (Raj)
- Registered office: Tel bhawan, Sahkar Marg, Jyoti Nagar Jaipur – 302005
- Corporate Office: HRRL, 7th Floor, RCF – Priyadarshini Building, SionTrombey Road, Chunabhatti, Mumbai 400022

2. Objectives

The object of the Company is to set up 9 MMTPA petroleum refinery cum petrochemical complex at Barmer in the State of Rajasthan.

3. Capital Structure

	31.03.2019	31.03.2020	31.03.2021
Equity Share Capital	**1203.25**	**1755.05**	**2430.05**
(Rs. crore)			

4. **Organisational Setup**:

HRRL Board consists of 4 Directors from HPCL and 2 Directors from Government of Rajasthan. The Chairman & Managing Director of HPCL is Chairman of HRRL Board as well. The project team is headed by Chief Executive Officer (CEO). As per company's law the key managerial persons are Chief Executive Officer (CEO), Chief Finance Officer (CFO) & Company Secretary. There are total 140 Officers in HRRL. All of them are HPCL Employees who are on deputation to HRRL. Out of 140 Officers, 82 Officers are working at project site at Pachpadra, Rajasthan, 1 Officer at Jaipur and balance 57 officers are working at Project Head Office at Mumbai.

5. **Main Activities**

HRRL is setting up a 9 Million Metric Tonnes Per Annum (MMTPA) Grassroot Refinery cum Petrochemical Complex at Pachpadra, District Barmer, State Rajasthan

6. **Budget and Planning (Details of system and grants with last three years information etc. may be given)**

Not Applicable

7. **Accounting system (Whether accounting centralized or decentralized, costing system/records etc. may be given)**

Accounts are maintained in Tally ERP on centralized basis.

8. **Manpower Analysis**

HRRL does not have any manpower on its payroll. All the officers working in HRRL are on HPCL payroll on deputation to HRRL

Year	31.03.2019	31.03.2020	31.03.2021

	Sanctioned	Actual	Sanctioned	Actual	Sanctioned	Actual
Executives	98	73	229	90	229	137
Non-executives	NA	NA	NA	NA	NA	NA
Total						

9. MOU Targets and Achievements

Not applicable, since DPE has exempted HRRL from signing of MOU**.**

10. Computerization

No IT Audit is conducted.

11. Internal Audit

Internal Audit is being done by the Internal Audit Department of Hindustan Petroleum Corporation Ltd (Parent Company)

12. Act, Rules, other document applicable

The company is following the systems and procedures of Hindustan Petroleum Corporation Ltd (Parent Company) as approved by the Board of the company.

13. Operational Results (Target vis-à-vis Achievement) for last three financial *years (2018-19 to 2020-21)*

The project is in execution stage.

14. Financial Working Result for last three financial years (2018-19 to 2020-21)

The Company is in project execution stage however the audited data of Profit and Loss account for last 3 financial years are as under:

(Amount in Rupees)

Particulars	2018-19	2019-20	2020-21
Income	-	-	-
Revenue from operations	-	-	-
Other Income	8,58,71,693	4,53,56,579	43,51,538
Total Income(A)	8,58,71,693	4,53,56,579	43,51,538
Total Expenditure(B)	1,18,82,191	53,06,10,406	33,84,72,321

Net Profit/(loss) (A-B)	7,39,89,502	(48,52,53,828)	(33,41,20,783)

15. Disinvestment

Not applicable

16. Environment Management

Not applicable since the project is still under execution phase. HRRL has already taken the environmental clearance for setting up the project.

CHAPTER-IX

AUTONOMOUS BODIES (POWER)

BUREAU OF ENERGY EFFICIENCY, NEW DELHI

1. **Introduction**

The Government of India has enacted the Energy Conservation Act, 2001 and for implementing various provisions in the Energy Conservation Act 2001, Bureau of Energy Efficiency (BEE) was operationalised from 1st March 2002. The EC Act provides a legal framework for energy efficiency initiatives in the country. The Act has mandatory and promotional initiatives which broadly relates to Designated Consumers, Standards and Labeling programme for equipment and appliances and Energy Conservation Building Codes (ECBC) for new commercial buildings. The Bureau is spearheading the task of improving the energy efficiency in various sectors of the economy through regulatory and promotional mechanism. Bureau of Energy Efficiency co-ordinates with designated consumers, Designated agencies and other organizations recognize, identify and utilize the existing resources and infrastructure, in performing the functions assigned to it under the EC Act.

b. Administrative Ministry: Ministry of Power

c. Vision and Mission:

The Vision of Bureau of Energy Efficiency (BEEectri): To improve Energy Intensity of Indian Economy thereby contributing towards sustainable development of country.

The Mission of BEE is to develop policy and strategies with a thrust on self-regulation and market principles, within the overall framework of the Energy Conservation Act (EC Act), 2001 with the primary objective of reducing energy intensity of the Indian economy. This will be achieved with active participation of all stakeholders, resulting in accelerated and sustained adoption of energy efficiency in all sectors.

d. Nature of business including geographical scope:

BEE co-ordinates with designated consumers, designated agencies and other organizations to recognize, identify and utilize the existing resources and infrastructure, in performing the functions assigned to it under the Energy Conservation Act. The Energy Conservation Act provides for regulatory and promotional functions.

e. Offices/region/sub-office:

Nil

2. **Main Objective Of BEE**

The primary objective of BEE is to reduce energy intensity in the Indian economy. In order to translate the objectives into resultoriented action, the broad strategies of BEE include:

- To develop policies and programmes on efficient use of energy and its conservation with the involvement of stakeholders.
- To plan, manage and implement energy conservation programmes as envisaged in the EC Act.
- To assume leadership and provide policy framework and direction to national energy efficiency and conservation efforts and programmes.
- To demonstrate energy efficiency delivery mechanisms, as envisaged in the EC Act, through Private-Public Partnership (PPP).
- To establish systems and procedures to measure, monitor and verify energy efficiency results in individual sectors as well as at the national level.
- To leverage multi-lateral, bi-lateral and private sector support in implementation of programmes and projects on efficient use of energy and its conservation.

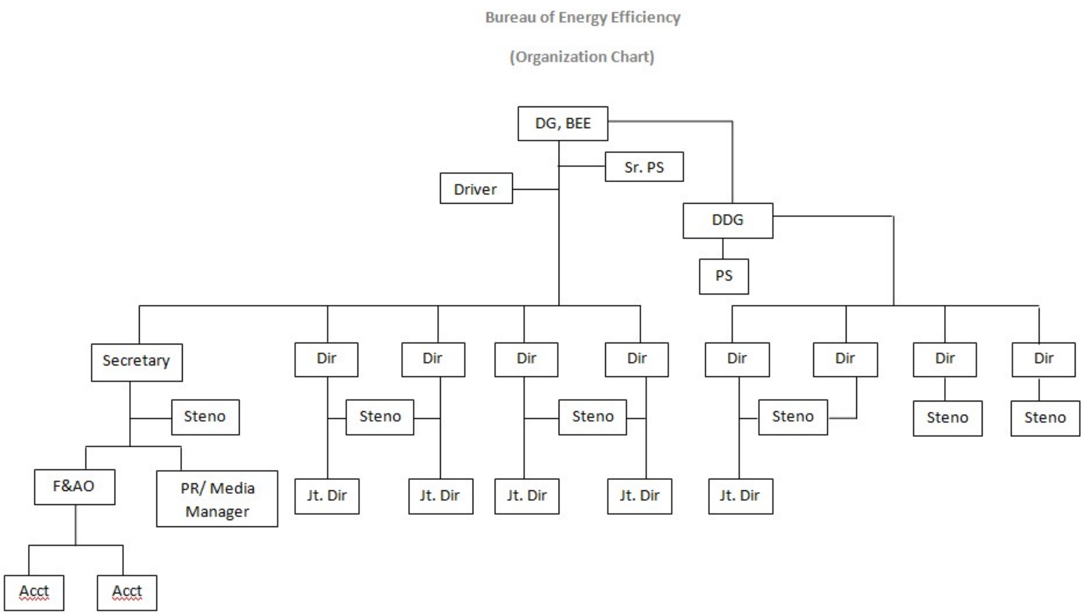
To promote awareness of energy savings and energy conservation.

3. **Capital Structure**

The Corpus Fund of Rs.50.00 crore received from the Ministry of Power has been used for the establishment of Central Energy Conservation Fund under Section 20 of the EC Act, 2001. This Corpus Fund of Rs.50.00 crore has been invested with NTPC with the approval of Governing Council in the form of Secured, Non-Convertible, Non-Cumulative Redeemable Taxable NTPC Bonds of Rs.10.00 lacs each (Series XVII) for 20 years w.e.f. 1 May, 2003 stipulating inter-alia payment of Rs.4.24 crore (approx.) per annum as interest. The interest is being utilized to meet the recurring and non-recurring expenditure of the BEE and no fresh infusion of funds from Government was made during the year.

Apart from the above an amount of Rs.45.00 crore has been received from Ministry of Power towards Augmentation of BEE Corpus Fund.The total of BEE Corpus Fund along with this addition stands to Rs.95.00 crore as on 31/03/2021.

4. **Organisational Set Up**



5. **Activities**

The main activities of the organization are as under:

Regulatory functions: The major regulatory functions of BEE include:

- Develop minimum energy performance standards for equipment and appliances under Standards and Labelling.
- Develop minimum energy performance standards for Commercial Buildings.
- Develop Energy Consumption Norms for Designated Consumers.
- Certify energy managers and energy auditors:
  - Accreditation of energy auditors.
  - Manner and periodicity of mandatory energy audits.

Promotional functions: The major promotional functions of BEE include:

- Create awareness and disseminate information on energy efficiency and conservation.

- Arrange and organize training of personnel and specialists in the techniques for efficient use of energy and its conservation.
- Strengthen consultancy services in the field of Energy Efficiency.
- Promote research and development.
- Develop testing and certification procedures and promote testing facilities.
- Formulate and facilitate implementation of pilot projects and demonstration projects.
- Promote use of energy efficient processes, equipment, devices and systems.
- Take steps to encourage preferential treatment for use of energy efficient equipment or appliances.
- Promote innovative financing of energy efficiency projects.
- Give financial assistance to institutions for promoting efficient use of energy and its conservation.
- Prepare educational curriculum on efficient use of energy and its conservation.

Implement international co-operation programmes relating to efficient use of energy and its conservation

6. **Budget And Planning :**

Enclosure to be Added

7. **Accounting System**

The financial statements are prepared under the historical cost convention and on the accrual method of accounting, unless otherwise stated. In case of expenses on account of Salary and Allowances to the permanent employees are booked on cash basis.

8. **Manpower Analysis**

S.No.	Designation	No. of sanctioned Posts	Incumbency Position	Vacancy
1.	Director General	01	01	--
2.	Dy. Director General	01	01	--
3.	Secretary	01	01	--
4.	Director	08	07	01
5.	Joint Director	05	03	02
6.	PR & Media Manager	01	01	--
7.	Sr. PS to Mission Director	01	01	--
7.	F & A.O.	01	01	--
8.	PS to DG	01	01	--
9.	Accountants	02	01	01
10.	Stenographers	06	03	03
11.	Staff Car Drivers	01	01	--
		29	**22**	**07**

9. **MoU Targets And Achievements :**

MoU Targets and Achievements for last three financial years (2018-19 to 2020-2021)

(Rs. In crore)

Particulars	2018-19		2019-20		2020-21	
	Target	Actual	Target	Actual	Target	Actual
Grant received from Ministry	40.19	64.99	196.67	119.64	61.00	102.79
Operating Profit	-	-	-	-	-	-
Return on Investment	-	-	-	-	-	-
Overall rating	-	-	-	-	-	-

10. **Computerization**

Currently, Bureau of Energy efficiency is hosting 7 applications on NIC Meghraj Cloud. These Applications are as below:

- BEE website (beeindia.gov.in)
- PATNet Portal (escerts.gov.in)
- Standard & Labeling portal (beestarlabel.com)

- BEE painting competition portal (beestudentsaward.beeindia.gov.in)
- National Energy Conservation Award Portal (bee-neca.in)
- SIDHIEE portal (sidhiee.gov.in)
- SAATHEE Portal for SDA (saathee.beeindia.gov.in)

These applications are developed and hosted as per GOV guidelines under NIC servers.
Bureau is also using E-office software developed and hosted under NIC, (bee.eoffice.gov.in), for movement of internal files online.

11. **Internal Audit**

Internal Audit is carried out by PAO, MOP. They adhere to the Govt. rules.

12. **Acts Applicable To The Company**

- Energy Conservation Act. 2001.
- Service Rules
- Functional Rules
- Regulations

13. **Operational Results**

Operational Results (Target vis-a-vis Achievement) for last three financial years (2018-19 to 2020-2021)

(Rs. In crore)

Particulars	**2018-19**		**2019-20**		**2020-21**	
	Target	Actual	Target	Actual	Target	Actual
Grant received from Ministry	40.19	64.99	196.67	119.64	61.00	102.79
Operating Profit	-	-	-	-	-	-
Return on Investment	-	-	-	-	-	-
Overall rating	-	-	-	-	-	-

14. **Financial Working Results**

Financial working results of the BEE for the last three years are summarized below:

(Amount: Rupees in Crore)

Particulars	2018-19	2019-20	2020-21
Income from Investments	5.71	6.98	6.93
Interest Earned	5.10	6.05	5.07
Other Income	4.60	4.40	2.72
Total Income (A)	**15.41**	**17.43**	**14.72**
Expenditure (B)	11.69	14.29	11.79
Excess income over expenditure (A-B)	**3.71**	**3.14**	**2.93**

15. **Disinvestment :** Nil

16. **Environment Management :** NA

NATIONAL POWER TRAINING INSTITUTE, FARIDABAD

1. Introduction

National Power Training Institute (NPTI), an ISO 9001 & ISO 14001 organizations under Ministry of Power, Govt. of India is a National Apex body for Training and Human Resources Development in Power Sector with its Corporate Office at Faridabad. NPTI has been providing its dedicated service in the area of power and renewable energy sector for more than four decades. NPTI is registered under Society Act 1860.

b) Administrative Ministry: Ministry of Power

c) Vision and Mission:

Vision

To be the Global Centre of Excellence for Training and Skill Development in Power and Energy Sectors.

Mission

Enhancing human and organizational excellence in Power and Energy sectors by blending frontier clean energy technologies to achieve economy and energy security.

d) Nature of business including geographical scope:

NPTI operates on an all India basis through its nine Institutes in different zones of the country as per details below:

A. Northern Region

- NPTI, Corporate Office, Faridabad
- NPTI, (Northern Region), Badarpur, New Delhi
- NPTI, (Hydro Power Training Centre),Nangal

B. Southern Region

- NPTI,(Power System Training Institute), Bangalore
- NPTI,(Hot Line Training Centre), Bangalore
- NPTI,(Southern Region), Neyveli

C. Eastern & North Eastern Region

- NPTI,(Eastern Region), Durgapur
- NPTI,(North Eastern Region), Guwahati

D. Western Region

- NPTI,(Western Region), Nagpur

E. Upcoming New Training Institute

- NPTI, Alappuzha, Kerala
- NPTI, Shivpuri, Madhya Pradesh

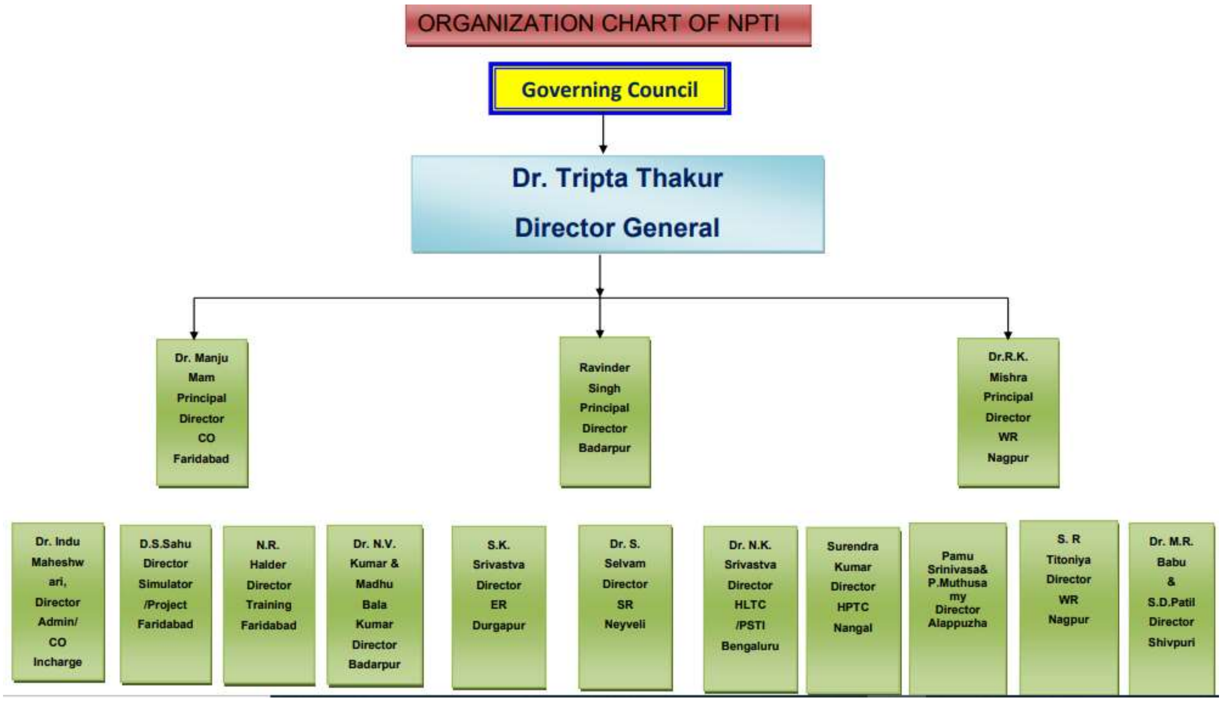
2. Objectives

- To enhance existing skill sets in upcoming technologies to prepare efficient manpower and maximize employment opportunities.
- To align the programs with the Ministry of Power's objectives and emerging National Electricity Plan for 2017-22 & 2022-27.
- To bring about complete awareness to personnel in the power sector about MoP initiatives such as DDUGJY, IPDS, UDAY, 24x7 Power for All etc.
- To conduct Skill development Programs in all areas of Generation, Transmission, Distribution, Equipment Manufacturing and Power Trading including Renewable Energy Sources, to achieve the Ministry of Power's target of training and skill development of Manpower.
- To support Country's Smart City Program, Rural development through Training Programs on Smart Grid, Decentralized Generation & Distribution, Demand Side Management (DSM), Peak Load Management with upcoming Electric Vehicle Charging Stations, etc.
- To conduct Programs on Policy & Regulatory Framework, Commercial Aspects, Energy Conservation and Energy Efficiency, Power Markets, Availability Based Tariff & Concept of Deviation Settlement Mechanism, Open Access in Power Sector etc.

3. Capital Structure

Ministry of Power is releasing Grant under Plan and Non-Plan for infrastructure development/setting up of the New Training Institutes and augmenting of Pension Fund of NPTI. As on 31.03.2021, the NPTI had Corpus Fund of Rs.317.90 crore.

4. Organisational Set Up



5. Activities

National Power Training Institute(NPTI), as ISO 9001:2015 & ISO 14001:2015 organization under Ministry of Power, Govt. of India is a National Apex body for Training and Human Resources Development in Power Sector and the world's leading integrated Power Training Institute, with its Corporate Office at Faridabad. NPTI operates on a Pan-India basis through its eleven (11) Institutes. Apart from highly skilled and competent trainers and state-of-art laboratories, NPTI has Hi-tech real time simulators of various power plant capacities, which includes thermal (Supercritical, Subcritical), multifunctional, CCGT. Hydro SCADA & Smart Grid Operations and Dispatcher Training Simulator at its various institutes. Having trained more than 3,60,000 Power Professionals in training programs over the last 5 decades, NPTI is the only Institute of its kind in the world with such a wide geographical spread and covering a wide gamut of training programs in Renewable Energy & Power Sector.

NPTI Conducts long-term, medium-term & Short-term Training Programes for Engineers & Supervisors on various technical and managerial topics pertaining to the Renewable Energy & Power Sector in the areas of Thermal, Hydro, Renewable, Transmission & Distribution, Management Regulatory Affairs etc. in the all institutes. The training programs are either NPTI's regular training programs or customized training programs to suit the training needs of the client organizations. These programs are being organized round the year along with Workshops and Seminars on latest developments in the Sector

6. Budget And Planning :

Year	Budget Estimate (Rs. in Crores)	Revised Estimate (Rs. in Crore)	Actual Expenditure (Rs. in crore)
2018-19	157.04	146.64	146.64
2019-20	130.58	83.29	83.29
2020-21	138.39	82.01	66.60

7. Accounting System

Accounts maintained on accrual basis and centralized..

8. Manpower Analysis

Employee Details	2020-21	
Salary/Grade	Sanctioned	InPosition
67000-79000	1	1
37400-67000	8	3
15600-39100-7600	23	15
15600-39100-6600	66	41
15600-39100-5400	74	25
9300-34800-5400	4	1
9300-34800-4600	7	4
9300-34800-4200	61	23
5200-20200	260	76

9. MoU Targets And Achievements

Not Available

10. Computerization

ERP-9 is being used for maintenance of Accounts. IT audit has not been carried out as yet by C.A.G./ Internal experts/any other agency so far.

11. Internal Audit

YES – half yearly, General rules are followed for internal audit

12. Acts Applicable To The Company

Besides Societies Registration Act, 1860; different relevant Acts such as NPTI rules and regulations and by laws are applicable to the Company.

13. Operational Results

Not Available

14. Financial Working Results

Financial working results of the NPTI for the last three years are summarized below:

(Rs in Lakh)

Particulars	2018-19	2019-20	2020-21*
Income	3434.64	3438.70	1818.12
Revenue from operations /interest earned	444.73	411.32	258.73
Other Income	343.56	268.25	323.64
Increase/decrease in stock of Finished goods and works in progress	-9.54	-9.49	-1.11
Total Income (A)	**4213.39**	**4108.79**	**2399.38**
Total Expenditure (B)	**5649.00**	**5371.00**	**4798.81**
Net Profit(Loss) (A-B)	**-1435.61**	**-1262.20**	**-2399.43**

15. Disinvestment : Not Applicable

16. Environment Management:

NPTI is engaged in training and consultancy activities. Hence, there is no impact on environment.

PETRLOEUM AND NATURAL GAS REGULATORY BOARD

1. **Profile of the Board**

   a) **Introduction**: Petroleum & Natural Gas Regulatory Board (PNGRB) was constituted by the Central Government on 1st October 2007 under the provisions of the Petroleum & Natural Gas Regulatory Board Act, 2006. The Act provide for the establishment of Petroleum and Natural Gas Regulatory Board to protect the interests of consumers and entities engaged in specified activities relating to petroleum, petroleum products and natural gas and to promote competitive markets and for matters connected therewith or incidental thereto. Further as enshrined in the act, the board has also been mandated to regulate the refining, processing, storage, transportation, distribution, marketing and sale of petroleum, petroleum products and natural gas excluding production of crude oil and natural gas so as and to ensure uninterrupted and adequate supply of petroleum, petroleum products and natural gas in all parts of the country.

   b) **Administrative Ministry**: Ministry of Petroleum and Natural Gas

   c) **Vision and Mission:** "To create a vibrant energy market with rapid and orderly growth through facilitation of flow of investments into the basic infrastructure for efficient transportation and distribution of petroleum, petroleum products and natural gas at minimum cost and high level of protection of consumer interests through fair trade practices and competition amongst the entities so as to ensure the enhanced competitiveness of Indian economy and customer satisfaction."

   d) **Nature of business including geographical scope:** PNGRB is a Regulatory Board and its geographical scope extends to the whole of India with the office at 1st Floor, World Trade Center, Babar Road, New Delhi-110001.

e) **Office/Region/Sub-offices:** There is no other office of PNGRB except as mentioned at d) above.

2. **Objectives**

Petroleum and Natural Gas Regulatory Board has been established to regulate the refining, processing, storage, transportation, distribution, marketing and sale of petroleum, petroleum products and natural gas excluding production of crude oil and natural gas so as to protect the interests of consumers and entities engaged in specified activities relating to petroleum, petroleum products and natural gas and to ensure uninterrupted and adequate supply of petroleum, petroleum products and natural gas in all parts of the country and to promote competitive markets and for matters connected therewith or incidental thereto.

3. **Capital Structure**

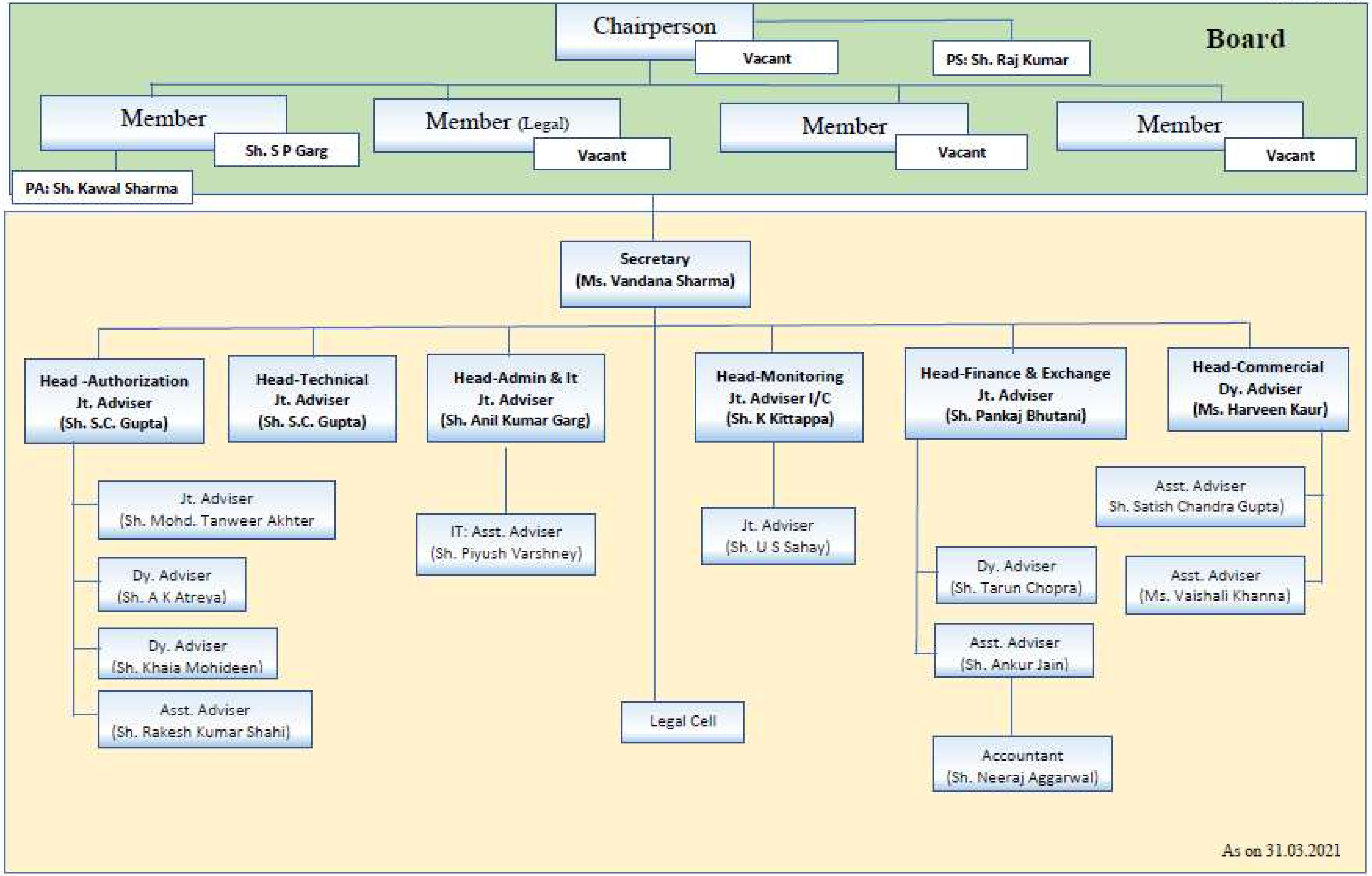
Balance in PNGRB fund as on 31.03.2021 is Rs.247.73 Crore.

4. **Organizational Set up**

As below**.**

PETROLEUM & NATURAL GAS REGULATORY BOARD: ORGANISATION STRUCTURE

Annexure-1



5. **Main Activities**

Following are the functions of the Board

The Board shall-

(a) protect the interest of consumers by fostering fair trade and competition amongst the entities;

(b) register entities to-

(i) market notified petroleum and petroleum products and, subject to the contractual obligations of the Central Government, natural gas;

(ii) establish and operate liquefied natural gas terminals;

(iii) establish storage facilities for petroleum, petroleum products or natural gas exceeding such capacity as may be specified by regulations;

(c) authorise entities to-

(i) lay, build, operate or expand a common carrier or contract carrier;

(ii) lay, build, operate or expand city or local natural gas distribution network;

(d) declare pipelines as common carrier or contract carrier;

(e) regulate, by regulations,-

(i) access to common carrier or contract carrier so as to ensure fair trade and competition amongst entities and for that purpose specify pipeline access code;

(ii) transportation rates for common carrier or contract carrier;

(iii) access to city or local natural gas distribution network so as to ensure fair trade and competition amongst entities as per pipeline access code;

(f) in respect of notified petroleum, petroleum products and natural gas-

(i) ensure adequate availability;

(ii) ensure display of information about the maximum retail prices fixed by the entity for consumers at retail outlets;

(iii) monitor prices and take corrective measures to prevent restrictive trade practice by the entities;

(iv) secure equitable distribution for petroleum and petroleum products;

(v) provide, by regulations, and enforce, retail service obligations for retail outlets and marketing service obligations for entities;

(vi)monitor transportation rates and take corrective action to prevent restrictive trade practice by the entities;

(g) levy fees and other charges as determined by regulations;

(h) maintain a data bank of information on activities relating to petroleum, petroleum products and natural gas;

(i) lay down, by regulations, the technical standards and specifications including safety standards in activities relating to petroleum, petroleum products and natural gas, including the construction and operation of pipeline and infrastructure projects related to downstream petroleum and natural gas sector;

(j) perform such other functions as may be entrusted to it by the Central Government to carry out the provisions of this Act,

Further, as against the (j) above following functions has been assigned by Central Government to PNGRB:

i) Determination of Marketing Margin,

ii) Regulating the establishment and operation of Gas Trading Exchange (s) in the country.

6. Budget and Planning

Rs.in Crore

Particulars	**2018-19**	**2019-20**	**2020-21**
Grants Approved by MoP&NG	28.72	19.09	23.53
Grant in Aid Received	28.72	19.09	3.48*

* PNGRB has last drawn grants in aid for the months of April and May 2020.PNGRB has stopped drawing grants- in aid w.e.f. 1st June 2020 and is managing its expenses within its own generated income of interest and recurring fees and other charges.

7. Accounting System

Accounts are centralized and maintained in Tally software. There is no R.O / Branch offices of PNGRB

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8. **Manpower analysis**

Manpower Analysis as on 31.03.2021					
S. No.	**Details of posts**	**Executive/ Non-Executive**	**Posts**		
			Sanctioned	**Filled**	**Vacant**
1	Adviser	Executive	4	4	NIL
2	Jt. Adviser	Executive	4	4	NIL
3	Deputy Director	Executive	4	4	NIL
4	Assistant Director	Executive	2	2	NIL
5	PPS	Executive	1	1	NIL
6	PS	Non-Executive	9	NIL	9*
7	Bench Officer	Non-Executive	1	NIL	1*
8	Accountant	Non-Executive	1	1	NIL
9	Personal Assistant	Non-Executive	6	1	5*
10	Cashier	Non-Executive	1	1	NIL
11	Asst-cum-Data Entry Operator	Non-Executive	6	NIL	6*
12	Senior Secretariat Assistant	Non-Executive	5	NIL	5*
Total			**44**	**18**	**26**

Notes:

1. Posts at S. no. 1 to 5, 8, 10 and partly 6, 9 & 12 are filled by Officers and staff from Oil & Gas PSUs on deputation basis.

2. * Remaining posts are operative through outsourced manpower.

3. PNGRB (salary, allowances and other conditions of service of Officers and employees) Rules, 2020, notified on 01.10.2020, 44 posts sanctioned for the staff of the Board have to be deputed from Central Government, and failing which engagement has to be done on short-term contract basis. The process in this regard is underway.

9. **MOU targets and achievement for last three years**

Not applicable

10.Computerization

Following are the IT System implemented by PNGRB

1) Online Reporting System

PNGRB has developed inhouse Online Reporting Portal for authorized City Gas Distribution networks, which envisages effective monitoring of CGD Infrastructure in the Country and would also help in the generation of various types of Reports required from time to time. The system has been made operational since June-2019.

The Online Reporting Portal covers the compilation and monitoring of various parameters such as Piped Natural Gas Connections, Pipeline Infrastructure, CNG Stations and Sale of Natural Gas etc. for all the authorized CGD Networks in the Country.

The facilities available in the portal, enables PNGRB to effectively monitor the progress of CGD Networks vis-à-vis committed Minimum Work Program (MWP) targets as per respective authorization letters and helps in generating various types of reports covering different parameters and data as per the requirements from time to time.

PNGRB has also provided access of the portal to Petroleum Planning and Analysis Cell (PPAC) for sourcing of the data required by them for the purpose of allocation of domestic gas and generating of required reports.

2) Digitization of Office Records

With the increasing in number of documents generated every day, storing, retrieving and safe-keeping of documents become an operation challenge. In this regard, PNGRB had taken a decision for digitization of its physical records/documents under Digital India Program initiated by the Government of India, during the year 2019-20. The process was started with implementation of e-Office module from NIC for diarizing of movement of physical files diarizing.

3) Meetings through Microsoft Teams

PNGRB has now been organizing its day-to-day meetings like legal hearings, open house meetings with the stakeholders, progress review meetings with entities, interviews for engaging individual consultants, internal meetings, etc., online on Microsoft Teams platform. Such online meetings have ensured normal office working despite the Covid-19 pandemic. These have also saved time and expenditure on travel for physical meetings. The online meetings have proven to be not only cost-effective but have led to increase in productivity and efficiency in office working. PNGRB has taken licenses for the software for online meetings.

4) Audio Video Conferencing and Presentation Solution

PNGRB has commissioned a state of art Audio Video Conferencing and Presentation Solution in complete at both Conference Room of PNGRB having voice tracking camera and huge 4K LED screen in Conference Room 1 and large screen with Camera and Mike in Conference Room 2 along with enabling of Microsoft Teams in those system.

Online Reporting System as mentioned above along with PNGRB website has been hosted on NIC servers and hence been audited by NIC on annual basis. PNGRB has also audited the same system by external CERT IN certified agencies,

11. Internal Audit

PNGRB does not have its own internal audit wing. However, Ministry of Petroleum and Natural Gas (MoP&NG), conducts internal audit of PNGRB from time to time. Internal audit upto FY 2018-19 and FY 2019-20 has been completed by MoP&NG

12. Act, Rules other documents applicable for the CPSE

The Petroleum and Natural Gas Regulatory Board Act, 2006 (NO. 19 OF 2006) notified via Gazette Notification dated 31st March, 2006 and various regulations and rules framed thereunder are applicable on PNGRB.

13. Operational results for the last four years

Not applicable

14. Financial working results for last three years

(Rs. in crore)

Particulars	**2018-19**	**2019-20**	**2020-21***
Income			
Revenue from operations	4.13	23.70	23.03
Other Income	117.76	43.00	27.03
Total Income (A)	**121.89**	**66.70**	**50.06**
Total Expenditure (B)	39.80	21.56	25.96

Net Profit/(loss) (A-B)	**82.09**	**45.14**	**24.10**

*In absence of quorum of the Board as on 30.06.2021, financial results of FY 2020-21 have not yet been approved by the Board and yet to be audited.

15. **Disinvestment**

Not Applicable

16. **Environment management**

Environmental aspects are not regulated by PNGRB.

RAJIV GANDHI INSTITUTE OF PETROLEUM TECHNOLOGY (RGIPT)

1. Profile of the Institute

The Rajiv Gandhi Institute of Petroleum Technology (RGIPT) has been established on 01.06. 2008through an Act of Parliament (Act 54/2007) as an 'Institution of National Importance' by the Ministry of Petroleum and Natural Gas (MoPNG), Government of India.

The Institute is co-promoted as an energy domain specific institute by six leading oil PSUs, namely- ONGC Ltd, IOCL, OIL, GAIL, BPCL and HPCL in association with OIDB.

The Institute has been established in the lines of IITs and empowered to grant degree, diploma, certificates, etc by its own right.

RGIPT residential campus is based at Jais, District- Amethi, Uttar Pradesh and spread over on 47 acres of land comprising academic blocks, lecture halls, library, administrative building, auditorium, students' hostels, mess, faculty and staff housing, commercial and health centre, guest hostel, etc.

RGIPT is currently offering programmes at Undergraduate, Postgraduate and Doctoral levels from its Jais, Amethi main campus. Details of the offered programmes are as follows:

I. Undergraduate Programmes (B. Tech.)
a. B. Tech. in Petroleum Engineering
b. B. Tech. in Chemical Engineering
c. B. Tech. in Computer Science & Engineering
d. B.Tech. in Information Technology
e. B. Tech. in Electronics Engineering
f. B. Tech. in Mathematics & Computing
g. B.Tech. in Environmental Engineering
h. B.Tech. in Renewable Energy Engineering

II. Integrated Dual Degree (IDD) (B. Tech. plus M. Tech.)
a. IDD in Geosciences & Engineering
b. IDD in Computer Sc & Engineering and Artificial Intelligence

III. Postgraduate Programmes
a. M. Tech. in Petroleum Engineering
b. M. Tech. in Chemical Engineering
c.MBA in Energy Management/HR/Finance/ Operation/ Marketing
d. MBA in Data Analytics

IV. Doctoral Programmes

a. Ph. D. in various Engineering, Sciences, Management Studies and Humanities subjects

V. Executive Development Programmes
a. Short Term Executive Development Programmes for the in-service employees of IOCL, HPCL, ONGC, and other oil & gas companies

VI. Consultancy
a. Providing consultancy to various oil and gas companies

Date of formation 01.06.2008

b. Administrative Ministry Ministry of Petroleum & Natural Gas, Government of India

c. Vision and Mission

Vision: "To serve as the fountainhead for nurturing of world class manpower capable of being the future leaders of technology and techno-innovation in the broad field of petroleum technology and energy sector".

Mission: "Creating a dynamic state-of-the-art learning and working environment, where intellectual ideas are nurtured and new ideas creatively flourish, from which will emerge research scholars and graduates, with the ability to be the leaders and innovators of tomorrow".

d. Nature of business including geographical scope Teaching & Research

e. Offices/region/Sub –Offices etc. RGIPT main campus is situated atJais, Amethi, Uttar Pradesh

Institute has established its two centres in the states of Assam and Karnataka. The details of the centres are-

1. Assam Energy Institute (AEI), Sivasagar, Assam

Three Years Diploma Programmes Offered from AEI

a. Diploma in Petroleum Engineering

b. Diploma in Chemical Engineering

c. Diploma in Mechanical Engineering

d. Diploma in Electronics& Instrumentation Engineering

e. Diploma in Fire & Safety Engineering

2. Energy Institute, Bengaluru (EIB)

I. Postgraduate Programmes

a. M. Tech. in Energy Science & Technology

b. M. Tech in Power & Energy Systems Engineering

c. M. Tech in Renewable & Alternate Energy

d. M. Tech. in Electric Vehicle Technology

II. Doctoral Programmes

a. Ph. D. in various Engineering subjects

2. Objectives:

a. To cater to the educational and training requirements of all segments of the Petroleum industry in the upstream, midstream, and downstream sectors.
b. To play a prominent role in promoting and coordinating R&D in the domain of petroleum technology.

Linkages with industry andwith international institutes and agencies working in the areas of oil, gas and entire hydrocarbon sectors

3. Capital Structure

RGIPT, Jais, Amethi

The Corpus Fund of Rs. 333.60 crore (which includes Rs. 250.00 crore contributed by the promoting Oil PSUs and surplus interest ploughed back) which stands invested in Bank FDs. The interest earnings from this fund are utilized for recurring expenses and surplus is reinvested on regular basis.

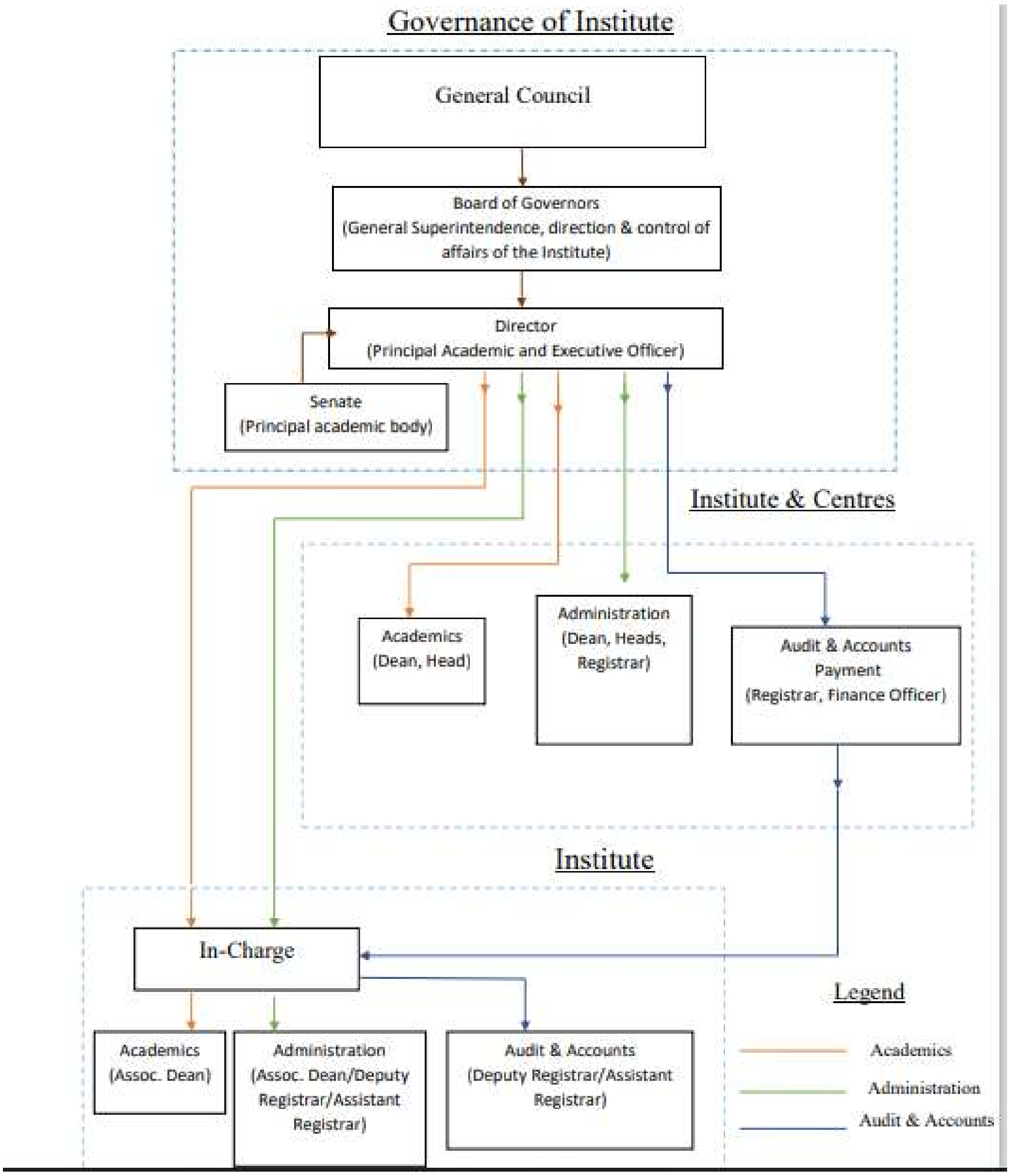
Assam Energy Institute, Sivasagar

The Corpus Fund of Rs. 233.17 crore (which includes Rs. 177.83 crore contributed by participating Oil PSUs and surplus interest ploughed back) which stands invested in Bank FDs. The interest earning has been used for recurring expenses and surplus is reinvested on regular basis.

4. Organizational Set up

As per Section-14 of RGIPT Act, 2007, following shall be the authorities of the Institute, namely:

(a) The General Council
(b) The Board of Governors
(c) The Senate
(d) Such other authorities as may be declared by the Statues to be the authorities of the Institute


Governance of Institute
General Council
Board of Governors
(General Superintendence, direction & control of affairs of the Institute)
Director
(Principal Academic and Executive Officer)
Senate
(Principal academic body)
Institute & Centres
Academics
(Dean, Head)
Administration
(Dean, Heads, Registrar)
Audit & Accounts
Payment
(Registrar, Finance Officer)
Institute
In-Charge
Academics
(Assoc. Dean)
Administration
(Assoc. Dean/Deputy Registrar/Assistant Registrar)
Audit & Accounts
(Deputy Registrar/Assistant Registrar)
Legend
Academics
Administration
Audit & Accounts

5. Main Activities

As per Section-9 of RGIPT Act, 2007, the Institute shall perform the following functions, namely:

(i) nurture and promote quality and excellence in education and research in the area of petroleum and hydrocarbons;

(ii) provide for programmes and courses of instruction and research leading to the award of the Bachelors, Master and Doctoral degrees in engineering and technology, management, sciences and arts in the area of petroleum and hydrocarbons;

(iii) grant, subject to such conditions as the Institute may determine, degrees, diplomas, certificates or other academic distinctions or titles at various academic levels to candidates who have attained the prescribed standard of proficiency as judged on the basis of examination or on any other basis of testing and evaluation and to withdraw any such degrees, diplomas, certificates or other academic distinctions or titles for good and sufficient reasons;

(iv) confer honorary degrees or other distinctions and to institute and award fellowships, scholarships, exhibitions, prizes and medals;

(v) lay down standards of admission to the Institute through an examination or any other method of testing and evaluation;

(vi) fix, demand and receive fees and other charges;

(vii) Manage the content, quality, design and continuous evaluation of its academic and research programmes in a manner that earns accreditation of an international stature;

(viii) Promote research and development for the benefit of oil, gas and petrochemical industry through the integration of teaching and research;

(ix) foster close educational and research interaction through networking with national, regional and international players in the oil, gas and petrochemical industry;

(x) co-operate with educational and research institutions in any part of the world having objects wholly or partly similar to those of the Institute by exchange of teachers and scholars, conduct of joint research, undertaking sponsored research and consultancy projects, etc;

(xi) organise national and international symposia, seminars and conferences in the area of petroleum and hydrocarbons;

6. Budget and Planning

Revenue Budget:

Year	Budget Estimate (Rs. In Lakhs)	Revised Estimate (Rs. In akhs)	Actual Expenditure (Rs. In Lakhs)
2018-19	3603.00	3720.00	3720.88
2019-20	3600.00	3433.00	3285.36
2020-21	3990.00	3365.00	2694.49

Capital Budget:

Year	Budget Estimate (Rs. In Lakhs)	Revised Estimate (Rs. In akhs)	Actual Expenditure (Rs. In Lakhs)
2018-19	8149.00	1000.00	1000.00
2019-20	8149.00	8149.00	2941.99
2020-21	10606.00	9025.00	3794.14

7. Accounting System

The RGIPT accounts are prepared under the historic cost convention and on-going concern concept following the Accrual Method of Accounting System.

8. Manpower analysis

I. Rajiv Gandhi Institute of Petroleum Technology, Jais, Amethi

Teaching Cadre				
Sl. No.	**Positions & Grade**	**Sanctioned Strength**	**Filled (As on 30-09- 2021)**	**Vacant (As on 30-09- 2021)**
1	**Group-A** (Assistant Professor/ Associate Professor/ Professor)	70	49	21
Non-Teaching Cadre (Ministerial & Technical)				
1	**Group-A**	20	11	09
2	**Group-B**	34	15	19
3	**Group-C**	23	12	11
	Total	**77**	**38**	**39**

II. Assam Energy Institute, Sivasagar (A centre of RGIPT, Jais, Amethi)

Teaching Cadre				
Sl. No.	**Positions & Grade**	**Sanctioned Strength**	**Filled (As on 30-09- 2021)**	**Vacant (As on 30-09- 2021)**
1	**Group-A** (Lecturer)	28	23	05
Non-Teaching Cadre (Ministerial & Technical)				
1	**Group-A**	03	01	02
2	**Group-B**	12	00	12
3	**Group-C**	07	00	07
	Total	**22**	**01**	**21**

III. Energy Institute, Bengaluru (A centre of RGIPT, Jais, Amethi)

Teaching Cadre				
Sl. No.	**Positions & Grade**	**Sanctioned Strength**	**Filled (As on 30-09- 2021)**	**Vacant (As on 30-09- 2021)**
1	**Group-A** (Assistant Professor/ Associate Professor/ Professor)	15	06	09
Non-Teaching Cadre (Ministerial & Technical)				
1	**Group-A**	04	00	04
2	**Group-B**	08	00	08
3	**Group-C**	05	00	05
	Total	**17**	**00**	**17**

9. MoU targets and achievement for last three years:

Not applicable

10. Computerization

ERP has not been implemented as on date.
There is no IT (Information Technology) audit has been done yet by CAG.

11. Internal Audit

Institute has set up its own Internal Audit Section, headed by Assistant Registrar (Audit). Periodicity of internal audit is Half Yearly. Internal Audit Manual is available.

12. Act, Rules other documents applicable to the Institute

1. Rajiv Gandhi Institute of Petroleum Technology (RGIPT) Act, 2007 (Passed by Parliament)

2. Rajiv Gandhi Institute of Petroleum Technology (RGIPT) First Statute, 2009 (Passed by Parliament)

3. RGIPT General Service Rules, 2017 (Approved by Board of Governors and notified in Official Gazette)

4. Ordinance for Undergraduate Programmes, 2019 (Approved by Senate and BoG)
5. Ordinance for MBA Programmes, 2019 (Approved by Senate and BoG)

6. Ordinance for Postgraduate Programmes, 2019 (Approved by Senate and BoG)

13. Operational results for the last three years (upto 2018-19) target vis a vis achievement.

RGIPT is an educational Institution of National Importance and offering programmes at Undergraduate, Postgraduate and Doctoral levels from its Jais, Amethi main campus.

14. Financial working results for last three years (up to 2020-21)(Rs in lakh)

Particulars	**2018-19 (Rs. in Lakhs)**	**2019-20 (Rs. in Lakhs)**	**2020-21 (Rs. in Lakhs)**
Income (from Interest accrued on Endowment Fund)	2002.00	2419.00	2096.00
Income (from Students' Fees)	901.00	950.00	1125.00
Other Income	53.00	83.00	105.00
Total Income (A)	4256.00	4452.00	3326.00
Total Expenditure (B)	3720.88	3285.36	2694.49
Net Profit/loss (A-B)	-	-	-
Capital Expenditure during last 3-years *			

Particulars	**2018-19 (Rs. in Lakhs)**	**2019-20 (Rs. in Lakhs)**	**2020-21 (Rs. in Lakhs)**
Capital Expenditure	1000.00	2941.99	3794.14
* Note: *Government of India had sanctioned a Government Budgetary Support (GBS) of Rs. 121.75 crore during 2016-17, however, the fund was released in October'2017.*			

15. Disinvestment

Not Applicable

16. Environment management

RGIPT is an educational Institution and regularly doing the plantation to keep the campus green.

CENTRAL ELECTRICITY REGULATORY COMMISSION

1. Introduction to the Organisation:

Central Electricity Regulatory Commission (CERC), a key regulator of power sector in India, is a statutory body functioning with quasi-judicial status under sec – 76 of the Electricity Act 2003. CERC was initially constituted on 24 July 1998 under the Ministry of Power's Electricity Regulatory Commissions Act, 1998 for rationalization of electricity tariffs, transparent policies regarding subsidies, promotion of efficient and environmentally benign policies, and for matters connected Electricity Tariff regulation. CERC was instituted primarily to regulate the tariff of Power Generating companies owned or controlled by the government of India, and any other generating company which has a composite scheme for power generation and interstate transmission of energy, including tariffs of generating companies.

a) **Date of Formation:** 24 July 1998

b) **Administrative Ministry:** Ministry of Power

c) **Vision and Mission:** The Commission intends to promote competition, efficiency and economy in bulk power markets, improve the quality of supply, promote investments and advise government on the removal of institutional barriers to bridge the demand supply gap and thus foster the interests of consumers. In pursuit of these objectives the Commission aims to –

- Improve the operations and management of the regional transmission systems through Indian Electricity Grid Code (IEGC), Availability Based Tariff (ABT), etc.
- Formulate an efficient tariff setting mechanism, which ensures speedy and time bound disposal of tariff petitions, promotes competition, economy and efficiency in the pricing of bulk power and transmission services and ensures least cost investments.
- Facilitate open access in inter-state transmission
- Facilitate inter-state trading
- Promote development of power market
- Improve access to information for all stakeholders.
- Facilitate technological and institutional changes required for the development of competitive markets in bulk power and transmission services.
- Advise on the removal of barriers to entry and exit for capital and management, within the limits of environmental, safety and security concerns and the existing legislative requirements, as the first step to the creation of competitive markets.

d) **Nature of business including geographical scope:** Electricity Regulator, All India subject to scope laid down in the Electricity Act , 2003

e) **Offices/Region/Sub-offices:** There is only one office of CERC located in Chanderlok Building, Janpath, New Delhi.

2. **Objectives**

As entrusted by Section 79 (1) the Electricity Act, 2003 the Commission has the responsibility to discharge the following functions:-

- to regulate the tariff of generating companies owned or controlled by the Central Government;.
- to regulate the tariff of generating companies other than those owned or controlled by the Central Government specified in clause (a), if such generating companies enter into or otherwise have a composite scheme for generation and sale of electricity in more than one State;
- to regulate the inter-State transmission of electricity ;
- to determine tariff for inter-State transmission of electricity;
- to issue licences to persons to function as transmission licensee and electricity trader with respect to their inter-State operations;
- Improve access to information for all stakeholders.
- to adjudicate upon disputes involving generating companies or transmission licensee in regard to matters connected with clauses (a) to (d) above and to refer any dispute for arbitration;
- to levy fees for the purposes of the Act;
- to specify Grid Code having regard to Grid Standards;
- to specify and enforce the standards with respect to quality, continuity and reliability of service by licensees;
- to fix the trading margin in the inter-State trading of electricity, if considered, necessary;
- to discharge such other functions as may be assigned under the Act.

Section 79(2) of the CERC Act lays down the onus on CERC to advise the Central Government on:

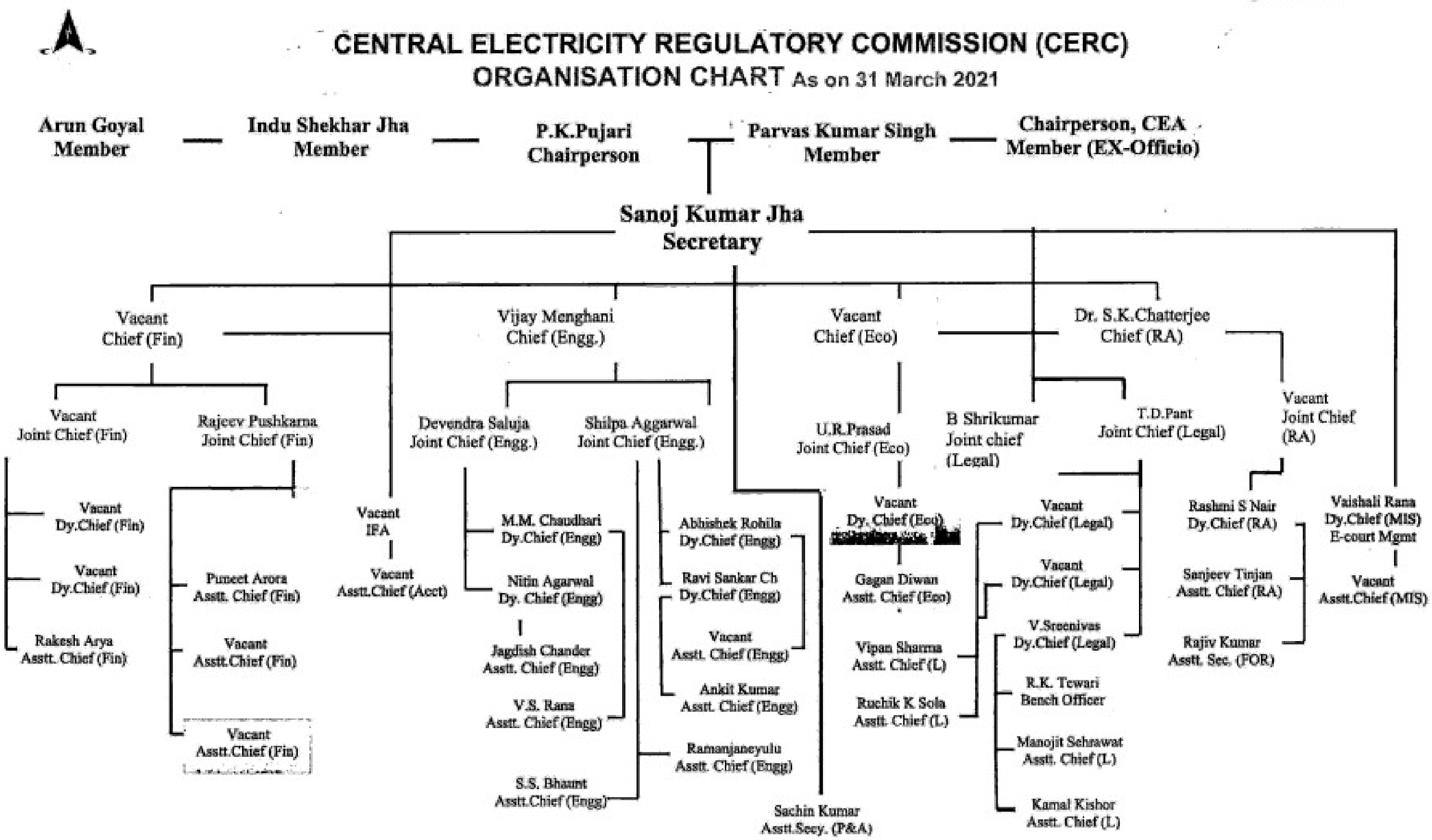
- formulation of National Electricity Policy and Tariff Policy;
- promotion of competition, efficiency and economy in the activities of the electricity industry;
- promotion of investment in electricity industry;
- any other matter referred to the Central Commission by the Central Government.

3. **Capital Structure**

Nil

4. **Organizational Set up**

As below**.**


CENTRAL ELECTRICITY REGULATORY COMMISSION (CERC)
ORGANISATION CHART As on 31 March 2021
Arun Goyal Member
Indu Shekhar Jha Member
P.K.Pujari Chairperson
Parvas Kumar Singh Member
Chairperson, CEA Member (EX-Officio)
Sanoj Kumar Jha Secretary
Vacant Chief (Fin)
Vijay Menghani Chief (Engg.)
Vacant Chief (Eco)
Dr. S.K.Chatterjee Chief (RA)
Vacant Joint Chief (Fin)
Rajeev Pushkarna Joint Chief (Fin)
Devendra Saluja Joint Chief (Engg.)
Shilpa Aggarwal Joint Chief (Engg.)
U.R.Prasad Joint Chief (Eco)
B Shrikumar Joint chief (Legal)
T.D.Pant Joint Chief (Legal)
Vacant Joint Chief (RA)
Vacant Dy.Chief (Fin)
Vacant Dy.Chief (Fin)
Rakesh Arya Asstt. Chief (Fin)
Puneet Arora Asstt. Chief (Fin)
Vacant Asstt.Chief (Fin)
Vacant Asstt.Chief (Fin)
Vacant IFA
Vacant Asstt.Chief (Acct)
M.M. Chaudhari Dy.Chief (Engg)
Nitin Agarwal Dy. Chief (Engg)
Jagdish Chander Asstt. Chief (Engg)
V.S. Rana Asstt. Chief (Engg)
S.S. Bhaunt Asstt.Chief (Engg)
Abhishek Rohila Dy.Chief (Engg)
Ravi Sankar Ch Dy.Chief (Engg)
Vacant Asstt. Chief (Engg)
Ankit Kumar Asstt. Chief (Engg)
Ramanjaneyulu Asstt. Chief (Engg)
Sachin Kumar Asstt.Secy. (P&A)
Vacant Dy. Chief (Eco)
[redacted]
Gagan Diwan Asstt. Chief (Eco)
Vipan Sharma Asstt. Chief (L)
Ruchik K Sola Asstt. Chief (L)
Vacant Dy.Chief (Legal)
Vacant Dy.Chief (Legal)
V.Sreenivas Dy.Chief (Legal)
R.K. Tewari Bench Officer
Manojit Sehrawat Asstt. Chief (L)
Kamal Kishor Asstt. Chief (L)
Rashmi S Nair Dy.Chief (RA)
Sanjeev Tinjan Asstt. Chief (RA)
Rajiv Kumar Asstt. Sec. (FOR)
Vaishali Rana Dy.Chief (MIS) E-court Mgmt
Vacant Asstt.Chief (MIS)

5. **Activities of the Organisation:**

As entrusted by Section 79 (1) the Electricity Act, 2003 the Commission has the responsibility to discharge the following functions:-

- to regulate the tariff of generating companies owned or controlled by the Central Government;.
- to regulate the tariff of generating companies other than those owned or controlled by the Central Government specified in clause (a), if such generating companies enter into or otherwise have a composite scheme for generation and sale of electricity in more than one State;
- to regulate the inter-State transmission of electricity ;
- to determine tariff for inter-State transmission of electricity;
- to issue licences to persons to function as transmission licensee and electricity trader with respect to their inter-State operations;
- Improve access to information for all stakeholders.
- to adjudicate upon disputes involving generating companies or transmission licensee in regard to matters connected with clauses (a) to (d) above and to refer any dispute for arbitration;
- to levy fees for the purposes of the Act;
- to specify Grid Code having regard to Grid Standards;
- to specify and enforce the standards with respect to quality, continuity and reliability of service by licensees;
- to fix the trading margin in the inter-State trading of electricity, if considered, necessary;
- to discharge such other functions as may be assigned under the Act.

Section 79(2) of the CERC Act lays down the onus on CERC to advise the Central Government on:

- formulation of National Electricity Policy and Tariff Policy;
- promotion of competition, efficiency and economy in the activities of the electricity industry;
- promotion of investment in electricity industry;
- any other matter referred to the Central Commission by the Central Government.

6. **Budget and Planning**

(Rs. Crore)

Annexure - 'E'

Details of Budget and Actual Expenditure on Cash Basis For the Years 2018-19 to 2020-21							
Year	BE	RE	Unspent amount C/F from previsous year	Grant-in-aid Received from MoP	Total Grant-in-aid	Actual expenditure (Cash Basis)	Saving/Excess
2018-19	55.5	55.5	15.58 - (15.58)	-	-	50.01	(A) unspent amount c/f from the year i.e Rs. 15.18cr was refunded to MoP in 2018-19. (B) Expenditure of CERC was met from fee/other receipt received during 2018-19 and surplus funds transferred to MoP, Public Account of India (CERC Fund)
2019-20	66.5	66.5	-	-	-	50.25	Expenditure of CERC was met from fee/other receipt received during 2019-20 and surplus funds transferred to MoP, Public Account of India (CERC Fund)
2020-21	66.5	220	-	-	-	115.93	Expenditure of CERC was met from fee/other receipt received during 2020-21 and unspent amount is carried forward to Next FY 2021-22 against the BE approval by MoP

7. **Accounting System**

Accounts are maintained in a Licensed Tally software

8. **Manpower analysis**

Working Sanctioned Strength				
31-Mar-21				
S.No.	**Designation**	**Sanction Strength**	**Working Strength**	**Vacant**
1	Secretary	1	1	0
2	Chief	4	2	2
3	Joint Chief	9	6	3
4	Deputy Chief	21	8	13
5	IFA	1	0	1
6	Sr PPS	1	1	0
7	Assistant Secretary	2	2	0
8	Assistant Chief	28	13	15
9	Bench Officer	2	1	1
10	PPS	4	1	3
11	PAO	1	1	0
12	SAO	2	1	1
13	PS	5	4	1
14	Assistant	16	7	9
15	PA	2	1	1
16	Jr. Hindi Translator	1	1	0
17	Stenographer	1	0	1
18	Hindi Typist	1	0	1
19	RCTO	1	1	0
20	Driver	4	4	0
21	Senior Peon	2	2	0
22	MTS	2	2	0
Total		111	59	52

9. **MOU targets and achievement for last three years**

Not applicable

10.**Computerization**

- Petition e-filing on SAUDAMINI
- E-office
- Maintenance of Accounts in Tally ERP9
- Saral Pay pack
- E-Granthyala for Library

11.**Internal Audit**

Internal Audit by Ministry of Power as well as by a Chartered Accountant Firm. Internal Audit Manual available.

12.**Act, Rules other documents applicable for the CPSE**

- The Electricity Act, 2003
- CERC Fund Rules, Other Govt rules & instructions/DoPT guidelines applicable to Central Govt employees

13.**Operational results for the last four years**

Nil

14.**Financial working results for last three years**

Financial Working result for last three FY 2018-19 to 2020-21			
			(In Lakhs)
Particular	**2018-19**	**2019-20**	**2020-21**
Income (Grant from MoP, Deffered Income, Prior Period Income)	85.19	47.74	30.78
Revenue from Operations	14253.64	15932.69	14089.56
Other Income	609.73	631.88	475.9
Total Income (A)	14948.56	16612.31	14596.24
Total Expenditure (B)	5067.79	5027.78	5114.36
Net Profit/(loss) (A-B)	**9880.77**	**11584.53**	**9481.88**

15.**Disinvestment**

Not Applicable

16.**Environment Management:**

Not Applicable

CENTRAL ELECTRICITY AUTHORITY

1. Introduction to the Organisation:

The Central Electricity Authority of India advises the government on policy matters and formulates plans for the development of electricity systems. CEA is a statutory organisation constituted under section 3(1) of Electricity Supply Act 1948, which has been superseded by section 70(1) of the Electricity Act 2003**.**

a) Date of Formation: It was established as a Part time body in 1951 and was made a Full time body in 1975

b) Administrative Ministry: Ministry of Power

c) Vision and Mission:

Vision: Toensurereliablepowersupplyof adequate quality to allConsumers in the country

Mission: Central Electricity Authority Seeks to achieve the vision by Performing its statutory function by providing technical support base to all stakeholders in the power sector, to support Ministry of Power for forming policies in the power sector sector to make technical standard&requlations, to carry out project monitoring to disseminate power sector information to upgrade skills of human resources in the power sector of the country.

d) **Nature of business including geographical scope:**Not applicable

e) **Offices/Region/Sub-offices:**

The headquarter of CEA is located at New Delhi. Further , it has the following sub-offices.

Sub ordinate Offices:

Regional Power Committees:

1. **Member Secretary, Eastern Regional Power Committee,** 14 Golf Club Road, Tollygunge, Kolkata – 700033.
2. **Member Secretary, Northern Regional Power Committee,** 18-A, Shaheed Jeet Singh Marg, New Delhi – 110016.
3. **Member Secretary, Southern Regional Power Committee,** 29 Race Course Cross Road, Near Anand Rao Circle, Bangaluru – 560009.
4. **Member Secretary,Western Regional Power Committee,** Plot No. F-3, Opposite SEEPZ Complex, MIDC Area Marol, Andheri (East), Mumbai – 400093.
5. **Member Secretary, North-Eastern Regional Power Committee,** Meghalaya NERPC Complex, 3rd Floor, Dong Parmaw, Lapulang, Shillong-793006.

Regional Power Survey Offices (RPSOs):

1. **Dy. Director, Regional Power Survey Office (East),** Room No. 201, C.G.O. Complex, 'DF'- Block, Salt Lake City, Kolkata – 700064.
2. **Dy. Director, Regional Power Survey Office (North),** 224, 2nd Floor, Sewa Bhawan, R.K. Puram, New Delhi– 110066.
3. **Dy. Director, Regional Power Survey Office (South),** Post Box No. – 38, 6th Floor, 'F' – Wing, Kendriya Sadan, Koramamgala, Bangaluru – 560034.
4. **Dy. Director, Regional Power Survey Office (West),** 5th Floor, Plot No. F-3, Opposite SEEPZ Complex, MIDC Area Marol, Andheri (East), Mumbai – 400093.

Regional Inspectorial Organisations:

1. **Superintending Engineer, Regional Inspectorial Organisation (East),** 14 Golf Club Road, Tollygunge, Kolkata – 700033.
2. **Superintending Engineer, Regional Inspectorial Organisation (North),** 18-A, Shaheed Jeet Singh Marg, Katwaria Sarai, New Delhi – 110016.
3. **Superintending Engineer, Regional Inspectorial Organisation (South),** Block-IV, Floor-III, Shastri Bhawan, Chennai – 600006.
4. **Superintending Engineer, Regional Inspectorial Organisation (West),** Ground Floor, WRPC Building, F-3, MIDC Area Marol, Andheri (East), Mumbai – 400093.
5. **Superintending Engineer, Regional Inspectorial Organisation (North-East),** NERPC Complex, 3rd Floor, Dong Parmaw, Lapulang, Shillong-793006.

2. **Objectives**

(i) To provide 24x7 quality power supply to all consumers in the country at reasonable prices.

(ii) To provide support base to the Ministry of Power and other stake holders in the form of National Electricity Plan, technical standards and regulations, techno-economic advice, project monitoring, data repository etc.

(iii) To function and perform duties under Section 73 of the Electricity Act, 2003 and under Sections 3, 8, 53, 55 and177of theAct.

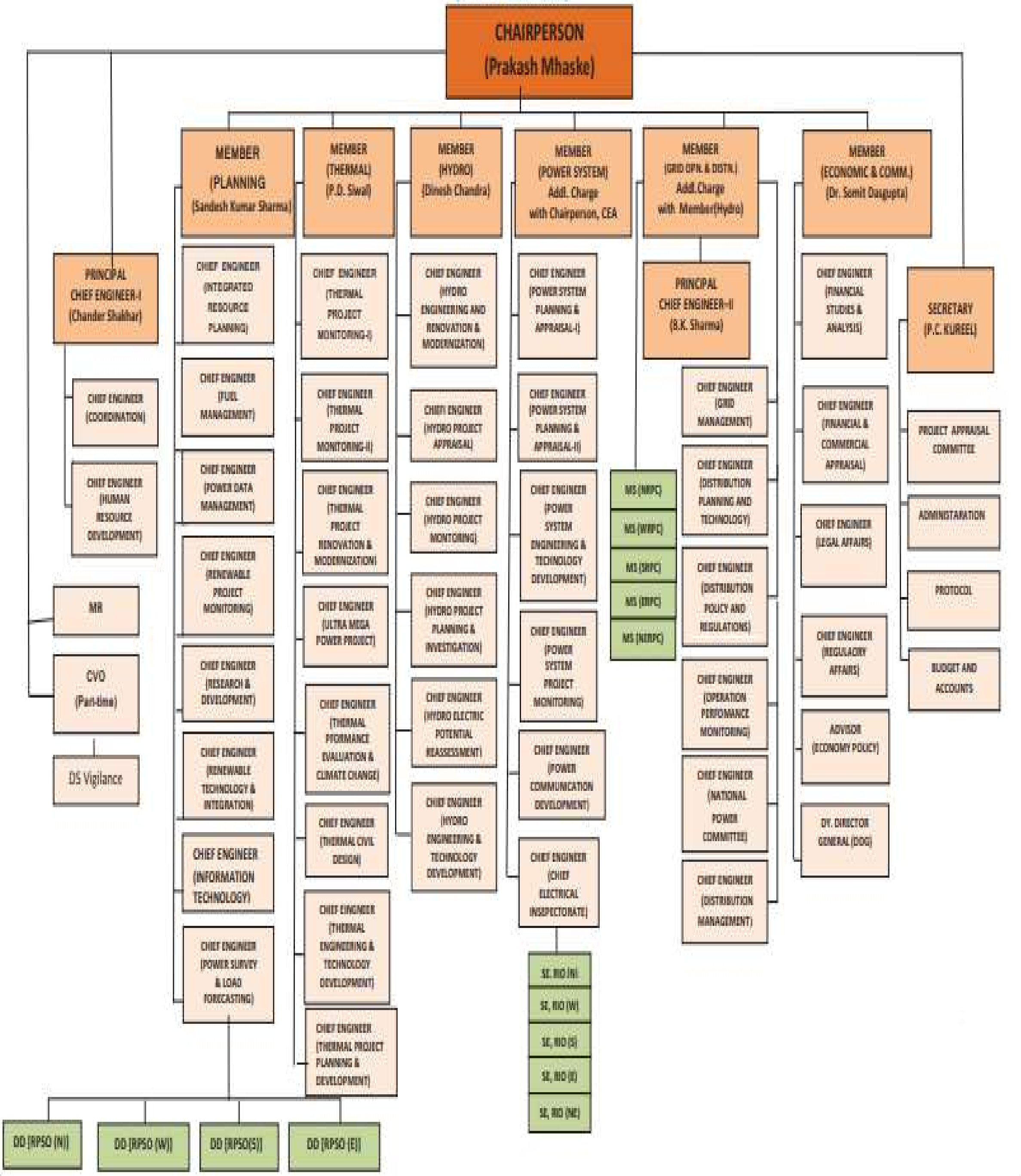
3. Capital Structure

Not applicable

4. Organizational Set up

As per Section 70(3) of the Electricity Act, 2003, the Authority shall consist of not more than fourteen members (including its Chairperson) of whom not more than eight shall be full-time Members to be appointed by the Central Government. CEA is headed by a Chairperson who as the Chief Executive of the Authority largely oversees the development of Power Sector in the country. A Secretary, appointed by the Authority with the approval of the Central Government under Section 72 of the Electricity Act 2003, assists the Chairperson in discharging of CEA’s statutory functions. The Secretary also assists the Chairperson in all matters pertaining to administration and technical matters including concurrence of hydro power projects etc. There are six (6) Wings in CEA namely Planning, Hydro, Thermal, Grid Operation & Distribution, Economic & Commercial and Power System each headed by a Member of the Authority. Under each Member, there are technical Divisions, headed by an officer of the rank of Chief Engineer. The Organizational Structure of CEA in organogram form is given below:

ORGANIZATION CHART OF CEA (AS ON 31.03.2020)



5. Activities of the Organisation:

The functions and duties of the Authority are delineated under Section 73 of the Electricity Act, 2003. Besides, CEA has to discharge various other functions as well under Sections 3, 8, 34, 53, 55 and 177 of the Act.

Section 73 - Functions and Duties ofthe Authority

(a) advise the Central Government on the matters relating to the national electricity policy, formulate short term and perspective plans for development of the electricity system and coordinate the activities of the planning agencies for the optimal utilization of resources to subserve the interests of the national economy and to provide reliable and affordable electricity to all consumers;

(b) specify the technical standards for construction of electrical plants, electric lines and connectivity to the grid;

(c) specify the safety requirements for construction, operation and maintenance of electrical plants and electric lines;

(d) specify the Grid Standards for operation and maintenance of transmission lines;

(e) specify the conditions for installation of meters for transmission and supply of electricity;

(f) promote and assist in the timely completion of schemes and projects for improving and augmenting the electricity system;

(g) promote measures for advancing the skills of persons engaged in electricity industry;

(h) advise the Central Government on any matter on which its advice is sought or make recommendation to that Government on any matter if,in the opinion of the Authority, the recommendation would help in improving the generation, transmission, trading, distribution and utilization of electricity;

(i) collect and record the data concerning the generation, transmission, trading, distribution and utilization of electricity and carry out studies relating to cost, efficiency, competitiveness and such like matters;

(j) make public from time to time the information secured under this Act, and provide for the publication of reports and investigations;

(k) promote research in matters affecting the generation, transmission, distribution and trading of electricity;

(l) carry out, or cause to be carried out, any investigation for the purpose of generating or transmitting or distributing electricity;

(m) advise any State Government, licensees or the generating companies on such matters which shall enable them to operate and maintain the electricity system under their ownership or control in an improved manner and where necessary, in coordination with any other Government, licensee or the generating company owning or having the control of another electricity system;

(n) advise the Appropriate Government and the Appropriate Commission on all technical matters relating to generation, transmission and distribution of electricity; and

(o) discharge such other functions as may be provided under this Act

In addition to above functions and duties, CEA has to perform the following functions in terms of theunder mentioned Sections of the Electricity Act, 2003: -

Section 3 - National Electricity Policy and Plan

(1) The Central Government shall, from time to time, prepare the National Electricity Policy and Tariff Policy, in consultation with the State Governments and the Authority for development of the power system based on optimal utilization of resources such as coal, natural gas, nuclear substances or materials, hydro and renewable sources of energy.

(2) The Central Government shall publish the National Electricity Policy and Tariff Policy from time to time.

(3) The Central Government may, from time to time, in consultation with the State Governments and the Authority, review or revise the National Electricity Policy and Tariff Policy referred to in sub-section (1).
(4) The Authority shall prepare a National Electricity Plan in accordance with the National Electricity Policy and notify such plan once in five years. PROVIDED that the Authority while preparing the National Electricity Plan shall publish the draft National Electricity Plan and invite suggestions and objections thereon from licensees, generating companies and the public within such time as may be prescribed; PROVIDED FURTHER that the Authority shall – (a) notify the plan after obtaining the approval of the Central Government; (b) revise the plan incorporating therein directions, if any, given by the Govt. while granting approval under clause (a).

(5) The Authority may review or revise the National Electricity Plan in accordance with the National Electricity Policy.

Section 8 - Hydro-Electric Generation

(1) Notwithstanding anything contained in Section 7, any generating company intending to set up a hydro-generating station shall prepare and submit to the Authority for its concurrence, a scheme estimated to involve a capital expenditure exceeding such sum, as may be fixed by the Central Government, from time-to time, by notification.

(2) The Authority shall, before concurring in any scheme submitted to it under sub-section (1) have particular regard to, whether or not in its opinion:- (a) the proposed river-works will prejudice the prospects for the best ultimate development of the river or its tributaries for power generation, consistent with the requirements of drinking water, irrigation, navigation, flood control, or other public purposes, and for this purpose the Authority shall satisfy itself, after consultation with the State Government, the Central

Government, or such other agencies as it may deem appropriate, that an adequate study has been made of the optimum location of dams and other river works; (b) the proposed scheme meets, the norms regarding dam design and safety.

(3) Where a multi-purpose scheme for the development of any river in any region is in operation, the State Government and the generating company shall co-ordinate their activities with the activities of the

person responsible for such scheme insofar as they are inter-related.

Section 34 – Grid Standards

Every transmission licensee shall comply with such technical standards, of operation and maintenance of transmission lines, in accordance with the Grid Standards, as may be specified by the Authority.

Section 53- Provision relating to Safety and Electricity Supply

The Authority may, in consultation with the State Governments, specify suitable measures for- (a) protecting the public (including the person engaged in the generation, transmission or distribution or trading) from dangers arising from the generation, transmission or distribution or trading of electricity, or use of electricity supplied or installation, maintenance or use of any electric line or electrical plant; (b) eliminating or reducing the risks of personal injury to any person, or damage to property of any person or interference with use of such property; (c) prohibiting the supply or transmission of electricity except by means of a system which conforms to the specification as may be specified; (d) giving notice in the specified form to the Appropriate Commission and the Electrical Inspector, of accidents and failures of supplies or transmission of electricity; (e) keeping by a generating company or licensee the maps, plans and sections relating to supply or transmission of electricity; (f) inspection of maps, plans and sections by any person authorized by it or by Electrical Inspector or by any person on payment of specified fee; (g) specifying action to be taken in relation to any electric line or electrical plant, or any electrical appliance under the control of a consumer for the purpose of eliminating or reducing the risk of personal injury or damage to property or interference with its use. Section 55 - Use, etc. of Meters

(2) For proper accounting and audit in the generation, transmission and distribution or trading of electricity, the Authority may direct the installation of meters, by a generating company or licensee at such stages of generation, transmission or distribution or trading of electricity and at such locations of generation, transmission or distribution or trading, as it may deem necessary.

Section 177- Powers of Authority to make Regulations

(1) The Authority may, by notification, make regulations consistent with this Act and the rules generally to carry out the provisions of this Act.

(2) In particular and without prejudice to the generality of the power conferred in sub-section (1), such regulations may provide for all or any of the following matters, mainly: - (a) the Grid Standards under section 34; (b) suitable measures relating to safety and electricity supply under section 53; (c) the installation and operation of meters under section 55; (d) therules of procedure for transaction of business

under subsection (9) of section 70;e technical standards for construction of electrical plants and electric lines and connectivity to the grid under clause (b) of section 73; (f) the form and manner in which and the time at which the State Government and licensees shall furnish statistics, returns or other information under section 74; (g) any other matter which is to be, or may be, specified;

(3) All regulations made by the Authority under this Act shall be subject to the conditions of previous publication.

6. Budget and Planning

Budget and Expenditure Trends

(In crore of ₹)

Year	Revenue			Capital			Total		
	BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals
2016-2017	96.54	110.26	102.89	3.50	3.50	3.50	100.04	113.76	106.39
2017-2018	115.91	115.91	112.83	1.23	1.23	0.82	117.14	117.14	113.65
2018-2019	117.14	118.22	116.12	0.00	0.00	0.00	117.14	118.22	116.12
2019-2020	122.15	125.00	116.61	0.00	0.00	0.00	122.15	125.57	116.61
2020-2021	130.66	126.27	114.38	0.00	0.00	0.00	130.66	126.27	114.38

7. Accounting System

AAs applicable to Central Government Departments

8. Manpower analysis

Sanctioned strength, persons in position and vacancy position in CEA as on 31.03.2021 is as follows:

i) **Electricity Authority Authority:**

Name of the post	Sanctioned	filled	Vacant	Action plan for filling up the vacancies
Chairperson (Gr A)	01	01	-	-
Member (Gr A)	06	06	00	As per RRs, the post is to be filled up by deputation, 3 Members joined as per MoP order dated 12.03.2021.

ii) **CPES (Group A and Group B):**

Name of the post	Sanctioned	filled	Vacant	Action plan for filling up the vacancies
Principal Chief Engineer (HAG)	02	02	00	Post is to be filled up by promotion as per existing RRs.
Chief Engineer (SAG)	45	**43**	02@	Mode of Recruitment is by promotion.
Director (JAG)	94	**70**	**24#**	Mode of Recruitment is by promotion.
Deputy Director (STS)	160	**125**	35*	Mode of Recruitment is by promotion.
Assistant Director-I (JTS)	131	**70**	**61$**	Mode of recruitment is 50% by DR through UPSC & 50% by promotion. UPSC has been intimated to fill up 20 posts by direct recruitment through ESE-2020. Further,21 vacancies under DR quota has been reported to UPSC against ESE-2021.
Assistant Director-II	109	39	70	Mode of recruitment is by DR. 56 vacancies have been reported to UPSC for ESE-2020 & 17 vacancies reported to UPSC for ESE-2021.

@ 04 Officers on deputation.

06 Officers on deputation.

* 03 Officers on deputation.

CPES (Central Power Engineering Services)

3. Staff of CSS/CSSS/CSCS as on 31.03.2021

Name of the post	Sanctioned	filled	Vacant	Action plan for filling up the vacancies
Group-A (Gazetted)				
AD (JTS) (Statistics)	01	01	00	
Sr. Principal Pvt. Secretary	09	09	00	
Principal Pvt. Secretary	53	26	27	
Director / Dy. Secretary	02	02	00	
Under Secretary	04	03	01	
DD(OL)	01	00	01	
AD (OL)	01	01	00	

Name of the post				Action plan for filling up the vacancies
Group-B (Gazetted)				Vacancies in this regard have to be filled up by SSC through Ministry of Power. # Vacant posts deemed abolished. Revival process initiated.
Private Secretary	47	30	17	
Section Officer	17	17	00	
Sr. Statistical Officer	02	02	00	
Head Draftsman (E&M) (Gr.B)#	19	6	13	
Head Draftsman (Civil) (Gr. B)#	2	0	2	

Name of the post	Sanctioned	filled	Vacant	Action plan for filling up the vacancies
Group-B (Non-Gazetted)				Vacancies in this regard have to be filled up by SSC through Ministry of Power. # Vacant posts deemed abolished. Revival process initiated. Posts lying vacant for more than 05 years, therefore, have been abolished vide Admn.Coord. Section order dated 26.09.2018 & 23.10.2019
PA	51	00	51	
ASO	62	33	29	
Sr. Hindi Translator	02	01	01	
Jr. Hindi Translator	02	01	01	
Library Information Assistant	01	00	01	
Statistical Assistant #	01	00	01	
Professional Assistant #	01	01	00	
Draftsman Gr.I (E&M) #	13	01	12	
Draftsman Gr.I (Civil)#	06	00	06	
Draftsman Gr.II (E&M)#	00	00	00	
Draftsman Gr.II (Civil)#	25	00	25	
Manager of Canteen (Gr.II)	01	00	01	

Name of the post	Sanctioned	filled	Vacant	Action plan for filling up the vacancies
Group-C				
SSA (UDC)	16	04	11	Vacancies in this regard have to be filled up by SSC through Ministry of Power The process of filling up the post of Staff Car Driver is under process.
Steno	54	29	25	
JSA (LDC)	14	09	05	
Dispatch Rider	02	02	00	
Driver	08	04	04	
DEO	02	00	02	
Clerk-Canteen	01	01	00	
Halwai-cum-cook	01	00	01	
Assistant Halwai-cum-cook	01	00	01	
Draftsman Gr.III (E&M)	00	00	00	
Sr. Gestetner Operator	01	00	01	
Canteen Attendant	04	02	02	

Name of the post	Sanctioned	filled	Vacant	Action plan for filling up the vacancies
Group-C (MTS)				Proposal for filling up 60 vacant posts has been sent to SSC during 2019. Filling up 03 posts on compassionate ground initiated in CEA.
MTS	145	65	80	

4. Secretariat Posts in Sub-offices of CEA as on 31.03.2021

Name of the post	Sanctioned	filled	Vacant	Action plan for filling up the vacancies
Assistant Director (Official Language) (Gr. A)	1	0	1	vacant w.e.f. 24.09.2019
Junior Hindi Translator (Gr B)	6	4	2	Vacancy position intimated to SSC for filling up
Private Secretary (Gr B)	4	1	3	Vacant posts under deemed abolished
Stenographer, Grade-I (Gr B)	22	2	20	To be promoted on availability of eligible candidates from Stenographer Grade-II
Stenographer, Grade-II (Gr C)	6	6	0	Intimated to SSC and Dossiers received for appointment
Superintendent (Gr B)	1	0	1	Under deemed abolition
Assistant (Gr B)	2	0	2	To be promoted on availability of eligible candidates
Head Clerk (Gr B)	2	2	0	To be promoted on availability of eligible candidates
UDC (Gr C)	20	11	9	To be promoted on availability of eligible candidates
LDC (Gr C)	33	22	11	Vacancy position intimated to SSC for filling up
MTS (Gr C)	57	29	28	Vacancy position intimated to SSC for filling up
Driver (Gr C)	10	5	5	Procurement of vehicle is prohibited as per prevailing instruction of Ministry of Finance. The posts deemed abolished.
Store Keeper (Gr C)	1	0	1	Under deemed abolition
SAS Accountant (Gr C)	1	0	1	Under deemed abolition

9. **MOU targets and achievement for last three years**

Not applicable

10. **Computerization**

All Divisions & Sections of CEA have been equipped with the latest IT infrastructure. All computers of CEA office at Sewa Bhawan, West Block-II and NRPC building are interconnected through wired or wireless network. The important statistics/data/information of CEA is uploaded on the bilingual(English & Hindi) website of Central Electricity Authority (www.cea.nic.in) for global access. The CEA website has been designed, developed and maintained in-house by IT Division,CEA. Thecontent of this website is up dated on a daily basis. A state of the art Data Center is running at Sewa Bhawan building since 2011 for collecting and scrutinizing on line data from various power sector utilities/organizations.

No separate IT audit has been carriedout by CAG/Internal experts/ any other agency.

11. **Internal Audit**

Internal Audit by the office of the Chief Controller of Accounts , Ministry of Power on financial year basis.

12. **Act, Rules other documents applicable for the CPSE**

The Electricity Act, 2003/DFPR/GFR and other Rules applicable to Central Govt. Department.

13. **Operational results for the last four years**

Not Applicable.

14. **Financial working results for last three years**

Para pertains to a Commercial Organization whereas CEA is an attached office of Ministry of Power. Hence,Not applicable

15. **Disinvestment**

Not Applicable

16. **Environment Management:**

Not Applicable

JOINT ELECTRICITY REGULATORY COMMISSION

1. Introduction to the Organisation:

To consolidate the laws relating to generation, transmission, distribution, trading and use of electricity and generally for taking measures conducive to development of electricity industry, promoting competition therein, protecting interest of consumers and supply of electricity to all areas, rationalization of electricity tariff, ensuring transparent policies regarding subsidies, promotion of efficient and environmentally benign policies, constitution of Central Electricity Authority, Regulatory Commissions and establishment of Appellate Tribunal and for matters connected therewith or incidental thereto, The Electricity Act 2003 was enacted by Government of India.

In exercise of the powers conferred by the Electricity Act 2003 the Central Government constituted a Joint Electricity Regulatory Commission for all Union Territories except Delhi to be known as “Joint Electricity Regulatory Commission for Union Territories” with Headquarter at Delhi as notified vide notification no. 23/52/2003-R&R dated 2nd May 2005. Later with the joining of the state of Goa, the Commission came to be known as “Joint Electricity Regulatory Commission for the state of Goa and Union Territories” as notified vide notification no. 23/52/2003-R&R (Vol. II) dated 30th May 2008.

The Commission is a two-member body designated to function as an autonomous authority responsible for regulation of the power sector in the state of Goa and Union Territories of Andaman & Nicobar, Lakshadweep, Chandigarh, Daman & Diu, Dadra & Nagar Haveli and Puducherry The powers and the functions of the Commission are as prescribed in the Electricity Act 2003. The Head Office of the Commission presently is located in the district town of Gurgaon, Haryana and falls in the National Capital Region.

All proceedings before the Commission are deemed to be judicial proceedings within the meaning of sections 193 and 228 of the Indian Penal Code and the Commission is deemed to be a Civil court for the purposes of sections 345 and 346 of the Code of Criminal Procedure, 1973. The Commission has the power to act as arbitrator or nominate arbitrators to adjudicate and settle disputes arising between licensees.

The Joint Electricity Regulatory Commission for the state of Goa and Union Territories started to function with effect from August 2008 with the objectives and purposes for which the Commission has been established.

a) **Date of Formation:** 30 May 2008

b) **Administrative Ministry:** Ministry of Power

c) **Vision and Mission:** To consolidate the laws relating to generation, transmission, distribution, trading and use of electricity and generally for taking measures conducive to development of electricity industry, promoting competition therein, protecting interest of consumers and supply of electricity to all areas, rationalization of electricity tariff, ensuring transparent policies regarding subsidies, promotion of efficient and environmentally benign policies.

d) **Nature of business including geographical scope:** The Commission is a two-member body designated to function as an autonomous authority responsible for regulation of the power sector in the state of Goa and Union Territories of Andaman & Nicobar, Lakshadweep, Chandigarh, Daman & Diu, Dadra & Nagar Haveli and Puducherry The powers and the functions of the Commission are as prescribed in the Electricity Act 2003.Presently there is no Member or Chairperson available and yet to be appointed.

e) **Offices/Region/Sub-offices:** The Head Office of the Commission presently is located in the district town of Gurgaon, Haryana and falls in the National Capital Region

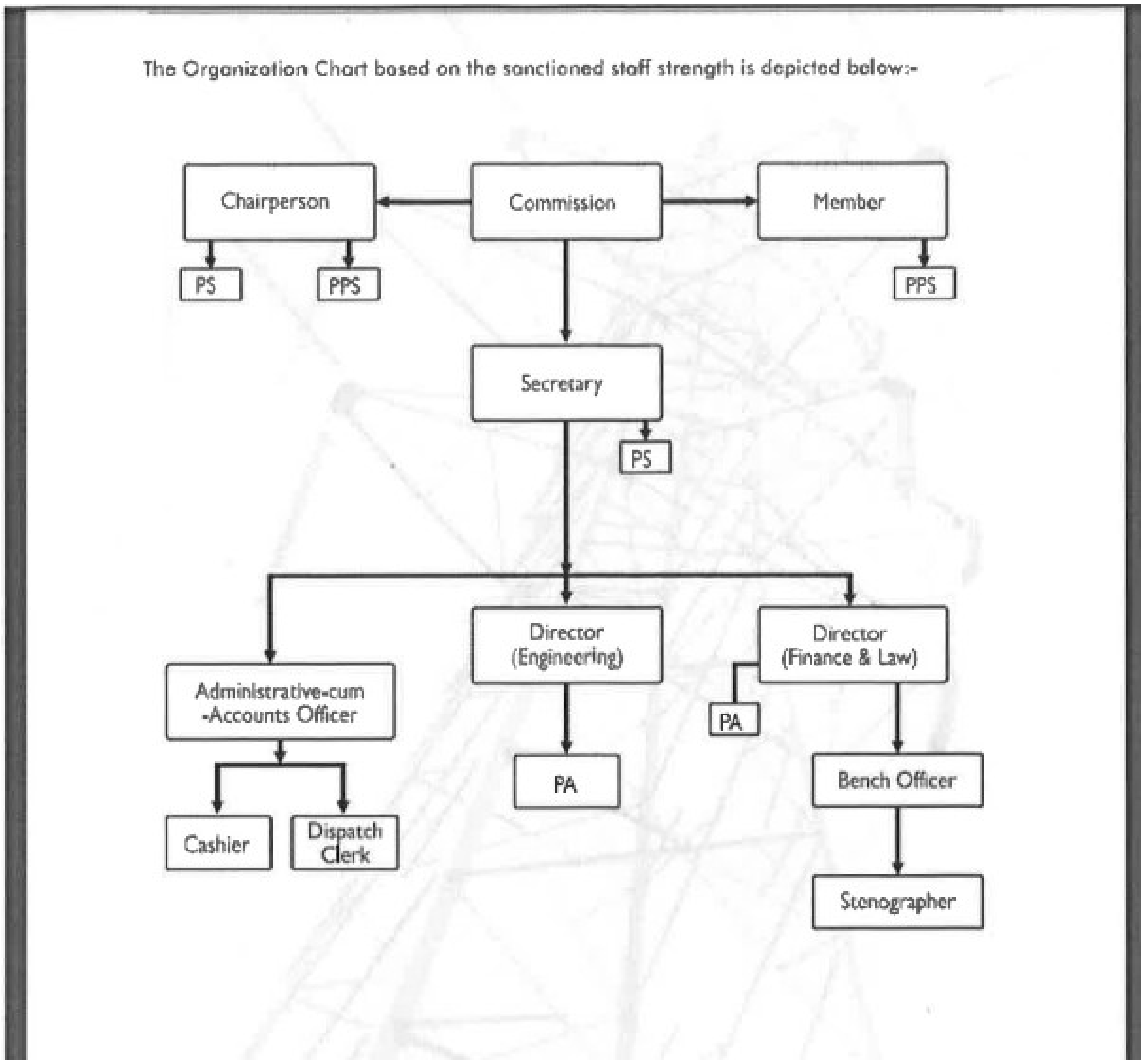
2. **Objectives**

To consolidate the laws relating to generation, transmission, distribution, trading and use of electricity and generally for taking measures conducive to development of electricity industry, promoting competition therein, protecting interest of consumers and supply of electricity to all areas, rationalization of electricity tariff, ensuring transparent policies regarding subsidies, promotion of efficient and environmentally benign policies

3. **Capital Structure**

The Grant-in-aid received from Ministry of Power to meet the recurring & revenue expenditure of the Commission

4. **Organizational Set up**



5. **Activities of the Organisation:**

The Commission is a two-member body designated to function as an autonomous authority responsible for regulation of the power sector in the state of Goa and Union Territories of Andaman & Nicobar, Lakshadweep, Chandigarh, Daman & Diu, Dadra & Nagar Haveli and Puducherry The powers and the functions of the Commission are as prescribed in the Electricity Act 2003. Presently there is no Member or Chairperson available and yet to be appointed.

6. **Budget and Planning**

The Commission sends demand for Grant-in-aid to the Ministry of Power on quarterly basis in a financials year approved by the Parliament in the annual budget of the Ministry of Power

Grant-in-aid for the last three years is as under:

(₹ in Crore)

Sl. No.	Financial Year	Approved		Grant-in-aid received
		BE	RE	
1	FY 2018-19	8.50	8.50	Rs. 7.30*
2	FY 2019-20	9.35	9.35	Rs. 8.66
3	FY 2020-21	9.65	9.27	Rs. 9.27

*Balance amount of Rs. 1.79 Crore of previous year was available.

7. **Accounting System**

Accounting System are followed as per the Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Form of Annual Statement of Accounts and Records) Rules, 2016, notified by the Ministry of Power. The JERC is operating with its Headquarters situated at Gurugram (Haryana) and has no RO's/Branch Offices.

8. **Manpower analysis**

The details are as under:

Manpower Executive/Non-Executive and Sanctioned/Actual etc. as on 31.03.2021.		
	Sanction Strength	**in position**
Executive	**3**	**3**
Supervisor	**4**	**3**
Non-Executive	**7**	**1**

9. **MOU targets and achievement for last three years**

Not applicable

10. Computerization

The Commission is using Tally package for maintaining its financial records and transactions of the Commission. The Commission has also adopted eOffice suite, an application developed by NIC. All the physical files and records of the Commission from FY 2019-20 onwards are being maintained digitally. E-office application has become a prominent tool for internal control of files and noting.

The IT audit has not been carried out by CAG / Internal experts/ any other agency. However statutory audit is conducted by C&AG every year. Accordingly, C&AG Audit of Balance Sheet has been carried out for FY 2020-21.

11. Internal Audit

The Commission has engaged chartered accountant firm for Internal Audit of the annual accounts of the Commission. The Internal Audit for Balance Sheet FY 2020-21 has been carried out by an Independent CA Audit firm.

12. Act, Rules other documents applicable for the CPSE

- The Electricity Act, 2003
- CERC Fund Rules, Other Govt rules & instructions/DoPT guidelines applicable to Central Govt employees

13. Operational results for the last four years

Nil

14. Financial working results for last three years

Note: The JERC is a non-profit Commission. The revenue grant are received for managing the expenditure of JERC each financial year.

15. Disinvestment

Not Applicable

16. Environment Management:

Not Applicable

MINISTRY OF POWER
(Including Principal Accounts Office)

1. **Introduction to MoP:**

MoP of Power (MoP) started functioning independently with effect from 2nd July, 1992. Earlier it was known as MoP of Energy comprising the Departments of Power, Coal and Non-Conventional Energy Sources. Electricity is a concurrent subject in the List III (entry number 38) of the Seventh Schedule of the Constitution of India.

MoP also provides assistance to Rural Electrification, State Electricity Boards, Central Sector Power Projects, Power Development in Union Territories, Inter-State Transmission Lines and also concerned with matters relating to Public Sector Enterprises and Autonomous Bodies under its administrative control.

Attached Office:

Central Electricity Authority (CEA)

Central Electricity Authority has been constituted under Section 3(1) of the Electricity (Supply) Act, 1948 which has since been substituted by part IX of the electricity act, 2003. CEA advises MoP of Power on technical & economic matters.

a. **Vision and mission**: Research & Development is a priority focus area in the power sector, with a vision for providing affordable quality power to each strata of the Society. It is not only necessary to ensure that, state-of-the-art technology is utilized but also that appropriate technology is developed keeping in view the social operating conditions in the country and the need to observe economy in a capital intensive sector.

   Broadly, R&D has two dimensions viz.

- R&D for Industry manufacturing electrical equipment for generation/transmission & distribution of power.
- The applied research involving improvement of efficiency and effectiveness of various techniques, procedures, processes, maintenance and upkeep of equipment from technical, techno-economic and technological point of view

b. **Branches/sub-branches etc**: Not applicable

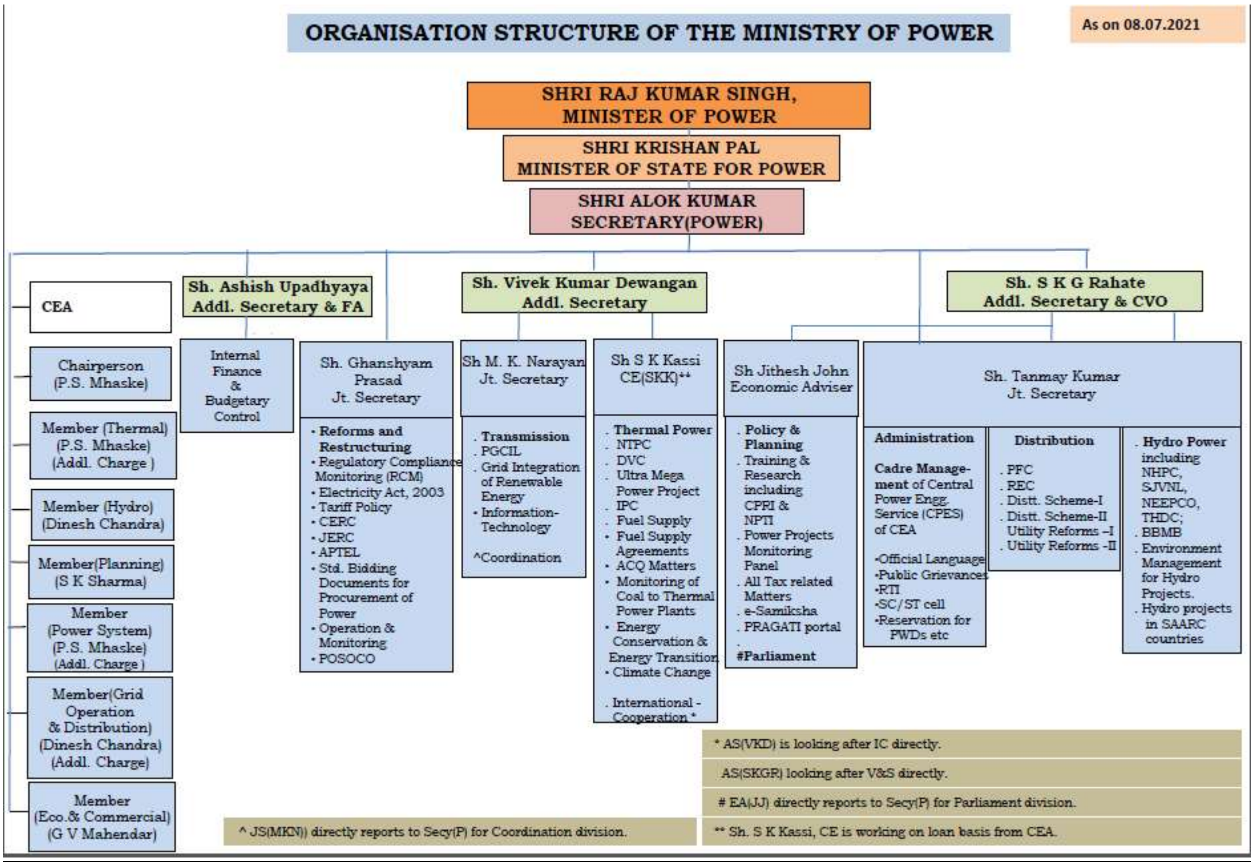
Introduction to PAO

The Principal Accounts Office headed by the Chief Controller of Accounts is a subordinate office under Ministry of Power. The office is responsible for releasing payments against the sanctions issued by MoP and their accounting. The office also conducts internal audit of the expenditure incurred by MoP.

2. **Organizational Setup (in organogram form)**

   i) Ministry of Power

   MoP has sanctioned strength of two Additional Secretaries, one Financial Advisor, four Joint Secretaries and one Economic Advisor. However, presently two post of Additional Secretaries, one post of Additional Secretary and Financial Advisor, three posts of Joint Secretaries and one Economic Advisor are occupied.

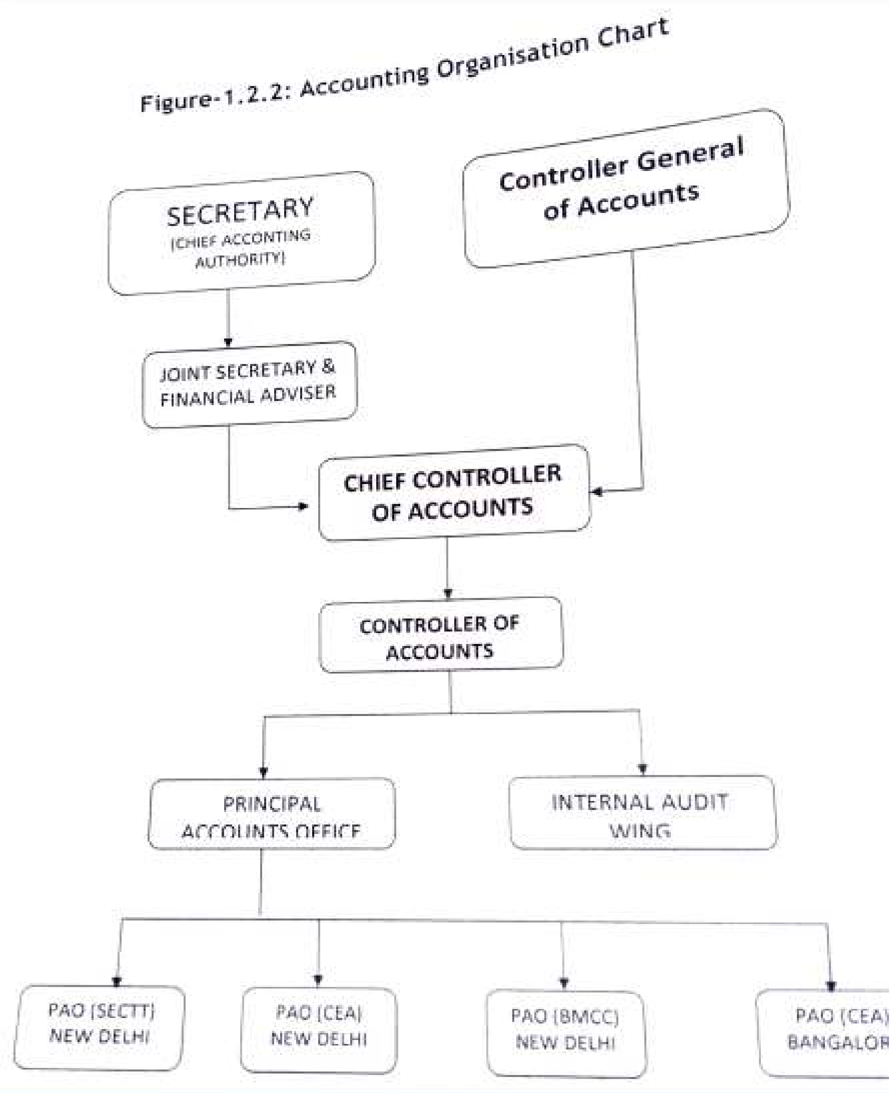


Additional Secretaries oversee the work relating to Policy and Planning; Training and Research; Projects and Schemes. Additional Secretary and

Financial Advisor, oversees the Internal Finance and Budgetary Control of this Ministry.A Chief Engineer from Central Electricity Authority is taken on loan basis, against the vacant post of Joint Secretary, to assist the work relating to Thermal Power.Further, there is a Principal Accounts Office headed by the Chief Controller of Accounts who in turn reports to the Financial Advisor in MoP.

ii) Pay and Accounts Office

The accounting setup is highly de-centralised in the civil Ministries. A Chief Controller of Accounts (CCA) or a Controller of Accounts heads civil Accounts Units at MoP level and report to Controller General Accounts (CGA). The CCA function through a Principal Accounts Office at MoP headquarters and several Pay and Accounts Officers at the field level spread all over the Country.



3. **Activities**

i) Ministry of Power:

MoP is mainly responsible for evolving general policy in the field of energy. The main items of work dealt with by MoP are as given below:

- General Policy in the electric power sector and issues relating to energy policy and coordination thereof (Details of short, medium and long term policies in terms of formulation, acceptance, implementation and review of such policies, cutting across sectors, fuels, regions and intra-country and inter-country flows).
- All matters relating to hydro-electric power (except small/mini/micro hydel projects of and below 25 MW capacities) and thermal power and transmission & distribution system network.

- Research, development and technical assistance relating to hydro-electric and thermal power transmission system network and distribution systems in the States/UTs.
- Administration of Electricity Act, 2003 (36 of 2003), the Energy Conservation Act, 2001(52 of 2001), the Damodar Valley Corporation Act, 1948 (14 of 1948) and Bhakra Beas Management Board as provided in the Punjab Re-organisation Act, 1966 (31 of 1966).
- All matters relating to Central Electricity Authority, Central Electricity Board and Central Electricity Regulatory Commission.
- Rural Electrification.
- Power schemes and issues relating to Power supply/ development schemes/programmes /decentralized and distributed generation in the States and Union Territories.

ii) Pay and Accounts Office

Main responsibilities of Controller of Accounts, MoP are:

a. The accounting information generated in the various Pay and Accounts Office is consolidated in the Principal Accounts Office for each month and then submitted to Controller General of Accounts (CGA), Department of Expenditure, and Ministry of Finance.
b. Payment and receipt functions through the Pay and Account Offices and Cheque Drawing DDOs located at various places.
c. Preparation of Annual Head-wise Appropriation Accounts and Statement of Central Transactions and material for Finance Accounts ofMoP of Power.
d. All banking arrangement with Receipts and Payment functions related to the Ministry.
e. Conducting Internal Audit of various offices/organizations of Ministry of Power.
f. Preparation of Receipts Budget of MoP of Power.
g. Technical advice on accounting and budgeting matters including accounting procedures and head of accounts.
h. Nodal office for monitoring of Action Taken Notes on CAG Reports/Paras.
i. Preparation of various weekly/monthly/quarterly and annual accounting procedures and heads of accounts.

j. Administration related work and Coordination of functioning of all Pay and Accounts Offices of MoP.

Implementation of new initiatives including e-initiatives taken by Government of India in the field of Payment and Accounting.

4. **Budget and Actual Expenditure**
   Budget and actual expenditureof MoP for the last three years *i.e.* 2018-19 to 2020-2021 is given below:

(in crore)

Year	Budget Estimate	Revised Estimate	Actual Expenditure
2018-19	15046.92	15625.19	15576.30
2019-20	15874.82	15874.82	15321.88
2020-21	15874.82	10835.13	10596.07

5. **Details of Schemes /Programmes/Activities undertaken by MoP for the last three years*i.e.*2018-19 to 2020-2021 (as on March 2021)**

1 S.No	2 Name of the Scheme	3 Allocation in BE 2021-22	4 Allocation in RE 2021-22	5 Expenditure till 31-03-2022	6 Allocation available for Expenditure (4-5)	7 Proposals for additional formats in 3rd supplementary (if any)	8 Total allocation available + expenditure upto 31st March, 2021-22 (6+7)
	Central Sector Schemes (A)						
1	Integrated Power Development Scheme	5300.00	3574.12	4721.48	-1147.36	1267.54	120.18
2	Deen Dayal Upadhyaya Gram Jyoti Yojana	3600.00	3103.29	4655.23	-1551.94	1616.71	64.77
3	Strengthening of Transmission System in Arunachal Pradesh & Sikkim	600.00	1600.00	1600.00	0.00		0.00
4	Power System improvement in North Eastern States excluding Arunachal Pradesh and Sikkim	600.00	675.01	675.01	0.00		0.00
5	Power System Development Fund	574.16	574.16	771.71	-197.55	200.00	2.45
6	Interest Subsidy to National Electricity Fund	200.00	1000.00	1000.00	0.00		0.00
7	Energy Conservation	80.00	40.00	40.00	0.00		0.00
8	Smart Grids	40.00	28.40	2.24	26.16		26.16
9	Green Energy Corridors	14.95	18.16	18.16	0.00		0.00
10	Reform Linked Distribution Scheme	0.01	1000.00	814.00	186.00		186.00
	TOTAL - Central Sector Schemes	11009.12	11613.14	14297.83	-2684.69	3084.25	399.56
	Other Central Sector Expenditure (B)						
1	GoI fully serviced bond issue expenditure and interest (REC Bonds)	2416.00	1945.00	1944.63	0.37		0.37
2	Central Assistance for Pakal Dul HEP under J and K PMDP 2015 Project as grant to Chenab Valley Power Projects Private Limited(CVPPL)	602.53	763.99	763.99	0.00		0.00
3	GoI fully serviced bond issue expenditure and interest (PFC Bonds)	376.40	376.40	376.39	0.01		0.01
4	Central Power Research Institute	180.00	120.00	120.00	0.00		0.00
5	Grant towards cost of Down Stream protection work of Subansiri Lower project (NHPC)	145.00	74.08	74.07	0.01		0.01
6	Bureau of Energy Efficieny	117.82	117.82	115.82	2.00		2.00
7	Reimbursement of Claim for any expenditure already incurred by NTPC on Lohari Nagpala Hydro Power NTPC	104.40	43.32	11.24	32.08		32.08
8	National Power Training Institute	70.00	30.00	16.07	13.93		13.93
9	Creation of a Central Transmission Utility (CTU)	30.00	0.10	0.00	0.10		0.10
10	Payment pertaining to International arbitration case	28.00	12.00	11.95	0.05		0.05
11	Payment to SDMC-Badarpur Thermal Power Station	16.08	16.08	16.08	0.00		0.00
12	Advance Ultra super critical plant in sipat, Chattisgarh	0.01	0.01	0.00	0.01		0.01
13	Support for cost of enabling infrastructure i.e. roads/bridge	0.01	0.00	10.00	-10.00	10.00	0.00
14	Support for Flood Moderation Storage-Hydro electric projects	0.01	0.00	0.00	0.00		0.00
15	Dispute Resolution Authority	0.01	0.00	0.00	0.00		0.00
16	Manufacturing Zones under Atmanirbhar Bharat Package	0.01	0.01	0.00	0.01		0.01
17	Loan to National Hydro Electric Power Corporation Ltd	0.00	0.00	0.00	0.00		0.00
	TOTAL - Other Central Sector Expenditure	4086.28	3498.81	3460.24	38.57	10.00	48.57
	Establishment Expenditure (C)						
1	Secretariat-Economic Services	41.71	37.11	36.31	0.80		0.80
		17.15	9.64	9.26	0.38		0.38
2	Central Electricity Authority	103.61	103.61	96.75	6.86		6.86
		27.06	24.20	16.95	7.25		7.25
3	Appellate Tribunal For Electricity	4.57	4.57	3.70	0.87		0.87
		18.51	18.93	18.69	0.24		0.24
4	Setting up of JERC for UT 's & Goa except Delhi	14.00	12.00	11.22	0.78		0.78
	TOTAL - Establishment Expenditure	226.60	210.05	192.88	17.17	0.00	17.17
	TOTAL - Salary	149.88	145.29	136.76	8.53		
	TOTAL - Non-Salary (excluding CSS & Other Central Sector)	62.72	52.76	44.90	7.86		
	GRAND TOTAL - (A) + (B) + (C)	15322.00	15322.00	17950.95	-2628.95	3094.25	465.30

6. **Year-wise grant released to Nodal Agency for the aforesaid Schemes /Programmes /Activities undertaken during last three years i.e. 2018-19 to 2020-2021 (as on March 2021).**

Details of estimated outlay, Budgetary Support and Grant release to Nodal Agencies were not available in PAO-MOP. Head-wise amounts are being released to different PSUs who are involved in monitoring of schemes. Ministry releases amounts object wise/detailed wise which fall under Major Head -2801. However,grant released to Nodal Agencies could be collected from Ministry of Power.

7. **Year-wise details of Utilization Certificates (UCs) submitted byNodal Agencies/ implementing Agencies for the last three years pertaining to the Schemes /Programmes/Activities undertaken by the Ministry**

Year	Name of the Nodal Agency/ implementing Agencies	Amount of Grants released (Rs. in Crore)	Amount of Grants utilized at the year-end.
2018-19	Details of estimated outlay, Budgetary Support and Grant release to Nodal Agencies were not available in PAO-MoP.	1285.80	1285.80
2019-20		12966.09	12966.09
2020-21		9745.73	9745.73

8. **Details of pending Utilization Certificates (UCs) for the last three years at the end of Nodal Agencies/ implementing Agenciesin respect of Schemes /Programmes /Activities undertaken by the Ministry**

There are no Pending Utilisation Certificates.

9. **Details of Guarantees given by the Government of India to PSUs and autonomous bodies/ authorities last three years i.e. 2018-19 to 2020-2021 (as on March 2021).**

Year	Name of the PSUs/ Name of the autonomous bodies/ authorities (Name of the institution for which guarantee has been given)	Amount of Guarantees
2018-19		

		Name of the PSUs/ Name of the autonomous bodies/ authorities	Amount of Guarantees (Rs. in thousand).
	1	PGCIL	3069853
	2	PFC	18231
	3	DVC	700000
	4	SJVNL	194383
	5	NEEPCO	55288
	6	NTPC	188994
	7	NHPC	111879
	8	THDC	65510
	9	REC	65925
	10	EESL	169256
		Total	**4639319**
2019-20		**Name of the PSUs/ Name of the autonomous bodies/ authorities**	**Amount of Guarantees (Rs. in thousand).**
	1	NHPC	113221
	2	THDC	97812
	3	NTPC	189902
	4	DVC	700000
	5	NEEPCO	57302
	6	SJVNL	194093
	7	PFC	17330
	8	REC	50378
	9	PGCIL	3317438
	10	EESL	216391
		Total	**4953867**
2020-21		**Name of the PSUs/ Name of the autonomous bodies/ authorities**	**Amount of Guarantees (Rs. in thousand).**

1	NHPC	9686200
2	THDC	9815200
3	NTPC	16106600
4	DVC	70000000
5	NEEPCO	5113500
6	SJVNL	16913200
7	PFC	1508300
8	REC	3657800
9	PGCIL	298104600
10	EESL	28406000
	Total	**459311400**

10. **The details of Disinvestment during 2018-19 to 2020-21**

(in crore)

Year	Amount of Disinvestment Proceeds
2018-19	670.58
2019-20	6808.23
2020-21	927.51

11. **Manpower analysis viz., Group-A, B & C, their Sanctioned Strength and Men-on-roll etc. at the yearending 31.03.2021**

i) Ministry of Power:

Year	Sanctioned Strength	Men in position	Vacant
2019-20	335	270	84
2020-21	335	269	85

ii) PAO

Year	Sanctioned Strength	Men in position	Vacant
2018-19 to 2020-21	12	10	02

12. **Computerization (Details of ERP, IT System etc.)**

Ministry of Power (MOP) and its PAO discharges their functional work and activities in PFMS, E-Office, stock management software

13. **Internal Audit**

i) Ministry of Power:

The Internal audit of Ministry of Power has been conducted by Pr. Accounts Office. Internal Audit for the period 2017-2018 was conducted during October 2018. Internal Audit for the period 2018-19, 2019-20 and 2020-21 was not conducted till date.

ii) PAO

The internal audit of PAO, MoP for the period 2020-21 was not conducted.

14. **Act, Rules, other orders/documents applicable**

The Electricity Act, 2003,Auditing Standard, GFR 2017 and compliance audit guidelines

MINISTRY OF PETROELUM AND NATURAL GAS (MoPNG) (including its Principal Accounts Office[PAO])

1. **Introduction of the Entity**

   i) MoPNG

MoP of Petroleum & Natural Gas is concerned with exploration and production of Oil & Natural Gas, refining, distribution and marketing, import, export and conservation of petroleum products. Oil and Gas being the important import for our economy, many initiatives have been taken by MoP for increasing production and exploitation of all domestic petroleum resources to address the priorities like Energy Access, Energy Efficiency, Energy Sustainability and Energy Security. Following initiatives have been taken up by the Ministry:

- Hydrocarbon Exploration Licensing Policy.
- National Data Repository.
- Discovered Small Field Policy.
- 2D Seismic Survey.
- Natural Gas Grid and City Gas Distribution.
- Refineries and Auto Fuel Vision and Policy.
- Implementation of BS-IV & BS-VI.
- Pradhan MantriUjjwalaYojana and PAHAL.
- Gram SwarajAbhiyan and Extended Gram SwarajAbhiyan.
- Direct Benefit Transfer Kerosene.
- National Policy on Biofuels 2018.
- Compressed Bio Gas Plants.
- Neighborhood First Policy.

Vision and Mission:

Vision

Affordable and secure hydrocarbon energy for fuelling India's growth.

Mission

1. To formulate conducive policies and provide effective regulatory framework for the growth of hydrocarbon sector.

2. To accelerate domestic Exploration & Production (E&P) of hydrocarbons as well as equity oil & gas abroad. 3. To develop the hydrocarbon sector through technology up-gradation and capacity in production, refining, transportation and marketing sectors.

4. To develop supply and distribution infrastructure for petroleum products, to serve the needs of the economy, including households.

5. To enhance service standards and to maximize customer satisfaction.

6. Promote fuel conservation, clean & green fuels and development of alternative sources of energy

Office/Region/Sub-offices:

S.No.	Responsibility Centres and Subordinate Organizations	Landline Number	e-mail	Address
1.	Directorate General of Hydrocarbons	0120-2472100	dg@dgindia.gov.in	Tower-A, Block No.2, Sector-73, OIDB Bhavan, NOIDA-201301, Uttar Pradesh
2.	Petroleum Planning & Analysis Cell	011-24361616	sunil@ppac.gov.in	Scope Complex, Core-8, 7 Institutional Area, Lodhi Road, New Delhi-110003
3.	Oil Industry Development Board	0120-2594602	Oidb-mopng@nic.in Secy.oidb@nic.in	C-Block, 3rd Floor, Plot No.2, Sector-73, OIDB Bhavan, NOIDA-201301, Uttar Pradesh
4.	Oil Industry Safety Directorate	0120-2593800	rmehrotra@gov.in	C-Block, 8th Floor, Plot No.2, Sector-73, OIDB Bhavan, NOIDA-201301, Uttar Pradesh
5.	Centre for High Technology	0120-2593701	support-cht@gov.in	Tower-A, 9th Floor, Block No.2, Sector-73, OIDB Bhavan, NOIDA-201301, Uttar Pradesh
6.	Petroleum and Natural Gas Regulatory Board	011-23709142 011-23709137	secretary@pngrb.gov.in	1st Floor, World Trade Centre, Babar Road, New Delhi-110001
7.	Petroleum Conservation Research Association	011-26198799	edpcra@pcra.org	Sanrakshan Bhavan, 10, Bhikaji Cama Place, New Delhi-110066

ii) Pay and Accounts Office (PAO)

Pay and Accounts Office,Ministryof Petroleum and Natural Gas works under the powers of Chief Controller of Accounts to ensure that:

i. there is provision of funds authorised by the competent authority fixing the limits within which expenditure can be incurred.

ii. the expenditure incurred conforms to the relevant provisions of the Act, Constitution and of the laws made thereunder and are also in accordance with the financial rules and regulations framed by the competent authority; and

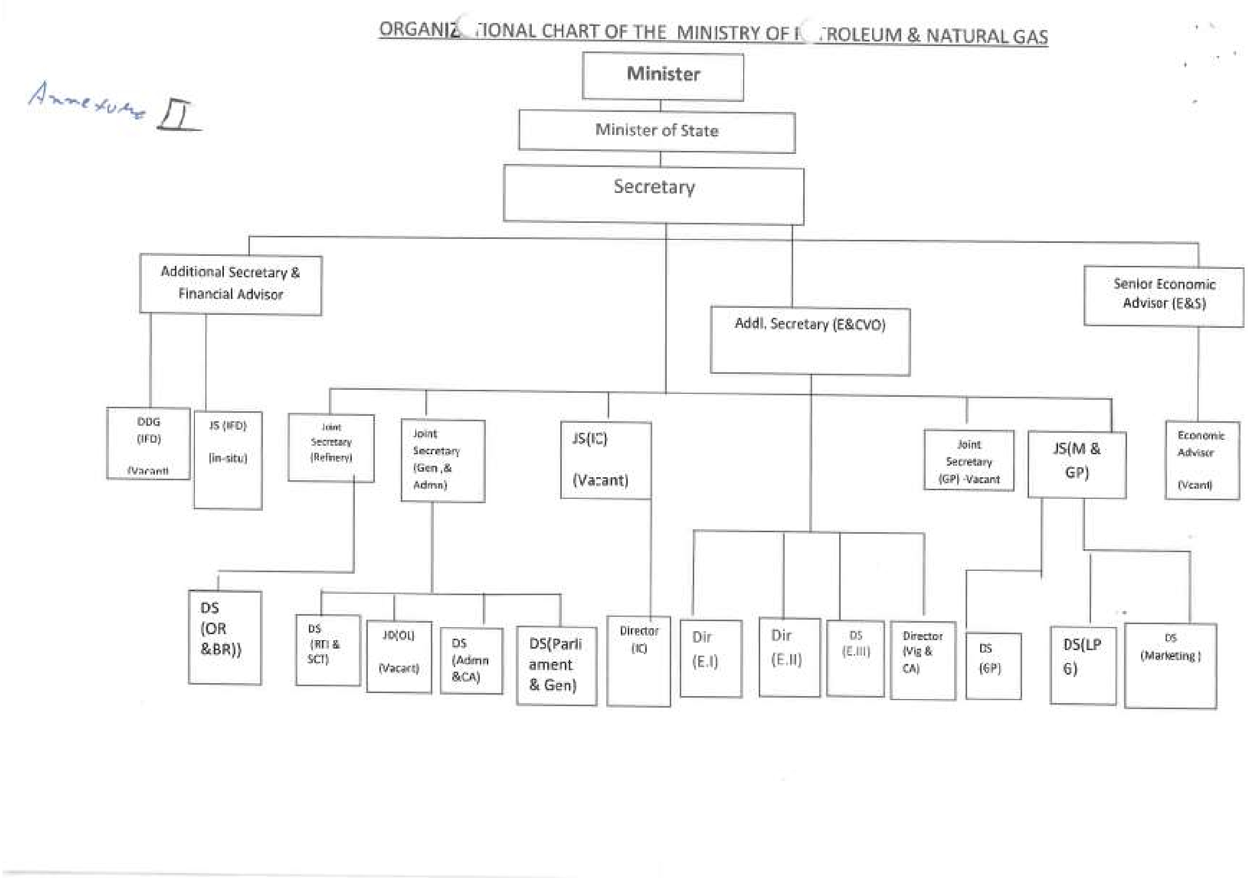
iii. there exists sanction, either special or general, accorded by the competent authority authorising expenditure.

Role of the PAO

- Role of this Office is to ensure that no payment is made in excess of the Budget Grant unless it is covered by an advance from the Contingency Fund of India. Moreover, all kinds of Payments (Salary, OTA, TA/DA, Medical bills, Pension bills, Office Expenditure of Members/ are made after cent percent pre check of bills by issuance of cheques payable on the Reserve Bank of India, New Delhi and to ensure that payment are not delayed without any sufficient reason.

2. **Organizational Setup (in organogram form)**

i) <u>MoP</u>



ii) PAO

- CCA
- DCA/CA
- Sr. Accounts Officer
- Assistant Accounts Officer

-
- Sr. Accountant/Accountant/LDC

3. **Activities of the Entity:**

MoPNG

1. Exploration for, and exploitation of petroleum resources, including natural gas and Coal Bed Methane, gas hydrates and shale gas.

2. Production, supply, distribution, marketing and pricing of petroleum, including natural gas, Coal Bed Methane and petroleum products.

3. Oil refineries, including Lube Plants.

4. Additives for petroleum and petroleum products.

5. Blending and blending prescriptions for bio-fuels including laying down the standards for such blending.

6. Marketing, distribution and retailing of bio-fuels and its blended products.

7. Overall coordination concerning bio-fuels, National Policy on Bio-fuels, policy/scheme for supporting manufacturing of bio-fuels, setting up of a National Bio-fuel Development Board and strengthening the existing institutional mechanism and research, development and demonstration on transport, stationary and other applications of biofuels.

8. Lube Blending and greases.

9. Conservation of Petroleum products.

10. Planning, development, control and assistance to all industries dealt with by the Ministry.

11. Strengthening energy security by acquiring oil and gas equity abroad and participation in transnational oil and gas pipeline projects.

12. Planning, development and regulation of oilfield services.

13. Creation and administration of strategic petroleum reserve through Indian Strategic Petroleum Reserves Limited (ISPRL).
14. Petroleum Planning and Analysis Cell (PPAC).
15. All attached or subordinate offices or other organization concerned with any of the subjects specified in the list, including Directorate General of Hydrocarbons (DGH), Centre for High Technology (CHT), Oil Industry Development Board (OIDB), Petroleum Conservation Research Association (PCRA), etc.

16. Administration of Engineers India Limited (EIL), including their subsidiaries and joint ventures.
Public sector project falling under the subject included in this list except such projects which are specifically allotted to any other Ministry / Department.

PAO

Principal cum Pay and Accounts Office, Ministry of PNG performs following functions:

- Pre-check and passing of bills and issue of cheques for payment.
- Check of classification in compilation sheet/book of vouchers to ensure correctness of posting.
- Preparation and Submission of Monthly Accounts, Finance Account and Appropriation Account
- Final settlements of pension and other retirement benefits, GPF, leave encashment CGEGIS etc.
- Bank reconciliation and review of balances under Debt. Deposit and Remittance Heads.
- Preparation and submission of MIS and other reports and returns to concerned Quarters.
- Audit
- Maintenance and maintaining of Government Revenue receipts,co-ordination between Ministry, Office of CGA, PFMS and other government entities.

4. **Budget and actual expenditure for the last three years,2018-19 to 2020-2021 (as on March 2021)**

i) MoPNG

(in crore)

Year	Budget Estimate	Revised Estimate	Actual Expenditure
2018-19	31100.55	32464.74	32621.01
2019-20	42901.49	42901.49	42810.61
2020-21	42901.00	46813.02	42489.88

ii) PAO

(in crore)

Year	Budget Estimate	Revised Estimate	Actual Expenditure
2018-19	1.49	1.49	1.23
2019-20	1.685	1.685	1.437

2020-21	1.85	1.85	1.28

5. **Details of Schemes /Programmes/Activities undertaken by the Ministry/ Units for the last three years*i.e.*2018-19 to 2020-2021 (as on March 2021)**

Year	**Name of the Schemes /Programmes/Activities**	**Name of the Nodal Agency**	**Name of Implementing Agency**
2018-19	NA	NA	NA
2019-20	NA	NA	NA
2020-21	NA	NA	NA

6. **Year-wise grant released to Nodal Agency for the aforesaid Schemes /Programmes /Activities undertaken during last three years i.e. 2018-19 to 2020-2021 (as on March 2021).**

Year	**Estimated outlay (Rs. in crore)**	**Budgetary Support (Rs. in crore)**	**Grant released to Nodal Agency (Rs. in crore)**
2018-19	NIL	NIL	NIL
2019-20	NIL	NIL	NIL
2020-21	NIL	NIL	NIL

7. Year-wise details of Utilization Certificates (UCs) submitted by /Nodal Agency/ implementing Agencies for the last three years pertaining to the Schemes /Programmes/Activities undertaken by the Ministries/ Departments

Year	Name of the Nodal Agency/ implementing Agencies	Amount of Grants released (Rs. in Crore)	Amount of Grants utilized at the year-end.
2018-19	NIL	NIL	NIL
2019-20	NIL	NIL	NIL
2020-21	NIL	NIL	NIL

8. **Details of pending Utilization Certificates (UCs) for the last three years at the end of Nodal Agency/ implementing Agencies towards Schemes /Programmes /Activities undertaken by the Ministries/ Departments**

Year	Name of the Nodal Agency/ implementing Agencies	Amount of Grants released (Rs. in Crore)	No. of UCs pending at the year-end.
2018-19	NIL	NIL	NIL
2019-20	NIL	NIL	NIL
2020-21	NIL	NIL	NIL

9. **Details of Guarantees given by the Government of India to PSUs and autonomous bodies/ authorities for the last three years i.e. 2018-19 to 2020-2021 (as on March 2021).**

Year	Name of the PSUs	Name of the autonomous bodies/ authorities	Amount of Guarantees (Rs. in crore).
2018-19	Nil	Nil	Nil
2019-20	Nil	Nil	Nil
2020-21	Nil	Nil	Nil

10. **The details of Disinvestment during 2018-19 to 2020-21, proposals in pipeline etc., if any).** ***A detailed note in this regard may be furnished.***

11. **Manpower analysis viz., Group-A, B & C, their Sanctioned Strength and Men-in-position as on31.03.2021**

MoPNG

Group	**Sanctioned Strength**	**Employees in position**
A	68	64
B (Gazetted)	61	36
B(Non-Gazetted)	67	46
C	122	58

PAO

Group	**Sanctioned Strength**	**Employees in position**
A	02	02
B	07	07
C	03	02

12. **Computerization (Details of ERP, IT System etc.)in MoPNG and PAO**
    a. Public Financial Management System, Bhavishya, E-lekha, Non-Tax Revenue Portal (NTRP)
    b. No IT ofthe PAO has been conducted till date.

13. **Internal Audit (Whether separate wing exists, periodicity of internal audit, internal audit manual available etc.)in MoPNG and PAO**
    a. The Internal Audit of the Pay Accounts & Office was last done during the financial year 2015-16.
    b. There is no separate Internal Audit Wing available; however, the same is conducted in line with the directions of Sr. Accounts Officer, PAO, as and when required.

14. **Act, Rules, other orders/documents applicable to the Company**

The Electricity Act2003,Auditing Standard, GFR 2017 and compliance audit guidelines , Updated Civil Audit Manual.

ANNXURE- A

	List of CPSEs under audit jurisdiction of DGA (Energy) as on 01.07.2021
S. No.	**Name of CPSEs**
1	Aravali Power Company Private Limited
2	Powergrid Ajmer Phagi Transmission Limited (earlier known as Ajmer Phagi Transco Limited)
3	Powergrid Bhind Guna Transmission Limited (earlier known as Bhind Guna Transmission Limited)
4	Bharat Heavy Electricals Limited
5	Powergrid Bhuj Transmission Limited (earlier known as Bhuj-II Transmission Limited)
6	Bihar Infra power Limited
7	Bihar Mega Power Limited
8	Bundelkhand Sour Urja Limited
9	Bijawar Vidarbha Transmission Limited
10	Cross Border Power Transmission Company Limited
11	Cheyyur Infra Ltd.
12	Chandil Transmission Limited
13	Coastal Karnataka Power Limited
14	Coastal Maharashtra Mega Power Limited
15	Chhatisgarh Surguja Power Limited
16	Coastal Tamilnadu Power Limited
17	Deoghar Infra Limited
18	Deoghar Mega Power Limited
19	Dumka Transmission Limited
20	Energy Efficiency Services Limited
21	Powergrid Mithilanchal Transmission Limited
22	Powergrid Fatehgarh Transmission Limited (earlier known as Fategarh-II Transco Limited)
23	Powergrid Parli Transmission Limited
24	Powergrid Warora Transmission Limited
25	Ghogarpalli Integerated Power Company Limited
26	Powergrid Jawaharpur Firozabad Transmission Limited (earlier known as Jawaharpur Firozabad Transmission Limited)
27	Jharkhand Infra Power Limited

28	Karur Transmission Limited
29	Powergrid Khetri Transmission System Limited (earlier known as Khetri Transco Limited)
30	Konkan LNG Private Limited
31	Kopal Narendra Transmission Limited
32	Koderma Transmission Limited
33	Lanco Teesta Hydro Power Limited
34	MOIL Limited
35	Meja Urja Nigam Private Limited
36	Mineral Exploration Corporation Limited
37	Powergrid Medinipur Jirat Transmission Limited
38	Mandar Transmission Limited
39	North East Transmission Company Limited
40	Neyveli Uttar Pradesh Power Limited
41	NHDC Limited
42	NHPC Limited
43	National High Power Test Laboratories Private Limited
44	SJVN Limited
45	Power Grid Corporation of India Limited
46	Powergrid Kala Amb Transmission Limited
47	NTPC Limited
48	NTPC EDMC Waste Solution Private Limited
49	NTPC Electric Supply Company Limited
50	NTPC Mining Limited
51	NTPC Vidyut Viypar Nigam Limited
52	Odisha Infra Power Ltd.
53	Orissa Integrated Power Limited
54	Power Finance Corporation Limited
55	PFC Consulting Limited
56	Powergrid Jabalpur Transmission Limited
57	Powergrid Southern Interconnector Transmission System Limited
58	Power System Operation Corporation Limited
59	Rural Electrification Corporation Limited
60	REC Power Distribution Company limited
61	Ratna Giri Gas and Power Private Limited
62	Powegrid Rampur Sambhal Tranmission Limited (earlier known as Rampur Sambhal Transco Limited)
63	Sakhigopal Integrated Power Company Limited
64	Shongtong Karcham Wangtoo Transmission Limited
65	Tatiya Andhra Mega Power
66	Tanda Transmission Limited
67	THDC India Limited

68	Power grid Unchahar Transmission Limited
69	Powergrid Varanasi Transmission System Limited
70	Indian Oil Corporation Limited
71	GAIL India Limited
72	ONGC Videsh Limited
73	Engineers India Limited
74	GAIL GAS limited, NOIDA
75	Central UP Gas Ltd.
76	Kerala GAIL GAS Ltd. Head Office
77	Certification Engineers International Limited, Mumbai
78	Green Gas Ltd.
79	HPCL Rajasthan Refinery Limited
80	Prize Petroleum Corporation Limited
81	Indraprastha Gas Limited
82	Haridwar Natural Gas Private Limited
83	Petronet VK Limited
84	ONGC Videsh Rouvema Limited
85	Bengal Gas Limited
86	Delhi Aviation Fuel facility limited (DAFFPL)
87	Powergrid Meerut Simbhavali Transmission Limited
88	Khanij Bidesh India Limited
89	Bikaner-II Bhiwadi Transco Limited
90	Ananthpuram Kunool Transmission Limited
91	Khetri Narela Transmission Limited
92	Bhadla Sikar Transmission Limited
93	Sikar-II Aligarh Transmission Limited
94	Sikar New Transmission Limited
95	Ramgarh New Transmission Limited
96	Bidar Transmission Limited
97	Fatehgarh Bhadla Transco Limited
98	Gadag Transmission Limited
99	Kallam Transmission Limited
100	Rajgarh Transmission Limited
101	Tusco Limited
102	MP Power Transmission Package-I
103	MP Power Transmission Package-II
104	NTPC Renewable Energy Limited
105	Convergence Energy Services Private Limited
106	Central Transmission Utility of India Limited
107	Jal Power Corporation Limited (Subsidiary of NHPC Limited)

	ABs as Principal Auditor
108	National Power Training Institute (NPTI),
109	Bureau of Energy Efficiency, New Delhi
110	Central Electricity Regulatory Commission, New Delhi
111	Joint Electricity Regulatory Commission for the State of Goa & UTs ,Gurugram
112	Petroleum and Natural Gas Regulatory Board, MoPNG
113	Rajiv Gandhi Institute of Petroleum Technology, Lucknow, MoPNG
114	World Bank Assisted GEF Agreement - Bureau of Energy Efficiency(EAP)
	Ministry
115	Ministry of Power
116	Ministry of Petroleum and Natural Gas
	Automonous Bodies (u/s 14 of the C&AG (DPC) Act 1971)
117	People Right & Rural Education Network Advancement (PRERNA), Rajasthan,
118	Jan Jyoti Kalyan Samiti, Firozpur, Punjab, and
119	Jan Kalyan Samiti, Mansa, Punjab
120	Society for Petroleum Laboratory
121	Central Power Research Institute
122	Manav Vikas Sewa Sangh, Madhya Pradesh, Sagar
123	Anmol Swayam Sahayata Samuh Karigar Vikas Sangh .Bhopal

124 Bamhani Swayam Sahayata Samuh Karigar Vikas Sangh,Distt. Mandla.MP

125 Ojaswani Samdarshi Nyas, Bhopal

126 Central Electricity Authority (Statutroy Organisation u/s 13)

ANNEXURE - B

Preface

The Indian Audit and Accounts Department has been continuously striving to upgrade and update its auditing practice as part of its overall endeavour to achieve professional excellence. The Auditing Standards were first brought out by the Department in 1994 and were subsequently revised in 2002.

I am pleased to release the third edition of the Auditing Standards, which is the result of a structured and diligent process of internal consultation at various levels. This edition takes into account the prerequisites for functioning of the Supreme Audit Institution and is suitably aligned with existing fundamental auditing principles of the framework of International Standards of Supreme Audit Institutions.

I trust that all officers and staff of the Department would abide by these Auditing Standards and apply them conscientiously in auditing for achieving the mission of promoting accountability, transparency and good governance.

March 2017

Shashi Kant Sharma
Comptroller and Auditor General of India

CHAPTER-I Introduction

1.1 Introduction

The Comptroller and Auditor General of India (CAG) who is the head of Supreme Audit Institution of India (SAI India) discharges his constitutional functions through the Indian Audit and Accounts Department. The Constitution of India provides for the Comptroller and Auditor General of India who is appointed by the President of India by warrant under his hand and seal. The Constitution provides that the salary and other conditions of service as well as the duties and powers of CAG may be determined by Parliament by law. In pursuance of these provisions, the Parliament enacted the CAG's (Duties, Powers and Conditions of Service) Act, 1971 (DPC Act) to determine the conditions of service of the CAG and to prescribe his duties and powers. In exercise of powers conferred by the DPC Act, as amended from time to time, the CAG framed the Regulations on Audit and Accounts, 2007, which provide the overarching governance framework for both accounting and auditing functions. The CAG's Auditing Standards constitute the next layer of the audit governance framework and set out the professional standards of auditing for the organisation as well as for its personnel - the individual auditors. As an ongoing initiative for continuous improvement and benchmarking, these standards are periodically reviewed, restructured and updated.

1.2 Purpose and Authority of the Standards

These standards establish the norms which are applicable to all public sector audit engagements, irrespective of their form or context. These standards incorporate the Prerequisites for the functioning of Supreme Audit Institutions and Fundamental Auditing Principles of the International Standards of Supreme Audit Institutions, which have been suitably adapted with due consideration of the audit mandate and rules applicable to SAI India. These standards determine the audit procedures that shall be applied in audit and constitute the criteria or benchmark against which the quality of audit results is evaluated. These Auditing Standards are effective from 1 April 2017. All audit engagements as per the audit mandate of SAI India on or after this date shall be conducted in accordance with these standards.

1.3 Audit Mandate

The audit mandate is laid down in the Constitution of India, DPC Act and specific legislations enacted over time by the Parliament and State Legislatures.

1.3.1 Article 149 of the Constitution of India envisages that CAG shall perform such duties and exercise such powers in relation to the accounts of the Union and of the States and of any other authority or body as may be prescribed by or under any law made by Parliament. Article 151 envisages that the reports of the CAG relating to the accounts of the Union shall be submitted to the President, who shall cause them to be laid before each House of Parliament and that the reports relating to the accounts of a State shall be submitted to the Governor, who shall cause them to be laid before the Legislature of the State. Additionally, Article 279 envisages that 'net proceeds' in relation to any tax or duty means the proceeds thereof reduced by the cost of collection and that the net proceeds of any tax or duty, or of any part of any tax or duty, in or attributable to any area shall be ascertained and certified by the CAG, whose certificate shall be final. Further, the Sixth Schedule of the Constitution of India also envisages audit of accounts of District and Regional Councils of autonomous regions.

1.3.2 The general provisions relating to audit are elaborated in Sections 13 to 21 and 24 of the DPC Act. There are also other legislations providing for audit of specific entities by the CAG. The audit mandate of CAG extends to bodies or authorities such as statutory corporations, government companies, autonomous bodies constituted as societies, trusts or not for profit companies, urban and rural local bodies and also to any other body or authority whose audit may be entrusted to CAG under law. To fulfil its mandate, SAI India undertakes financial audit, compliance audit, performance audit and combination of such audits.

1.4 Prerequisites for functioning

The pre-requisites constitute the principles that are essential for the functioning of SAI, India and for proper practice of public sector auditing within the SAI.

a. Independence
b. Accountability and Transparency
c. Ethics
d. Quality assurance

1.4.1 Independence

An adequate degree of independence from both the Legislative and Executive branch of the Government is essential for the conduct of audit and for the credibility of its results. Independence of a Supreme Audit Institution (SAI) is secured through certain principles and conditions that are institutionalised through established mechanisms and processes. The principles and conditions that define an independent SAI are elaborated below.

1.4.1.1 The existence of an appropriate and effective constitutional/statutory/legal framework and its application. This framework shall establish provisions that secure the functional independence of the Head of the SAI including security of tenure. The Constitution of India stipulates that the CAG shall only be removed from office in like manner and on like grounds as a Judge of the Supreme Court of India. The other terms for appointment and demitting of office of the CAG are provided under the DPC Act that ensures due autonomy and security of tenure.

1.4.1.2 SAI shall have a sufficiently broad mandate and full discretion in the discharge of its functions

While conforming to the Constitutional provisions and laws enacted by the legislatures, SAI India has the functional and organisational autonomy required for carrying out its mandate and is free from direction or interference from the Legislature or the Executive in the:

a. selection of audit issues;

b. planning, programing, conduct, reporting and follow up of audits; and

c. organisation and management of its office.

SAI India may accept specific requests for audits made by Legislature as expressed as a whole or through one of its committees or by the Government while retaining its right to decline such requests. SAI India may be consulted by the Executive in matters such as financial legislations, accounting standards and policies, public accounts, form of financial statements and for draft laws or rules affecting its competence or authority ensuring, however, that rendering such advice or assistance does not either implicitly or explicitly impair independent exercise of its audit mandate.

1.4.1.3 SAI shall have unrestricted access to information
The DPC Act empowers SAI India to inspect any office of accounts under the control of the Executive and to require the production of all necessary documents and information necessary for the proper discharge of its statutory responsibilities. SAI India thus shall have access to premises, operations, systems including Information Technology systems and records of auditable entities1 which include the implementing arms of Government and to obtain relevant information from persons or entities possessing it.

1.4.1.4 SAI shall have the freedom to decide the form, content and timing of audit reports, to publish and disseminate them SAI India shall be free to decide the form and content of its audit reports and to make observations and recommendations therein, taking into consideration, the views of the audited entity. SAI shall be free to decide the timing of its audit reports except where specific reporting requirements are prescribed by law. It is also free to disseminate its reports once they have been formally tabled in the appropriate legislature as required by law.
1.4.1.5 There shall exist effective follow up mechanisms on SAI's recommendations
SAI India may submit its reports to the Legislature or an audited entity's governing body as appropriate for follow up of specific recommendations for corrective action. SAI India shall have its own follow up procedures to monitor and report on the action taken by the Executive on its observations and implementation of recommendations made in its reports as well as those made by the Legislature or the audited entity's governing board, as appropriate.

1.4.1.6 SAI shall have financial and managerial/administrative autonomy and the availability of appropriate human, material and monetary resources
The Constitution provides that the conditions of service of persons serving in the Indian Audit and Accounts Department and the administrative powers of the CAG shall be such as may be prescribed by rules made by the President after consultation with the CAG. Thus, SAI India shall have the necessary empowerment to manage the human and budgetary resources available to it. The Legislature is responsible for ensuring that SAI India has the resources necessary to fulfil its mandate.

SAI India's functional autonomy does not preclude arrangements with auditable entities in regard to matters such as personnel management, property management or common purchasing of equipment and stores.

1.4.2 Accountability and Transparency
Accountability and transparency are two important elements of good governance. Accountability refers to the legal and reporting framework, organisational structure, strategy, procedures and actions to ensure that the SAI meets its legal obligations

with regard to its audit mandate and reporting and that the SAI and its personnel can be held responsible for their actions.

Transparency refers to the SAI's timely, reliable, clear and relevant public reporting on its status, mandate, strategy, activities and performance as also of the audit findings, conclusions and public access to information about the SAI. The principles of accountability and transparency are as under:

1.4.2.1 SAI shall perform its duties under a legal framework that provides for accountability and transparency.
SAI India shall perform its duties in accordance with the constitutional and statutory framework which cover the audit authority, jurisdiction and responsibilities, conditions for appointment and removal of the CAG, publishing of audit reports, oversight of activities and balance between public access to information and confidentiality of audit evidence and other information.

1.4.2.2 SAI shall make public its mandate, mission and responsibilities.
The mandate, mission and responsibilities of SAI India shall be in public domain.

1.4.2.3 SAI shall adopt audit standards, processes and methods that are objective and transparent.
The standards and methodologies adopted by SAI India shall be consistent with the fundamental auditing principles elaborated under the International Standards of Supreme Audit Institutions (ISSAIs) of International Organisation of Supreme Audit Institutions (INTOSAI). While conducting its audits, SAI India shall communicate the criteria on which opinions would be based to the auditable entities and keep them informed about the audit objectives, methodology and findings. SAI India shall also communicate the scope of audits undertaken as part of the reporting process. Its audit findings and recommendations shall be subject to procedures of comment, discussion and responses from the audited entity.

1.4.2.4 SAI shall manage its operations economically, efficiently, effectively and in accordance with laws and regulations and report publicly on these matters.
SAI India shall employ sound management practices including appropriate internal controls over its financial management and performance and reports on all areas of performance including various audits carried out covering compliance, performance and financial audits. SAI India's financial statements are open to Parliamentary review and its budget, financial resources and use of resources are in the public domain.

1.4.2.5 SAI shall report publicly on the results of audits and on conclusions regarding overall public sector activities
The audit reports of SAI India that include its conclusions and recommendations resulting from its audits shall be tabled in the concerned Legislature or presented to the audited entity's governing body as required and shall thereafter be in the public domain.

1.4.2.6 SAI shall communicate timely and widely on its activities and audit results through the website, media and other means.
Once the Audit Reports are tabled in the concerned legislature, SAI India shall communicate audit results through website and other means and may communicate with the media or other stakeholders on matters included in the reports thereby enhancing transparency and accountability of the audit work. Public and academic

interest in important conclusions shall be encouraged. Its reports shall be made understandable to the wide public through various means e.g. summaries, graphics, video presentations and press releases.

1.4.3 SAI shall apply high standards of integrity and ethics for staff of all levels.

SAI India shall have a Code of Ethics that is aligned with the Code of Ethics (ISSAI 30) elaborated under the ISSAIs. The fundamental principles of ethics are integrity, independence, objectivity and impartiality, confidentiality and competence. SAI India shall ensure transparency and legality of its operations and actively promotes ethical behaviour throughout the organisation.

1.4.4 Quality Assurance and Quality Control

As an over-riding objective SAI India shall consider the risks to the quality of its work and establish a system of quality control that is designed to mitigate such identified risks. The risks to quality control depend upon the mandate and functions, conditions and environment under which it operates.

1.4.4.1 SAI shall establish policies and procedures designed to promote an internal culture recognising that quality is essential in performing all of its work. The Head of SAI shall retain overall responsibility for the system of quality control.
SAI India shall strive to achieve a culture that recognises and rewards high quality work throughout the SAI. It shall ensure that sufficient resources are available within the organisation to maintain the system of quality control.

1.4.4.2 SAI shall establish policies and procedures designed to provide it with reasonable assurance that the SAI, including all personnel and any parties contracted to carry out work for the SAI comply with the relevant ethical requirements.
SAI India shall recognize the importance of meeting relevant ethical requirements in carrying out its work. Policies and procedures shall be in place to reinforce the fundamental principles of ethics as defined in the code of ethics including rotation of key audit personnel to reduce the risk of familiarity with the entity being audited and to ensure that they remain and appear to remain objective obviating any possibility of conflict of interests. All personnel of SAI India and any parties engaged to carry out any task for the SAI shall have to demonstrate appropriate ethical behaviour.

1.4.4.3 SAI shall establish policies and procedures designed to provide reasonable assurance that its audits and other work are carried out in accordance with relevant standards, applicable legal and regulatory requirements, that SAI issues reports that are appropriate in the circumstances and that it has sufficient resources with the competence, capabilities and commitment to ethical principles as required to carry out its range of work.
SAI India shall have an Audit Quality Management Framework that establishes appropriate quality control policies and procedures such as supervision and review responsibilities and ensures tools such as audit methodologies for all work carried out. It shall ensure that applicable standards are followed in all work carried out and if any requirement in a standard is not followed, the reasons are appropriately documented, approved and reported.

SAI India may draw on a number of different sources to ensure that it has the necessary skills and expertise to carry out its range of work. It may collaborate with academic/ research institutions in order to avail of the experienced members of the profession at large and may enter into formal relationships with professional bodies provided the relationships do not inhibit its independence and objectivity. As resources are limited, SAI India may prioritise its work in a manner that takes into account the need to maintain quality.

1.4.4.4 SAI shall establish a monitoring process designed to provide it with reasonable assurance that the policies and procedures relating to the system of quality control are relevant and adequate and is operating effectively.
SAI India shall ensure that its quality control system includes independent monitoring of the range of controls within the SAI.

SAI India may invite external independent assessment of its activities and implementation of standards through a peer review. Where appropriate, SAI India may consider other means of monitoring the quality of its work which may include but not be limited to independent academic review, stakeholder surveys and follow up reviews of recommendations or feedback from audited entities. There are procedures for dealing with complaints about the quality of work performed by SAI.

CHAPTER-II General Standards

Public Sector Auditing and its Objectives

2.1.1 Public sector2 audit environment is that in which governments and other entities exercise responsibility for the use of national wealth, natural resources, resources derived from taxation and other sources in the delivery of services to citizens and other recipients. These entities are accountable for their management, performance and use of resources, both to those providing the resources and to those, including citizens, who depend on the services delivered using those resources. Public sector auditing helps to create suitable conditions and reinforce the expectation that public sector entities and public servants will perform their functions effectively, efficiently, ethically and in accordance with the applicable laws and regulations.
2.1.2 In general, public sector auditing can be described as a systematic process of objectively obtaining and evaluating evidence to determine whether information or actual conditions conform to established criteria. Public sector auditing is essential in that it provides legislature and oversight bodies, those charged with governance and the general public with information, independent and objective assessments concerning the stewardship and performance of public sector policies, programmes or operations.
2.1.3 All public sector audits start from objectives, which may differ depending on the type of audit being conducted. However, public sector auditing contributes to good governance by:

a. providing the intended users with independent, objective and reliable information, conclusions or opinions based on sufficient and appropriate evidence relating to public sector entities;

b. enhancing accountability and transparency, encouraging continuous improvement and sustained confidence in the appropriate use of public funds and assets and the performance of public administration;

c. reinforcing the effectiveness of those bodies that exercise general monitoring and corrective functions over public sector and those responsible for the management of publicly funded activities; and

d. creating incentives for change by providing knowledge, comprehensive analysis and well-founded recommendations for improvement.

2.2.1 Financial Audit: focuses on determining whether an entity's financial information is presented in accordance with the applicable financial reporting and regulatory framework. This is accomplished by obtaining sufficient and appropriate audit evidence to enable the auditor to express an opinion as to whether the financial information is free from material misstatement due to fraud or error.

2.2.2 Compliance Audit: focuses on whether a particular subject matter is in compliance with the criteria. Compliance auditing is performed by assessing whether activities, financial transactions and information are, in all material aspects, in compliance with the applicable authorities which include the Constitution, Acts, Laws, rules and regulations, budgetary resolutions, policy, contracts, agreements, established codes, sanctions, supply orders, agreed terms or the general principles governing sound public sector financial management and the conduct of public officials.

2.2.3 Performance Audit: focuses on whether interventions, programmes and institutions are performing in accordance with the principles of economy, efficiency and effectiveness and whether there is room for improvement. Performance is examined against suitable criteria and the causes of deviations from those criteria or other problems are analysed. The aim is to answer key audit questions and to provide recommendations for improvement.

SAI, India may carry out audits or engagements on any subject of relevance to the responsibilities of executive and those charged with governance and the appropriate use of public resources, within its given mandate. These engagements may include, but not be restricted to, reporting on the quantitative outputs and outcomes of the auditable entity's service delivery activities, sustainability reports, future resource requirements, and adherence to internal control standards, near real time audits or other matters. It may also conduct combined audits incorporating financial, performance and /or compliance aspects.

2.3 Elements of Public Sector Auditing

Public sector auditing is indispensable for the public administration, as the management of public resources is a matter of trust. Responsibility for the management of public resources in line with intended purposes is entrusted to an entity or person who acts on behalf of the public. Public sector auditing enhances the confidence of the intended users by providing information and independent and objective assessments concerning deviations from accepted standards or principles of good governance. All public sector audits have the same basic elements:

a. The three parties

b. Subject matter, criteria and subject matter information

c. Types of engagement

2.3.1 The Three Parties

Public sector audits involve at least three separate parties: the auditor, the responsible party and intended users. The relationship between the parties should be viewed within the context of the specific arrangements for each type of audit.

The auditor: In public sector auditing the role of auditor is fulfilled by SAI, India and by its personnel delegated with the task of conducting audits.

The responsible party: In public sector auditing, the relevant responsibilities are determined by constitutional or legislative arrangement. The responsible parties may be responsible for the subject matter information, for managing the subject matter or for addressing recommendations and may be individuals or organizations. Generally, auditable entities and those charged with governance of the auditable entities would be the responsible parties.

Intended users: The intended users are the individuals, organizations or classes thereof for whom the auditor prepares the audit report. The intended users may be legislative or oversight bodies, those charged with governance or the general public. The intended user is primarily the Parliament or the Legislature which represents the citizens by determining the priorities of public finance, purpose and content of public spending and income.

2.3.2 Subject Matter, Criteria and Subject Matter Information Subject matter refers to the information, condition or activity that is measured or evaluated against certain criteria. It can take many forms and have different characteristics depending on the audit objective. An appropriate subject matter is identifiable and capable of consistent evaluation or measurement against the criteria, such that it can be subjected to procedures for gathering sufficient and appropriate audit evidence to support the audit opinion or conclusion.
The criteria are the benchmarks used to evaluate the subject matter. Each audit shall have criteria suitable to the circumstances of that audit. In determining the suitability of criteria the auditor considers their relevance and understandability for the intended users, as well as their completeness, reliability and objectivity (neutrality, general acceptance and comparability with criteria used in similar audits). The criteria used may depend on a range of factors, including the objectives and the type of audit. Criteria can be specific or more general and may be drawn from various sources, including the Constitution of India, laws, regulations, standards, sound principles and best practices. They shall be made available to the intended users to enable them to understand how the subject matter has been evaluated or measured.

Subject matter information refers to the outcome of evaluating or measuring the subject matter against the criteria. It can take many forms and have different characteristics depending on the audit objective and audit scope.

2.3.3 Types of Engagement

There are two types of engagement: Attestation Engagements and Direct Reporting Engagements.

In attestation engagements, the responsible party measures the subject matter against the criteria and presents the subject matter information, on which the auditor then gathers sufficient and appropriate audit evidence to provide a reasonable basis for expressing a conclusion.

In direct reporting engagements, it is the auditor who measures or evaluates the subject matter against the criteria. The auditor selects the subject matter and criteria, taking into consideration risk and materiality. The outcome of measuring the subject matter against the criteria is presented in the audit report in the form of findings, conclusions, recommendations or an opinion. The audit of the subject matter may also provide new information, analyses or insights.

Financial audits are always attestation engagements, as they are based on financial information presented by the responsible party. Performance audits and compliance audits are generally direct reporting engagements.

2.4 Confidence and Assurance in Public Sector Auditing

Audit has to provide reliable and relevant information to the intended users based on sufficient and appropriate evidence. Auditors shall perform procedures to reduce or manage the risk of reaching inappropriate conclusions.

2.4.1 Forms of providing assurance

Depending on the audit and the users' needs, assurance can be communicated in two ways:

a. Through opinions and conclusions: which explicitly convey the level of assurance. This applies to all attestation engagements and certain direct reporting engagements.

b. In other forms: In some direct reporting engagements the auditor does not give an explicit statement of assurance on the subject matter. In such cases, the auditor provides the users with the necessary degree of confidence by explicitly explaining how findings, criteria and conclusions were developed in a balanced and reasoned manner, and why the combinations of findings and criteria result in a certain overall conclusion or recommendation.

2.4.2 Levels of assurance

Assurance can be either reasonable or limited. Reasonable assurance is high, but not absolute, given the inherent limitations of an audit, the result of which is that most of the audit evidence obtained by the auditor will be persuasive rather than conclusive. In reasonable assurance the audit conclusion is expressed positively, either explicitly or in other forms conveying the necessary degree of confidence as stated at para 2.4.1 above.

A limited assurance conveys the limited nature of the assurance provided and the audit conclusion is expressed in a negative manner stating that based on the procedures performed, nothing has come to the auditor's attention to cause the auditor to believe that the subject matter is not in compliance with the applicable criteria. The procedures performed in a limited assurance audit are limited compared with what is necessary to obtain reasonable assurance, but the level of assurance is expected, in the auditor's professional judgement, to be meaningful to the intended users.

2.5 Principles of Public Sector Auditing

Auditing is a cumulative and iterative process. The principles of public sector auditing constitute the general standards that apply to SAI India's personnel as auditors and are fundamental to the conduct of all types of public sector audits. The principles to be observed by all individual auditors are categorized into two distinct groups as shown in the diagram below.

- General principles
- Principles related to the audit process

2.5.1 General Principles

General principles relate to the basic audit concepts, which shall be considered by auditors prior to commencement and at more than one point during the audit process and comprise the following:

2.5.1.1 Ethics and Independence

Auditors hall comply with the relevant ethical requirements and be independent

Ethical principles shall be embodied in an auditor's professional behaviour and the auditors shall comply with SAI India's code of ethics. Auditors shall remain independent so that their reports are impartial and be seen as such by the intended users.

2.5.1.2 Professional Judgement, Due Care and Scepticism

Auditors shall maintain appropriate professional behaviour by applying professional scepticism, professional judgment and due care throughout the audit

The auditor's attitude shall be characterised by professional scepticism and professional judgement, which are to be applied when forming decisions about the appropriate course of action. Auditors shall exercise due care to ensure that their professional behaviour is appropriate.

Professional scepticism refers to maintaining professional distance, an alert and questioning attitude when assessing the sufficiency and appropriateness of evidence obtained throughout the audit. It also entails remaining open-minded and receptive to all views and arguments. Professional judgement implies the application of collective knowledge, skills and experience to the audit process. Due care denotes that auditors shall plan and conduct audits in a diligent manner. Auditors shall avoid any conduct that might discredit their work.

2.5.1.3 Quality Control

Auditors shall perform the audit in accordance with professional standards on quality control

Auditors shall comply with professional standards on quality control, the aim being to ensure that audits are conducted at a consistently high level. Quality control procedures shall cover matters such as the direction, review and supervision of the audit process and the need for consultation in order to reach decisions on difficult or contentious matters.

2.5.1.4 Audit Team Management and Skills

Auditors shall possess or have access to the necessary skills

The audit team shall collectively possess the knowledge, skills expertise and competence necessary to successfully complete the audit. This includes an understanding and practical experience of the type of audit being conducted, familiarity with the applicable standards and legislation, an understanding of the entity's operations and the ability and experience to exercise professional judgement. Auditors shall maintain their professional competence through ongoing professional development.

Where relevant or necessary, and in line with SAI India's mandate and applicable legislation, the auditor may use the work of internal auditors, other auditors or experts. The auditor's procedures shall provide a sufficient basis for using the work of others, and in all cases the auditor shall obtain evidence of other auditors' or experts' competence, independence and the quality of work performed. However, SAI, India has the sole responsibility for any audit opinion or report it might produce on the subject matter and that responsibility is not reduced by its use of work done by other parties.

SAI, India may use the work of other auditors at state, provincial, regional, district or local level, or of public accounting firms that have completed audit work related to the audit objective. Audits may require specialised techniques, methods or skills from disciplines not available within SAI, India. In such cases, experts may be used to provide knowledge or carry out specific tasks or for other purposes.

2.5.1.5 Audit Risk

Auditors shall manage the risks of providing a report that is inappropriate in the circumstances of the audit

The audit risk is the risk that the audit report may be inappropriate. The auditor performs procedures to reduce or manage the risk of reaching inappropriate conclusions, recognising that the limitations inherent to all audits mean that an audit can never provide absolute certainty of the condition of the subject matter. When the objective is to provide reasonable assurance, the auditor shall reduce audit risk to an acceptably low level given the circumstances of the audit. The audit may also aim to provide limited assurance, in which case the acceptable risk that criteria are not complied with is greater than in a reasonable assurance audit. A limited assurance audit provides a level of assurance that, in the auditor's professional judgment, will be meaningful to the intended users.

2.5.1.6 Materiality

Auditors shall consider materiality throughout the audit process

Materiality is relevant in all audits. A matter can be judged material if knowledge of it would be likely to influence the decisions of the intended users. Determining materiality is a matter of professional judgement and depends on the auditor's interpretation of the users' needs. This judgement may relate to an individual item or to a group of items taken together. Materiality is often considered in terms of value, but it also has other quantitative as well as qualitative aspects. The inherent characteristics of an item or group of items may render a matter material by its very nature. A matter may also be material because of the context in which it occurs. Materiality shall be considered for the purposes of planning, evaluating the evidence obtained and reporting, though the materiality levels could differ for each of the processes. Materiality considerations affect decisions concerning the nature, timing and extent of audit procedures and the evaluation of audit results. Considerations may include stakeholder concerns, public interest, regulatory requirements and consequences for society.

2.5.1.7 Documentation

Auditors shall prepare audit documentation that is sufficiently detailed to provide a clear understanding of the work performed, evidence obtained and conclusions reached.

Audit documentation shall include an audit strategy and audit plan. It shall record the procedures performed and evidence obtained and support the communicated results of the audit. Documentation shall be sufficiently detailed to enable an experienced auditor, with no prior knowledge of the audit, to understand the nature, timing, scope and results of the procedures performed, the evidence obtained in support of the audit conclusions and recommendations, the reasoning behind all significant matters that required the exercise of professional judgement and the related conclusions. Adequate audit documentation is important for several reasons. It will:

a. confirm and support the auditor’s opinions and reports;
b. serve as a source of information for preparing reports or answering any enquiries from the audited entity or any other party;
c. serve as evidence of the auditor's compliance with the auditing standards;
d. facilitate planning, supervision and review; help with the auditor’s professional development;
e. help to ensure that delegated work has been satisfactorily executed; and
f. provide evidence of work done for future reference.

Further requirements relating to documentation in the following areas also need to be met:

a. the timely preparation of documentation;
b. the form, content and extent of documentation;
c. documentation requirements where the auditor judges it necessary to depart from a relevant requirement in the applied auditing standards;
d. documentation requirements where the auditor performs new or additional audit procedures or draws new conclusions after the date of the auditor’s report; and
e. the assembly of the final audit file.

2.5.1.8 Communication

Auditors shall establish effective communication throughout the audit process

It is essential that the entity being audited be kept informed of all matters relating to the audit. This is key to developing a constructive working relationship. Communication shall include obtaining information relevant to the audit and providing management/ those charged with governance with timely observations and findings throughout the engagement. It is important to promote effective two-way communication throughout the engagement. Written communication is vital for significant audit findings, which auditors are required to communicate to those charged with governance. The auditor may also have a responsibility to communicate audit-related matters to other stakeholders, such as legislative and oversight bodies.

2.5.2 Principles related to the audit process

Principles related to the audit process relate to the specific steps in the audit process and comprise the following:

2.5.2.1 Planning an audit

Auditors shall ensure that the terms of the audit have been clearly established. Most of the audits undertaken by SAI, India are as per the constitutional mandate, which may not require formal agreement with the auditable entities on terms of audit. In some cases, such as in case of an entrusted audit, there is a need for arriving at an agreement on the terms of audit with the auditable entity. Important information like the subject, scope and objectives of audit, access to data, the audit process, roles and responsibilities of different parties to the engagement shall be firmed up before audit is carried out.

This includes understanding the relevant objectives, operations, regulatory environment, internal controls, financial and other systems and business processes, and researching the potential sources of audit evidence. Knowledge can be obtained from interaction with management, other relevant stakeholders and experts. Documents (including earlier studies and other sources) shall be examined in order to gain a broad understanding of the subject matter to be audited and its context.

The nature of the risks identified will vary according to the audit objectives. The auditor shall consider and assess the risk of different types of deficiencies, deviations or misstatements that may occur in relation to the subject matter. Both general and specific risks shall be considered. This can be achieved through procedures that serve to obtain an understanding of the entity or programme and its environment, including the relevant internal controls. The auditor shall assess the management's response to identified risks, including its implementation and design of internal controls to address them. In a problem analysis the auditor shall consider actual indications of problems or deviations from what should be or is expected. This process involves examining various problem indicators in order to define the audit objectives. To facilitate the process of risk assessment or problem analysis data from multiple sources may be collated and/or combined to gain insights and discern patterns. Technology and data analytical techniques may be appropriately utilised in the process. The identification of risks and their impact on the audit shall be considered throughout the audit process.

The primary responsibility for the prevention and detection of fraud rests with the entity's management and those charged with governance. It is important that management, under the oversight of those charged with governance, strongly emphasise fraud prevention (limiting opportunities for fraud to take place) and fraud deterrence (dissuading individuals from committing fraud because of the likelihood of detection). Fraud is a broad legal concept and the auditor does not make legal determination of fraud. Auditors shall make enquiries and perform procedures to identify and respond to the risks of fraud relevant to the audit objectives. They shall maintain an attitude of professional scepticism and be alert to the possibility of fraud throughout the audit process.

a. Auditors shall obtain an understanding of the nature of the entity/programme to be audited

b. Auditors shall conduct a risk assessment or problem analysis and revise this as necessary in response to the audit findings

c. Auditors shall identify and assess the risks of fraud relevant to the audit objectives

d. Auditors shall plan their work to ensure that the audit is conducted in an effective and efficient manner

Planning for a specific audit includes strategic and operational aspects. Strategically, planning shall define the audit scope, objectives and approach. The objectives refer to what the audit is intended to accomplish. The scope relates to the subject matter and the criteria which the auditors will use to assess and report on the subject matter and is directly related to the objectives. The approach will describe the nature and extent of the procedures to be used for gathering audit evidence. The audit shall be planned to reduce audit risk to an acceptably low level. Professional judgement shall be exercised to decide on a suitable sampling methodology depending upon the subject matters, audit objectives being pursued and the envisaged scope of audit.

Operationally, planning entails setting a timetable for audit and defining the nature, timing and extent of the audit procedures. During planning, auditors shall assign the members of their team as appropriate and identify other resources that may be required, such as subject experts. Audit planning shall be responsive to significant changes in circumstances and conditions. It is an iterative process that takes place throughout the audit.

2.5.2.2 Conducting an Audit

The auditor's decisions on the nature, timing and extent of audit procedures will impact on the evidence to be obtained. The choice of procedures will depend on the risk assessment or problem analysis. Audit evidence is any information used by the auditor to determine whether the subject matter complies with the applicable criteria. Evidence may take many forms, such as electronic and paper records of transactions, written and electronic communication with outsiders, and observations by the auditor and oral or written testimony by the audited entity. Methods of obtaining audit evidence can include inspection, observation, inquiry, confirmation, recalculation, re-performance, analytical procedures and/or other research techniques.

After completing the audit procedures, the auditor will review the audit documentation in order to determine whether the subject matter has been sufficiently and appropriately audited. Before drawing conclusions, the auditor reconsiders the initial assessment of risk and materiality in the light of the evidence collected and determines whether additional audit procedures need to be performed. The auditor shall evaluate the audit evidence with a view to obtaining audit findings. When evaluating the audit evidence and assessing materiality of findings the auditor shall take both quantitative and qualitative factors into consideration. Based on the findings, the auditor shall exercise professional judgement to reach a conclusion on the subject matter or subject matter information.

a. Auditors shall perform audit procedures that provide sufficient and appropriate audit evidence to support the audit report

b. Evidence shall be both sufficient (quantity) to persuade a knowledgeable person that the findings are reasonable, and appropriate (quality) – i.e. relevant, valid and reliable. The quantity of evidence required depends on the risk of material misstatement or non-compliance of the subject matter information (the greater the risk, the more evidence is likely to be required) and on the quality of such evidence (the higher the quality, the less may be required). Accordingly, the sufficiency and appropriateness of evidence are interrelated. However, merely obtaining more evidence does not compensate for its poor quality. The reliability of evidence is influenced by its source and nature, and is dependent on the specific circumstances in which the evidence was obtained. While recognizing that exceptions may exist, the following generalizations about the reliability of evidence may be useful:

a. Evidence is more reliable when it is obtained from sources external to the responsible party.

b. Evidence that is generated internally is more reliable when the related controls are effective

c. Evidence obtained directly by the auditor (for example, through observation of the application of a control) is more reliable than evidence obtained indirectly or by inference (for example, through inquiry into the application of a control).

d. Evidence is more reliable when it exists in documentary form, whether paper, electronic, or other media (for example, a simultaneous written record of a meeting is more reliable than a subsequent oral report of what was discussed).

e. Evidence provided by original documents is more reliable than evidence provided by photocopies or facsimiles.

The auditor's assessment of the evidence shall be objective, fair and balanced. Preliminary findings shall be communicated to and discussed with the entity being audited to confirm their validity. The auditor must respect all requirements regarding confidentiality.

c. Auditors shall evaluate the audit evidence and draw conclusions

2.5.2.3 Reporting and Follow-up

The audit process involves preparing a report to communicate the results of the audit to stakeholders, others responsible for governance and the general public. The purpose is also to facilitate follow-up and corrective action. Reports shall be easy to understand, free from vagueness or ambiguity and complete. They shall be objective and fair, only including information which is supported by sufficient and appropriate audit evidence and ensuring that findings are put into perspective and context. The form and content of a report will depend on the nature of the audit, the intended users, the applicable standards and legal requirements. The reports can appear in short form or long form. Long-form reports generally describe in detail the audit scope, audit findings and conclusions, including potential consequences and constructive recommendations to enable remedial action. Short-form reports are more condensed and generally in a more standardized format.

i. Attestation engagements

In attestation engagements the audit report may express an opinion as to whether the subject matter information is, in all material respects, free from misstatement and/or whether the subject matter complies, in all material respects, with the established criteria. In an attestation engagement the report is generally referred to as the Auditor’s Report.

ii. Direct reporting engagements

In direct reporting engagements the audit report needs to state the audit objectives and describe how they were addressed in the audit. It includes findings and conclusions on the subject matter and may also include recommendations. Additional information about criteria, methodology and sources of data may also be given, and any limitations to the audit scope shall be described. The audit report shall explain how the evidence obtained was used and why the resulting conclusions were drawn.

When an audit opinion or conclusion is used to convey the level of assurance, the opinion or conclusion shall be in a standardised format. It may be unmodified or modified. An unmodified opinion/conclusion is used when either limited or reasonable assurance has been obtained. A modified opinion or conclusion may be:

Where the opinion or conclusion is modified the reasons shall be put in perspective by clearly explaining, with reference to the applicable criteria, the nature and extent of the modification. Conveying an opinion is generally related to financial audits and expression of conclusion is relevant to compliance audits. Depending on the type of audit, recommendations for corrective action and any contributing internal control deficiencies may also be included in the report.

SAI India shall monitor action taken by the responsible party in response to the matters raised in an audit report. Follow-up focuses on whether the audited entity has adequately addressed the matters raised. Insufficient or unsatisfactory action by the audited entity may call for a further report by SAI India.

a. Auditors shall prepare a report based on the conclusions reached.

b. Opinion or conclusion

a. **Qualified (except for) –** where the auditor disagrees with, or is unable to obtain sufficient and appropriate audit evidence about certain items in the subject matter which are, or could be, material but not pervasive;
b. **Adverse –** where the auditor, having obtained sufficient and appropriate audit evidence, concludes that deviations or misstatements, whether individually or in the aggregate, are both material and pervasive;
c. **Disclaimed –** where the auditor is unable to obtain sufficient and appropriate audit evidence due to an uncertainty or scope limitation which is both material and pervasive.

c. Follow-up

CHAPTER-III Specific Standards

3.1 Introduction

The general principles relating to the basic audit concepts and those relating to the audit process applicable to all types of public sector audits constituting the general standards have been described in Chapter 2. In addition, this section contains the specific considerations regarding their applicability to financial, compliance and performance audits, which the auditors shall observe as specific standards during the conduct of these audits.

Financial Audit

The purpose of an audit of financial statements is to enhance the degree of confidence of intended users in the financial statements. This is achieved through the expression of an opinion by the auditor as to whether the financial statements are prepared, in all material respects, in accordance with an applicable financial reporting framework, or – in the case of financial statements prepared in accordance with a fair presentation financial reporting framework – whether the financial statements are presented fairly, in all material respects, or give a true and fair view, in accordance with that framework.

3.2.1 In conducting an audit of financial statements, the overall objectives of the auditor are:

a. To obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, thereby enabling the auditor to express an opinion on whether the financial statements are prepared,in all material respects, in accordance with an applicable financial reporting framework; and

b. To report on the financial statements, and communicate the result of the audit in accordance with the auditor's findings.

The objectives of financial audit in public sector are often broader than expressing an opinion on the financial statements. The audit mandate arising from legislations, regulation and government policy requirements may result in additional objectives.

3.2.2 Financial Reporting Frameworks
Financial reporting frameworks may be for general or specific use. A framework designed to meet the information needs of a wide range of users is referred to as a general-purpose framework, while special-purpose frameworks are designed to meet the specific needs of a specific user or group of users.

a. **General Purpose frameworks:**

The International Public Sector Accounting Standards (IPSASs), International Financial Reporting Standards (IFRSs), the Indian Accounting Standards, or other national financial reporting frameworks for use in public sector constitute general purpose frameworks. A complete set of financial statements for a public sector entity prepared in accordance with such a financial reporting framework, normally consists of:

a. a statement of financial position;

b. a statement of financial performance;

c. a statement of changes in net assets/equity;

d. a cash flow statement;

e. a comparison of budget and actual amounts – either as a separate additional financial statement or as a reconciliation;

f. notes, comprising a summary of significant accounting policies and other explanatory information.

g. In certain environments a complete set of financial statements may also include other reports, such as reports on performance and appropriation reports.

If the financial statements are prepared in accordance with a framework for other accounting bases, such as modified accrual or cash basis (e.g. Indian Government Accounting Standards – IGAS), a complete set of financial statements may not include all of the above.

b. **Special-Purpose Frameworks:**
In addition to preparing general-purpose financial statements, a public sector entity may prepare financial statements for other parties (such as governing bodies, the legislature or other parties with an oversight function), which may require financial statements tailored to meet their specific information needs. In some environments financial statements of this kind are the only financial statements prepared by the public sector entity. Special-purpose frameworks relevant to the public sector may include:

a. the cash receipts and disbursements, basis of accounting for cash flow information that an entity may be required to prepare for a governing body;

b. the financial reporting provisions established by an international funding organization or mechanism;

c. the financial reporting provisions established by a governing body, the legislature or other parties that perform an oversight function to meet the requirements of that body; or

d. the financial reporting provisions of a contract, such as a project grant.

c. **Frameworks prescribed by law or regulation:**
Frameworks prescribed by law or regulation will often be deemed acceptable by the auditor. Such frameworks invariably require presentation of original and final budget amounts and actual amounts on a comparable basis to complete the accountability cycle by enabling users of financial statements to identify whether the resources were obtained and used in accordance with the approved budget.

The accounting base, basis of classification, the level of aggregation of budget heads for presentation in financial statements are determined by law, rules and regulations.

Such financial reporting frameworks are thus invariably governed by standards, which are rule based and could be different from the principles envisaged in general purpose frameworks. The Government Accounting Rules, 1990, General Financial Rules, 2005, Delegation of Financial Powers Rules, 1978 and List of Major and Minor Heads, Annual Appropriation Acts,Finance and Accounts Codes and rules that govern preparation and compilation of finance and appropriation accounts of the Union and the States constitute the rule based standards. These auditing standards would apply to audits of such frameworks with appropriate modifications.

3.2.3 Materiality

The auditor shall apply the concept of materiality in an appropriate manner when planning and performing the audit.

A misstatement is material, individually or when aggregated with other misstatements, if it could reasonably be expected to influence the decisions taken by users on the basis of the financial statements. When planning the audit strategy, the auditor shall assess materiality for the financial statements as a whole. However, where one or more classes of transactions, account balances or disclosures could reasonably be expected to influence the decisions of users on the basis of the financial statements, the auditor shall also determine the materiality level or levels for the classes of transactions, account balances or disclosures concerned.

3.2.4 Audit risk

The audit risk in an audit of financial statements is the risk that the auditor will express an inappropriate conclusion if the subject matter information is materially misstated.

The auditor will reduce the risk to an acceptably low level in the circumstances of the audit to obtain reasonable assurance as the basis for expressing a conclusion in a positive form. In general, the audit risk depends on the inherent risk and control risk, which constitute the risks of material misstatement and the detection risk:

a. **Inherent risk –** the susceptibility of the subject matter information to material misstatement, assuming that there are no related controls;
b. **Control risk –** the risk that a material misstatement could occur and will not be prevented or detected and corrected at the appropriate time by related controls. Some control risk will always exist due to the limitations inherent in the design and operation of internal controls.
c. **Detection risk –** the risk that the auditor will not detect a material misstatement.

The risk assessment is a matter of professional judgement and is not capable of precise measurement. The degree to which the auditor considers each element of risk will depend on the circumstances of each audit.

3.2.5 Risk Assessment

The auditor shall assess the risks of material misstatement at the financial statement level and the assertion level for classes of transactions, account balances and disclosures so as to provide a basis for designing and performing further audit procedures.

For this purpose, the auditor needs to:

a. identify risks throughout the process of obtaining an understanding of the entity being audited and its environment, by examining relevant controls that relate to the risks and considering the classes of transactions, account balances and disclosures in the financial statements;

b. assess the risks identified and evaluate whether they relate more pervasively to the financial statements as a whole and could potentially affect many assertions;

c. relate the risks identified to what could go wrong at the assertion level, taking account of relevant controls that the auditor intends to test; and

d. consider the likelihood of misstatement, including the possibility of multiple misstatements, whether the potential for misstatement is such as to render it material.

As part of the risk assessment, the auditor determines whether any of the risks identified is, in the auditor's judgment, significant. When judging which risks are significant, the auditor needs to consider at least the following:

a. risk of fraud;

b. recent significant economic, accounting or other developments, which requires specific attention;

c. the complexity of transactions;

d. significant transactions with related parties;

e. the degree of subjectivity in the measurement of financial information related to the risk, especially measurements which involve a wide range of measurement uncertainty;

f. significant transactions that are outside the entity's normal course of business, or that otherwise appear to be unusual; and

g. compliance with laws and regulations.

The auditor shall act appropriately to address the assessed risks of material misstatement in the financial statements. Responses to assessed risks include designing audit procedures that address the risks, such as substantive procedures and test of controls. Substantive procedures include both tests of details and substantive analysis of classes of transactions, account balances and disclosures.

3.2.6 Going Concern Considerations

The auditor shall consider whether there are events or conditions that may cast significant doubt on the entity's ability to continue as a going concern.

Financial statements are normally prepared on the assumption that the entity is a going concern and will continue to meet its statutory obligations for the foreseeable future. In assessing whether the going-concern assumption is appropriate, those responsible for preparation of the financial statements take into account all available information for the foreseeable future. General-purpose financial statements are typically prepared on a going-concern basis.

The going-concern concept may have little or no relevance for public-sector entities such as those funded through appropriations on the public sector budget. When such organizations are abolished or merged with others, their liabilities and assets are usually taken over by other public-sector entities. For some other types of entities, such as public sector business enterprises and joint ventures with other principals (including private sector entities operating in legal forms that provide for limited owner liability), this may not be the case. The responsibility for implementing public sector programmes may also be contracted out to private sector organizations, such as NGOs and private companies, but the programmes may still be audited by SAI, India, making the going-concern concept and the auditor's judgement in this regard relevant to public-sector financial audit.

3.2.7 Considerations Relating to Fraud in an Audit of Financial Statements
The auditor shall identify and assess the risks of material misstatement in the financial statements due to fraud, shall obtain sufficient and appropriate audit evidence regarding the assessed risks of material misstatement due to fraud and shall respond appropriately to fraud or suspected fraud identified during the audit.

The auditor is responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. Misstatements in the financial statements can arise from either fraud or error. The distinguishing factor is whether the action resulting in a misstatement was intentional or unintentional. Fraud is a broad legal concept and the auditor does not make legal determination of fraud. The auditor is concerned only with fraud that causes a material misstatement in the financial statements. Two types of intentional misstatements are relevant to the auditor - misstatements resulting from fraudulent financial reporting and those resulting from the misappropriation of assets.

Areas in which auditors shall be alert to fraud risks leading to material misstatement may include procurement, grants, privatisations, intentional misrepresentation of results or information and misuse of authority or power. Auditors shall also consider that the use of public monies tends to raise the profile of fraud. As a result auditors may need to be responsive to public expectations regarding fraud detection.

3.2.8 Considerations Relating to Laws and Regulations in an Audit of Financial Statements
The auditor shall identify the risks of material misstatement due to direct and material non-compliance with laws and regulations.

The auditor shall obtain sufficient and appropriate audit evidence regarding compliance with the laws and regulations such as the Appropriation Acts (which prescribe budgetary allocations against which expenditures are incurred and are subject to audit) that are generally recognised to have a direct and material effect on the determination of material amounts and disclosures in financial statements. However, the auditor is not responsible for preventing non-compliance and cannot be expected to detect all breaches of laws and regulations.

The effect of laws and regulations on the financial statements varies considerably. The provisions of some laws or regulations have a direct effect on the financial statements in that they determine the nature of reported amounts and disclosures while other laws or regulations, which are to be complied with by management, may not have a direct effect on the entity's financial statements. Non-compliance with laws and regulations may result in fines, litigation or other consequences for the audited entity that may have a material effect on the financial statements. Matters involving non-compliance with laws and regulations that come to the auditor's attention during the course of the audit shall be communicated to management/those charged with governance, save where the matters are clearly inconsequential.

3.2.9 Consideration of Subsequent Events

The auditor shall obtain sufficient and appropriate audit evidence that all events occurring between the date of the financial statements and the date of the auditor's report that require an adjustment to, or disclosure in, the financial statements have been identified.

Financial statements may be affected by certain types of subsequent events (those occurring after the date of the financial statements). Many financial reporting frameworks specifically refer to such events. Ordinarily, two types of events are identified:

a. Events that provide evidence of conditions that existed at the date of the financial statements; and
b. Events that provide evidence of conditions that arose after the date of the financial statements.

Procedures shall be designed, as nearly as possible, to cover the period from the date of the financial statements to the date of the auditor's report. The auditor is not, however, expected to perform additional audit procedures on matters to which previous audit procedures have provided satisfactory conclusions. Procedures for obtaining sufficient and appropriate audit evidence may include:

a. steps to obtain an understanding of any procedures established by management to ensure that subsequent events are identified;
b. inquiries of management;
c. scrutiny of minutes of the Board / those charged with governance;
d. scrutiny of the entity's most recent interim financial statements, if any
e. written confirmation from the management /those charged with governance.

The auditor is under no obligation to perform any audit procedures on the financial statements after the date of the auditor's report. However, if, after the date of the auditor's report but before the financial statements have been issued, a fact becomes known to the auditor that, had it been known at the date of the auditor's report, might have caused an amendment to the report, appropriate action shall be taken. Such action may include:

a. discussing the matter with the management and, where appropriate, those charged with governance,
b. determining whether the financial statements need amendment and, if so,
c. inquiring how the management intends to address the matter in the financial statements.
d. obtaining written confirmation from the management.

If the management does not take the necessary steps and does not amend the financial statements, the auditor shall notify the management and those charged with governance that the auditor will seek to prevent future reliance on the auditor's report. This may entail seeking legal advice and reporting to the appropriate statutory body.

3.2.10 Evaluating Misstatements

Uncorrected misstatements shall be evaluated for materiality, individually or in aggregate, to determine their effect on the opinion to be given in the auditor's report.

The auditor needs to determine whether uncorrected misstatements are material, individually or in the aggregate. To this end, the auditor shall consider

a. the size and nature of the misstatements, in relation both to particular classes of transactions, account balances or disclosures and to the financial statements as a whole, and the particular circumstances of their occurrence; and
b. the effect of uncorrected misstatements from prior periods on the relevant classes of transactions, account balances or disclosures, and on the financial statements as a whole.

The auditor shall invite the management to correct misstatements, and if the management refuses to correct some or all communicated misstatements the auditor shall ascertain the reasons. When evaluating whether the financial statements as a whole are misstated, the auditor shall consider the reasons given for not making corrections. Those charged with governance shall be notified of uncorrected misstatements and the effect that they may have, individually or in aggregate, on the opinion in the auditor's report. The auditor’s notification shall individually identify uncorrected material misstatements in classes of transactions, account balances or disclosures. Misstatements that are clearly trivial need not normally be communicated, save where the auditor is required by mandate to report all misstatements.

3.2.11 Forming an Opinion and Reporting on the Financial Statements

The auditor shall form an opinion based on an evaluation of the conclusions drawn from the audit evidence obtained, as to whether the financial statements as a whole are prepared in accordance with the applicable financial reporting framework. The opinion shall be expressed clearly in a written report that also describes the basis for the opinion.

In order to form an opinion, the auditor must first conclude whether reasonable assurance has been obtained as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error. The conclusion shall take into account:

a. Whether sufficient and appropriate evidence has been obtained;
b. Whether uncorrected misstatements are material, individually or in aggregate; and
c. The auditor’s evaluations of the financial statements.

The auditor shall express an unmodified opinion if it is concluded that the financial statements are prepared, in all material respects, in accordance with the applicable financial framework. If the auditor concludes that, based on the audit evidence obtained, the financial statements as a whole are not free from material misstatement, or is unable to obtain sufficient and appropriate audit evidence to conclude that the financial statements as a whole are free from material misstatement, the auditor shall modify the opinion in the auditor’s report. Auditors may provide three types of modified opinions: a qualified opinion, an adverse opinion and a disclaimer of opinion as envisaged in para 2.5.2.3 of Chapter 2.

The decision regarding which type of modified opinion is appropriate depends upon:

If financial statements prepared in accordance with the requirements of a fair presentation framework do not achieve fair presentation, the auditor shall discuss the matter with the management and, depending on the requirements of the applicable financial reporting framework and how the matter is resolved, determine whether it is necessary to modify the audit opinion.

The expression of opinion in the Auditor's Report shall use one of the following equivalent phrases when expressing an unmodified opinion on the financial statements prepared in accordance with a fair presentation framework:

When expressing an unmodified opinion on financial statements prepared in accordance with a compliance framework, the auditor's opinion shall be that the financial statements are prepared, in all material respects, in accordance with [the applicable financial reporting framework]. When expressing a modified opinion, the auditor shall also modify the heading to correspond with the type of opinion expressed.

Apart from the section that contains the Opinion, Auditor's Report may include separate sections on a) responsibility of Management for the financial statements, stating that the management is responsible for the financial statements in accordance with the applicable financial reporting framework, b) responsibility of Auditors, stating that the responsibility of the auditor is to express an opinion based on the audit of the financial statements and describing the scope of audit and audit procedures carried out, c) Emphasis of Matter and Other Matters paragraphs and d) other regulatory and reporting responsibilities of auditors.

If the auditor considers it necessary to draw users' attention to a matter presented or disclosed in the financial statements that is of such importance that it is fundamental to their understanding of the financial statements, but there is sufficient and appropriate evidence that the matter is not materially misstated in the financial statements, the auditor shall include an Emphasis of Matter paragraph in the auditor's report. Emphasis of Matter paragraphs shall only refer to information presented or disclosed in the financial statements.

If the auditor considers it necessary to communicate a matter, other than those that are presented or disclosed in the financial statements, which, in the auditor's judgement, is relevant to users' understanding of the audit, the auditor's responsibilities or the auditor's report, and provided this is not prohibited by law or regulation, this shall be done in a paragraph with the heading "Other Matter," or another appropriate heading. This paragraph shall appear immediately after the opinion and any Emphasis of Matter paragraph.

a. Form of Opinion

b. Determining the type of modification to the auditor's opinion -

a. The nature of the matter giving rise to the modification – that is, whether the financial statements are materially misstated or, in the event that it was impossible to obtain sufficient and appropriate audit evidence, may be materially misstated; and

b. The auditor's judgment about the pervasiveness of the effects or possible effects of the matter on the financial statements.

c. Expression of opinion in the Auditor's Report -

a. The financial statements present fairly, in all material respects... in accordance with [the applicable reporting framework]; or

b. The financial statements give a true and fair view of ... in accordance with [the applicable financial reporting framework]

d. Emphasis of Matter and Other Matters Paragraphs in the Auditor's Report

3.2.12 Comparative information – 'Corresponding figures and comparative financial statements Comparative information' refers to amounts and disclosures included in the financial statements in respect of one or more prior periods. The auditor shall evaluate whether:

a. the comparative information agrees with the amounts and other disclosures that were presented in the prior period or, where appropriate, have been restated; and

b. the accounting policies reflected in the comparative information are consistent with those applied in the current period or, if there have been changes in accounting policies, whether those changes have been properly accounted for and adequately presented and disclosed.

If the auditor becomes aware, during the current period, of a possible material misstatement in the comparative information, the auditor shall perform such additional audit procedures as are necessary in the circumstances to obtain sufficient and appropriate audit evidence as to whether a material misstatement exists.

3.2.13 Special Considerations – Audits of financial statements prepared in accordance with Special-Purpose Frameworks

The auditor is required to determine the acceptability of the financial reporting framework that was applied when preparing the financial statements. In an audit of special-purpose financial statements, the auditor shall obtain an understanding of:

a. the purpose for which the financial statements are prepared;

b. the intended users; and

c. the steps taken by management to determine that the applicable financial reporting framework is acceptable in the circumstances.

In planning and performing an audit of special-purpose financial statements, the auditor shall determine whether the circumstances of the engagement require special consideration to be given to application of these standards. When forming an opinion and reporting on special-purpose financial statements, the auditor shall comply with the same requirements as for general-purpose financial statements. The auditor's report on special-purpose financial statements shall:

a. describe the purpose for which the financial statements have been prepared; and

b. make reference to the management's responsibility for determining that the applicable financial reporting framework is acceptable in the circumstances where the management has a choice of frameworks to use in preparing the financial statements.

The auditor shall include an Emphasis of Matter paragraph alerting users to the fact that the financial statements have been prepared in accordance with a special-purpose framework and that, as a result, they may not be suitable for another purpose.

3.2.14 Special Considerations – Audits of single financial statements and specific elements, accounts or items of a financial statement
In the case of an audit of a single financial statement, or of a specific element of a financial statement, the auditor shall first determine whether the audit is practicable. These standards also apply to audits of a single financial statement, or of a specific element of a financial statement, irrespective of whether the auditor is also engaged to audit the entity's complete set of financial statements.

The auditor shall consider whether the expected form of opinion is appropriate in the circumstances of the engagement, and shall adapt the reporting requirements as necessary. If the auditor is engaged to report on a single financial statement, or on a specific element of a financial statement, in conjunction with an engagement to audit the entity's complete set of financial statements, the auditor shall express a separate opinion for each engagement.

If the opinion in the auditor's report on an entity's complete financial statements is modified, or the report includes an Emphasis of Matter paragraph or Other Matter paragraph, the auditor shall determine the effect this may have on the auditor's report on a single financial statement or a specific element of a financial statement. Where appropriate, the auditor shall modify the auditor's report on the single financial statement or specific element of a financial statement.

3.2.15 Considerations relevant to audits of Consolidated Financial Statements (including Whole of Public Sector Financial Statements)
While auditing the group financial statements, auditors shall obtain sufficient and appropriate audit evidence regarding the financial information of all components and the consolidation process to express an opinion as to whether the Consolidated Financial Statements (including whole-of-public sector financial statements) are prepared, in all material respects, in accordance with the applicable financial reporting framework.

In situations where the audit is of consolidated financial statements, such as whole-of-public sector accounts, specific requirements and considerations may apply. The auditor carrying out an audit of consolidated financial statements is referred to as the principal auditor. The principal auditor shall establish a consolidated audit strategy and develop a consolidated audit plan. The principles for understanding the entity shall include an understanding of the group, its components and their environments, including group-wide controls, as well as the consolidation process. The understanding thus obtained shall be sufficient to confirm or revise the initial identification of components that are likely to be significant for the consolidated financial statements, and to assess the risks of material misstatement, whether due to fraud or error, of the consolidated financial statements.

Performance Audit

3.3.1 Performance audit is an independent, objective and reliable examination of whether public sector undertakings, systems, operations, programmes, activities or organizations are operating in accordance with the principles of economy, efficiency and effectiveness.**The main objective of performance audit is to constructively promote economical, effective and efficient governance.It also contributes to accountability and transparency.** Performance audit promotes accountability by assisting those charged with governance and oversight responsibilities to improve performance through an examination of whether:

a. decisions by the legislature or the executive are efficiently and effectively prepared and implemented and

b. tax payers or citizens have received value for money.

It does not question the intentions and decisions of the legislature, but examines whether any shortcomings in the implementation of the law and framing of regulations have prevented the specified objectives from being achieved. Performance audit focuses on areas in which it can add value for citizens and which have the greatest potential for improvement.It provides constructive incentives for the responsible parties to take appropriate action.

Performance audit promotes transparency by affording all stakeholders an insight into the management and outcomes of different public sector activities. It thereby directly contributes to providing useful information to the citizen, while also serving as a basis for learning and improvements.

3.3.2 Perspective of Performance Audit

Performance audits undertaken by SAI, India may have overlaps with other audit types(or combined audits)and in such circumstances the following points shall be considered:

a. Elements of performance audit can be part of a more extensive audit that also covers compliance and financial auditing aspects.

b. In the event of an overlap, the primary objective of the audit shall guide the auditors as to which standards to apply.

In determining whether performance considerations form the primary objective of the audit engagement, it should be borne in mind that performance auditing focuses on activity and results rather than reports or accounts, and that its main objective is to promote economy, efficiency and effectiveness rather than report on compliance.

3.3.3 Type of Engagement and Assurance

Performance audits are essentially direct reporting engagements where the auditor measures or evaluates the subject matter against the criteria. Performance audits are not normally expected to provide an overall opinion, comparable to the opinion on financial statements, on the audited entity's achievement of economy, efficiency and effectiveness.The degree of economy, efficiency and effectiveness achieved may be conveyed in the performance audit report in different ways:

a. either through an overall view on aspects of economy,efficiency and effectiveness, where the audit objective, the subject matter, the evidence obtained and the findings reached allow for such a conclusion;

b. or by providing specific information on a range of points including the audit objective, the questions asked, the evidence obtained, the criteria used, the findings reached and the specific conclusions. Performance audits are designed to provide a reasonable assurance with a set of conclusions and,if applicable,a single overall conclusion and to present a balanced report by taking into account all relevant viewpoints.

3.3.4 Audit Risk

Auditors shall actively manage audit risk, which is the risk of obtaining incorrect or incomplete conclusions, providing unbalanced information or failing to add value for users. Many topics in performance auditing are complex and sensitive. The risk that an audit will fail to add value ranges from the likelihood of not being able to provide new information or perspectives to the risk of neglecting important factors and consequently not being able to provide users of the audit report with knowledge or recommendations that would make a real contribution to better performance. Important aspects of risk may include not possessing the competence to conduct sufficiently broad or deep analysis, lacking access to quality information, obtaining inaccurate information (e.g. because of fraud or irregular practices), being unable to put all findings in perspective, and failing to collect or address the most relevant arguments. Auditors shall therefore actively manage risk. Dealing with audit risk is embedded in the whole process and methodology of performance audit.

3.3.5 Selection of topics

Auditors shall select audit topics through the strategic planning process by analysing potential topics and conducting research to identify risks and problems. Determining which audits will be pursued is usually part of SAI India’s strategic planning process. If appropriate, auditors shall contribute to this process in their respective fields of expertise. They may share knowledge from previous audits, and information from the strategic planning process may be relevant for the auditor’s subsequent work. In this process, auditors shall consider that audit topics are sufficiently significant as well as auditable and in keeping with SAI India’s mandate. The topic selection process shall aim to maximise the expected impact of the audit while taking account of audit capacities (e.g. human resources and professional skills). Formal techniques to prepare the strategic planning process, such as risk analysis or problem assessments, can help structure the process but need to be complemented by professional judgement to avoid one-sided assessments. Performance auditing generally requires that audit-specific, substantive and methodological knowledge be acquired before the audit is launched (“pre-study/ pilot study”).

3.3.6 Audit design

Auditors shall plan the audit in a manner that contributes to a high-quality audit that will be carried out in an economical,efficient, effective and timely manner and in accordance with the principles of good project management.

In planning an audit, it is important to consider:

a. the background knowledge and information required for an understanding of the audited entities so as to allow an assessment of the problem and risk, possible sources of evidence, auditability and the significance of the area considered for audit, consultation with stakeholders,if necessary,including domain specialists or experts in the field to build up proper knowledge

b. the audit objectives, questions, criteria, subject matter and methodology (including techniques to be used for gathering evidence and conducting the audit analysis);

c. the necessary activities, staffing and skills requirements (including the independence of the audit team, human resources and possible external expertise), the key project timeframes and milestones and the main points for control.

The planning phase shall also involve research work aimed at building knowledge, testing various audit designs and checking whether the necessary data are available. This may involve combining and comparing data from different sources, drawing preliminary conclusions and compiling findings in order to build hypotheses that can be tested, if necessary, against additional data. This makes it easier to choose the most appropriate audit method. Technology and data analytics may be optimally utilised to facilitate this process.

3.3.7 Audit approach

Auditors shall choose a result, problem or system-oriented approach, or a combination thereof, to facilitate the soundness of audit design.

It determines the nature of the examination to be made and defines the necessary knowledge, information,data and the audit procedures needed to obtain and analyse them.Performance auditing generally follows one of three approaches:

a. a system-oriented approach, which examines the proper functioning of management systems, e.g. financial management systems;

b. a result-oriented approach, which assesses whether outcome or output objectives have been achieved as intended or programmes and services are operating as intended;

c. a problem-oriented approach, which examines, verifies and analyses the causes of particular problems or deviations from criteria.

All three approaches can be pursued from a top-down or bottom-up perspective. Top-down audits concentrate mainly on the requirements, intentions, objectives and expectations of the legislature and central public sector. A bottom-up perspective focuses on problems of significance to people and the community.

3.3.8 Audit procedures

When planning the audit, the auditor shall design the audit procedures to be used for gathering sufficient and appropriate audit evidence.

The methods chosen shall e those which best allow evidence to be gathered in an efficient and effective manner. This can be approached in several stages:

a. deciding on the overall audit design (which questions to ask,e.g.explanatory/descriptive/evaluative);

b. determining the level of observation (e.g. looking at a process or individual files) and methodology (e.g. full analysis or sample);

c. specific data-collection techniques (e.g. analysis of records, questionnaire, interview or focus group). Data-collection methods and sampling techniques shall be carefully chosen. While the auditors shall aim to adopt best practices, practical considerations such as the availability of data may restrict the choice of methods. It is therefore advisable that planning be flexible and pragmatic. For this reason, performance audit procedures shall not be overly standardised. Excessive prescriptiveness may hamper the flexibility, professional judgement and high levels of analytical skills that are required in a performance audit. In certain cases–where, for example, the audit requires data to be gathered in many different regions or areas or the audit is to be conducted by a large number of auditors –there may be a need for a more detailed audit plan in which audit questions and procedures are explicitly defined. When planning an audit, auditors shall also assess the risk of fraud. If this is significant within the context of the audit objectives, the auditors shall obtain an understanding of the relevant internal control systems and examine whether there are signs of irregularities that hamper performance. The overall aim at the planning stage is to decide, by building up knowledge and considering a variety of strategies, how best to conduct the audit. Auditors shall establish suitable criteria which correspond to the audit questions and are related to the principles of economy, efficiency and effectiveness. Diverse sources can be used to identify criteria, including performance measurement frameworks. The criteria shall be discussed with the auditable entities, but it is ultimately the auditor's responsibility to select suitable criteria. While defining and communicating suitable criteria during the planning phase may enhance their reliability and general acceptance, in audits covering complex issues it is not always possible to set criteria in advance and instead they will be defined during the audit process.

3.3.9 Quality Control

Auditors shall apply procedures to safeguard quality, ensuring that the applicable requirements are met and placing emphasis on appropriate, balanced and fair reports that add value and answer the audit questions. In the conduct of performance audits the following specific issues need to be addressed:

a. Performance audit is a process in which the audit team gathers a large amount of audit-specific information and exercises a high degree of professional judgement and discretion concerning the relevant issues. This must be taken into account in quality control.The need to establish a working atmosphere of mutual trust and responsibility and provide support for audit teams shallbe seen as part of quality management.

b. In performance auditing, even if the report is evidence-based, well-documented and accurate, it might still be inappropriate or insufficient if it fails to give a balanced and unbiased view, includes too few relevant viewpoints or unsatisfactorily addresses the audit questions. These considerations shall therefore be an essential part of measures to safeguard quality.

c. As audit objectives vary widely between different audit engagements, it is important to define clearly what constitutes a high-quality report in the specific context of an audit engagement. General quality control measures shall therefore be complemented by audit-specific measures.

No quality control procedures at the level of the individual audit can guarantee high-quality performance audit reports. It is equally important for auditors to be –and remain –competent,motivated and willing to innovate. Control mechanisms shall therefore be complemented by support, such as on-the-job training and guidance for the audit team.

3.3.10 Reporting

Auditors shall strive to provide audit reports which are comprehensive, convincing, timely, reader-friendly and balanced.

To be comprehensive, the report shall include information about the audit objective, audit questions and answers to those questions, the subject matter, criteria, methodology, sources of data, any limitations to the data used, and audit findings. The audit findings shall be put into perspective.It shall clearly answer the audit questions or explain why this was not possible. To be convincing, it shall be logically structured and present a clear relationship between the audit objective, criteria, findings, conclusions and recommendations. All relevant arguments shall be addressed. The report shall explain why and how problems observed in the findings hamper performance in order to encourage the audited entity or the user to initiate corrective action. It shall, where appropriate, include recommendations for improvements to performance. The report shall be as clear and concise as the subject matter permits and phrased inunambiguous language. As a whole it shall be constructive, contribute to better knowledge and highlight any necessary improvements.

Being balanced means that preparation of the report needs to be impartial in content and tone. In preparing a balanced and constructivereport the auditors shall strive to present (i) findings objectively and fairly. The facts shall be presented and interpreted in neutral terms, avoiding biased information or language that can generate defensiveness and opposition (ii) different perspectives and viewpoints. Where different interpretations of the evidence can legitimately be made, they need to be presented to ensure fairness and balance and (iii) both positive and negative aspects and give credit where it is due.

3.3.11 Recommendations

Auditors shall seek to provide constructive recommendations that are likely to contribute significantly to addressing the weaknesses or problems identified by the audit. Recommendations shall be well-founded and add value. They shall address the causes of problems and/or weaknesses. However, they shall be phrased in such a way that avoids truisms or simply inverting the audit conclusions and they shall not encroach on the management's responsibilities.

It shall be clear who and what is addressed by eachrecommendation, who is responsible for taking any initiative and what the recommendations mean –i .e. how they will contribute to better performance. Recommendations shall be practical and be addressed to the entities which have responsibility and competence for implementing them. Recommendations shall be presented in a logical and reasoned fashion. They shall be linked to the audit objectives, findings and conclusions. Together with the full text of the report,they shall convince the reader that they are likely to significantly improve the conduct of public sector operations and programmes, e.g. by lowering costs,simplifying administration, enhancing the quality and volume of services, or improving effectiveness, impact or the benefits to society.

3.3.12 Follow-up

Auditors shall follow up previous audit findings and recommendations wherever appropriate. Follow-up shallbe reported appropriately in order to provide feedback to the legislature together, if possible, with the conclusions and impacts of all relevant corrective action.

Follow-up refers to the auditors' examination of corrective action taken by the audited entity, or another responsible party, on the basis of the results of a performance audit. It is an independent activity that increases the value of the audit process bystrengthening the impact of the audit and laying the basis for improvements to future audit work. Follow-up is not restricted to the implementation of recommendations but focuses on whether the audited entity has adequately addressed the problems and remedied the underlying situation after a reasonable period of time.

When conducting follow-up of an audit report, the auditor shall concentrate on findingsand recommendations that are still relevant at the time of the follow-up and adopt an unbiased and independent approach. Follow-up results may be reported individually or as a consolidated report, which may in turn include an analysis of different audits, possibly highlighting common trends and themes across a number of reporting areas.

Compliance Audit

3.4.1 Compliance audit is the independent assessment of whether a given subject matter is in compliance with applicable authorities identified as criteria. Compliance audits are carried out by assessing whether activities, financial transactions and information comply in all material respects, with the authorities which govern the audited entity. Compliance auditing may be concerned with

a. **Regularity -** adherence of the subject matter to the formal criteria emanating from relevant laws, regulations and agreements applicable to the entity
b. **Propriety -** observance of the general principles governing sound financial management and the ethical conduct of public officials

While regularity is the main focus of compliance auditing, propriety is equally pertinent in the public-sector context, in which there are certain expectations concerning financial management and the conduct of officials.

3.4.2 Objectives of Compliance Audit

Compliance audit promotes transparency by providing reliable reports as to whether funds have been administered, management exercised and citizens' rights to due process honoured as required by the applicable authorities. It promotes accountability by reporting deviations from and violations of authorities, so that corrective action may be taken and those accountable may be held responsible for their actions. It promotes good governance both by identifying weaknesses and deviations from laws and regulations and by assessing propriety where there are insufficient or inadequate laws and regulations. Fraud and corruption are, by their very nature, elements which counteract transparency, accountability and good stewardship. Compliance audit therefore also considers the risk of fraud in relation to compliance.

The objective of compliance auditing, therefore, is to enable assessment of whether the activities of auditable entities are in accordance with the authorities governing those entities in order to express a conclusion designed to enhance the degree of confidence of the intended users.

3.4.3 Perspectives of Compliance Audit

Compliance audit can be part of a combined audit that may also include other aspects. Though other possibilities exist, compliance auditing is generally conducted either:

- in relation with the audit of financial statements, or
- separately as individual compliance audits, or
- in combination with performance auditing

3.4.3.1 Compliance Audit in relation with the audit of Financial Statements

The legislature, as an element of public democratic process, establishes the priorities for public-sector income and expenditure and for the calculation and attribution of expenditure and income. The underlying premises of legislative bodies, and the decisions they take are the source of the authorities governing cash flow in the public sector. Compliance with those authorities constitutes a broader perspective alongside the audit of financial statements in budgetary execution.

Laws and regulations are important both in compliance auditing and in the audit of financial statements. Which laws and regulations apply in each field will depend on the audit objectives. Compliance audit focusses on obtaining sufficient and appropriate evidence regarding compliance of a given subject matter with applicable authorities identified as criteria. Whereas, in the audit of financial statements, only those laws and regulations with a direct and material effect on the financial statement are relevant, in compliance auditing any law and regulation relevant to the subject matter may be relevant for audit.

3.4.3.2 Compliance Audit conducted separately

Compliance audits may be planned, performed and reported on separately from the audit of financial statements and from performance audits. Such audits may be conducted separately on a regular basis, as distinct and clearly-defined audits each related to a specific subject matter.

3.4.3.3 Compliance Audit in combination with Performance Auditing

When compliance audit is part of a performance audit, compliance is seen as one of the aspects of economy, efficiency and effectiveness. Non-compliance may be the cause of, an explanation for, or a consequence of the state of the activities that are the subject of performance audit. In combined audits of this kind, auditors shall use their professional judgement to decide whether performance or compliance is the primary focus of the audit and whether to apply the performance audit standards, compliance audit standards or both.

3.4.4 Type of Engagement in Compliance Audit

Compliance audits can be conducted as direct reporting engagements or attestation engagements. An auditor performs procedures to reduce or manage the risk of providing incorrect conclusions, recognising that, owing to the inherent limitations in all audits, no audit can ever provide absolute assurance of the condition of the subject matter. In most cases, a compliance audit will not cover all elements of the subject matter but will rely on a degree of qualitative or quantitative sampling. Compliance auditing enhances the confidence of the intended users in the information provided by the auditor or another party.

3.4.5 Audit Risk

Consideration of audit risk is relevant in both attestation and direct engagements.

The auditor shall consider three different dimensions of audit risk – inherent risk, control risk and detection risk – in relation to the subject matter and the reporting format, i.e. whether the subject matter is quantitative or qualitative and whether the audit report is to include an opinion or a conclusion. The relative significance of these dimensions of audit risk depends on the nature of the subject matter and whether it is a direct reporting or an attestation engagement.

3.4.6 Materiality

Materiality in compliance auditing has both quantitative and qualitative aspects, although the qualitative aspects generally play a greater role in the public sector.

Materiality shall be considered for the purposes of planning, evaluating the evidence obtained and reporting. An essential part of determining materiality is to consider whether reported cases of compliance or non-compliance (potential or confirmed) could reasonably be expected to influence decisions by the intended users. Factors to be considered within this judgment assessment are mandated requirements, public interest or expectations, specific areas of legislative focus, requests and significant funding. Issues at a lower level of value or incidence than the general determination of materiality, such as fraud, may also be considered material. The assessment of materiality requires comprehensive professional judgement on the part of the auditor and is related to the audit scope.

3.4.7 Risk assessment

Auditors shall perform a risk assessment to identify risks of non-compliance.

In the light of the audit criteria, the audit scope and the characteristics of the audited entity, the auditor shall perform a risk assessment to determine the nature, timing and extent of the audit procedures to be performed. In this process, the auditor shall consider the risks that the subject matter will not comply with the criteria. Non-compliance may arise due to fraud, error, the inherent nature of the subject matter and/or the circumstances of the audit. The identification of risks of non-compliance and their potential impact on the audit procedures shall be considered throughout the audit process. As part of the risk assessment, the auditor shall evaluate any known instances of non-compliance in order to determine whether they are material.

3.4.8 Risk of fraud, abuse and non-compliance

Auditors shall consider the risk of fraud, abuse and non-compliance. If the auditor comes across instances of non-compliance which may be indicative of fraud, the auditor shall exercise due professional care and caution so as not to interfere with any future legal proceedings or investigations.

Fraud in compliance auditing relates mainly to the abuse of public authority, but also to fraudulent reporting on compliance issues. Abuse occurs when the conduct of the entity, program, activity or function falls far short of societal expectations for prudent behaviour. Non-compliance comprises violation of laws, rules and regulations, provisions of contracts and other agreements. Instances of non-compliance with authorities may constitute deliberate misuse of public authority for improper benefit. The execution of public authority includes decisions, non-decisions, preparatory work, advice, information handling and other acts in the public service. Improper benefits are advantages of a non-economic or economic nature gained by an intentional act by one or more individuals among management, those charged with governance, employees or third parties. While detecting fraud is not the main objective of compliance audit, auditors shall include fraud risk factors in their risk assessments and remain alert to indications of fraud.

3.4.9 Reporting

Auditors shall prepare a report based on the principles of completeness, objectivity, timeliness and a contradictory process.

The principle of completeness requires the auditor to consider all relevant audit evidence before issuing a report. The principle of objectivity requires the auditor to apply professional judgement and scepticism in order to ensure that all reports are factually correct and that findings or conclusions are presented in a relevant and balanced manner. The principle of timeliness implies preparing the report in due time. The principle of a contradictory process implies checking the accuracy of facts with the audited entity and incorporating responses from responsible officials as appropriate. In both form and content, a compliance audit report shall conform to all these principles.

Reporting may vary between various forms of conclusions, presented in short or long form. However, the report shall be complete, accurate, objective, convincing and as clear and concise as the subject matter permits. The conclusion may take the form of a clear written statement on compliance or may be expressed as a more elaborate answer to specific audit questions. While a conclusion is common in attestation engagements, the answering of specific audit questions is more often used in direct reporting engagements.

3.4.10 Follow-up

Auditors shall follow up instances of non-compliance when appropriate.

A follow-up process facilitates the effective implementation of corrective action and provides useful feedback to the audited entity, the users of the audit report and the auditor (for future audit planning). The need to follow up previously reported instances of non-compliance will vary with the nature of the subject matter, the non-compliance identified and the particular circumstances of the audit.

ANNEXURE - C

FORMATS OF CERTIFICATE FOR ISSUE OF COMMENTS, NIL COMMENTS and NON-REVIEW ON FINANCIAL STATEMENTS OF GOVERNMENT COMPANIES

A: (Format of certificate for conducting supplementary audit of financial statements and issue of comments)

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF (Name of the company) FOR THE YEAR ENDED 31 MARCH (year)

The preparation of financial statements of (Name of the company) for the year ended 31 March (year) in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor/auditors appointed by the Comptroller and Auditor General of India under section 139 (5) or 139 (7)[1] of the Act is/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 (date of the report).

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of (Name of the company) for the year ended 31 March (year) 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.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.

A. Comments on Profitability
B. Comments on Financial Position
C. Comments on Cash Flow
D. Comments on Disclosure
E. Comments on Auditors' Report
F. Other Comments
(may be arranged in order of decreasing importance)

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

Place

[1] In case of first auditor appointed by the C&AG

Date
Signature

Name of the MAB/AG

B: (Format of certificate for conducting supplementary audit of financial statements and issue of Nil comments)

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF (Name of the company) FOR THE YEAR ENDED 31 MARCH (year)

The preparation of financial statements of (Name of the company) for the year ended 31 March (year) in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor/auditors appointed by the Comptroller and Auditor General of India under section 139 (5) or 139 (7)[2] of the Act is/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 (date of the report).

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of (Name of the company) for the year ended 31 March (year) under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

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

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

Place

Date
Signature

Name of the MAB/AG

[2] In case of first auditor appointed by the C&AG

C: (Format of certificate for not conducting supplementary audit of financial statements)

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF (Name of the company) FOR THE YEAR ENDED 31 MARCH (year)

The preparation of financial statements of (Name of the company) for the year ended 31 March (year) in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor/auditors appointed by the Comptroller and Auditor General of India under section 139 (5) or 139 (7)[3] of the Act is/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 (date of the report).

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

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

Place

Date
Signature

Name of the MAB/AG

[3] In case of first auditor appointed by the C&AG

D: (Format of certificate for conducting supplementary audit of financial statements, revision of financial statements and consequent issue of Nil Comments

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF (Name of the company) FOR THE YEAR ENDED 31 MARCH (year)

The preparation of financial statements of (Name of the company) for the year ended 31 March (year) in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor/auditors appointed by the Comptroller and Auditor General of India under section 139 (5) or 139 (7)[4] of the Act is/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 Revised Audit Report dated (date of the revised report) which supersedes their earlier Audit Report dated (date of the report).

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of (Name of the company) for the year ended 31 March (year) 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.

In view of the revision(s) made in the financial statements by the management, as indicated in Note No……..of the financial statements, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditors' report under section 143(6)(b) of the Act.

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

Place

Date
Signature

Name of the MAB/AG

[4] In case of first auditor appointed by the C&AG

E: (Format of certificate for conducting supplementary audit of financial statements, revision of financial statements and consequent issue of Comments

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF (Name of the company) FOR THE YEAR ENDED 31 MARCH (year)

The preparation of financial statements of (Name of the company) for the year ended 31 March (year) in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor/auditors appointed by the Comptroller and Auditor General of India under section 139 (5) or 139 (7)[5] of the Act is/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 Revised Audit Report dated (date of the revised report) which supersedes their earlier Audit Report dated (date of the report).

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of (Name of the company) for the year ended 31 March (year) 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. The financial statements of the Company have been revised by the management, as indicated in Note No……….of the financial statements, to give effect to some of my audit observations raised during supplementary audit.

In addition, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:

A. Comments on Profitability
B. Comments on Financial Position
C. Comments on Cash Flow
D. Comments on Disclosure
E. Comments on Auditors’ Report
F. Other Comments
(may be arranged in order of decreasing importance)

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

[5] In case of first auditor appointed by the C&AG

Place

Date
Signature

Name of the MAB/AG

FORMATS OF CERTIFICATE FOR ISSUE OF COMMENTS, NIL COMMENTS and NON-REVIEW ON CONSOLIDATED FINANCIAL STATEMENTS OF GOVERNMENT COMPANIES

F: (Format of certificate for conducting supplementary audit of consolidated financial statements and issue of comments)

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 (Name of the company) FOR THE YEAR ENDED 31 MARCH (year)

The preparation of consolidated financial statements of (Name of the company) for the year ended 31 March (year) in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor/auditors appointed by the Comptroller and Auditor General of India under section 139 (5) or 139 (7)[6] read with section 129 (4) of the Act is/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 (date of the report).

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of (Name of the company) for the year ended 31 March (year) under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of (name of the company, subsidiary, associate companies and jointly controlled entities), but did not conduct supplementary audit of the financial statements of (name of subsidiaries, associate companies and jointly controlled entities)[7] for the year ended on that date. **Further, section 139(5) and 143 (6) (a) of the Act are not applicable to (name of the subsidiary/ joint venture/ associate company) being private entity(ies)/ entity(ies) incorporated in Foreign country(ies) under the respective laws for appointment of their Statutory Auditor and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies.** 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.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) read with section 129(4) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:

A. Comments on Consolidated Profitability
B. Comments on Consolidated Financial Position
C. Comments on Consolidated Cash Flow
D. Comments on Disclosure
E. Comments on Auditors' Report on Consolidated Financial Statements
F. Other Comments

[6] In case of first auditor appointed by the C&AG

[7] If the number exceeds three, the same may be listed as annexure

(may be arranged in order of decreasing importance)

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

Place

Date

Signature

Name of the MAB/AG

Note: A disclaimer about private/foreign entities has been incorporated which is depicted as bold and underlined. This may be incorporated in the comments certificate, to the extent applicable.

G: (Format of certificate for conducting supplementary audit of consolidated financial statements and issue of Nil comments)

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 (Name of the company) FOR THE YEAR ENDED 31 MARCH (year)

The preparation of consolidated financial statements of (Name of the company) for the year ended 31 March (year) in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor/auditors appointed by the Comptroller and Auditor General of India under section 139 (5) or 139 (7)[8] read with section 129 (4) of the Act is/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 (date of the report).

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of (Name of the company) for the year ended 31 March (year) under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of (name of the company, subsidiary, associate companies and jointly controlled entities), but did not conduct supplementary audit of the financial statements of (name of subsidiaries, associate companies and jointly controlled entities)[9] for the year ended on that date. **Further, section 139(5) and 143 (6) (a) of the Act are not applicable to (name of the subsidiary/ joint venture/ associate company) being private entity(ies)/ entity(ies) incorporated in Foreign country(ies) under the respective laws, for appointment of their Statutory Auditor and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies.** This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

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

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

Place

Date
Signature

[8] In case of first auditor appointed by the C&AG
[9] If the number exceeds three, the same may be listed as annexure

Name of the MAB/AG

Note: A disclaimer about private/foreign entities has been incorporated which is depicted as bold and underlined. This may be incorporated in the comments certificate, to the extent applicable.

H: (Format of certificate for not conducting supplementary audit of consolidated financial statements)

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 (Name of the company) FOR THE YEAR ENDED 31 MARCH (year)

The preparation of consolidated financial statements of (Name of the company) for the year ended 31 March (year) in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor/auditors appointed by the Comptroller and Auditor General of India under section 139 (5) or 139 (7)[10] read with section 129 (4) of the Act is/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 (date of the report).

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the consolidated financial statements of (Name of the company) for the year ended 31 March (year) under section 143 (6)(a) read with section 129(4) of the Act.

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

Place

Date
Signature

Name of the MAB/AG

[10] In case of first auditor appointed by the C&AG

<u>I: (Format of certificate for conducting supplementary audit of consolidated financial statements, revision of consolidated financial statements and consequent issue of NIL comments)</u>

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 (Name of the company) FOR THE YEAR ENDED 31 MARCH (year)

The preparation of consolidated financial statements of (Name of the company) for the year ended 31 March (year) in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor/auditors appointed by the Comptroller and Auditor General of India under section 139 (5) or 139 (7)[11] read with section 129 (4) of the Act is/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 Revised Audit Report dated (date of the revised report) which supersedes their earlier Audit Report dated (date of the report).

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of (Name of the company) for the year ended 31 March (year) under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of (name of the company, subsidiary, associate companies and jointly controlled entities), but did not conduct supplementary audit of the financial statements of (name of subsidiaries, associate companies and jointly controlled entities)[12] for the year ended on that date. **<u>Further, section 139(5) and 143 (6) (b) of the Act are not applicable to (name of the subsidiary/ joint venture/ associate company) being private entity(ies)/ entity(ies) incorporated in Foreign country(ies) under the respective laws, for appointment of their Statutory Auditor and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies.</u>** 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.

In view of the revision(s) made in the consolidated financial statements by the management, as indicated in Note No…………of the financial statements, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditors' report, under section 143 (6) (b) read with section 129(4) of the Act.

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

Place

Date
Signature

[11] In case of first auditor appointed by the C&AG
[12] If the number exceeds three, the same may be listed as annexure

Name of the MAB/AG

Note: A disclaimer about private/foreign entities has been incorporated which is depicted as bold and underlined. This may be incorporated in the comments certificate, to the extent applicable.

J: (Format of certificate for conducting supplementary audit of consolidated financial statements, revision of consolidated financial statements and subsequent issue of Comments)

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 (Name of the company) FOR THE YEAR ENDED 31 MARCH (year)

The preparation of consolidated financial statements of (Name of the company) for the year ended 31 March (year) in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor/auditors appointed by the Comptroller and Auditor General of India under section 139 (5) or 139 (7)[13] read with section 129 (4) of the Act is/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 Revised Audit Report dated (date of the revised report) which supersedes their earlier Audit Report dated (date of the report).

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of (Name of the company) for the year ended 31 March (year) under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of (name of the company, subsidiary, associate companies and jointly controlled entities), but did not conduct supplementary audit of the financial statements of (name of subsidiaries, associate companies and jointly controlled entities)[14] for the year ended on that date. **Further, section 139(5) and 143 (6) (b) of the Act are not applicable to (name of the subsidiary/ joint venture/ associate company) being private entity(ies)/ entity(ies) incorporated in Foreign country(ies) under the respective laws, for appointment of their Statutory Auditor and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies.** 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.

The consolidated financial statements of the company have been revised by the management, as indicated in Note No……….of the financial statements, to give effect to some of my audit observations raised during supplementary audit.

In addition, I would like to highlight the following significant matters under section 143(6)(b) read with section 129(4) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the consolidated financial statements and the related audit report:

A. Comments on Consolidated Profitability
B. Comments on Consolidated Financial Position
C. Comments on Consolidated Cash Flow
D. Comments on Disclosure
E. Comments on Auditors' Report on Consolidated Financial Statements
F. Other Comments

(may be arranged in order of decreasing importance)**For and on behalf of the**

Comptroller & Auditor General of India

Place

---

[13] In case of first auditor appointed by the C&AG

[14] If the number exceeds three, the same may be listed as annexure

Date
Signature

Name of the MAB/AG

Note: A disclaimer about private/foreign entities has been incorporated which is depicted as bold and underlined. This may be incorporated in the comments certificate, to the extent applicable.

K: (Format of certificate for conducting supplementary audit of financial statements, revision of Statutory Auditor's Report and consequent issue of Comments

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF (Name of the company) FOR THE YEAR ENDED 31 MARCH (year)

The preparation of financial statements of (Name of the company) for the year ended 31 March (year) in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor/auditors appointed by the Comptroller and Auditor General of India under section 139 (5) or 139 (7)[15] of the Act is/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 Revised Audit Report dated (date of the revised report) which supersedes their earlier Audit Report dated (date of the report).

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of (Name of the company) for the year ended 31 March (year) 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. The Audit Report has been revised by the statutory auditor to give effect to some of my audit observations raised during supplementary audit.

In addition, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:

A. Comments on Profitability
B. Comments on Financial Position
C. Comments on Cash Flow
D. Comments on Disclosure
E. Comments on Auditors' Report
F. Other Comments
(may be arranged in order of decreasing importance)

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

Place

Date
Signature

[15] In case of first auditor appointed by the C&AG

Name of the MAB/AG

<u>L: (Format of certificate for conducting supplementary audit of financial statements, revision of Statutory Auditor's Report and consequent issue of Nil Comments</u>

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF (Name of the company) FOR THE YEAR ENDED 31 MARCH (year)

The preparation of financial statements of (Name of the company) for the year ended 31 March (year) in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor/auditors appointed by the Comptroller and Auditor General of India under section 139 (5) or 139 (7)[16] of the Act is/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 Revised Audit Report dated (date of the revised report) which supersedes their earlier Audit Report dated (date of the report).

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of (Name of the company) for the year ended 31 March (year) 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.

In view of the revision(s) made in the statutory auditor's report, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditors' report under section 143(6)(b) of the Act.

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

Place

Date
Signature

Name of the MAB/AG

[16] In case of first auditor appointed by the C&AG

<u>M: (Format of certificate for conducting supplementary audit of consolidated financial statements, revision of Statutory Auditor's Report and consequent issue of comments)</u>

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 (Name of the company) FOR THE YEAR ENDED 31 MARCH (year)

The preparation of consolidated financial statements of (Name of the company) for the year ended 31 March (year) in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor/auditors appointed by the Comptroller and Auditor General of India under section 139 (5) or 139 (7)[17] read with section 129 (4) of the Act is/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 Revised Audit Report dated (date of the revised report) which supersedes their earlier Audit Report dated (date of the report).

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of (Name of the company) for the year ended 31 March (year) under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of (name of the company, subsidiary, associate companies and jointly controlled entities), but did not conduct supplementary audit of the financial statements of (name of subsidiaries, associate companies and jointly controlled entities)[18] for the year ended on that date. **<u>Further, section 139(5) and 143 (6) (a) of the Act are not applicable to (name of the subsidiary/ joint venture/ associate company) being private entity(ies)/ entity(ies) incorporated in Foreign country(ies) under the respective laws for appointment of their Statutory Auditor and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies.</u>** 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. The Audit Report has been revised by the statutory auditor to give effect to some of my audit observations raised during supplementary audit.

In addition, I would like to highlight the following significant matters under section 143(6)(b) read with section 129(4) of the Act of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the consolidated financial statements and the related audit report:

G. Comments on Consolidated Profitability
H. Comments on Consolidated Financial Position
I. Comments on Consolidated Cash Flow
J. Comments on Disclosure

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[17] In case of first auditor appointed by the C&AG
[18] If the number exceeds three, the same may be listed as annexure

K. Comments on Auditors' Report on Consolidated Financial Statements
L. Other Comments
(may be arranged in order of decreasing importance)

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

Place

Date

Signature

Name of the MAB/AG

Note: A disclaimer about private/foreign entities has been incorporated which is depicted as bold and underlined. This may be incorporated in the comments certificate, to the extent applicable.

N: (Format of certificate for conducting supplementary audit of consolidated financial statements, revision of Statutory Auditor's Report and consequent issue of NIL comments)

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 (Name of the company) FOR THE YEAR ENDED 31 MARCH (year)

The preparation of consolidated financial statements of (Name of the company) for the year ended 31 March (year) in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor/auditors appointed by the Comptroller and Auditor General of India under section 139 (5) or 139 (7)[19] read with section 129 (4) of the Act is/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 Revised Audit Report dated (date of the revised report) which supersedes their earlier Audit Report dated (date of the report).

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of (Name of the company) for the year ended 31 March (year) under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of (name of the company, subsidiary, associate companies and jointly controlled entities), but did not conduct supplementary audit of the financial statements of (name of subsidiaries, associate companies and jointly controlled entities)[20] for the year ended on that date. **Further, section 139(5) and 143 (6) (b) of the Act are not applicable to (name of the subsidiary/ joint venture/ associate company) being private entity(ies)/ entity(ies) incorporated in Foreign country(ies) under the respective laws for appointment of their Statutory Auditor and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies.** 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.

In view of the revision(s) made in the statutory auditor's report, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditors' report under section 143 (6) (b) read with section 129(4) of the Act.

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

---

[19] In case of first auditor appointed by the C&AG
[20] If the number exceeds three, the same may be listed in as annexure

Place

Date
Signature

Name of the MAB/AG

Note: A disclaimer about private/foreign entities has been incorporated which is depicted as bold and underlined. This may be incorporated in the comments certificate, to the extent applicable.

ANNEXURE - D

No. CA-IV/70-2003/vol-III

भारत के नियंत्रक-महालेखापरीक्षक का कार्यालय
10, बहादुरशाह ज़फ़र मार्ग,
नई दिल्ली - 110 002
OFFICE OF THE
COMPTROLLER & AUDITOR GENERAL
OF INDIA
10, BAHADUR SHAH ZAFAR MARG,
New Delhi - 110 002

दिनांक / DATE 3.7.08

डायरी संख्या 3951 CA-4
दिनांक 8/9

To,

DGA (P&T)
All PDsCA and MAB-III, N. Delhi

Subject: Risk based audit approach

Sir/Madam,

An analysis of utilisation of party days for various types of Audits as per audit plan of 2008-09 in the Central commercial audit field offices has revealed that on an average basis, 48, 15, 16, 6 and 15 *per cent* of total audit party days are utilised for Transaction/Compliance audit, Performance/IT audit, Accounts audit, miscellaneous/DP/coordination work and administration/audit planning etc. respectively. Even after utilisation of 48 *per cent* party days, the results of the Transaction audits do not commensurate with the deployment of audit resources. It has therefore become necessary to reallocate audit resources among the three available frameworks-Transaction audit, Performance audit and Accounts audit and adopt risk based audit approach to make audit more effective and result oriented.

2. I enclose guidelines for risk based audit approach proposed to be implemented from the Audit plan of 2009-10. Suggestions, if any, for further improvement of the same may please be communicated **within 15 days positively**.

Yours faithfully,

(K.P. Sasidharan)
Principal Director (Commercial)

Encl: As above

AO (R)

Need for reallocation of audit resources and change in audit approach

An analysis of utilization of party days for various types of Audits as per audit plan of 2008-09 in the Central commercial audit field offices has revealed that on an average basis, 48, 15, 16 and 6 *per cent* of total audit party days are utilised for Transaction/Compliance Audit, Performance/IT audit, Accounts audit and miscellaneous work/DP coordination work respectively. The residual 15 per cent of party days are utilised for administration, audit planning etc. which is also very high.

2. Utilization of nearly half of the total audit resources for Transaction Audits has resulted into accumulation of outstanding 4499 IRs containing 23,910 paras as on 30 June 2008 without any substantial audit material forthcoming for the CAG's Commercial Audit Report. In fact, over the years approximately 100 draft paras per year appear in the C&AG (Commercial) Reports. Thus, there is a need to change allocation of audit resources and adoption of new audit approach for better audit outcome.

3. In the light of proposed amendment in the Companies Act, 1956 regarding time frame for supplementary audit of accounts of PSUs under Section 619(4) of the Companies Act, 1956, timely finalisation of comments on the accounts of the PSUs is necessary. As oversight of annual accounts of PSUs is a fundamental statutory requirement, it is imperative to allocate adequate time and resources for account audit. Accordingly, resources devoted to accounts audit would need to be increased in line with the three tier scheme for accounts audit which has been communicated separately.

4. A review of performance audits completed during the last three years shows that the number of Performance Audits per year ranged between 11 and 18. During the current year, 11 Performance Audits are proposed. Four of the MAB offices do not have any Performance Audit for the Report of 2009 as topics proposed by them were not found worthwhile by the Audit Board, while two MAB offices have two topics each for Performance Audit. Guidelines have already been issued for selection of topics based on risk assessment and contemporary relevance; and each office is expected to devote commensurate level of audit party days to Performance Audit and contribute at least one Performance Audit every year. Separate instructions exist for devoting equal number of party days for Performance Audit and Transaction/Compliance Audits.

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5. It is obvious from the above that the available manpower resources need to be used more effectively to achieve better results. Available audit resources need to be re-distributed on the basis of significance and materiality after conducting a systematic risk assessment. Taking all the factors into account it is proposed that 90 *per cent* of audit party days may be utilized equally by allocating 30 *per cent* of party days for each of the three audit frameworks-Transaction Audit, Performance/IT Audit and Accounts Audit and remaining 10 *per cent* for administration, coordination and other miscellaneous items of work.

6. This paper essentially deals with 'Risk Based Approach to Transaction Audit' by utilizing 30 *per cent* of available audit resources for effective audit planning and implementation.

Risk Based audit approach to Transaction Audit

7. Due to shortage of resources at the disposal of audit, it is not always possible to cover all the auditable units in a Transaction Audit. An effort is usually made by field offices to cover all the units and each and every activity of the auditable units within limited audit resources. Generally, Audit parties are deployed without a clear focus and without any structured audit planning. Consequently, audit party resources are spread thinly over several themes without intensive examination of any particular theme. In the interest of producing draft paras, some aspects like procurement cases and contracts tend to receive an excessive emphasis. Very often, points picked up from these reports bring out the audit observations which are already under examination/ investigation/ by the auditee or under the knowledge of the auditee. Even though the paras of inspection reports bring out cases of irregularities, they do not highlight material shortcomings in systems. Moreover, all accounting units are generally treated as auditable units and this may not be a valid framework for Transaction/Compliance Audits. Further, most of the Audit observations are not followed up regularly with the management. Most of the PSUs believe that they can manage/are managing their significant risks. In fact, this is not so. Therefore, risk based audit is intended to help PSUs to manage their risks, enhance profitability, image, social responsibility and help them to avoid nasty surprises.

8. The practice of auditing all the units over a reasonable period of time or auditing major areas of risk based on the available audit resources can be debated as

both have some merits and demerits. It is desirable that that all the units are audited but it involves extra cost. Further, instead of conducting ineffective audit of more number of units, it may be better to cover less number of units but conduct focused, effective and timely audit so that corrective/remedial action by the management can also be taken in time. In fact, various MsAB have already adopted this system. For example, in respect of audit of insurance companies, branches which do the basic activity of underwriting business and settlement of claims are not regarded as auditable units but Divisional offices (one level above branch level) are treated as auditable units. Once a Divisional office is audited, it considered that all the branches of under that have been audited.

9. There is need to select high risk areas, conduct audit of manageable number of units, have focused approach, conduct in depth audit of scientifically selected representative sample, shift the approach from coverage of 'all accounting/auditable units' to coverage of 'all major areas of risk' over a reasonable period of time and have proper and timely follow up of Audit observations. Accounting units may normally be considered for audit of financial statements only in accordance with the separate instructions issued on the subject.

Methodology

10. Objective of Transaction Audit is to highlight:

(i) Non-compliance with laws, regulations and general directions of the Government; rules and regulations of the PSU, instructions of their board of Directors;

(ii) Cases of persistent and pervasive irregularities suggesting a need to reform or remedy systems; and

(iii) Cases of fraud, waste, abuse of managerial discretion and mismanagement: A detailed examination of existing organisation structure, procedures and other records is necessary to assess the possibility of factors which provide opportunities for frauds[1], malpractices and corruption[2] and identify the cases,

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[1] ***The term "fraud" refers to an intentional act by one or more individuals among management, those charged with governance, employees, or third parties, involving the use of deception to obtain an unjust or illegal advantage. Fraud involving one or more members of management or those charged with governance is referred to as "management fraud"; fraud involving only employees of the entity is referred to as "employee fraud". In either case, there may be collusion with third parties outside the entity. The primary responsibility for the prevention and detection of fraud rests with those charged with the governance and the management. The respective responsibilities of those charged with governance and management may vary from entity to entity. Management, with the oversight of those charged with governance, needs to set the proper***

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if any. In this regard, research paper published by RTI, Nagpur regarding Red Flags and Anti fraud measures and Audit of fraud, fraud detection techniques and forensic audit may be referred to.

For each of these audit objectives, quality of internal controls would need to be assessed.

11. Audit risk[3] has to be assessed for all major PSUs their core activities on the basis of probability of occurrence of an event and its impact on the business operations of PSUs. Adequate time needs to be spent in understanding business operations of the PSUs, processes, products, services, procedures and controls in each area of activity.

Risk

12. Risk could be internal or external to the PSUs, which can be classified into following illustrative categories:

(i) External factors

- Increase in competition;
- Market conditions;
- Fiscal policies including regulated prices for raw materials or finished products;
- Economic and political scenario;
- Natural events;

tone, create and maintain a culture of honesty and high ethics, and establish appropriate controls to prevent and detect fraud and error within the entity. It is the responsibility of those charged with governance of an entity to ensure, through oversight of management, the integrity of an entity's transaction that appropriate controls are in place, including those for monitoring risk, financial control and compliance with the laws and regulations. Regarding 'fraud risk factors relating to susceptibility of assets to misappropriation' and 'fraud risk factors relating to controls' other matters, Auditing and Assurance Standard 4 (SA 240) issued by the ICAI may be referred to.

[2] ***Corruption may be defined as any conduct which amounts to influencing the decision making process of a public officer or authority, or influence peddling insider dealing/conflicts of interest, influence peddling by the use of fraudulent means such as bribery, blackmail. Any person, who directly or indirectly accepts, agrees or offers to accept any gratification from any other person to benefit him/herself or any other person is guilty of the crime of corruption.***

[3] ***Audit risk means the risk that the auditor draws an inappropriate opinion/ reasonable assurance that affairs of PSUs are being managed efficiently, effectively and economically in control system and environment. It has three components viz inherent risk, control risk and detection risk.***

Inherent risk assesses the nature, complexity and volume of activities that give rise to possibility of errors (intentional or unintentional) in the first place. The assessment of inherent risk factors would to a large extent be based on the knowledge and understanding of the business of the auditee based on our experience from previous audits and identification of events, transactions and practices which may have a significant impact.

Control risk is the risk that material errors, omissions or irregularities either individually or when aggregated are not detected, prevented and corrected on a timely basis in the internal control system and environment.

Detection risk is the risk that an auditor's substantive procedure will not detect errors, omissions or irregularities that have occurred

(ii) Internal factors

- Weak corporate governance;
- Weak risk management (i.e. identification, evaluation, prevention and mitigation of risk);
- Failure to manage projects effectively (proportion of projects completed on time within budgeted cost and with customers satisfaction)
- Weak internal controls and internal audit systems;
  - High discretionary powers;
  - Weak enforcement of laws;
  - Weak monitoring of significant controls;
  - Delay in correction of known material weakness;
- Ineffective accounting and Information Technology systems;
- High turnover of key personnel;
- Competence of the personnel in accordance with job requirements;
- Decline in operational and financial performance;
- Loss of key personnel;
- Failure to innovate; and
- Excessive controls limiting the growth of business activities.

Audit planning

13. Audit planning would involve the following steps:

I. **Classification of PSUs based on their size and scale of operations;**

II. **Understanding the business activities of PSUs and associated risks**

III. **Identification of activities and theme carried out by the PSU;**

IV. **Selection of theme/activity for audit based on scientific risk assessment;**

V. **Selection of units of the PSU to audit the selected theme/activity;**

VI. **Allocation of audit resources based on scale of operations and business risk; and**

VII. **Selection of sample, documentation, preparation of report and their follow up.**

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I Classification of PSUs based on their size and scale of operations

The scale of operations of central PSUs is varied. During 2006-07, more than 60 government companies/corporations had turnover more than Rs.1000 crore with highest being at Rs.2,22,826 crore. There were number of companies having turnover less than Rs. 100 crore. Therefore, companies can be classified based on their turnover in the following four categories:

A. **Very large PSUs**-Navratna, and 'public interest entities[4] having annual turnover more than Rs. 1000 crore;

B. **Large PSUs** -Public interest entities having annual turnover less than Rs. 1000 crore;

C. **Small and medium PSUs** having turnover less than Rs. 100 crore;

D. **Other PSUs**-Defunct PSUs or PSUs having turnover less than Rs.5 crore.

II Understanding the business activities of the PSUs and associated risks

The process of understanding the functioning of the PSUs[5] and their activities may involve the following steps:

i. Familiarising with the PSU and their activities by review of their annual reports, website of the PSU, administrative reports, annual reports of the concerned ministry, media reports about the PSUs, relevant chapters of the commercial audit manual (part-II) and previous audit reports,

ii. If appropriate, a visit to the actual operations (survey) may be conducted to become familiar with the activities, risks, and controls to identify areas for emphasis;

iii. Budget information, operating results and financial information of the activities;

iv. Objectives and goals of the activities;

v. MIS reports;

vi. Review of the policies, plans, procedures, laws, regulations, and contracts that could have significant impact on operations and reports;

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[4] *Companies whose equity or debt securities are listed or are in the process of listing on any stock exchange, whether in India or outside India; or which is a bank, financial institutions or an insurance entity; or whose turnover exceeds Rs. 100 crore in immediately preceding accounting year; or which has public deposit and/or borrowings from banks and financial institutions in excess of rupees five crore at any time during the immediately preceding accounting year; or which is a holding or a subsidiary of any entity which covered above. Definition of public interest entities in the Accounting Standards issued by ICAI may be referred to.*

[5] *For understanding the business, Auditing and Assurance Standard 20 (SA 310) issued by ICAI may be referred to*

vii. Organisational structure (including job description and segregation of duties);

viii. Audit Report of the statutory auditors including Report under CARO 2003;

ix. Supplementary report of the statutory auditors under section 619(3)(a) of the Companies Act, 1956;

x. Report of the internal auditors;

xi. Correspondence file with the ministry/department;

xii. Agenda and minutes of the Board and other Committee of Management;

xiii. Authoritative technical literature appropriate to the activity; and

xiv. Special reports, if any, on the functioning of PSU or its activities.

III Identification of activities and theme

The themes/activities can be identified based on the business segments reported by the PSU in their financial statement or on the basis of its nature of activities. In respect of very large and large PSUs, at lease five and not more than ten themes/activities may be identified. These should invariably include corporate governance and procurement. The major areas of risks or themes could be in the following categories:

i. Corporate Governance
   a. Corporate planning, risk management, Board minutes, Audit committees minutes, Management/consultancy reports, Management compliance with Board's directives,
   b. Corporate Social Responsibilities-Environmental issues; Resource conservation- Energy, Water, Material, Waste/ disposal of effluents, Compliance with labour and environmental laws, Health and safety environment,
   c. Prevention of fraud and corruption,

ii. Procurement:
   a. Materials, machines and equipments,
   b. Complete Projects,
   c. Consultancy,
   d. System of invitation of bids to award of contracts

iii. Project management and execution of jobs/contracts/works etc.,

iv. Production planning and control,

v. Material management (including life cycle of management of inventory right from the receipt of requisition to receipt, storage and utilization/disposal),

vi. Marketing and sales,

vii. Financial management (including raising of finance, credit policy and realization of accounts receivables) and Investment of surplus funds.

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viii. Real estate management,

ix. Human resource management, and

x. Other residual category (this is only illustrative list, MsAB may ***add other areas specific to a particular PSU or sector***). For example in case of insurance companies, the list could cover the following activities:

   a. Underwriting of business including management of agents and brokers
   b. Settlement of claims including appointment of surveyors
   c. Reinsurance
   d. Treasury management or the themes could be based on the nature of insurance, General, Fire, Health, Motor, Marine, Life etc.

√ **IV Selection of theme based on scientific risk assessment**

At lease two themes/activities may be selected for audit of very large PSUs and at least one theme/activity may be selected for large PSUs every year so that all the identified themes/ activities are covered over a reasonable period of time-say three years.

A In respect of the Companies having turnover or expenditure in excess of Rs. 1000 crore in a year

Risk associated with some of the activities/themes viz. corporate governance, corporate social responsibilities, human resource development can not be measured in quantitative terms and therefore, these have to be decided based on the areas of operations of the PSUs. In respect of others, the overall audit risk associated with the activity/theme can be assessed on a scale of 10. The matrix and distribution of point to each major attribute of the risk are as follows:

Table A

Type of risk	Attributes		Maximum points	Points awarded
Inherent	i.	The annual turnover/expenditure of the year	2	
	ii.	Variation in major operating ratio based on analytical review	1	
	iii.	Nature of expenditure/turnover	2	
	iv.	Number and types of deficiencies/irregularities identified in earlier audits	1	
	v.	Management Information System	1	
Control	*vi.*	*Quality of internal control/system*	2	
	vii.	*Quality of internal audit mechanism*	1	
	Total		10	

Points can be awarded in the last column of the above table to each of the above attributes on the following criteria:

(i) Annual expenditure of the activity/theme

The attribute recognises that the larger the quantum of money that an entity handles, the risk of amounts being mis-spent or inefficiently spent or irregularity or deficiency in the realization of revenue is higher. Accordingly points can be awarded in the following manner based on the materiality of annual turnover/expenditure **averaged over the last three** years:

Table 1

Maximum Points	Criteria for awarding points	Points
2	Expenditure/turnover exceeding Rs. 1000 crore	2
	Expenditure/ turnover exceeding Rs. 500 crore but less than Rs. 1000 crore	1.5
	Expenditure/ turnover less than Rs. 100 crore	1

(ii) Variation in major operating ratios based on analytical review

The attribute recognises that the larger the variation in operating ratios based on analytical review[6], larger is the risk. Accordingly points can be awarded in the following manner[7]:

Table 2

Maximum Points	Criteria for awarding points	Points
1	Variation in the ratio more than 25 *per cent*	1
	Variation in the ratio more than 10 *per cent* but less than 25 *per cent*	0.5
	Variation in the ratio less than 10 *per cent*	0

(iii) Nature and complexity of turnover/expenditure on the activity/theme

This attribute recognises that the risk is more if the activity is critical to the overall objective of the Company. Risk of mis-spending or inefficient spending leakage or revenue is more with increase in complexity of the business, recent

[6] *For details of analytical procedures, Auditing and Assurance Standard 14 (SA 520) issued by ICAI may be referred to.*

[7] *For example, if the purchases (the selected activity for audit) of raw material to total turnover were 50 per cent and 60 per cent in 2005-06 and 2006-07 respectively. The variation in the ratio would be 10 per cent.*

launch of the activity/service/product or recent introduction/ amendment in the regulatory or legal framework.

Table 3

Maximum Points	Criteria for awarding points	Points
2	The activity or the theme is critical to the overall objective of the PSU and there is a recent launch of the activity/service/product or recent introduction/ amendment in regulatory or legal framework.	2
	The activity or the theme is critical to the overall objective of the PSU, its nature of activity is complex and not easy to understand and analyse however, there is no recent change.	1.5
	The activity or the theme is ancillary to the main objective of the PSU, however, its process, procedures and activist are complex and difficult to understand.	1

These criteria can be revised appropriately based on the nature of the activity/theme. For example in case of review credit policy, debtors turnover ratio, debtors outstanding over and above the permissible credit period, provision and write off of debtors can be substituted appropriately. Similarly in case of capital projects under execution, number of projects involving high time and cost overrun could be a way of awarding points.

(iv) Number and types of deficiencies/irregularities identified in earlier audits

The attribute draws upon the knowledge of the functioning of the organization gained through past audit for assessment of risk of its malfunctioning. The points can be awarded as follows:

Table 4

Maximum Points	Criteria for awarding points	Points
1	If potential draft paras (major irregularities) detected in the past three years is equal to or more than six	1
	If major irregularities detected in the past three years is more than three but less than six	0.5
	If major irregularities detected in the past three years is less than three	0.25

(v) Management Information system

This attribute recognises the importance of the Management Information System of the Activity in monitoring and controlling the activity or theme. Points can be awarded as follows:

Table 5

Maximum Points	Criteria for awarding points	Points
1	If Management information system is not effective or a number of deficiencies and non-compliances noticed were major	1
	If Management information system is effective	0.5
	Management information system is effective and no major deficiency was noticed	0

(vi) Quality of internal control/system

This attribute lays stress on the fact that lack of good internal control systems relevant to the audit theme in the PSUs makes it vulnerable to the risk of non-effective functioning. Points can be awarded as under:

Table 6

Maximum Points	Criteria for awarding points	Points
2	Internal control[8] systems are not adequate and effective	2
	Internal control systems are moderately adequate and effective	1
	Internal control systems are functioning effectively	0

(vii) Quality of internal audit mechanism

Classically, internal audit is defined as control of all controls, which provide timely warning signals to the management of an organization. This attribute recognises that effective internal audit lowers the risk of malfunctioning of an organization. Points can be awarded as follows:

Table 7

Maximum Points	Criteria for awarding points	Points
1	If internal audit system does not exists or is ineffective or it did not conduct the internal audit of the activity/theme in the last year	1
	If internal audit system exists is moderately effective and the review of the activity/theme was conducted in the last year	0.5
	If internal audit system is effective	0

[8] *For judging the existence and effectiveness of the internal control system of an activity or themes of the PSU, compliance testing may be conducted. If compliance testing of internal control discloses no exception, reliance can be placed upon the internal control. On the contrary, if compliance testing disclosed exceptions that indicate that the controls being tested are not adequate or are not operating properly in practice, the reasons therefore may be ascertained. It may also be ascertained whether the exceptions are only an isolated departure or a representative of other departures. In this regard Audit and Assurance Standard 6 (SA400) issued by ICAI may be referred to.*

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(viii) Once points are awarded on the basis of the approach outlined in tables 1 to 7 and noted in table 'A', all the activity/themes may be arranged based on the risk assessment in descending order.

Table

S. No.	**Name of the activity/theme**	**Points awarded**	**Whether audited in last three years**

(ix) If the theme/activity has not been reviewed during last three years, the activity/theme may be selected for detailed Transaction Audit. If the activity was reviewed during the last three years, the activity may be skipped and next activity may be selected. Once the activity/theme is selected, study design matrix and audit check list may be prepared and if need be training of the officials may also be arranged.

(x) Important: In case a company[9] is having large number of branches, geographical spread and is audited by more than one MAB, the activity or theme to be selected may be decided by the Principal Auditor in consultation with the sub-auditor and after proper risk assessment. The themes and activities should be the same across all MsAB in respect of a specific company. An attempt should be made to select same activity/theme across companies in the same sector.

V Selection of units of the PSU to be audited

Selection of units should also be based on the risk assessment. The overall risk associated with the unit to be selected can be placed on the following table:

Table B

Type of risk	**Attributes**		**Maximum points**	**Points awarded**
	i.	Turnover/expenditure	5	
	ii.	Media reports/complaints	2	
	iii.	Coverage by Government audit	1	
	iv.	Coverage by internal audit	1	
	v.	Extent of automation	1	
	Total		**10**	

[9] e.g. Indian Oil corporation Limited and Insurance companies

(i) **Annual expenditure of unit in respect of the activity/theme selected**

The attribute recognises that the larger the quantum of money that an entity handles, the risk of amounts being mis-spent or inefficiently spent or irregularity/deficiency in the realization of revenue is higher. Accordingly points can be awarded based on the materiality of annual turnover/expenditure **averaged over last three years**. Arrange all the units in the descending order and award five, four or three points based on their ranking in the following manner:

Table B1

Maximum Points	Criteria for awarding points	Points
5	Top one third units	5
	Next one third units	4
	Remaining one third units	3

(ii) **Media reports/complaints**

The attribute recognises that if there are reported cases in the media or a lot of complaints in respect of the unit relating to the theme/activity selected for audit, the risk is more in that unit. Accordingly, points can be awarded in the following manner:

Table B2

Maximum Points	Criteria for awarding points	Points
2	There are many reported cases in the media **and** complaints have been received	2
	There are some reported cases in the media **or** complaints	1
	There is no case reported in the media or complaint about the unit	0

(iii) **Coverage by Government audit**

The attribute recognises if a unit has not been covered by the government audit during last three years, the chances of irregularities are more. Accordingly points can be awarded in the following.

Table B3

Maximum Points	Criteria for awarding points	Points
2	Unit not audited in the last three years	1

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	Unit audited in the last three years and major irregularities remain to be corrected	0.5
	Unit audited in the last three years and no major irregularity is outstanding.	0

(iv) Coverage by internal audit

The attribute recognises that if a unit has not been covered by the internal audit during last three years, the chances of irregularities are more. Accordingly points can be awarded in the following manner:

Table B4

Maximum Points	Criteria for awarding points	Points
2	Unit not audited in the last three years	1
	Unit audited in the last three years and major irregularities are outstanding	0.5
	Unit audited in the last three years and no major irregularity is outstanding.	0

(v) Extent of automation

The attribute recognises that if a unit has been computerised and system has stabilised without any human intervention, the risk is less. Accordingly points can be awarded in the following:

Table B5

Maximum Points	Criteria for awarding points	Points
1	The IT system is not stabilised and there are human interventions	2
	There is IT system and number of transactions handled is very high	1
	There is a stabilised IT system for recording the transactions or the number of transaction is less	0

All the units and points allotted in the table B may be arranged in the descending order. Thereafter, 70 *per cent* of the units to be selected may be selected from the units having high risk (points more than six), twenty *per cent* of the units having medium risk (having points less than six but more than four) and 10 *per cent* of the units having low risk (having points less than four) in the systematic manner.

B **Companies having turnover or expenditure in excess of Rs. 100 crore but less than Rs.1000 crore in a year**

These companies are to be treated as large PSUs. **Every year at least one activity/theme of the company may be selected.** However, the materiality would be different, therefore, table 1 may be substituted by the following table. Other risk assessment methodology remains the same:

Table 1A

Maximum Points	Criteria for awarding points	Points
2	Expenditure/turnover exceeding Rs. 100 crore	2
	Expenditure/ turnover more than Rs. 50 crore but less than Rs. 100 crore	1.5
	Expenditure/ turnover less than Rs. 50 crore	1

C **PSUs having turnover or expenditure less than Rs. 100 crore**

It is not necessary to conduct audit of such PSUs every year. MAB may conduct their risk assessment and decide the periodicity of the audit. If MAB feels, depending on availability of resources, one activity/theme may be selected cutting across horizontally in a number of PSUs of comparable activities or business operations. Such PSUs are likely to have system weaknesses which may need to be remedied. Sometimes, audit may be necessitated on account of complaints or media reports.

D **PSUs having turnover less than Rs.5.00 crore (including defunct companies)**

These are small companies and normally are regarded as involving low risk. A close watch may be kept on the functioning of such companies. Normally, such companies are audited once in three year for certification of accounts. Unless the internal control systems are very weak and ineffective, Transaction Audit of such companies may be conducted once in three years. The party days to be allotted to such companies may also be reviewed every year based on the nature and volume of transactions involved. In case, the company is defunct and its assets are being disposed of or there is large number of surplus manpower, the periodicity of the audit may be considered to be annual.

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VI Allocation of audit resources based on scale of operations and business risk;

After identification of themes, selection of themes, selection of units to be audited, resources are to be allocated to the themes selected for audit. This may be arrange in the following table

Particulars		**Party days**
Total number of party days		A
Less Party days for (i) Admn, Report coordination etc. (ii) Certification audit (iii) Performance Audit	 a b c	 **B =(a+b+c)**
Less party days required for SME and other PSUs		C
Party days available for risk based transaction audit		D=A-B-C

Party days available for Risk based Transaction Audit may be allocated amongst the themes selected for audit based on assessed volume of work.

VII Selection of sample, documentation, preparation of report and their follow up

1. After selection of PSUs, activity or the theme to be audited and units to be visited, a representative sample may be selected on the basis of statistical sampling techniques[10]. The outcome of such audits can be reported in the Transaction/Compliance Audit Reports irrespective of its value. The report should indicate how many cases or how many *per cent* cases were examined in audit. This would facilitate presenting a holistic view of the activities/theme selected for audit.

2. **While auditing the selected unit, the focus has to be narrow on the activity/ theme selected** with utilisation of at least 80 *per cent* of time allocated to Transaction Audit on that theme only. In the remaining 20 *per cent* of party

[10] *For details of Audit sampling, Auditing and Assurance Standard 14 (SA 520) issued by ICAI may be referred to.*

days, other areas of audit could also be checked. The audit findings other than the selected themes could be considered for the following:

i. selection of themes in future and/or

ii. addressed through inspection reports or management letters so that such irregularities could be stopped immediately in all units including those not planned for audit.

iii. such audit findings, if material, could also be considered for inclusion in the CAG Reports.

3. The following documents[11] may be prepared:

i. Assessment of risk,
ii. Basis of selection of theme,
iii. Basis of selection of sample, size of the sample and transactions selected for audit
iv. Audit Check list
v. Name and designation of person who conducted the checks,
vi. Nature of irregularity noticed and relevant key documents, and
vii. Whether the irregularity was included in the Audit report

4. In order to reduce the outstanding observations, Audit arrears committees have to be constituted and periodic meeting should be organised. Further, a mechanism of quarterly DO letter from Group officer to CMD/CEO of each company may be introduced for highlighting all the outstanding 'audit observations' (Inspection Report wise and unit wise) in the following columns:

i. Gist of the audit observation,
ii. What is expected from the management?
iii. Action taken/response of the Management, and
iv. Recommendation/ Further remarks of audit

5. Action taken /reply received from the management may be updated on monthly basis in respect of each auditable unit. In case of PSUs having very large number of units, such letters could be sent to Regional heads with a copy of CEO. This may be planned in such a manner that one third of the letters go each month. Initially, it

[11] ***For details of analytical procedures, Auditing and Assurance Standard 3 (SA 230) issued by ICAI may be referred to.***

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may take some time to capture the data, but it will be very effective and timely. This would facilitate the followings:

i. Improving audit effectiveness by enforcing accountability of the persons responsible for the lapse or through timely corrective/remedial action taken by the management;

ii. Clubbing of persistent and pervasive irregularities/lapses highlighting weak areas of control suggesting a need to reform or remedy the systems[12]; and

iii. Easy identification of Potential draft paras

6. The implementation of system of follow up of inspection reports through quarterly reports may be started immediately and be watched by MsAB through the 'Calendar of Returns'.

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[12] *For details of communication of audit matters with those charged with governance, Auditing and Assurance Standard 27 (SA 260) issued by ICAI may be referred to.*

ANNEXURE - E

Annexure-I

Format for planning audit procedures

Sl No.	Description	Details
1	Name of the Entity	
2	Period of audit	
3	Duration of audit	
4	Have the documents of the Entity (such as the Financial budgets/Outcome budgets/Result Framework Documents/Annual Report/ New Policies and changes in policy. previous Inspection Reports/ Performance Audits Reports conducted earlier etc) been desk reviewed	
5	Have documents and data from secondary sources (such as Reports of the State and Union Governments and of various Commissions/ Census data/Statistics put out by Government/NSSO data/digitized data available in data gov.in. VLC data. Beneficiary data (if applicable) etc. and other sources like media reports, research reports, academic reports etc) been desk reviewed	
6	Potential risk/focus areas that emerge of the review conducted as at (4) and (5) above.	
7	List the Audit Objective that are intended to be pursued both on regularity and propriety aspects	
8	Summarise the planned scope of audit	
9	Audit procedures that are intended to be applied (review of records, physical verification, joint inspections, external evidence collection etc)	
10	Broad Assignment Plan for each party member	
11	Other remarks	

Senior Audit Officer/Audit Officer

Group Officer

Annexure-II

<table>
<tr><td colspan="7">TITLE SHEET
(TO BE SUBMITTED ALONG WITH DRAFT INSPECTION REPORT)</td></tr>
<tr><td></td><td colspan="4">PART A
Summary of audit results</td><td colspan="2"></td></tr>
<tr><td>1</td><td colspan="4">Name of the organization audited</td><td colspan="2"></td></tr>
<tr><td>2</td><td colspan="4">Name of party personnel</td><td colspan="2"></td></tr>
<tr><td></td><td colspan="4">(i) Sr. Audit Officer/Audit Officer</td><td colspan="2"></td></tr>
<tr><td></td><td colspan="4">(ii) Asst. Audit Officer/Supervisor</td><td colspan="2"></td></tr>
<tr><td></td><td colspan="4">(iii) Senior Audit Officer/Auditor</td><td colspan="2"></td></tr>
<tr><td>3</td><td colspan="4">Period of audit</td><td colspan="2"></td></tr>
<tr><td>4</td><td colspan="4">Dates of commencement and completion of audit (Extension of time. If any, granted may be separately indicated)</td><td colspan="2"></td></tr>
<tr><td>5</td><td colspan="4">Whether Entry Conference was held with the Audited Entity? If yes, enclose Minutes /Record of discussions, If no. provide reasons</td><td colspan="2"></td></tr>
<tr><td>6</td><td colspan="4">Number of potential paras (drawing reference to para nos) included in Part-IIA of the Inspection Report</td><td colspan="2"></td></tr>
<tr><td>7</td><td colspan="4">Number of potential paras (drawing reference to para nos) relating to fraud or misappropriation presumptive fraud and leakage of revenue etc.</td><td colspan="2"></td></tr>
<tr><td>8</td><td colspan="4">Paras relating to persistent irregularities etc that need to be brought to the notice of HOD through Management Letter.</td><td colspan="2"></td></tr>
<tr><td>9</td><td colspan="4">Briefly mention the challenges faced during audit (non-production of records. manpower or resource constraints. scope limitation etc) and how they were addressed during the course of audit.</td><td colspan="2"></td></tr>
<tr><td>10</td><td colspan="4">Suggestions for overcoming such challenges in future audits</td><td colspan="2"></td></tr>
<tr><td>11</td><td colspan="4">Whether Exit Conference was held and draft Inspection Report discussed with the Head/Nodal Officer of the Audited Entity. If no reasons may be indicated.</td><td colspan="2">Minutes as per Annexure A to be enclosed.</td></tr>
<tr><td>12</td><td colspan="4">Dates of submission of Draft Inspection Report and all working papers to Hqrs. (may be submitted within a period of 7 working days from the date of conclusion of audit)</td><td colspan="2"></td></tr>
<tr><td>13</td><td colspan="4">Reasons for delay in submission of draft IR etc. to Hqrs with reference to the allotted time period if any.</td><td colspan="2"></td></tr>
<tr><td>14</td><td colspan="4">General remarks, if any</td><td colspan="2"></td></tr>
<tr><td></td><td colspan="4">Part B
(Details of Audit Process followed)</td><td colspan="2"></td></tr>
<tr><td>1</td><td colspan="4">Whether the allocation of duties amongst each member of the Audit Team (SAO/AO/AAO/Sr. Auditor/Auditor) was prepared in line with the planned broad assignment plan and acknowledged by the respective party members? If no reasons and justification may be provided.</td><td colspan="2">Allocation of duties as per Annexure B to be enclosed</td></tr>
<tr><td>2</td><td colspan="4">Sampling methodology adopted (Use as many rows as needed)</td><td colspan="2">List of files/vouchers/other documents reviewed may be enclosed</td></tr>
<tr><td></td><td>Sl no.</td><td>Section/Wing being audited</td><td>Nature of document</td><td>No. selected for review</td><td>Percentage of selection</td><td>Sample method adopted</td></tr>
<tr><td></td><td></td><td>Purchase/Works/Establishment etc</td><td>Files/Vouchers etc</td><td>(Indicate actual number selected)</td><td>(Indicate percentage for each category)</td><td>Random/Stratified/Judgmental etc</td></tr>
<tr><td>3</td><td colspan="4">Whether focus areas Identified and procedures applied were as planned (with reference to the plan as approved by Group Officer</td><td colspan="2"></td></tr>
</table>

<table>
<tr><td></td><td colspan="3">before commencing the audit)? If no. reasons and justification may be provided</td><td></td></tr>
<tr><td>4</td><td colspan="3">Whether all issues marked for examination by Group Officer on supervision /Hqrs section have been addressed?</td><td>Compliance to Group Officer comments on supervision to be enclosed as per Annexure C.</td></tr>
<tr><td>5</td><td colspan="3">Whether all work assigned as per allocation of duties were completed? If no. provide whether the reasons and justification are provided.</td><td>Certificate as per Annexure D to be enclosed.</td></tr>
<tr><td>6</td><td colspan="3">Briefly indicate the potential focus areas for next audit</td><td></td></tr>
<tr><td>7</td><td colspan="3">Whether daily diaries indicating the documents/records checked by team members of the Audit Team have been prepared, signed and enclosed?</td><td>Daily Dairy as per Annexure E to be enclosed for each member</td></tr>
<tr><td>8</td><td colspan="3">Whether a certificate of obtaining sufficient and appropriate evidence (Key documents) for the audit observations included in the Draft Inspection Report has been provided?</td><td>Certificate as per Annexure F to be enclosed</td></tr>
<tr><td>9</td><td colspan="3">Whether the key documents have been referenced in the para and the source of evidence has been provided as footnotes?</td><td></td></tr>
<tr><td rowspan="4">10</td><td colspan="3">Please indicate the position of outstanding paras of previous Inspection Reports as under.</td><td></td></tr>
<tr><td>Period of Inspection Report</td><td>No of paras outstanding (opening)</td><td>No. of paras outstanding (closing)</td><td>Reasons for the paras remaining outstanding</td></tr>
<tr><td>1</td><td>2</td><td>3</td><td>4</td></tr>
<tr><td></td><td></td><td></td><td></td></tr>
<tr><td>11</td><td colspan="3">Whether a certificate that the audit was conducted in accordance with the CAG's Auditing Standards 2017 has been provided?</td><td>Certificate as per Annexure F to be enclosed</td></tr>
<tr><td>12</td><td colspan="3">Whether a certificate that the audit party has complied with the Audit Quality Framework and Code of Ethies has been provided?</td><td>Certificate as per Annexure F to be enclosed</td></tr>
<tr><td>Dated</td><td colspan="3"></td><td>Sr. Audit Officer/Audit Officer</td></tr>
</table>

Annexure A

Sample Format of Minutes/Record of Discussions at the conclusion of Audit

Minutes of the Minutes held on ------ to discuss audit observations to be included in the draft inspection Report for the period --------- relating to the Ministry of --------/ Audited Entity-------

Present:

From Ministry's side	From Audit side

(Note:- The minor and procedural irregularities which were noticed during the course of audit have either been settled on spot after taking assurance from the auditee or have been issued to the Ministry in the shape of Test audit Note).

The audit observations were discussed in detail and necessary clarifications, wherever sought were given from the Audit side.

It was pointed out by Audit that initial replies from the Ministry in respect of – audit observations were still awaited and the same may be furnished on priority. In response, the Ministry assured to send the replies at the earliest possible.

The meeting ended with vote of thanks

(Signature) (Name & Designation) From Ministry's side	(Signature) (Name & Designation) From Ministry's side

Annexure B

Performa for Duty list of each member of the Audit Team

Duties assigned	Noted and signed (Acknowledgement)
SAO/AO: Name 1.	
AAO/Supervisor: Name 1. 2.	
Sr. Auditor/Auditor: Name 1. 2.	

Annexure C

Follow up of supervision by the Group Officer

Name of the Audited Entity	Date of Supervision	Comments/Queries of the Group Officer	Action taken by the audit Team on Comments/Queries

Annexure D

Certificate at the conclusion of Audit

We have examined all the issues as per the duty list (except the following and necessary audit observations based on audit scrutiny, have been issued

Sl. No.	Brief particulars of the issues which could not be seen in audit	Reasons therefor [non availability of records, time constraints. shortage of manpower, other coustraints/reasons] etc.
1		
2		

Sr. Audit Officer/Audit Officer

Annexure E

Daily Diary of each member of the Audit Team

Date	Brief details such as file number, item of work done, records seen and examined etc.

(Signature)
(Name of the Officer & Designation)

Annexure F

Certificate

It is certified that:

a) Sufficient and appropriate evidence (key documents) for the audit observations included in the Draft Inspection Report have been obtained and have been submitted along with the Draft Inspection Report.
b) That the audit was conducted in accordance with the CAG's Auditing Standards 2017.
c) The audit party has complied with the Audit Quality Framework and Code of Ethies.

Sr. Audit Officer/Audit Officer

सं0 143/CA-IV/ 02-2015/Contract Audit

24

भारत के नियंत्रक-महालेखापरीक्षक का कार्यालय
9, दीन दयाल उपाध्याय मार्ग,
नई दिल्ली-110 124

OFFICE OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA
9, DEENDAYAL UPADHYAYA MARG,
NEW DELHI - 110 124

दिनांक / DATE 25.07.2016

सेवा में,

DGA (ESM)
PD (Railway)
DGA (P&T)
All MsAB New Delhi - III

131 CAG
29/07/16

219/ CA-4
25/7

विषय:- Contract Audit matrix and checklest-reg.

महोदय/ महोदया

उपरोक्त विषय पर इस कार्यालय के पत्र स0 143/CA-IV/ 02-2015/Contract Audit /Dt. 25.07.16 की प्रतिलिपी आपके कार्यालय को सूचनार्थ एंव आवश्यक कार्यवाही हेतु प्रेषित की जाती है ।

सलंग्न: - (Enclosure sent by E-mail.)

भवदीय

व 0 प्रशासनिक अधिकारी
(सी.ए -II अनुभाग)

प्राप्ति प्रतिवेदन अनुभाग
डायरी सं0- 106/CAM
दिनांक- 29/7/2016

251
29/07/2016

SELECTION OF SAMPLE OF CONTRACTS FOR AUDIT

(i) Based on the number of contracts in the auditee organization due for audit and the availability of manpower, selection of sample of contracts for audit is to be done by the audit team by using IDEA Software package in accordance with selection criteria adopted by the concerned Office.

(ii) This sample need to be got approved from the concerned Head of the Office before being actually followed by the audit team.

An illustrative example of selection of sample of contracts for audit is given below:

No.	Particulars	Percentage of contracts to be audited *
Sample selection of contracts awarded at Corporate Office level of the Company		
1	Rs.100 crore and above	100
2	Less than Rs.100 crore but more than Rs.50 crore	75
3	Less than Rs.50 crore but more than Rs 25 crore	50
4	Less than Rs 25 crore but more than Rs.5 crore	25
5	Less than Rs.5 crore	10
Sample selection of contracts awarded at Unit level of the Company		
1	Rs.5 crore and above	100
2	Less than Rs.5 crore but more than Rs.1 crore	75
3	Less than Rs.1 crore but more than Rs 50 lakh	50
4	Less than Rs 50 lakh but more than Rs.10 lakh	25
5	Less than Rs.10 lakh	10

* This may be modified suitably based on the specific needs of each Company, with the approval of concerned officer.

GENERAL CHECKLIST/ DOCUMENTATION

Particulars
a) Distribution of selected contracts for detailed audit amongst audit team members by the Head of the audit team should be documented which should also be signed by all party members in token of their having noted the same and this document should be furnished along with draft Inspection Report
b) In case of non-production of certain procurement files by the auditee organization, Half Margin on non-production of records should be issued which should be supported by Audit Requisition and reminders issued in this regard.
c) In case any photocopy of any contract file is given due to any reason, a certificate from the person in charge of the concerned file may be taken certifying that the photocopy file given to audit contains photocopies of all correspondences/ documents and noting available in the original file and photocopy file is complete in all respect as original file. In case such certificate is not given by the concerned officer, a HM may be issued in this matter.
d) This checklist given in Audit Design Matrix are required to be exercised during audit of contracts by the audit team. These audit checks are within the broad framework of Practice Guide for Audit of Contract Management and Practice Guide for Audit of Procurement issued by the Headquarters Office available on CAG website. The aim of this checklist is to assist the auditors in assessing the generic risks associated with the contracts they have selected to audit.
e) All audit checks prescribed in the checklist are to be exercised by the concerned member of the audit team while auditing **each of the contract** allotted to him/her for audit.
f) **After completion of audit of all contracts allotted to the member of the audit team, he/she is required to fill in the Matrix for all contracts allotted/audited by him/her. This duly filled in Matrix will be treated as a consolidated Verification Report on all the contracts allotted/audited to the concerned member of the audit team him/her**.
g) While answering this checklist, answers needs to be given as **'yes' or 'no'**. In case there is an audit observation, also give the Half Margin Number(s) against the audit check.
h) This checklist should be signed by the concerned member of the audit team indicating his/her name and designation and need to be furnished along with draft Inspection Report in the format given below:

IV. Audit Design Matrix for Audit of Contracts (ADMAC)*

IV (A) : Award of Contracts:

Main Audit objective: Whether contracts were awarded at the most competitive prices, following transparent process, providing equitable opportunity to all prospective parties

Audit sub-objective: Sl. No.	Audit sub-objective: Sub-objective	Question	Evidence	Data collection and audit analysis method
1	Whether organisation has procurement manuals for guidance and consistency in actions of those involved in award of contracts.	Whether a codified Purchase Manual containing the detailed purchase procedures, guidelines and also proper delegation of powers, existed in the organization to facilitate systematic and uniform approach in the decision-making?	Existence of a codified Purchase Manual and Delegation of Power	Enquire from the Management
		Whether tender committee was constituted based on the estimated value as per requirement of Purchase manual?	Constitution of tender committee not based on estimated value as per Purchase Manual. Office order/memo for constitution of tender committee	Review of purchase files
		Whether a separate file is opened for a new contract/tender and the relevant documents are maintained with proper indexing and numbering?	Procurement documents staggered in different files and remaining unnumbered	
		Whether requisitioning of the stores/spares was done with the prior approval of Competent Authority after taking into account the available	Initiation of PR without approval of competent	Review of Purchase Requisitions

*Based on *checklist on audit of contracts circulated by Headquarters office to all field offices vide their letter no 138- CA-IV/02-2015/Contract Mgmt. dated 12.06.2015*

Audit sub-objective		Question	Evidence	Data collection and audit analysis method
Sl. No.	Sub-objective			
		stock, quantities already ordered, past consumption pattern, average life of the spares?	authority and/or without considering all relevant factors.	
		Whether requirements were clubbed so as to get the most competitive and best prices?	Frequent PRs being raised for the same item	
		Whether requirements split to avoid approval from higher authorities?		
		In case of purchase of capital equipment, whether procurement was justified and supported by calculations of Return on Investment and rate of return?	Justification for investment proposal (Examination of NPV, IRR, payback period, etc.)	Review of procurement decision approval file.
		Whether estimated cost was worked out in a realistic and objective manner. The same should be worked out on the basis of prevailing market rates, last purchase prices, economic indices for material, labour and other inputs?	Estimated cost being worked out by ignoring one or more of the relevant factors.	Estimate file
		Whether data bank of above elements was maintained and the same updated at regular intervals?	Non-existence of data bank	Review of data bank
		In the case of single tender whether justification for purchase from a single vendor was placed on record along with approval of Competent Authority and comments of associated finance?	Decision to go for single tender not supported by proper justification and not vetted by finance.	Purchase file
		Whether works awarded at prices higher than estimated costs were used as benchmarks for preparing estimates for subsequent works?	Rates of previous orders awarded under special/emergent situation being used for preparation of cost estimate.	Review of circumstances in which orders being used for preparing cost estimate of subsequent works, were awarded.

Audit sub-objective		Question	Evidence	Data collection and audit analysis method
Sl. No.	**Sub-objective**			
		Whether the Vendors/ Contractors list is maintained and the same is being updated periodically?	Vendors list not being updated periodically.	Review of vendors list.
		In case of any work/contract to be executed on the basis of any aid/soft loan or concessional loan received from World Bank/ Asian Development Bank or any other international financial institution, whether the loan conditions were taken care of while framing the bid documents.	Conditions associated with soft loan not considered in the bidding documents	Review of bidding documents w.r.t. loan agreements.
		Whether appointment of consultant was justified, and appointed based on tender system?	Appointment of consultant not justified	Review of files relating appointment of consultant.
		Whether detailed project report/ feasibility report was prepared for the project work **based on the latest field information and the prevailing conditions.**	Non preparation of DPR/Feasibility report for the project.	Enquiry from the management
		Whether the company has a clear policy on the issue of material indent which pronounces the issue of indent at right time and quantities?	**Absence of policy for issue of indents**	
		Whether all e-mail correspondences are printed out with detailed trailing e-mail?	**Non-keeping of print-outs of e-mail correspondences**	
		Whether the terms and conditions of contracts were in conformity with the relevant laws, rules and approved policy of the Company/ GOI directives/ CVC guidelines?	Non-conformity of the terms and conditions of contract with relevant laws/Govt. policies & directives/CVC guidelines.	Review of contract agreements.
		Whether the Company has a laid down policy for resolution of contractual disputes through outside Expert Committee / Arbitration?	Non-existence of policy and mechanism for resolution of contractual	Enquiry from the management

Audit sub-objective		Question	Evidence	Data collection and audit analysis method
Sl. No.	**Sub-objective**			
			disputes.	
2.	Whether Notice for Invitation of Tender (NIT) was given adequate publicity	Whether wide publicity is given to the NIT in the required number of local dailies and **national dailies newspapers along with hosting of such NIT in company's own websites**.	NIT not publicised widely	Review of purchase file.
		Whether tender notices sent to all the registered/past/likely suppliers/vendors?	Tender notice not sent to any of the registered/past/likely supplier	
		Whether open/global tender enquiries were published in Indian Trade Journal (GoI Publication)?	Global tender enquiry not published in ITJ.	
		In case of imported material, whether Indian Missions /Embassies of major trading countries were informed to give publicity in those countries?	Indian Missions/Embassies of major trading countries not informed about tender enquiry	
		Whether prescribed minimum time was allowed to prospective bidders to submit their bids?	Prospective bidders required to submit bid in less than prescribed minimum time.	Review of purchase file.
		In case of open advertised tender inquiries, whether, four to six weeks and in case of limited tender inquiries, 21 to 30 days were given for tender submission **as per CVC guidelines. In case company went for shorter time frame whether the reasons for the same were recorded**?		
		In respect of limited tender enquiry, whether enquiries were issued for the number of vendors as specified in purchase manual and **whether the vendors met all the pre-qualification criteria?**	Limited tender enquiry issued to less than prescribed number of vendors. Vendor(s) not meeting pre-qualification criteria	

Audit sub-objective		Question	Evidence	Data collection and audit analysis method
Sl. No.	Sub-objective			
		In case of single tender enquiry whether detailed justification, approval of competent authority and finance concurrence was obtained?	Decision to go for single tender not supported by proper justification and not vetted by finance.	Purchase File
		Whether minimum criteria for evaluation/selection was established and included in NIT?	Pre-qualification and evaluation criteria not included in NIT.	
3.	Whether the Bidding Documents included all information in clear terms that might be required for preparation of a valid bid by the bidders and for equitable evaluation of bids by the Tender Evaluation Committee.	Whether the Bid Evaluation Criteria (BEC) and Bid Rejection Criteria (BRC) including bidders' qualification requirements were prepared as per the approved policy of the Company?	Non-conformity of BEC, BRC and Qualification Requirements with approved policy of company.	Review of bidding documents.
		Whether the scope of work was defined in exhaustive and unambiguous terms and Bill of Quantities included all items of work required to be carried out to complete the subject work as per technical specifications, tendered design & drawings and construction method envisaged to be followed?	Ambiguity in scope of work and BOQ included in bidding documents.	
		Whether important clauses relating to Earnest money, Delivery Schedule, Payment terms, Performance/Warranty, Bank Guarantee, Pre-dispatch inspection, Arbitration, Liquidated Damages/Penalty for the delayed supplies and Risk purchase etc. are incorporated in the bid documents?	Non-inclusion of important provisions relating to EMD, delivery schedule, inspection, LD, arbitration, etc. in bidding documents	
		Whether the price to be quoted is firm price basis or with price escalation subject to a ceiling on maximum amount of escalation?	Basis of price to be quoted not included in NIT	

Audit sub-objective		Question	Evidence	Data collection and audit analysis method
Sl. No.	Sub-objective			
		Whether time/date for receipt and opening of tenders was incorporated in the bidding documents?	Time/date for receipt and opening of tenders not indicated in bidding documents.	
		Whether Evaluation/Loading criteria on account of acceptable range of deviations in the commercial terms and conditions viz. Payment Terms, Delivery period, Performance Bank Guarantee etc. was incorporated in unambiguous terms in the bidding documents?	Evaluation and loading criteria included in bidding documents being vague.	
		Whether technical specifications and technical evaluation criteria (Qualifying Requirement), were specified in unequivocal terms in the bidding-documents?	Technical specifications included in bidding documents not in unequivocal terms.	
		Whether the financial criteria (e.g. net worth and the average annual turnover) was prescribed in the Notice Inviting Tender?	Non-inclusion of financial criteria in NIT.	
		Whether Qualifying Requirement was relaxed, without proper justification on records, to facilitate entry of a new party?	Relaxation in PQ criteria with reference to those adopted earlier without recorded justification.	
4.	Whether tenders were received up to fixed date and time and whether as per CVC guidelines bids were opened on the same day by following transparent process and providing	Whether there was arrangement of tender box for receipt of tenders at scheduled date and time fixed for tender opening, instead of receiving tenders by the receptionist or the concerned Purchase Officer?	Tender box not being used for receipt of tenders.	Review of purchase files
		In cases where extension in the tender opening was allowed due to change in the specifications, whether sufficient time to submit the bids as per the revised specifications was allowed and whether intimation of tender opening extension was sent to all the bidders who had purchased the bidding' documents?	Change in bid opening time necessitated by change in specification not intimated to all bidders who purchased bidding documents.	

Audit sub-objective		Question	Evidence	Data collection and audit analysis method
Sl. No.	**Sub-objective**			
	equitable opportunity to all bidders.	Whether a change in bidding documents accepted based on challenge by a tenderer was communicated to all other tenderers?	Change in bidding documents as a result of challenge by a bidder not communicated to all prospective bidders.	
		Whether tenders were opened in the presence of representatives of bidders and in token of their presence during tender opening whether their signatures were obtained?	Any bidder or his representative denied presence during tender opening.	
		In cases where rates were not quoted in both words and figures, whether this fact was recorded by Tender Opening Committee?	Not recording of facts regarding non-quotation by any bidders of rates in both words and figures.	
		In cases of cuttings/over writings, whether the numbers of cuttings & over-writings on each page of the price bid were mentioned by Tender Opening Committee; and whether each cutting / over writing was encircled and attested?	Cuttings/over writings of each page not marked and attested by all members of tender opening committee.	
		Whether the tender opening committee prepared 'on the spot statement' giving details of the quotations received and other particulars like the prices, discount, taxes, duties and EMD etc. as read out during the opening of the tenders?	Non-preparation of record notes of tender opening.	
		In case of Single Stage Single Envelope bidding system whether the weightage given to technical and financial aspects of the tender is appropriate"?	Inappropriate weightage given to technical and financial aspects	
		In case of 'Two bid' system, whether after opening technical bids, the envelopes containing price bids (which are to be opened subsequently)	Envelopes containing price bids not kept in a	

Audit sub-objective		Question	Evidence	Data collection and audit analysis method
Sl. No.	Sub-objective			
		were signed by all members of Tender Opening Committee and whether all envelopes were kept in a bigger envelope duly signed by representatives of bidders?	bigger envelope duly signed by all members of tender opening committee and representatives of bidders.	
		Whether the bids not accompanied by bid guarantee/valid NSIC certificate in lieu of bank guarantee in the prescribed form and for the required amount were rejected?	Acceptance of bid guarantee not in prescribed format and for less than prescribed amount.	
		Whether it was ensured that the bidder was not banned/black listed/suspended in earlier contracts by the Company or any other PSE?	Consideration of tenders submitted by parties banned/black listed/suspended by company or any other PSE in earlier contracts.	
		Whether the original price bid along with the price implication bid of only those who are technically qualified were opened?	Opening of price bid of technically un-responsive bidders.	
5.	**Whether tendering process (i.e. through open tender, limited tender or rate contracts) to be**	**If parties in other countries could be expected to supply goods/services desired to be procured and the estimated value of goods/services to be supplied was large enough to push foreign parties to participate in the tender, whether Global tender was issued.**	Non-issue of global tender where justified	Review of files relating to award of work
		In cases where invitation of tenders on Global basis was a pre-condition for availing Deemed Export Benefits, whether Global tenders were		

Audit sub-objective		Question	Evidence	Data collection and audit analysis method
Sl. No.	Sub-objective			
	followed was decided after considering all relevant factors	**issued to avail such benefits.**		
		Whether invitation of tenders on limited basis was a normal practice or adopted on exception basis?	Practice of inviting of tenders on limited basis	
		Whether reasons for inviting tenders on limited basis instead of open basis as recorded in the case file were justified?	Reasons recorded or inviting tender on limited basis	
		Whether the Company maintained a duly approved list of vendors from whom tenders could be invited on limited basis for procurement of various items? Whether list of empanelled vendors is being updated every year as per CVC guidelines?	Maintenance of list of vendors from whom tenders could be invited on limited basis	Review of files relating to award of work
		Whether tender inquiry was sent to all parties on approved list?	Dispatch of tender inquiry to all parties.	
		Whether rates of various items with specifications not suited to a particular party were decided after inviting open tender?	Decision about rate of certain items after invitation of tenders.	
		Whether rate contracts were revised after inviting tenders at regular interval?		
		Whether rate contract provides for price variation? Also whether the award of contracts provides for clause for risk and cost basis on default?	Existence of clause regarding price variation risk purchase in contract.	
		Whether there were cases involving extension of the stipulated delivery schedule when payment of higher prices had been agreed to initially on grounds of urgency of requirements and early delivery?	Time extension granted in cases where higher price was justified on the ground of urgency.	
6.	Whether bids were evaluated in most transparent manner with fairness to all	In case of a new bidder, whether the reliability of experience certificates submitted with bid were got verified from the organization issuing such experience certificates?	Non-verification of experience certificates of a new bidder from the issuing organisation.	Review of purchase file.

Audit sub-objective		Question	Evidence	Data collection and audit analysis method
Sl. No.	Sub-objective			
	bidders	Whether comparative statement of rates of bidders was correctly prepared as per the price bids containing break up of all taxes and duties?	Comparative statement of rates not prepared correctly.	
		Whether procurement case file was retained by any officer for unduly long period during the procurement process without justified grounds put on record.	Retention of purchase case file by any officer for unjustifiably long period during procurement process.	
		Whether post tender negotiations were carried out with bidders other than the L1 bidder without recording exceptional circumstances necessitating such negotiations	Post- tender negotiation with other L1 bidder	
		Whether capacity & capability of L1 party was established with reference to documents submitted by the party relating to past experience and financial performance.	Non-establishment of capacity and capability of L1 party	
		If the offer of the L1 bidder was not accepted, whether the reasons given were satisfactory?	Unjustifiable reasons for rejecting the offer of L1 bidder.	
		In case of two envelope bidding process, whether capacity & capability of all technically responsive bidders was deliberated and established before opening price bids.	Opening price bid of any bidder who was not found technically responsive.	
		Whether reasonableness of rates with reference to estimated rates and latest market conditions was established by the Tender Evaluation Committee.	Non-establishment of reasonableness of rate accepted with latest market conditions.	
		Whether any changes in technical specification and change in eligibility criteria took place during evaluation?	Change in technical specification and/or	

Audit sub-objective		Question	Evidence	Data collection and audit analysis method
Sl. No.	Sub-objective			
			eligibility criteria during evaluation.	
7..	Whether specific checks according to type of contracts were applied	Whether tenders were invited on fixed cost basis or variable cost basis? (Tenders invited on one basis should explicitly exclude consideration of tenders submitted on other basis)	Tenders both with fixed and variable price basis were considered.	Review of purchase file
		In case tenders were not invited on fixed cost basis, whether reasons for not inviting tender on that basis were recorded?	Reasons for calling tenders other than on fixed cost basis not recorded.	
		Whether tenders for works with scheduled completion period of more than 12 months were invited with escalation clause?	Tenders with completion period of 12 months or more not invited with escalation clause.	Review of bidding document
		Whether escalation formula was pre-defined and included in bidding documents?	Non-inclusion of escalation formula in bidding documents.	
		Whether proportion of various input elements used in escalation formula were representative of their actual share in cost of subject work?	Weightage of various elements in escalation formula not representative of their share in total cost.	
		Whether sources of various economic indices to be used for payment of escalation were included in bidding documents?	Non-inclusion of economic indices for working out escalation amount in the bidding documents.	
		Whether there was provision to freeze the escalation rate in case of and	Non-inclusion of	

Audit sub-objective		Question	Evidence	Data collection and audit analysis method
Sl. No.	Sub-objective			
		for period of extension attributed to contractor?	provision regarding freezing of price increase for periods of delay attributable to contractor.	
8.	Whether E-Procurement system was designed to ensure security of data provided audit trail facilities.	Whether E-procurement System was designed as per defined workflow.	Lack of security features and sufficient of audit trail in the system	Review of e-procurement system
		Whether E-procurement system employed security technologies and security best practices to avoid data loss, leakage or manipulation.		
		Whether E-Tendering System has templates to offer flexibility in bidding methodologies.		
		Whether the system met the requirements of guidelines issued from time to time by Central Vigilance Commission.		
		Whether E-Procurement application has audit trail facilities?		
9.	Whether Reverse Auction was carried out as per guidelines laid down in this regard	Whether Company has laid down guidelines to be followed by each unit/division/region for conducting reverse auction for purchase of material/services and whether on the basis of approved guidelines, the unit/division/region has issued procedure to be followed during reverse auction?	Existence of guidelines regarding Reverse Auction	Review of file relating to award of work
		Whether the starting price and bid decrement value for the auction were decided on the basis of recommendations of a duly constituted purchase committee?	Fixing of starting price and decrement value in an arbitrary manner.	
		While fixing starting price, whether factors like last purchase price, estimated price, cost of near equivalent item (in case of first time procurement) were considered?	Non-consideration of last purchase price, estimated price, etc. while fixing staring price.	
		Whether all vendors were informed in writing about the scheduled date & time and the service provider appointed by the Company to provide all	Vendors not informed about scheduled date &	

Audit sub-objective		Question	Evidence	Data collection and audit analysis method
Sl. No.	Sub-objective			
		necessary training and assistance before commencement of on line bidding on internet?	time of reverse auction and no provision of training and assistance to vendors before online bidding.	
		Whether the vendors had duly intimated through fax, e-mail, speed post etc., the compliance form in the prescribed format (provided by service provider) before start of Reverse Auction; and whether this was considered as an eligibility condition for vendors to participate in Reverse Auction?	Non-furnishing of compliance form in prescribed format by vendors	
		Whether Reverse Auction started on scheduled date & time?	Start of reverse auction on date & time other than the scheduled ones.	
		Whether Reverse Auction was monitored by authority appointed for this purpose?	Authority monitoring the reverse auction	
		Whether the lowest bidder sent through fax, e-mail, speed post etc., duly signed filled-in prescribed format as provided by the Company within prescribed time period (generally 24 hours) of Auction?	Non-furnishing of duly signed prescribed format by lowest bidder within prescribed time after auction.	
		In case of any variation between on-line bid value and the same sent as a signed document. Any variation was considered by the Company as sabotaging the tender process and whether action, including disqualification of vendor to conduct business with the Company, was taken against such bidder as per Company's Policy & Procedure?	Not taking action against defaulting vendor	Review of files relating to award of work.
10.	Whether specific	Whether justifications for awarding contract on nomination basis were recorded with approval of competent authority and associated finance?	Reasons recorded for going in for award of	Review of award file.

Audit sub-objective		Question	Evidence	Data collection and audit analysis method
Sl. No.	Sub-objective			
	purposes which were envisaged at the time of award of contracts were materialised in respect of nomination basis contracts.		work on nomination basis with approval of competent authority and vetted by finance.	
		Whether no other manufacturer/supplier could have supplied the item to be purchased?	Readiness of other manufacturer/supplier to supply the item to be purchased	
		Whether circumstances were such that award of work on nomination basis was necessary?	Reasons recorded for going in for award of work on nomination basis with approval of competent authority and vetted by finance.	
		Whether in spite of inviting tender it was expected that no other vendor would respond?		
		Whether there was delay in execution of the project even after it was awarded on nomination basis defeating the object of award of contract on nominations basis i.e. early completion of the work?	Reasons for delay & loss in execution of project even after awarding work on nomination basis	
		Whether there was time and cost overrun of the project resulting in loss to the company and the same was analysed and approved by competent authority?		
11.	Whether all pre-cautions to safeguard organisation's interest were taken while awarding contracts on risk	Whether the reason for awarding the contract on risk and cost basis is justified and properly documented?	Reasons for awarding contract on risk and cost	Review of files relating to termination of defaulting contractor and award of balance work to new
		Whether Performance Bank guarantee/securities taken from the original contractor were encashed?	Non-encashment of BGs of defaulting contractor	
		Whether proper notice of termination of contract and award of the remaining portion of the work on risk and cost basis was served to the original contractor?	Proper termination notice not served before awarding work on risk &	

Audit sub-objective		Question	Evidence	Data collection and audit analysis method
Sl. No.	Sub-objective			
	and cost basis		cost basis.	contractor
		Whether proper assessment of incomplete work and work not done by the original contractor has been properly documented?	Assessment of work not done by original contractor	
		Whether all items of work which were incomplete/not done by the previous contractor were included in the contract awarded on risk and cost basis?	Inclusion of left over work by original contractor in contract awarded on risk and cost basis.	
		Whether action was taken by the management to recover extra cost incurred on account of award of contract on risk and cost basis was recovered from the original contractor?	Non-recovery of extra cost from original contractor	
		Whether penal action as prescribed in the original contract was taken timely against the original contractor?	Taking penal action against defaulting contractor.	
		Whether the company has withheld the payment of RA Bills and LD for the delayed performance of the contractor?	Amount withheld on account of LD for delayed performance	Review of Contractor's ledger
12.	Whether award of contract was done immediately after award approval and in case of refusal to accept award action as per company's procurement policy was taken against	In cases where the L1 bidder refused to accept the Letter of Award, whether earnest money submitted by him along with the bid was forfeited and any other action as per company's procurement policy was taken against the defaulting party.	Action taken against L1 bidder refusing to accept award	Review of files relating to award of work.
		In case of L-I backing out then as per CVC guidelines whether the contract has been put to retendering?	Re-tendering of work in case of refusal of L1 bidder	
		Whether all terms and conditions/specifications as included in bidding-	Change in any of the	

Audit sub-objective		Question	Evidence	Data collection and audit analysis method
Sl. No.	Sub-objective			
	the defaulting party	documents were made part of contract agreement.	term & conditions included in bidding documents while framing agreement.	
		Whether contract agreement was entered into after award of contract?	Delay in award of contract after award approval	
		Whether the contracts were awarded in time?		

IV (B): Execution of Contracts:

Main Audit objective: Whether contracts were executed strictly as per agreed terms and conditions and fulfilment of all contractual obligations was ensured at the time of contract closing.

13.	Whether execution of contracts was done strictly as per agreed terms & conditions and execution was monitored as per provisions of procurement/works manual.	Whether Performance Bank Guarantee and Bank Guarantee against advance were received from contractor in the prescribed format before release of advance?	Release of advance without obtaining BG in prescribed format.	Review of BG Registers and BG formats
		Whether there is proper laid down procedure for safe custody and monitoring of Bank Guarantee or other instruments?	Existence of mechanism for safe custody and monitoring of BGs to keep them live.	Enquiry from the management.
		Whether the advance along with interest thereon was recovered strictly as per provisions of contracts and the CVC guideline?	Non-recovery of advance and interest thereon as per terms of agreement.	Running Account bills and Contractors' Ledger
		Whether contract price was inclusive of taxes and duties or exclusive of taxes and duties? In case of contractual term inclusive of taxes and duties, how the taxes and duties included in contract price were considered if the actual taxes and duties became nil or much less due to exemption/revision of taxes and duty payment during the contract period?	Contractor not asked to pass on the tax benefit as a result of subsequent legislation though required as per contract.	
		Whether all statutory levies like Income tax, work contract tax, Royalty, **Labour Welfare cess**, etc. as applicable were deducted from running account bills and deposited in Govt. account before making payment to the contractor?	Non-deduction of statutory levies from amounts payable to contractor	
		Whether payment of escalation was made as per formulae and source of indices prescribed in the agreement?	Payment of escalation not as per prescribed formula	Running Account Bills
		Whether work done by contractor was as per technical specifications laid down in the agreement. In case of change in any technical specification, whether the same was approved by the competent authority and	Approval for change in technical specifications	Review of files relating to contract execution

		documents in support of such change were placed on record?		
		Whether there were delays on the part of Company in providing construction drawings and clear working front etc. ?	Handing over construction site and drawings	
		In case of work completed after the stipulated date of completion of the work, whether the final extension of time was available in the records, indicating the reasons for delay, attributable either on the part of Management or contractor and amount to be recovered as liquidated damages was available and found justifiable?	Final time extension along with justification for levying or not levying LD	
		In case of contract with foreign parties involving payment through Letter of Credit, whether adequate safeguards (e.g. bank guarantee for the amount equivalent to payment released by LC etc.) have been taken to ensure avoidance of loss in case equipment/materials supplied failed to meet stipulated specifications/requirement?	Not obtaining BG to safeguard company's against any defects in equipment/material supplied.	
		Whether the deviations in quantities were within the limits stipulated in the agreement or more than that? If more than the prescribed limit, Whether extra quantities and their rates were approved by competent authority and whether documents in support of working of such rates were placed on records?	Approval of rates for deviated quantities beyond stipulated limit	
		Whether work completion certificate was obtained from the contractor?	Completion certificate issued by contractor	
		Whether structure of project monitoring exist and is adequate?	Non-existence of adequate structure for project monitoring	
14.	Whether fulfilment of all contractual obligations on the part of contractor and safeguarding of organisation's	Whether Performance Guarantee test has been successfully done?	Non-conducting of Performance Guarantee test by contractor	Review of final bill and contract closing file
		Whether all terms and conditions and work requirement as given in the contracts have been complied with?	Obligation of contractor not complete as per requirement of contract.	

	interests were ensured at the time of contract closing.	Whether all statutory dues have been recovered and deposited in Govt. account?	Statutory dues remaining unrecovered from contractor	
		Whether final bill has been received and duly checked and processed for payment?	Non-receipt and non-processing for payment of final bill	
		Whether the amount as specified in the contract (if any) or recommended by the Engineer in-charge to retain till the expiry of the defect liability period was retained or Bank guarantee accepted for the same?	Not holding any amount or not taking BG for making contractor responsible during defect liability period.	
		Whether certificate from the Construction and User Departments stating that all works as per scope of works has been completed in all respects and from the Finance Department that all financial aspects have been settled fully has been obtained?	Non-issue of completion certificate by concerned department and no dues certificate from Finance Department	

II - Matrix for Audit of Contracts

(Only one to be filled by the officer heading the audit team giving complete picture of contracts audited during compliance audit of a particular unit/auditee for a particular period).

Name of Auditee:	Period of audit:
Dates during which audit was conducted:	Audit Party No:

Sl. No.	No. and date of award of contract	Brief description of work of contract	Value of award (Rs.in crore)	Name & designation of officer to whom allotted for audit.	HM issued* (Yes/No)	Contract Audit Check list no.

***If HM issued, give H M No. also**

List of contract file not produced to audit to be given separately in the following format.

Sl. No.	No. and date of award of contract	Brief description of work of contract	Value of award (Rs.in crore)	Requisition No. and Date

Signature & Name of the officer heading the audit team

Signature_______________

Name__________________

Date____________

III - Check list for Audit of Contract

(*To be filled in by the officer for each contract audited by him*)

Check list no:	**Value of award of contact:**
No. and date of award of contract:	**Name and designation of person who audited the contract:**
Brief description of contract work:	**Sl. No of matrix for audit of contracts: (From A)**

III (A): Award of Contracts

Sl. No.	Checks to be applied	Yes/No	HM no.
1	Whether organisation has procurement manuals for guidance and consistency in actions of those involved in award of contracts. **(Refer Audit sub-objective sl. No. 1 of ADMAC*)**		
2	Whether Notice for invitation of Tender (NIT) was given adequate publicity. **(Refer Audit sub-objective sl. no. 2 of ADMAC)**		
3	Whether the Bidding Documents included all information in clear terms that might be required for preparation of a valid bid by the bidders and for equitable evaluation of bids by the Tender Evaluation Committee. **(Refer Audit sub-objective sl. No. 3 of ADMAC)**		
4	Whether tenders were received up to fixed date and time and whether as per CVC guidelines bids were opened on the same day by following transparent process and providing equitable opportunity to all bidders. **(Refer Audit sub-objective sl. No. 4 of ADMAC)**		
5	Whether tendering process (i.e. through open tender, limited tender or rate contracts) to be followed was decided after considering all relevant factors.**(Refer Audit sub-objective sl. No. 5 of ADMAC)**		
6	Whether bids were evaluated in most transparent manner with fairness to all bidders. **(Refer Audit sub-objective sl. No. 6 of ADMAC)**		
7	Whether specific checks according to type of contracts were applied. **(Refer Audit sub-objective sl. No. 7 of ADMAC)**		
8	Whether E-Procurement system was designed to ensure security of data provided audit trail facilities. **(Refer Audit sub-objective sl. No. 8 of ADMAC)**		
9	Whether Reverse Auction was carried out as per guidelines laid down in this regard.**(Refer Audit sub-objective sl. No. 9 of ADMAC)**		
10	Whether specific purposes which were envisaged at the time of award of contracts were materialised in respect of nomination basis contracts.**(Refer Audit sub-objective sl. No. 10 of ADMAC)**		
11	Whether all pre-cautions to safeguard organisation's interest were taken while awarding contracts on risk and cost basis.**(Refer Audit sub-objective sl. No.11 of ADMAC)**		
12	Whether award of contract was done immediately after award approval and in case of refusal to accept award action as per company's procurement policy was taken against the defaulting party.**(Refer Audit sub-objective sl. No.12 of ADMAC)**		

III (B): Execution of Contracts:

13	Whether execution of contracts was done strictly as per agreed terms & conditions **and execution was monitored as per provisions of procurement/**works manual. **(Refer Audit sub-objective sl. No.13 of ADMAC)**		
14	Whether fulfilment all contractual obligations on the part of contractor and safeguarding of organisation's interests were ensured at the time of contract closing. **(Refer Audit sub-objective sl. No.14 of ADMAC)**		

ADMAC: Audit Design Matrix for audit of contracts.

Signature & Name of officer who audited the contract

Signature______________

Name________________

Date________________

ANNEXURE-G

FORMATS OF CERTIFICATE FOR ISSUE OF COMMENTS, NIL COMMENTS and NON-REVIEW ON CONSOLIDATED FINANCIAL STATEMENTS OF GOVERNMENT COMPANIES

F: (Format of certificate for conducting supplementary audit of consolidated financial statements and issue of comments)

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 (Name of the company) FOR THE YEAR ENDED 31 MARCH (year)

The preparation of consolidated financial statements of (Name of the company) for the year ended 31 March (year) in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor/auditors appointed by the Comptroller and Auditor General of India under section 139 (5) or 139 (7)[21] read with section 129 (4) of the Act is/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 (date of the report).

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of (Name of the company) for the year ended 31 March (year) under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of (name of the company, subsidiary, associate companies and jointly controlled entities), but did not conduct supplementary audit of the financial statements of (name of subsidiaries, associate companies and jointly controlled entities)[22] for the year ended on that date. **Further, section 139(5) and 143 (6) (a) of the Act are not applicable to (name of the subsidiary/ joint venture/ associate company) being private entity(ies)/ entity(ies) incorporated in Foreign country(ies) under the respective laws for appointment of their Statutory Auditor and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies.** 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.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) read with section 129(4) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:

M. Comments on Consolidated Profitability
N. Comments on Consolidated Financial Position
O. Comments on Consolidated Cash Flow
P. Comments on Disclosure
Q. Comments on Auditors' Report on Consolidated Financial Statements
R. Other Comments
(may be arranged in order of decreasing importance)

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

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[21] In case of first auditor appointed by the C&AG

[22] If the number exceeds three, the same may be listed as annexure

Date
Signature

Name of the MAB/AG

Note: A disclaimer about private/foreign entities has been incorporated which is depicted as bold and underlined. This may be incorporated in the comments certificate, to the extent applicable.

G: (Format of certificate for conducting supplementary audit of consolidated financial statements and issue of Nil comments)

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 (Name of the company) FOR THE YEAR ENDED 31 MARCH (year)

The preparation of consolidated financial statements of (Name of the company) for the year ended 31 March (year) in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor/auditors appointed by the Comptroller and Auditor General of India under section 139 (5) or 139 (7)[23] read with section 129 (4) of the Act is/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 (date of the report).

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of (Name of the company) for the year ended 31 March (year) under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of (name of the company, subsidiary, associate companies and jointly controlled entities), but did not conduct supplementary audit of the financial statements of (name of subsidiaries, associate companies and jointly controlled entities)[24] for the year ended on that date. **Further, section 139(5) and 143 (6) (a) of the Act are not applicable to (name of the subsidiary/ joint venture/ associate company) being private entity(ies)/ entity(ies) incorporated in Foreign country(ies) under the respective laws, for appointment of their Statutory Auditor and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies.** This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

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

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

Place

Date
Signature

Name of the MAB/AG

Note: A disclaimer about private/foreign entities has been incorporated which is depicted as bold and underlined. This may be incorporated in the comments certificate, to the extent applicable.

[23] In case of first auditor appointed by the C&AG
[24] If the number exceeds three, the same may be listed as annexure

H: (Format of certificate for not conducting supplementary audit of consolidated financial statements)

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 (Name of the company) FOR THE YEAR ENDED 31 MARCH (year)

The preparation of consolidated financial statements of (Name of the company) for the year ended 31 March (year) in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor/auditors appointed by the Comptroller and Auditor General of India under section 139 (5) or 139 (7)[25] read with section 129 (4) of the Act is/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 (date of the report).

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the consolidated financial statements of (Name of the company) for the year ended 31 March (year) under section 143 (6)(a) read with section 129(4) of the Act.

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

Place

Date
Signature

Name of the MAB/AG

[25] In case of first auditor appointed by the C&AG

J: (Format of certificate for conducting supplementary audit of consolidated financial statements, revision of consolidated financial statements and subsequent issue of Comments)

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 (Name of the company) FOR THE YEAR ENDED 31 MARCH (year)

The preparation of consolidated financial statements of (Name of the company) for the year ended 31 March (year) in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor/auditors appointed by the Comptroller and Auditor General of India under section 139 (5) or 139 (7)[26] read with section 129 (4) of the Act is/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 Revised Audit Report dated (date of the revised report) which supersedes their earlier Audit Report dated (date of the report).

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of (Name of the company) for the year ended 31 March (year) under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of (name of the company, subsidiary, associate companies and jointly controlled entities), but did not conduct supplementary audit of the financial statements of (name of subsidiaries, associate companies and jointly controlled entities)[27] for the year ended on that date. **Further, section 139(5) and 143 (6) (b) of the Act are not applicable to (name of the subsidiary/ joint venture/ associate company) being private entity(ies)/ entity(ies) incorporated in Foreign country(ies) under the respective laws, for appointment of their Statutory Auditor and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies.** 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.

The consolidated financial statements of the company have been revised by the management, as indicated in Note No……….of the financial statements, to give effect to some of my audit observations raised during supplementary audit.

In addition, I would like to highlight the following significant matters under section 143(6)(b) read with section 129(4) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the consolidated financial statements and the related audit report:

G. Comments on Consolidated Profitability
H. Comments on Consolidated Financial Position
I. Comments on Consolidated Cash Flow
J. Comments on Disclosure
K. Comments on Auditors' Report on Consolidated Financial Statements
L. Other Comments

(may be arranged in order of decreasing importance)**For and on behalf of the**

Comptroller & Auditor General of India

Place
Date
Signature

Name of the MAB/AG

[26] In case of first auditor appointed by the C&AG

[27] If the number exceeds three, the same may be listed as annexure

Note: A disclaimer about private/foreign entities has been incorporated which is depicted as bold and underlined. This may be incorporated in the comments certificate, to the extent applicable.

M: (Format of certificate for conducting supplementary audit of consolidated financial statements, revision of Statutory Auditor's Report and consequent issue of comments)

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 (Name of the company) FOR THE YEAR ENDED 31 MARCH (year)

The preparation of consolidated financial statements of (Name of the company) for the year ended 31 March (year) in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor/auditors appointed by the Comptroller and Auditor General of India under section 139 (5) or 139 (7)[28] read with section 129 (4) of the Act is/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 Revised Audit Report dated (date of the revised report) which supersedes their earlier Audit Report dated (date of the report).

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of (Name of the company) for the year ended 31 March (year) under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of (name of the company, subsidiary, associate companies and jointly controlled entities), but did not conduct supplementary audit of the financial statements of (name of subsidiaries, associate companies and jointly controlled entities)[29] for the year ended on that date. **Further, section 139(5) and 143 (6) (a) of the Act are not applicable to (name of the subsidiary/ joint venture/ associate company) being private entity(ies)/ entity(ies) incorporated in Foreign country(ies) under the respective laws for appointment of their Statutory Auditor and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies.** 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. The Audit Report has been revised by the statutory auditor to give effect to some of my audit observations raised during supplementary audit.

In addition, I would like to highlight the following significant matters under section 143(6)(b) read with section 129(4) of the Act of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the consolidated financial statements and the related audit report:

S. Comments on Consolidated Profitability
T. Comments on Consolidated Financial Position
U. Comments on Consolidated Cash Flow
V. Comments on Disclosure
W. Comments on Auditors' Report on Consolidated Financial Statements
X. Other Comments
(may be arranged in order of decreasing importance)

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

Place

Date

Signature

[28] In case of first auditor appointed by the C&AG

[29] If the number exceeds three, the same may be listed as annexure

Name of the MAB/AG

Note: A disclaimer about private/foreign entities has been incorporated which is depicted as bold and underlined. This may be incorporated in the comments certificate, to the extent applicable.

N: (Format of certificate for conducting supplementary audit of consolidated financial statements, revision of Statutory Auditor's Report and consequent issue of NIL comments)

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 (Name of the company) FOR THE YEAR ENDED 31 MARCH (year)

The preparation of consolidated financial statements of (Name of the company) for the year ended 31 March (year) in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor/auditors appointed by the Comptroller and Auditor General of India under section 139 (5) or 139 (7)[30] read with section 129 (4) of the Act is/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 Revised Audit Report dated (date of the revised report) which supersedes their earlier Audit Report dated (date of the report).

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of (Name of the company) for the year ended 31 March (year) under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of (name of the company, subsidiary, associate companies and jointly controlled entities), but did not conduct supplementary audit of the financial statements of (name of subsidiaries, associate companies and jointly controlled entities)[31] for the year ended on that date. **Further, section 139(5) and 143 (6) (b) of the Act are not applicable to (name of the subsidiary/ joint venture/ associate company) being private entity(ies)/ entity(ies) incorporated in Foreign country(ies) under the respective laws for appointment of their Statutory Auditor and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies.** 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.

In view of the revision(s) made in the statutory auditor's report, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditors' report under section 143 (6) (b) read with section 129(4) of the Act.

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

Place

Date
Signature

Name of the MAB/AG

Note: A disclaimer about private/foreign entities has been incorporated which is depicted as bold and underlined. This may be incorporated in the comments certificate, to the extent applicable.

[30] In case of first auditor appointed by the C&AG
[31] If the number exceeds three, the same may be listed in as annexure

ANNEXURE-H (Pg No-864)

Check list for Indian Accounting Standard
Ind AS 1, Presentation of Financial Statements

Sl No.	Particulars	Yes / No/ NA	Remarks
1.	Whether the entity has prepared complete set of financial statements which comprises: (a) a balance sheet as at the end of the period ; (b) a statement of profit and loss for the period; (c) Statement of changes in equity for the period; (d) a statement of cash flows for the period; (e) notes, comprising significant accounting policies and other explanatory information; (ea) comparative information in respect of the preceding period as specified in paragraphs 38 and 38A; and (f) a balance sheet as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 40A–40D.		
2.	Whether the entity has presented a single statement of profit and loss, with profit or loss and other comprehensive income presented in two sections? The sections shall be presented together, with the profit or loss section presented first followed directly by the other comprehensive income section.		
3.	Whether the entity whose financial statements comply with Ind AS had made an explicit and unreserved statement of such compliance in the notes. An entity shall not describe financial statements as complying with Ind AS unless they comply with all the requirements of Ind AS.		
4.	In virtually all circumstances, presentation of a true and fair view is achieved by compliance with applicable Ind AS. Presentation of a true and fair view also requires an entity: (a) Whether the entity has presented information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information. (b) Whether the entity has given additional disclosures when compliance with the specific requirements in Ind AS is		

	insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.		
5.	As per paragraph 18 an entity cannot rectify inappropriate accounting policies either by disclosure of the accounting policies used or by notes or explanatory material. It is to be seen along with other paragraphs where the treatment for change in accounting policy is prescribed.		
6.	When an entity departs from a requirement of an Ind AS in accordance with paragraph 19, if yes, whether the disclosures have been made as per Para 20? **(Whether the above disclosures have been made by the entity)**		
7.	Whether adequate disclosures have been given as per para graph 23?		
8.	Whether the management has made an assessment of an entity's ability to continue as a Going concern?		
9	Whether the entity has presented a minimum, two balance sheets, two statements of profit and loss, two statements of cash flows and two statements of changes in equity, and related notes?		
10	Whether the entity presented a third balance sheet and if: (a) it applies an accounting policy retrospectivelyor reclassifies items in its financial statements; and (b) the retrospective application, retrospective restatement or the reclassification has a material effect on the information in the balance sheet at the beginning of the preceding period.		
11	If an entity changes the presentation or classification of items in its financial statements, it reclassified comparative amounts unless reclassification is impracticable. Whether an entity reclassifies comparative amounts?		
12	Whether an entity retained the presentation and classification of items in the financial statements from one period to the next if not: (a)Check, that another presentation or classification would be more appropriate having regard to the criteria for the selection and application of accounting policies in Ind AS 8; or (b) An Ind AS requires a change in presentation.		
13	If the entity displayed the following information prominently, and repeat it when necessary for the information presented to be understandable:		

	(a) the name of the reporting entity or other means of identification, and any change in that information from the end of the preceding reporting period; (b) whether the financial statements are of an individual entity or a group of entities; (c) the date of the end of the reporting period or the period covered by the set of financial statements or notes; (d) the presentation currency, as defined in Ind AS 21; and (e) the level of rounding used in presenting amounts in the financial statements		
14	Whether an entity has classified deferred tax assets (liabilities) as current assets (liabilities)?		
15	An entity shall disclose the following, either in the balance sheet or the statement of changes in equity, or in the notes: (a) for each class of share capital: (i) the number of shares authorized; (ii) the number of shares issued and fully paid, and issued but not fully paid; (iii) par value per share, or that the shares have no par value; (iv) a reconciliation of the number of shares outstanding at the beginning and at the end of the period; (v) the rights, preferences and restrictions attaching to that class including restrictions on the distribution of dividends and the repayment of capital; (vi) shares in the entity held by the entity or by its subsidiaries or associates; and (vii) shares reserved for issue under options and contracts for the sale of shares, including terms and amounts; (b) a description of the nature and purpose of each reserve within equity. These disclosure or otherwise need to be checked in Audit.		
16	An entity whose capital is not limited by shares e.g., a company limited by guarantee, disclosed information equivalent to that required by paragraph 79(a), showing changes during the period in each category of equity interest, and the rights, preferences and restrictions attaching to each category of equity interest.		
17	Whether the statement of profit and loss presents, in addition to the profit or loss and other comprehensive income sections included (a) profit or loss; (b) total other comprehensive income;		

	(c) Comprehensive income for the period, being the total of profit or loss and other comprehensive income.		
18	Whether the entity present additional line items, headings and subtotals in the statement of profit and loss, when such presentation is relevant to an understanding of the entity's financial performance.		
19	Whether items of income or expense are material to check Whether an entity disclosed their nature and amount separately.		
20	To verify whether an entity presented a statement of changes in equity as required by paragraph 10.		
21	Whether the significant accounting policies comprising have been complied by the entity: (a) the measurement basis (or bases) used in preparing the financial statements; and (b) the other accounting policies used that are relevant to an understanding of the financial statements		
22	To see the disclosure of, along with its significant accounting policies or other notes, the judgments, apart from those involving estimations, made by management in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.		
23	Whether disclosure of information about the assumptions made about the future, and other major sources of estimation uncertainty at the end of the reporting period that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year has been disclosed.		
24	Whether the entity shall disclose information as required by para 135 that enables users of its financial statements to evaluate the entity's objectives, policies and processes for managing capital?		
25	To check the disclosure of the following, if not disclosed elsewhere in information published with the financial statements by the entity (a) the domicile and legal form of the entity, its country of incorporation and the address of its registered office (or principal place of business, if different from the registered office); (b) a description of the nature of the entity's operations and its principal activities; (c) the name of the parent and the ultimate parent of the group; and (d) if it is a limited life entity, information regarding the length of its life.		

Checklist for Indian Accounting Standard (Ind AS) - 2

Valuation of Inventories

Sl. No.	Particulars	Yes/No/ NA	Remarks
1.	Whether the entity has disclosed the carrying amount of the inventories in total, sub classified by the main categories appropriate to the entity. Goods in transit should be disclosed under the relevant sub head of the inventories.		
2.	Ind AS 2 applies to all inventories, except Financial instruments and Biological assets (i.e. living animals or plants) related to agricultural activity and agricultural produce at the point of harvest. So the audit should check that the above is not valued and disclosed as per Ind AS 2.		
3.	Whether the inventory is properly valued at net realisable value or fair value, whichever is less?		
4.	Whether the cost of inventories include all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition?		
5.	Whether the cost of purchase include import duties and other taxes and transport, handling and other costs directly attributable to the acquisition of finished goods, materials and services.		
6.	Whether Trade discounts, rebates and other similar items are deducted in determining the costs of purchase		
7.	Whether the costs of conversion of inventories include costs directly related to the units of production, such as direct labour. They also include a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods.		
8.	Which is the cost formula used Specific identification? FIFO? Weighted Average?		
9.	(a) Is physical verification of inventory taken at year end?		
	(b)In arriving at net realisable value, have you ascertained (i) damaged/obsolete/non-moving stock? (ii)Subsequent sale price after Balance Sheet Date?		

Checklist on Indian Accounting Standard (Ind AS)-7

Statement of Cash Flows

Sl. No.	Particulars	Yes/No /NA	Remarks
1	Does the entity reconcile the amounts of cash and cash equivalents in the statement of cash flows with the equivalent items in the balance sheet?		
2	Are the cash flows during the period classified by operating, investing and financing activities?		
3	Are the cash flows during the period classified by operating, investing and financing activities?		
4	Does the entity report cash flows from operating activities using either: (a)The direct method, whereby major classes of gross cash receipts and gross cash payments are disclosed, or (b)The indirect method,whereby profit or loss is adjusted for the effects of transactions of anon-cash nature, any deferrals or accruals of past or future operating cash receipts or payments,and items of income or expense associated with investing or financing cash flows?		
5	Does the entity disclose the following appropriately: a) Cash inflow from interest, b) Cash outflow from interest, c) Cash inflow from dividends, and d) Cash outflow from dividends?		
6	Are the cash flows arising from taxes on income separately disclosed and classified as cash flows from operating activities unless they can be specifically identified with financing and investing activities?		
7	Whether the cash flows denominated in a foreign currency are reported in a manner consistent with Ind AS 21, The Effects of Changes in Foreign Exchange Rates by using an exchange rate that approximates the actual rate, e.g. a weighted average exchangerate?		
8	When accounting for an investment in an associate, a joint venture or a subsidiary accounted for by use of the equity or cost method, has the entity restricted its reporting in the statement of cash flows to the cash flows between itself and the investee (for example, to dividends and advances)?		
9	Whether an entity disclosed, together with a commentary by management, the amount of significant cash and cash equivalent balances held by the entity that were not available for use by the group?		
10	Whether entity disclosed the components of cash and cash equivalents and a reconciliation of the amounts in its statement of cash flows with the equivalent items reported in the balance sheet.		

Checklist on Indian Accounting Standard (Ind AS)-8

Accounting policies, changes in Accounting Estimate and Errors

Sl. No	Particulars	Yes/No/ NA	Remarks
1	Whether the company has changed its accounting policy as required by IND AS; or to provide reliable and more relevant information about the efforts of transaction other events or condition of the of the entity's financial position, financial position or cash flows in the financial statements?		
2	Whether the entity accounting for a change in accounting policy resulting from the initial objection in accordance with the specific transitional provisions?		
3	Whether the change was included in the specific transitional provisions applying to that change or has voluntarily changed its policy and whether the change was applied retrospectively?		
4	If the change in accounting policy is applied retrospectively whether the entity has adjusted the opening balance of each affected component of equity for the earlier prior period presented and the other comparative amounts disclosed for each comparative amounts disclosed for each prior period presented?		
5	In case of impracticability to determine the cumulative effect or period specific effects of changing on accounting policy, whether the company has applied the new accounting policy to the carrying amount of assets and liability as at the beginning of the earlier period for which retrospective application is practicable?		
6	Whether disclosure in the effect of application of an Ind AS on the following were made : When initial application of an Ind AS has an effect on the current period or any prior period, would have such an effect except that it is impracticable to determine the amount of the adjustment, or might have an effect on future periods, disclosure of: (a) the title of the Ind AS; (b) when applicable, that the change in accounting policy is made in accordance with its transitional provisions; (c) the nature of the change in accounting policy; (d) when applicable, a description of the transitional provisions; (e) when applicable, the transitional provisions that might have an effect on future periods; (f) for the current period and each prior period presented, to the extent practicable, the amount of the adjustment: (i) for each financial statement line item affected; and		

	(ii) if Ind AS 33, Earnings per Share, applies to the entity, for basic and diluted earnings per share; (g) the amount of the adjustment relating to periods before those presented, to the extent practicable; and (h) if retrospective application required by paragraph 19(a) or (b) is impracticable for a particular prior period , or for periods before those presented, the circumstances that led to the existence of that condition and a description of how and from when the change in accounting policy has been applied.		
7	Whether disclosure as the effect of voluntarily change in accounting policy were made?When a voluntary change in accounting policy has an effect on the current period or any prior period, would have an effect on that period except that it is impracticable to determine the amount of the adjustment, or might have an effect on future periods, disclosure of: (a) the nature of the change in accounting policy; (b) the reasons why applying the new accounting policy provides reliable and more relevant information; (c) for the current period and each prior period presented, to the extent practicable, the amount of the adjustment: (i) for each financial statement line item affected; and (ii) if Ind AS 33 applies to the entity, for basic and diluted earnings per share; (d) the amount of the adjustment relating to periods before those presented, to the extent practicable; and (e) If retrospective application is impracticable for a particular prior period, or for periods before those presented, the circumstances that led to the existence of that condition and a description of how and from when the change in accounting policy has been applied.		
8	Whether the entity has not applied a new Ind As and it is not effective the disclosure made about the following : (a) this fact; and (b) known or reasonably estimable information relevant to assessing the possible impact that application of the new Ind AS will have on the entity's financial statements in the period of initial application.		
9	Whether Changes in the accounting estimate other than change in the rise to changes in assets and liabilities, or equity (these changes shall be recognised by adjusting the carrying amount of the related asset, liability or equity in the period of the change) was recognised prospectively be including it in profit or loss in; (a) the period of the change, if the change affects that period only; or (b) the period of the change and future periods, if the change affects both		

10	Whether the Company has disclosed the nature and amount of a change in an accounting estimate that has an effect in the current period or is expected to have an effect in future periods?		
11	Whether disclosure has been made on the effect in future periods in case of impracticability of estimating the amount?		
12	Whether the error has arisen due to recognition, measurement, presentation or disclosure of elements of financial statement?		
13	Whether the correction of prior period errors retrospectively was carried out in the first set of financial statement approved for issue after their discovery by restating the comparative amounts for the prior period presented in which the error occurred or if the error occurred before the earliest prior period presented, restating the opening balance of assets, liabilities and equity for the earliest prior period presented?		
14	Whether in case of impracticability to determine the cumulative effect at the beginning of the current period, whether the entity has make efforts to correct the error prospectively for the earliest date practicable?		
15	Whether the company has made disclosure of prior period correct as follows : (a) the nature of the prior period error; (b) for each prior period presented, to the extent practicable, the amount of the correction: (i) for each financial statement line item affected (ii) if Ind AS 33 applies to the entity, for basic and diluted earnings per share; (c) the amount of the correction at the beginning of the earliest prior period presented; and (d) If retrospective restatement is impracticable for a particular prior period, the circumstances that led to the existence of that condition and a description of how and from when the error has been corrected. Financial statements of subsequent periods need not repeat these disclosures.		

Checklist for Indian Accounting Standard (Ind AS 10)

Events after the Reporting Period

Sl. No	Particulars	Yes/No / NA	Remarks
1.	**Adjusting events** If there are any events that have occurred between the end of the reporting period and the date on which the financial statements of the entity are approved for issue, that provide evidence of conditions that existed at the end of the reporting period in respect of the entity, has the entity treated these as adjusting events and adjusted the amount recognised in its financial statements to reflect such events occurring after the reporting period?		
2.	**Non adjusting events** If there are any events that are indicative of conditions that arose after the end of the reporting period, has the entity ensured that it has not adjusted the amounts recognised in its financial statements to reflect non- adjusting events after the reporting period?		
3	If there are any material non-adjusting events, non-disclosure of which could influence the economic decisions that users make on the basis of the financial statements, has the entity disclosed the nature of the event and an estimate of its financial effect, or a statement that such an estimate cannot be made, in the financial statements?		
4	**Dividend** If the entity has declared dividend to equity holders after the reporting period, has the entity not recognised a liability as at the end of reporting period and disclosed the dividend in the notes in accordance with the Ind AS 1, Presentation of financial statements?		
5.	**Going concern** Has the entity prepared its financial statements on a going concern basis if management determines after the reporting period either that it intends to liquidate the entity or to cease trading, or that it has no realistic alternative but to do so.		
6.	If the entity received information after the reporting period about conditions that existed at the end of the reporting period, whether disclosures updated related to those conditions, in the light of the new information?		
7.	Has the entity updated the disclosures in its financial statements to reflect information received after the end of the reporting period, even when the information does not affect the amounts that it recognises in its financial statement?		

Checklist for Indian Accounting Standards (Ind AS) 12
Income Taxes

Sl. No.	Particulars	Yes/No/ NA	Remarks
1	Whether Current tax for current and prior periods to the extent unpaid has been recognised as liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, whether the excess has been recognised as an asset?		
2	Whether the Deferred tax liability has been recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from (a) the initial recognition of goodwill; or (b) the initial recognition of an asset or liability in a transaction which is not a business combination and does not affect accounting profit or taxable profit at the time of the transaction.		
3	Whether Deferred tax asset has been recognised for all deductible temporary differences to the extent it is probable that taxable profit will be available against which the deductible temporary differences can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and does not affect accounting profit or taxable profit (tax loss) at the time of the transaction.		
4	Whether Deferred tax asset has been recognised for the carry forward of unused tax losses and unused tax credit to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised?		
5	Whether the entity has recognised a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries, branches and associates, and interest in joint ventures, except to the extent that (a) the parent, investor or venturer is able to control the timing of the reversal of the temporary difference and (b) it is probable that the temporary difference will not reverse in the foreseeable future?		
6	Whether the entity has recognised a deferred tax asset for all deductible temporary differences arising from investments in subsidiaries, branches and associates, and interests in joint ventures, to the extent that, and only to the extent that, it is probable that (a) the temporary difference will reverse in the foreseeable future and (b) taxable profit will be available against which the temporary difference can be utilised.		
7	Whether the current tax liabilities (assets) for the current and prior periods has been measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period?		
8	Whether Deferred tax assets and liabilities has been measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period?		

9	Whether the measurement of deferred tax liabilities and deferred tax assets has reflected the tax consequences that would follow from the manner in which the entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities?		
10	Whether the carrying amounts of deferred tax assets have been reviewed at the end of each reporting period? The entity has reduced the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Any such reduction has been reversed to the extent that it becomes probable that sufficient taxable profit will be available.		
11	Whether current and deferred tax has been recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from (a) transaction or event which is recognised, in the same or a different period, outside profit or loss, either in other comprehensive income or directly in equity or (b) A business combination.		
12	Whether current tax and deferred tax has been recognised outside profit or loss if the tax relates to items that are recognised, in the same or a different period, outside profit or loss. Similarly, current and deferred tax that relates to items that are recognised in the same or a different period (a) in other comprehensive income, has been recognised in other comprehensive income (b) directly in equity, has been recognised directly in equity.		
13	Whether the entity has offset current tax assets and current tax liabilities if, and if, the entity (a) has a legally enforceable right to set off the recognised amounts and (b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.		
14	The entity has offset deferred tax assets and deferred tax liabilities if, and only if (a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities and (b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authorities on either (i) the same taxable entity or (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.		
15	Whether the tax expense (income) related to profit or loss from ordinary activities has been presented in the statement of profit and loss?		
16	Whether the disclosures required as per paragraph 79, 81, 82 and 82A of this Ind AS have been made?		

Checklist for Indian Accounting Standards (Ind AS) - 16
Property, Plant and Equipment

Sl.No.	Particulars	Yes/No/ NA	Remarks
1	Whether the property, plant and equipment has been recognized as an asset if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably?		
2	Does the entity have spare parts, stand-by equipment and servicing equipment that satisfies the definition and recognition criteria of PPE as per this standard? a) If yes, has the entity recognised such items as PPE , or b) If no, has the entity classified such items as inventories in accordance with Ind AS 2, Inventories?		
3	Whether an item of property, plant and equipment that qualifies for recognition as an asset has been measured at its cost?		
4	Has the entity measured cost by including: a) Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates. b) Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, and c)the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located		
5	With regard to self-constructed assets: a) Has the cost of self-constructed asset determined using the same principles as for an acquired asset? b) Has any internal profit been eliminated? c) Has any cost of abnormal amounts of wasted material, labour, or other resources incurred in self-constructing an asset been excluded from the cost of the asset?		
6	If payment of cash price equivalent of cost of an item of property, plant and equipment has been deferred beyond normal credit terms, whether the difference between the cash price equivalent and the total payment is recognised as interest over the period of credit unless such interest is capitalised in accordance with Ind AS 23?		
7	If property, plant and equipment has been acquired in exchange for a non-monetary asset, whether the same has been recognised at its fair value unless (a) the exchange transaction lacks commercial substance or (b) the fair value of neither the asset received nor the asset given up is reliably measurable?		
8	Has the entity chosen either the cost model or the revaluation model as its accounting policy and applied that policy to an entire class of property, plant and equipment?		

9	In case of Cost Model is adopted, whether the entity is carrying an item of property, plant and equipment after its recognition at its cost less any accumulated depreciation and any accumulated impairment losses?		
10	In case of Revaluation Model is adopted, whether the entity is carrying an item of property, plant and equipment after its recognition as an asset at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses?		
11	In case of Revaluation Model, If the revaluations have been made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period?		
12	If an item of property, plant and equipment is revalued whether the entire class of property, plant and equipment to which that asset belongs has been revalued?		
13	If an asset's carrying amount is increased as a result of revaluation, Whether the increase has been recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus?		
14	If an asset's carrying amount is decreased as a result of a revaluation, whether the decrease has been recognised in profit or loss?		
15	Has the entity recognised and disclosed the effects of taxes on income, if any, resulting from the revaluation of PPE in accordance with Ind AS 12, Income Taxes?		
16	Has the entity depreciated separately, each part of an item of PPE with a cost that is significant in relation to the total cost of the item?		
17	In case future economic benefits embodied in an asset are absorbed in producing other assets, is the depreciation charge constituting a part of cost of the other assets?		
18	Has the depreciable amount of an asset been allocated on a systematic basis over its useful life?		
19	Whether the residual value and the useful life of an asset has been reviewed at each financial year end and if expectations differ from previous estimates whether the change(s) have been accounted for as a change in an accounting estimate in accordance with Ind AS 8?		
20	With respect to depreciation: a) Has the entity selected a depreciation method that reflects the pattern in which the assets are expected to be consumed by the entity? b) Does the entity conduct a review of the depreciation method at least at each year end? c) Has the entity identified a significant change in the expected pattern of consumption of the future economic		

	benefits embodied in the asset, if yes, has the method of depreciation been changed to reflect the changed pattern? d) Has the entity accounted for the change in point (c) above as a change in an accounting estimate in accordance with Ind AS 8?		
21	Has the entity included the compensation from third parties for items of PPE that were impaired, lost or given up in the statement of profit and loss when the compensation became receivable?		
22	Has the entity accounted for impairments or losses of items of PPE, related claims for or payments of compensation from third parties and any subsequent purchase or construction of replacement assets as separate economic events as follows: a) Recognised impairments of items of PPE in accordance with Ind AS 36, b) Derecognised items of PPE retired or disposed in accordance with this standard, c) Recognised compensation from third parties for items of PPE that were impaired, lost or given up is included in the statement of profit and loss when such sums become receivable, and d) Recognised the cost of items of PPE restored, purchased or constructed as replacements in accordance with this standard?		
23	Has the entity derecognised the carrying amount of an item of PPE when either of the below have occurred: a) When the asset has been disposed, or b) When no future economic benefits are expected from its use or disposal?		
24	Whether the disclosures required as per paragraph 73, 74 and 77 of this Ind AS have been made?		

Checklist for Indian Accounting Standard (Ind AS)-17

Leases

Sl. No.	Particulars	Yes/No / NA	Remarks
	Ind AS 116 supersedes Ind AS 17, therefore all the compliances/disclosures have been made as per Ind AS 116		
	In case the entity is a Lessee		
1	Check whether the leases have been correctly classified as Finance and/or Operating lease and also the important and material conditions in the lease arrangements have been disclosed?		
2	In case of 'Finance Lease', at the commencement of the lease term, has the lessee recognised finance leases as assets and liabilities in their balance sheets at amounts equal to the lower of the fair value of the leased property and the present value of the minimum lease payments (each determined at the inception of lease)?		
3	Check whether the costs identified as directly attributable to activities performed by the lessee for finance lease (such as negotiating and securing leasing arrangements) are added to the amount recognised as an asset?		
4	A finance lease gives rise to depreciation expense for depreciable assets as well as finance expense for each accounting period. Accordingly, check whether: (a) the depreciation policy for depreciable leased was consistent with that for depreciable assets that were owned, and the depreciation recognised was calculated in accordance with Ind AS 16 PPE and Ind AS 38 Intangible Assets; and (b) If there was no reasonable certainty that the lessee would obtain ownership by the end of the lease term, whether the asset was fully depreciated over the shorter of the lease term and its useful life.		
5	If there is reasonable certainty that the lessee will obtain ownership by the end of the lease term, check whether the period of expected use is the useful life of the asset; otherwise the asset is depreciated over the shorter of the lease term and its useful life?		
6	Check whether the lessee has made disclosures as per Paragraphs 31 and 32 of this Standard?		
7	In case of 'Operating Lease', check whether lease payments (excluding costs for services such as insurance and maintenance) were recognised as an expense on a straight-line basis over the lease term unless either: (a) another systematic basis was more representative of the time pattern of the user's benefit even if the payments to the lessors were not on that basis; or (b) the payments to the lessor were structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.		

8	Check whether the lessee has made disclosures as per Paragraph 35 of this Standard?		
	In case the entity is a Lessor		
9	In case of 'Finance Lease', check whether the lessor has recognised assets held under a finance lease in their balance sheet and present them as a receivable at an amount equal to the net investment in the lease?		
10	Initial direct costs are often incurred by lessors and include amounts such as commissions, legal fees and internal costs that are incremental and directly attributable to negotiating and arranging a lease. For finance leases other than those involving manufacturer or dealer lessors, check whether : (a) initial direct costs excluded general overheads such as those incurred by a sales and marketing team as well as costs incurred by manufacturer or dealer lessors in connection with negotiating and arranging a lease; and (b) As a result, they were excluded from the net investment in the lease and were recognised as an expense when the selling profit was recognised, which for a finance lease was normally at the commencement of the lease term.		
11	Whether the recognition of finance income was based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the finance lease?		
12	Check whether: (a) The manufacturer or dealer lessor has recognised selling profit or loss in the period, in accordance with the policy followed by the entity for outright sales, and if artificially low rates of interest were quoted, whether selling profit was restricted to that which would apply if a market rate of interest were charged? (b) Whether costs incurred by manufacturer or dealer lessor in connection with negotiating and arranging a lease were recognised as an expense when the selling profit was recognised?		
13	Manufacturers or dealers often offer to customers the choice of either buying or leasing an asset. In this regard, check whether the finance lease of an asset by a manufacturer or dealer lessor gave rise to two types of income: (a) profit or loss equivalent to the profit or loss resulting from an outright sale of the asset being leased, at normal selling prices, reflecting any applicable volume or trade discounts; and (b) finance income over the lease term.		
14	Whether: (a) The sales revenue recognised at the commencement of the lease term by a manufacturer or dealer lessor was the fair value of the asset, or, if lower, the present value of the minimum lease payments accruing to the lessor, computed at a market rate of interest. (b) the cost of sale recognised at the commencement of the lease term was the cost, or carrying amount if different, of the leased property less the present value of the unguaranteed residual value. (c) the difference between the sales revenue and the cost of sale is the selling profit, which is recognised in accordance with the entity's policy for outright sales.		

15	Manufacturer or dealer lessors sometimes quote artificially low rates of interest in order to attract customers. The use of such a rate would result in an excessive portion of the total income from the transaction being recognised at the time of sale. In this regard, if artificially low rates of interest are quoted, whether selling profit was restricted to that which would apply if a market rate of interest were charged?		
16	Whether costs incurred by a manufacturer or dealer lessor in connection with negotiating and arranging a finance lease were recognised as an expense at the commencement of the lease term as they were mainly related to earning the manufacturer's or dealer's selling profit?		
17	Whether the lessor has made disclosures as per Paragraphs 47 and 48 of this Standard?		
18	In case of 'Operating Leases', Whether the lease income from operating leases (excluding amounts for services such as insurance and maintenance) was recognised in income on a straight-line basis over the lease term, unless either: (a) another systematic basis was more representative of the time pattern in which use benefit derived from the leased asset was diminished, even if the payments to the lessors were not on that basis; or (b) the payments to the lessor were structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary according to factors other than inflation, then this condition is not met.		
19	Whether: (a) costs, including depreciation, incurred in earning the lease income were recognised as an expense. (b) lease income (excluding receipts for services provided such as insurance and maintenance) was recognised on a straight-line basis over the lease term even if the receipts were not on such a basis, unless another systematic basis was more representative of the time pattern in which use benefit derived from the leased asset was diminished.		
20	Whether initial direct costs incurred by lessors in negotiating and arranging an operating lease was added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income?		
21	Whether the depreciation policy for depreciable leased assets was consistent with the lessor's normal depreciation policy for similar assets, and depreciation was calculated in accordance with Ind AS 16 and Ind AS 38?		
22	Whether the manufacturer or dealer lessor has, wrongfully or mistakenly, recognised any selling profit on entering into an operating lease as it was not the equivalent of a sale?		
23	Check whether the lessor has made disclosures as per Paragraphs 56 and 57 of this Standard?		

24	If a sale and leaseback transaction results in a finance lease, whether any excess of sales proceeds over the carrying amount was deferred and amortised over the lease term instead of recognising the same immediately as income by a seller-lessee?		
25	If the leaseback is an operating lease, and the lease payments and the sale price are at fair value, there has in effect been a normal sale transaction and any profit or loss is recognised immediately. In this regard whether: (a) if a sale and leaseback transaction results in an operating lease, and it was clear thatthe transaction was established at fair value, whether any profit or loss was recognisedimmediately. (b) if the sale price was below fair value, whether any profit or loss wasrecognised immediately except that, if the loss was compensated for by future leasepayments at below market price, whether it deferred and amortised in proportion tothe lease payments over the period for which the asset was expected to be used. (c) if the sale price was above fair value, whether the excess over fair value was deferred and amortised over the period for which the asset was expected to be used.		

Checklist for Indian Accounting Standard (Ind AS)-19

Employee Benefit Expenses

Sl. No.	Particulars	Yes/ No/ NA	Remarks
	Whether the entity applied Ind AS 19 on all employee benefits, except to those to which Ind AS 102, Share-based Payment, applies?		
	In case of 'Short-Term Employee Benefits', Whether the entity has recognised the undiscounted amount expected to be paid in exchange for that service: (a) As a liability (accrued expense), after deducting any amount already paid. (b) As an asset (prepaid expense), if the amount already paid exceeds the undiscounted amount of the benefits, to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund. (c) As an expense, unless another Ind AS requires or permits the inclusion of the benefits in the cost of an asset (see, for example, Ind AS 2 Inventories and Ind AS 16 PPE).		
1.	**Short-term compensated absences** Has the entity recognised the expected cost of accumulating short-term compensated absences when the employees render service that increases their entitlement to future compensated absences or to compensatory payment? Has the entity accounted for accumulating short-term compensated absences which are vesting i.e. payable in cash? Has the entity recognised non-accumulating paid absences when they occur?		
2.	Whether the entity made a reliable estimate of its legal or constructive obligation under a profit-sharing or bonus plan?		
	In case of contribution payable to a 'Defined Contribution Plan', whether the entity has recognised the contribution payable in exchange for that service: (a) as a liability (accrued expense), after deducting any contribution already paid. (b) as an asset (prepaid expense), if the contribution already paid exceeds the contribution due for service before the end of the reporting period, to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund. (c) as an expense, unless another Ind AS requires or permits the inclusion of the contribution in the cost of an asset (for example, Ind AS 2 and Ind AS 16).		
	Whether contributions to a Defined Contribution Plan has been discounted using the discount rate specified in paragraph 83, when they are not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service?		
	Whether the entity has disclosed the amount recognised as an expense for Defined Contribution Plans?		

	Where required by Ind AS 24, whether the entity has disclosed information about contributions to Defined Contribution Plans for key management personnel?		
	In case of 'Defined Benefit Plans', whether the entity has accounted for it by following the steps mentioned under Paragraph 57?		
	Whether the results of the valuation carried out by the qualified actuary were updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the end of the reporting period?		
	Whether the entity has recognised the net defined benefit liability (asset) in the balance sheet?		
	When an entity has a surplus in a Defined Benefit Plan, whether it has measured the net defined benefit asset at the lower of: (a) the surplus in the defined benefit plan; and (b) the asset ceiling, determined using the discount rate specified in paragraph 83.		
	In order to measure the present value of the post-employment benefit obligations and the related current service cost, whether the entity has: (a) applied an actuarial valuation method (as described under paragraphs 67–69); (b) attributed benefit to periods of service (as described under paragraphs 70–74); and (c) made actuarial assumptions (as described under paragraphs 75–98)		
	Before determining past service cost, or a gain or loss on settlement, whether the entity has remeasured the net defined benefit liability (asset) using the current fair value of plan assets and current actuarial assumptions (including current market interest rates and other current market prices) reflecting the benefits offered under the plan before the plan amendment, curtailment or settlement.		
	Whether the entity has recognised a gain or loss on the settlement of a Defined Benefit Plan when the settlement occurred as described under Paragraph 111 and 112?		
	Sometimes, an entity is able to look to another party, such as an insurer, to pay part or all of the expenditure required to settle a defined benefit obligation. Qualifying insurance policies, as defined in paragraph 8, are plan assets. In such case, check whether the entity has: (a) recognised its right to reimbursement under the insurance policy as a separate asset, rather than as a deduction in determining the defined benefit deficit or surplus; and (b) disclosed a brief description of the link between the reimbursement right and the related obligation as required under Paragraph 140(b).		

	whether the entity has disclosed information that: (a) explains the characteristics of its Defined Benefit Plans and risks associated with them (as described under paragraph 139); (b) identifies and explains the amounts in its financial statements arising from its defined benefit plans (as described under paragraphs 140–144); and (c) describes how its defined benefit plans may affect the amount, timing and uncertainty of the entity's future cash flows (as described under paragraphs 145–147).		
	In case of 'Other long-term employee benefits', check whether the entity has: (a) applied paragraphs 56–98 and 113–115 in recognising and measuring the surplus or deficit in another long-term employee benefit plan; and (b) applied paragraphs 116–119 in recognising and measuring any reimbursement right.		
19.	For other long-term employee benefits, whether the entity has recognised the net total of the following amounts in profit or loss, except to the extent that another Ind AS requires or permits their inclusion in the cost of an asset: (a) service cost (as described under paragraphs 66–112); (b) net interest on the net defined benefit liability (asset) (as described under paragraphs 123–126); and (c) remeasurements of the net defined benefit liability (asset) (as described under paragraphs 127–130).		
20.	In case of Termination Benefits, whether the entity has recognised a liability and expense for termination benefits at the earlier of the following dates: (a) when the entity can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits.		

Checklist for Indian Accounting Standard (Ind AS) - 20

Accounting for Government Grants and Disclosure of Government Assistance

Sl. No.	Particulars	Yes/No/ NA	Remarks
1.	Whether the Entity has ensured that this standard is not applied when the entity deals with any of the following: a)The special problems arising in accounting for government grants in financial statements reflecting the effects of changing prices or in supplementary information of a similar nature		
	b) Government assistance that is provided for an entity in the form of benefits that are available in determining taxable profit or tax loss, or are determined or limited on the basis of income tax liability. Examples of such benefits are income tax holidays, investment tax credits and accelerated depreciation		
	c) Government participation in the ownership of the entity		
	d) Government grants covered by Ind AS-41, Agriculture		
2.	Whether the entity has recognized government grants, including non-monetary grants at fair value if there is reasonable assurance that: a)The entity will comply with the conditions attaching to them		
	b)The grants will be received		
3.	Have grants received in cash or as a reduction of a liability to the government, been accounted for in the same manner?		
4.	If the entity has received any forgivable loan from government, is there reasonable assurance that the entity will meet the terms for forgiveness of theloan?		
5.	If the entity has received any government loan at a below-market rate of interest, has the benefit of the below-market rate of interest been measured as the difference between the initial carrying value of the loan (determined in accordance with Ind AS 109, Financial Instruments), and the proceeds received?		
6.	Has the entity recognized the government grants in profit or loss on a systematic basis over the periods in which the entity recognizes as expenses the related costs for which the grants are intended to compensate?		
7.	Whether capital approach or income approach adopted by the entity for accounting of government grants?		

8.	If the grant is related to depreciable assets, has it been recognized in profit or loss over the periods and in the proportions in which depreciation expense on those assets is recognized?		
9.	If the grant is related to non-depreciable assets and does it required the fulfillment of certain obligations, has it been recognized in profit or loss over the periods that bear the cost of meeting the obligations?		
10.	If the grant has been received as part of a package of financial or fiscal aids to which conditions are attached, have the conditions been identified which give rise costs and expenses to determine the periods over which the grant will be earned?		
11.	If the government grant has become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs, has it been recognized in profit or loss of the period in which it becomes receivable?		
12.	If the entity has received a government grant in the form of a transfer of non-monetary assets, for the use of the entity, a) Has the entity accounted for the grant and the asset at the fair value of non-monetary assets? b) Has the entity presented by deducting the grant from the carrying amount of the asset. c) Has the Non-monetary grant has been recognised at a nominal amount.		
13.	Has the entity presented government grants related to assets, including non-monetary grants at fair value, in the balance sheet by setting up the grant as deferred income?		
14.	Has the grant set up as deferred income been recognized in profit or loss on a systematic basis over the useful life of the asset?		
15.	Have cash outflows associated with the purchase of the asset and cash inflows associated with the government grant been disclosed as separate items in the statement of cash flows?		
16.	Has the entity recognized grants related to income either:		
	a)As part of profit or loss, either separately or under a general heading such as other income		
	b)As a deduction in reporting the related expenses?		
17.	If any government grant has become repayable, has the entity accounted for repayment of government grant as a change in accounting estimate?		
18.	For repayment of a grant related to income, has the entity applied the repayment first against any unamortized deferred credit recognized in respect of the grant and the balance if any, has been recognized immediately in profit or loss?		
19.	For repayment of a grant related to an asset, has the entity recognized it by reducing the deferred income balance by the amount repayable?		
20.	In case of government assistance which cannot reasonably have value placed upon them and transactions with government which cannot be		

	distinguished from normal trading transactions of the entity, has the entity disclosed the nature, extent and duration of such government assistance?		
21.	Whether the Government Assistance does not include the provision of infrastructure by improvement to the general transport and communication network and the supply of improved facilities such as irrigation or water reticulation which is available on an ongoing indeterminate basis for the benefit of an entire local community.		
22.	Has the entity disclosed the following:		
	a) Accounting policy adopted for government grants, including the methods of presentation adopted in the financial statements.		
	b) The nature and extent of government grants recognized in the financial statements and an indication of other forms of government assistance from which the entity has directly benefited.		
	c) Unfulfilled conditions and other contingencies attaching to government assistance that has been recognized.		

Checklist for Indian Accounting Standard (Ind AS) - 21

The Effects of Changes in Foreign Exchange Rates

Sl. No.	**Particulars**	**Yes /No/ NA**	**Remarks**
1	Has the entity applied this standard to the following: a) Transactions and balances in foreign currencies (except for those derivative transactions and balances that are within the scope of Ind AS 109, Financial Instruments, b) Translating the results and financial position of foreign operations that are included in the financial statements of the entity by consolidation or the equity method, and c) Translating an entity's results and financial position into a presentation currency?		
2	Whether generated fund from financing activities and receipts from operating activities are in functional currency?		
3	Whether the entity has foreign operation or the transaction made by the entity in foreign currencies?		
4	Whether the entity's presentation currency differs from its functional currency and if so, whether its results and financial position are also translated into the presentation currency?		
5	Has the entity applied this standard to transactions and balances in foreign currencies (except for those derivative transactions and balances that are within the scope of Ind AS 109, Financial Instruments)?		
6	Has the entity applied Ind AS 109 in cases where it follows hedge accounting for foreign currency items, including the hedging of a net investment in a foreign operation?		

7	Has the entity applied to the foreign currency transaction, the spot exchange rate between the functional and foreign currency as at the date of the transaction to the foreign currency amount, on initial recognition in functional currency for following: a) Buys or sells goods or services whose price is denominated in a foreign currency b) Borrows or lends funds when the amounts payable or receivable are denominated in a foreign currency c) Otherwise acquires or disposes of assets, or incurs or settles liabilities, denominated in a foreign currency		
8	Has the entity translated the following at the end of the reporting period: a)Foreign currency monetary items, using the closing rate b)Non-monetary items that are measured in terms of historical cost in a foreign currency, using the exchange rate at the date of the transaction c)Non-monetary items that are measured at fair value in a foreign currency, using the exchange rates at the date when the fair value was determined?		
9	a) Has the entity determined the carrying amount of an item in a foreign currency in conjunction with other relevant standards? (For example, property, plant and equipment may be measured in terms of fair value or historical cost in accordance with Ind AS 16, Property, Plant and Equipment.)?		
	b) Irrespective of whether the carrying amount is determined on the basis of historical cost or on the basis of fair value, if the amount is determined in a foreign currency, has the entity translated it into the functional currency in accordance with this standard?		
10	If the entity has non-monetary assets measured in foreign currency, has the entity determined the carrying amount by comparing a) The cost or carrying amount, as appropriate, translated at the exchange rate at the date when that amount was determined b) The net realisable value or recoverable amount, as appropriate translated at the exchange rate at the date when that value was determined		
11	Whether exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements shall be recognized in profit or loss in the period in which they arise except described in paragraph 32.		

12	Whether a gain or loss on a non-monetary item recognised in other comprehensive income, any exchange component of that gain or loss has been recognised in other comprehensive income. Conversely, whether a gain or loss on a non-monetary item recognised in profit or loss, any exchange component of that gain or loss has been recognised in profit or loss?		
13	If the entity has exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation, has the entity: a) Recognised exchange differences in statement of profit or loss of the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, b) In the financial statements that include the foreign operation and the reporting entity recognised exchange differences initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.		
14	a) Does the entity's presentation currency differ from its functional currency? b) If yes, has the entity translated its results and financial position into the presentation currency?		
15	Has the entity translated the results and financial position of a foreign operation into a presentation currency so that the foreign operation can be included in the financial statements of the reporting entity by consolidation or the equity method?		
16	Where the entity's functional currency is not the currency of a hyperinflationary economy, has the entity ensured that its results and financial position has been translated into a different presentation currency using the following procedures: a) Translation of assets and liabilities for the balance sheet (including comparatives) at the closing rate at the date of that balance sheet, b) Translation of income and expenses for the statement of profit and loss (including comparatives) at exchange rates at the date(s) of the transactions, and c) All resulting exchange differences are recognised in other comprehensive income?		
17	Whether assets and liabilities (goodwill) arising from the acquisition of the foreign operation and fair value adjustment has been expressed in the		

	functional currency of the foreign operation and translated at closing rate in accordance with paragraphs 39 and 42.		
18	Has the entity recognised the exchange differences in profit and loss account in the period in which they arise?		
19	Whether an entity has disclosed: a) the amount of exchange differences recognized in profit or loss except for those arising on financial instruments measured at fair value through profit or loss in accordance with Ind As 109 b)net exchange difference recognized in other comprehensive income and accumulated in a separate component of equity, and a reconciliation of the amount of such exchange differences at the beginning and end of the period		
20	In case presentation currency is different from the functional currency, whether the fact has been disclosed together with disclosure of the functional currency and the reason for using a different presentation currency?		
21	Whether change in the functional currency of either the reporting entity or a significant foreign operation, together with the reason for the change in functional currency and the date of change in functional currency has been disclosed?		
22	In case financial statements are presented in a currency that is different from its functional currency description that the financial statements as complying with Ind ASs only if they comply with all th requirements of each applicable standard including the translation method set out in paragraphs 39 and 42.		

Checklist for Indian Accounting Standard(Ind AS) -23

Borrowing Costs

Sl. No.	Particulars	Yes/No/ NA	Remarks
1.	Has the entity excluded the following from the scope of Ind AS 23 a) Actual or imputed cost of equity, including preferred capital not classified as a liability b) A qualifying asset[32] measured at fair value c) Inventories that are manufactured or otherwise produced, in large quantities on a repetitive basis?		
2.	Has the entity identified its qualifying assets that necessarily take a substantial period of time to get ready for their intended use or sale and computed the borrowing costs that are directly attributable to the acquisition, construction or production of those assets?		
3.	If there is no qualifying asset, then has the entity recognised borrowing cost as an expense in the period in which it incurs then?		
4.	Does the borrowing cost include a)Interest expense calculated the effective interest method as described in Ind AS 109 b)Financial charges in respect of finance lease recognised in accordance with Ind AS 17 c)Exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest cost		
5.	Where funds were borrowed specifically for obtaining a qualifying asset, has the entity determined the amount of borrowing costs (net) eligible for capitalisation after deducting any investment income on the temporary investment of those borrowings from the borrowing costs?		
6.	Where there was difficulty in identifying a direct relationship between particular borrowings and a qualifying asset and to determine borrowing costs eligible for capitalisation, whether the management exercised appropriate judgment, based on the accounting policies applied by the entity?		
7.	Where funds were borrowed generally and used them for obtaining a qualifying asset, has the entity computed and used a capitalisation rate to determine the borrowing costs eligible for capitalisation?		
8.	Has the borrowing cost capitalized during the period exceeded the amount of borrowing cost incurred during the same period?		
9.	Has the carrying amount of qualifying assets evaluated? Where the carrying amount of a qualifying asset exceeded its recoverable amount, whether it was written down/written off in accordance with the requirements of other Ind AS?		

[32](i) Inventories (ii) Manufacturing Plants (iii) Power Generation Facilities (iv) Investment Properties (v) Intangible Assets and (vi) Bearer Plants all are qualifying asset.

10.	Has the 'commencement date' for capitalization of borrowing costs as part of the cost of qualifying asset been considered as the date on which the entity first met all of the following conditions i.e. a)incurred expenditure for the asset b)incurred borrowing costs c)undertook necessary activities to prepare the asset for its intended use or sale		
11.	Whether the capitalization of borrowing costs was suspended during extended periods of construction when active development was suspended[33]?		
12.	Whether capitalization of borrowing costs was ceased on: a)Completion of physical construction/ substantial completion of all the activities necessary to prepare the qualifying asset for its intended use or sale? b)Completion of construction of a qualifying asset in parts, while construction was continued on other parts and each part was capable of being used.		
13.	Whether the borrowing costs which did not satisfy the criteria for capitalization have been recognized as an expense?		
14.	Where the entity applied Ind AS 29, Financial Reporting in Hyperinflationary Economics, whether the part of borrowing costs that compensated for inflation during the same period has been recognized as an expense in accordance with paragraph 21 of that Standard?		
15.	Whether the amount of borrowing costs capitalized during the period has been disclosed?		
16.	Whether the capitalization rate used to determine the amount of borrowing costs eligible for capitalization has been disclosed?		

[33] Except when (i) substantial technical and administrative work was carried out, and (ii) temporary delay was a necessary part of the process of getting an asset for its intended use or sale.

Checklist for Indian Accounting Standard (Ind AS) - 24
Related Party Disclosures

Sl. No.			Particulars	Yes /No	Remarks
1.	If the entity is				
	(a)		A parent company, or		
	(b)		An investor with joint control of, or significant influence over, an investee in accordance with Ind AS 110, Consolidated Financial Statements or Ind AS 27, Separate Financial Statements		
	Has the entity disclosed related party relationships and transactions and outstanding balances, including commitments in its consolidated and separate financial statements?				
2.	With respect to intra-group related party transactions, if the entity is an investment entity, then has it disclosed the same?				
3.	In identifying related parties, have the following been excluded				
	(a)		Entities with a director or other member of key management personnel in common with the reporting entity (unless there are other indicators or such companies are otherwise related parties),		
	(b)		Entities where a member of key management personnel of one entity has significant influence over the other entity (unless there are other indicators or such companies are otherwise related parties),		
	(c)		A joint venturer that shares joint control of a joint venture of the entity (unless there are other indicators or such companies are otherwise related parties),		
	(d)	i.	Providers of finance		
		ii.	Trade unions		
		iii.	Public utilities		
		iv.	Departments and agencies of a government that do not control, jointly control or significantly influence the entity, simply by virtue of their normal dealings with the entity (even though they may affect the freedom of action of an entity or participate in its decision making process)		
	(e)		A customer, supplier, franchisor, distributor or general agent with whom the entity transacts a significant volume of business, simply by virtue of the resulting economic dependence?		
4.	Whether relationships between a parent and its subsidiaries were disclosed irrespective of whether there had been transactions between them?				
5.	Whether an entity disclosed the name of its parent and, if different, the ultimate controlling party?				
6.	If neither the entity's parent nor the ultimate controlling party produced consolidated financial statements available for public use, whether the name of the next most senior parent that did so was disclosed?				
7.	Has the entity disclosed relationships when control exists, irrespective of whether there have been transactions between the related parties?				
8.	Has the entity disclosed key management personnel compensation in total for each of following categories				
	(a)		Short-term employee benefits		
	(b)		Post-employment benefits		
	(c)		Other long-term benefits		

	(d)	Termination benefits, and		
	(e)	Share based payment		
9.	If the entity had related party transactions during the periods covered by the financial statements, whether it disclosed the nature of the related party relationship as well as information about those transactions and outstanding balances, including commitments, necessary for users to understand the potential effect of the relationship on the financial statements?			
10.	These disclosure requirements are in addition to those in Sl. No.4 At a minimum, disclosures should include:			
	(a)	the amount of the transactions		
	(b)	the amount of outstanding balances including		
		i. Commitments		
		ii. their terms and conditions		
		iii. whether they are secured		
		iv. nature of the consideration to be provided in the settlement		
		v. details of any guarantees given or received		
	(c)	provisions for doubtful debts related to the amount of outstanding balances;		
	(d)	the expense recognized during the period in respect of bad or doubtful debts due from related parties.		
11.	Whether the disclosures required in Sl. No. 6 was made separately for each of the following categories:			
	(a)	the parent		
	(b)	entities with joint control or significant influence over the entity		
	(c)	subsidiaries		
	(d)	Associates		
	(e)	joint ventures in which the entity is a venturer		
	(f)	key management personnel of the entity or its parent		
	(g)	other related parties		
12.	Whether items of a similar nature were disclosed in aggregate except when separate disclosure was necessary for an understanding of the effects of related party transactions on the financial statements of the entity.			
13.	If a reporting entity applied for exemption, whether it disclosed the following about the transactions and related outstanding balances			
	(a)	the name of the government and the nature of its relationship with the reporting entity (i.e. control, joint control or significant influence)		
	(b)	the following information in sufficient detail to enable users of the entity's financial statements to understand the effect of related party transactions on its financial statements:		
		i. the nature and amount of each individually significant transaction		
		ii. for other transactions that are collectively, but not individually, significant, a qualitative or quantitative indication of their extent.		
14.	Has the entity disclosed that related party transactions were made on terms equivalent to those that prevail in an arm's length transactions provided that such terms can be substantiated?			
15.	Is the entity, a government related entity, that has related party transactions and outstanding balances, including commitments, with			
	(a)	A government that has control or joint control of, or significant influence over the reporting entity, and		
	(b)	Another entity that is a related party because the same government has control or joint control of, or significant influence over both the reporting entity and the other entity.		
16.	Has the entity disclosed the following transaction with related parties:			

	(a)	Purchases or sales of goods (finished or unfinished),		
	(b)	Rendering or receiving of services,		
	(c)	Leases,		
	(d)	Transfers of research and development,		
	(e)	Transfers under license agreements,		
	(f)	Transfers under finance arrangements (including loans and equity contributions in cash or in kind),		
	(g)	Commitments to do something if a particular event occurs or does not occur in the future, including executory contracts (recognised and unrecognised),		
	(h)	Settlement of liabilities on behalf of the entity or by the entity on behalf of that related party, and		
	(i)	Management contracts including for deputation of employees		
17.	If there is a participation by a parent or subsidiary in a defined benefit plan that shares risks between group entities, has this been disclosed as a related party transaction?			

Checklist for Indian Accounting Standard (Ind AS)-27

Separate Financial Statements

Sl. No	Particulars	Yes/No/ NA	Remarks
1.	Whether the entity has adopted to prepare separate financial statements?		
2.	Whether the entity which prepared separate financial statements, had accounted for investments in subsidiaries, joint ventures and associates either: (a) at cost, or (b) in accordance with Ind AS 109? If so, whether the uniform accounting principles were applied for each category of investments?		
3.	Whether the entity had recognised dividend from a subsidiary, a joint venture or an associate in its separate financial statements when its right to receive the dividend is established?		
4.	Whether the entity ceased to be an investment entity, or becomes an investment entity? If so, whether the entity had accounted for the change from the date when the change in status occurred?		
5.	Whether the entity elected, in accordance with Ind AS 28, to measure its investments in associates or joint ventures at fair value through profit or loss in accordance with Ind AS 109? If so, whether the entity had accounted for those investments in the same way in its separate financial statements?		
6.	Whether the entity was required, in accordance with Ind AS 110, to measure its investment in a subsidiary at fair value through profit or loss in accordance with Ind AS 109? If so, whether the entity had accounted for its investment in a subsidiary in the same way in its separate financial statements?		
7.	Whether the entity reorganized the structure of its group by establishing a new entity as its parent? If so, whether the new parent measured the cost at the carrying amount of its share of the equity items shown in the separate financial statements of the original parent at the date of the reorganization?		
8.	Whether disclosures as per Ind AS-27 (as per para 16, 16A or 17) were made?		

Check list for Indian Accounting standards (Ind AS)-28

Investments in Associates and Joint Ventures

Sl. No.	Particulars	Yes/ No / NA	Remarks
1	Has the entity has significant influence over an investee, to be classified as an associate?		
2	If the entity is a party to a joint arrangement, in which the parties that have joint control have rights to the net assets of the arrangement, has thisjoint arrangement been classified as a joint venture?		
3	Is the classification of entities into subsidiary, associate and joint venture done appropriately on the basis set out in Q 1 and 2 above?		
4	Is the investment initially recognized at cost?		
5	Has the carrying amount of investment under equity method been increased or decreased to recognize the investor's share of profit/loss after the date of acquisition?		
6.	Has the entity reduced the carrying amount of investment under equity method to the extent of the distribution received from the associate or joint venture?		
7.	If there are any potential voting rights and other derivative instruments that currently give the entity access to returns, is the proportionate share allocated to the entity after considering the potential rights?		
8.	Are the investments or any retained interest in the investments that is not classified as held-for-sale, been classified as a non-current asset?		
9.	Are all investments in an associate or a joint venture accounted using the equity method unless they qualify for the exemptions in accordance with paragraph 17-19 of Ind AS 28?		
10.	If the investment or a portion of investment in associate or joint venture is classified as held for sale, are those investments/proportionate investment value measured as per Ind AS 105 *Non-current Assets Held for Sale and Discontinued Operations*?		
11.	If there are any investments or a portion of an investment, in an associate or a joint venture previously classified as held for sale that no longer meets the criteria to be so classified, have these been accounted using equity method retrospectively as from the date of its classification as held for sale?		

12.	If any of the investments have ceased to be associates or joint ventures, has the entity discontinued the use of the equity method from the date when its investment ceases to be an associate or a joint venture?		
13	Has the entity considered the aggregate of holdings by the entity, its parent and its subsidiary in associates and joint ventures?		
14	If the associate or joint venture has subsidiaries, associates or joint ventures, when applying the equity method, are the profit or loss, other comprehensive income and net assets taken into account those that are recognized in the associate's or joint venture's financial statements.		
15	Has the entity eliminated the gain/loss resulting from upstream/downstream transactions between the entity and its associate or joint venture to the extent of its share in the associate or joint venture?		
16	Has the entity accounted for goodwill/capital reserve arising out of difference between the cost of the investment and the entity's share of the net fair value of the investee's identifiable assets and liabilities?		
17	a) Has the entity included the above goodwill, if any, in the carrying amount of the investment? b) If the entity's share of the net fair value of the investee's identifiable assets and liabilities is in excess of the cost of the investment, has the same been recognized directly in equity as capital reserve?		
18	Has the entity considered the most recent available financial statements of the associate or joint venture?		
19	In case where the financial statements of an associate or joint venture of an entity are prepared as of a date different from that used by the entity a) Have the necessary adjustments been made for the effects of significant transactions or events that occur between that date and the date of the entity's financial statements? (The difference in this case should not exceed three months), b) Is the difference between the end of the reporting period of the associate or joint venture and that of the entity more than three months, and c) Is the length of the reporting periods and any difference between the ends of the reporting periods the same from period to period?		

20	If an associate or joint venture uses accounting policies other than those of the entity for like transactions and events in similar circumstances have adjustments been made to make these accounting policies, conform to those of the entity when applying the equity method?		
21	If an associate or a joint venture has outstanding cumulative preference shares that are held by parties other than the entity and are classified as equity, has the entity computed its share of profit or loss after adjusting for the dividends on such shares, whether or not the dividends have been declared?		
22	Is there any objective evidence of impairment of investment in the associate and/or joint venture?		
23	Has the entity limited the loss to be recognized to the extent of its interest in the associate or joint venture unless it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture?		

Checklist for Indian Accounting Standards (IndAS)-29

Financial reporting in hyperinflationary economies

Sl. No.	Particulars	Yes / No/ NA	Remarks
1.	Has the entity applied this standard where the economic environment of a country which include, but are not limited to, the following? 1. The general population prefers to keep its wealth in non-monetary assets or in a relatively stable foreign currency. Amounts of local currency held are immediately invested to maintain purchasing power; 2. The general population regards monetary amounts not in terms of the local currency but in terms of a relatively stable foreign currency. Prices may be quoted in that currency; 3. sales and purchases on credit take place at prices that compensate for the expected loss of purchasing power during the credit period, even if the period is short; 4. interest rates, wages, and prices are linked to a price index; and 5. the cumulative inflation rate over three years approaches, or exceeds, 100%		
2.	Whether the financial statements of an entity that reports in the currency of a hyperinflationary economy were stated in terms of the measuring unit current at the balance sheet date? Whether the comparative figures for prior period(s) should be restated into the same current measuring unit?		
3.	Whether Balance sheet amounts not already expressed in terms of the measuring unit current at the end of the reporting period are restated by applying a general price index?		
4.	Monetary items are not restated because they are already expressed in terms of the monetary unit current at the end of the reporting period. Whether this was followed?		
5.	Assets and liabilities linked by agreement to changes in prices, such as index linked bonds and loans, are adjusted in accordance with the agreement in order to ascertain the amount outstanding at the end of the reporting period. Whether this was followed?		
6.	All other assets and liabilities (non-monetary) that are carried at amounts current at the end of the reporting period, such as net realizable value and fair value, so they are not restated. All other nonmonetary assets and liabilities are restated. Whether this was followed?		
7.	Whether non-monetary items carried at cost or cost less depreciation are restated from the dates of their purchase? Whether Inventories of partly-finished and finished goods are restated from the dates on which the costs of purchase and of conversion were incurred?		

8.	Whether at the beginning of the first period of application of this Standard, the components of owners' equity, except retained earnings and any revaluation surplus, are restated from the dates the components were contributed or otherwise arose? Whether any revaluation surplus that arose in previous periods are eliminated?		
9.	Whether at the end of the first period and in subsequent periods, all components of owners' equity are restated from the beginning of the period or the date of contribution?		
10.	Whether all items in the statement of profit and loss are expressed in terms of the measuring unit current at the end of the reporting period?		
11.	Whether the gain or loss was estimated by applying the change in a general price index to the weighted average for the period of the difference between monetary assets and monetary liabilities?		
12.	Whether other income and expense items, such as interest income and expense, and foreign exchange differences related to invested or borrowed funds are also associated with the net monetary position?		
13.	Items stated at current cost are not restated because they are already expressed in terms of the measuring unit current at the end of the reporting period. Whether this was followed?		
14.	Whether all amounts were restated into the measuring unit current at the end of the reporting period by applying a general price index?		
15.	Whether gain or loss on net monetary position is dealt as per Para 27 and 28?		
16.	Whether statement of cash flows is expressed in terms of the measuring unit current at the end of the reporting period?		
17.	Whether corresponding figures of Previous year are restated by applying a general price index so that the comparative financial statements are presented in terms of the measuring unit current at the end of the reporting period?		
18.	Consolidated financial statements – Whether the financial statements of subsidiary was restated by applying a general price index of the country in whose currency it reports before they are included in the consolidated financial statements?		
19.	Whether general price index that reflects changes in general purchasing power was adopted for this Standard?		
20.	Whether the following disclosures as per Para 39 were made 1. The fact that financial statements and other prior period data have been restated for changes in the general purchasing power of the reporting currency 2. Whether the financial statements are based on a historical cost approach or current cost approach and 3. Identity and level of the price index at the balance sheet date and moves during the current and previous reporting period 4. Duration of hyperinflation existing in the economy		

Checklist for Indian Accounting Standard (Ind AS)-32

Financial Instruments: Presentation

Sl. No.	Particulars	Yes/No/ NA	Remarks
1.	Whether the entity included all Financial Instruments (FIs) within the scope of this Standard, except where a financial instrument is required to be excluded from the scope of Ind AS 32 and the relevant Ind AS applied?		
2.	Whether the FIs are excluded from the scope of IND AS 32 and if so, the relevant AS applied?		
3	Whether the entity has contracts to buy or sell a non-financial item that can be settled net in cash or other financial instrument or by exchanging financial instrument?		
4	Whether the entity included the above contracts within the scope of Ind AS 32?		
5	Whether FI are classified as financial liability or equity instrument in accordance with contractual agreement?		
6	Whether FIs are in compound financial instrument or not?		
7	Whether the entity issued a puttable instrument?		
8	Whether the puttable instrument has been classified as an equity instrument only if the criteria given in para 16A (a) to 16A (b) of Ind AS 32 are met?		
9	Whether the entity has a F.I. that includes a contractual obligation to deliver to another entity a pro rata share of its net assets only on liquidation? If so, an instrument is classified as an equity instrument only if it meets the criteria set in para 16C (b) to16D.		
10	Whether an entity reclassifies a F.I?		
11	Whether the entity accounted the above reclassification of an instrument in accordance with 16E?		
12	Whether the F.I. is classified as financial liability as per para 17?		
13	If so, whether it meets the criteria stated in para 18?		
14	Whether the entity recognized a financial liability for the present value of the redemption amount for a contract that contains an obligation for an entity to purchase its own equity instruments for cash or any other financial instrument as per the criteria mentioned in para 23?		
15	Whether the entity classified F.I. as a financial liability if the entity is required to deliver cash or another financial asset or otherwise settle a financial instrument in such a way that it would be a financial liability, in the event of contingent future events?		

16	If the entity issued a derivative F.I. that gives one party a choice over how it is settled (e.g. net in cash or by exchanging shares for cash), has the same been recognized as a financial asset or a financial liability unless all of the settlement alternatives would result in it being an equity instrument?		
17	If the entity issued non-derivative financial instrument that has both a liability and an equity component, a) Has the entity classified these components separately- liabilities, assets or equity instruments? b) Has the entity presented the liability and equity components of the instrument separately in the balance sheet?		
18	Whether the entity assigned the residual amount to the equity component, after deducting from the fair value of the instrument as a whole the amount separately determined for the liability?		
19	Whether the entity determined the carrying amount of the liability component by measuring the fair value of a similar liability that does not have an associated equity component?		
20	On conversion of a compound convertible instrument at maturity, whether the entity derecognized the liability, retained the original equity component and ensured that no gain or loss is recognized?		
21	When the entity extinguished a compound convertible instrument before maturity, whether the entity recognized any resulting gain or loss on the liability or equity component in profit or loss?		
22	Whether the entity reacquired, sold, issued or cancelled its own equity instruments (treasury shares), the consideration paid or received been recognized as a deduction from/ addition to equity?		
23	Whether the entity recognized the interests, dividends, losses or gains relating to a financial instrument as income or expense in the profit and loss?		
24	Whether the entity allocated transaction costs that relate to the issue of a compound financial instrument to the liability and equity components of the instrument in proportion to the allocation of proceeds?		
25	Whether the entity disclosed above transaction costs accounted for as a deduction from equity separately in accordance with Ind AS1?		
26	Whether the entity accounted the transaction cost as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction?		
27	Whether the entity presented dividends (classified as an expense) in the profit or loss either with interest on other liabilities or as a separate item?		
28	Whether the entity recognized the gains or losses relating to changes in the carrying the amount of financial liability separately as income or expense in profit or loss?		

29	Whether the entity has a legally enforceable right to set off the recognized amounts?		
30	Whether the entity intends to either settle on a net basis or to realize the asset and settle the liability simultaneously?		
31	When accounting for a transfer of financial assets does not qualify for derecognition, whether the entity ensured that the transferred asset and the associated liability are not offset and are presented separately in the financial statements?		
32	When the entity has a right to set-off but the entity does not intend to either settle on a net basis or to realize the asset and settle the liability simultaneously, whether the entity's credit risk of exposure has been disclosed in accordance with para 36 of Ind AS 107?		
33	Whether the entity ensured that a financial asset and a financial liability are not offset in the circumstances set out in para 49?		
34	If the entity entered into a master netting arrangement with another counterparty, and the related financial assets and financial liabilities are not offset, whether the effect of this arrangement on the entity's exposure to credit risk has been disclosed in accordance with Ind AS 107?		

Checklist for Indian Accounting Standard (Ind AS)-33

Earnings per Share

Sl. No.	Particulars	Yes/No/ NA	Remarks
1	Has the entity calculated and disclosed earnings per share in accordance with this Standard?		
2	Has the entity presented the disclosures required by this Standard both in the consolidated financial statements and separate financial statements?		
	Basic earnings per share		
3	Has the entity calculated basic earnings per share amounts for profit or loss attributable to ordinary equity holders of the parent entity and, if presented, profit or loss from continuing operations attributable to those equity holders?		
4	Has the entity calculated the basic earnings per share by dividing profit or loss attributable to ordinary equity holders of the parent entity (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period?		
5	Has the entity for the purpose of calculating basic earnings per share, considered the amounts attributable to ordinary equity holders of the parent entity in respect of: (a) profit or loss from continuing operations attributable to the parent entity; and (b) profit or loss attributable to the parent entity adjusted for the after-tax amounts of preference dividends, differences arising on the settlement of preference shares, and other similar effects of preference shares classified as equity.		
6	Are the after-tax amount of preference dividends that are deducted from profit or loss equal to: a) the after-tax amount of any preference dividends on non-cumulative preference shares declared in respect of the period; and (b) The after-tax amount of the preference dividends for cumulative preference shares required for the period, whether or not the dividends have been declared?		
7	Has the original issue discount or premium on increasing rate Preference shares, that is amortized to retained earnings using the effective interest method, been treated as a preference dividend for the purposes of calculating earnings per share?		
8	Where early conversion of convertible preference shares has been induced by an entity,whether the excess of the fair value of the ordinary shares or other consideration paid over the fair value of the ordinary shares issuable under the originalconversion terms is a return to the preference shareholders, and is deducted in calculating profit or loss attributable to ordinary equity holders of the parent entity?		
9	Has any excess of the carrying amount of preference shares over the fair value of theconsideration paid to settle them been added incalculating profit or loss attributable to ordinary equity holders of the parent entity?		
	Shares		
10	Has the weighted average number of ordinary shares outstanding during the period, as determined below been used, to calculate the basic earning per share?		
11	Are the Shares as included in the weighted average number of shares from the date consideration is receivable as per para 21?		

12	Are the Ordinary shares issued as part of the consideration transferred in a business combination included in the weighted average number of shares from the acquisition date?		
13	Are Ordinary shares that will be issued upon the conversion of a mandatorily convertible instrument included in the calculation of basic earnings per share from the date the contract is entered into?		
14	Are contingently issuable shares are treated as outstanding and included in the calculation of basic earnings per share only from the date when all necessary conditions are satisfied?		
15	Have the weighted average number of ordinary shares outstanding during the period and for all periods presented been adjusted for events, other than the conversion of potential ordinary shares, that have changed the number of ordinary shares outstanding without a corresponding change in resources? (for example capitalization or bonus issue or a share split)		
	Diluted earnings per share		
16	Has the entity calculated diluted earnings per share amount for profit or loss attributable to ordinary equity holders of the parent entity and, if presented, profit or loss from continuing operations attributable to those equity holders?		
17	For the purpose of calculating diluted earnings per share, has the entity adjusted profit or loss attributable to ordinary equity holders of the parent entity, and the weighted average number of shares outstanding, for the effects of all dilutive potential ordinary shares?		
18	For the purpose of calculating diluted earnings per share, has the entity adjusted profit or loss attributable to ordinary equity holders of the parent entity, as calculated in accordance with paragraph 12, by the after-tax effect of: (a) any dividends or other items related to dilutive potential ordinary shares deducted in arriving at profit or loss attributable to ordinary equity holders of the parent entity as calculated in accordance with paragraph 12; (b) any interest recognized in the period related to dilutive potential ordinary shares; and (c) any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares.		
19	For the purpose of calculating diluted earnings per share, has the entity determined the number of ordinary shares as The weighted average number of ordinary shares **plus** the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares?		
20	Has the entity determined the number of ordinary shares that would be issued on conversion of dilutive potential ordinary shares from the terms of the potential ordinary shares?		
21	Does the entity have a subsidiary, joint venture or associate which has issued to parties (other than the parent or investors with joint control of, or significant influence over the investee), potential ordinary shares that are convertible into either ordinary shares of the subsidiary, joint venture or associate, or ordinary shares of the parent or investors with joint control of, or significant influence (the reporting entity) over, the investee?		

	Do such potential ordinary shares of the subsidiary, joint venture or associate have a dilutive effect on the basic earnings per share of the reporting entity? If yes, has the entity included such potential ordinary shares in the calculation of diluted earnings per share?		
22	Have potential ordinary shares been treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations?		
	Options, warrants and their equivalents		
23	For the purpose of calculating diluted earnings per share, has the entity assumed the exercise of dilutive options and warrants of the entity?		
24	Have options and warrants been considered as dilutive only when they would result in the issue of ordinary shares for less than the average market price of ordinary shares during the period?		
25	Have employee share options with fixed or determinable terms and non-vested ordinary shares been treated as options in the calculation of diluted earnings per share, even though they may be contingent on vesting?		
26	Whether the dilutive effect of convertible instruments has been reflected in diluted earnings per share in accordance with paragraphs 33 and 36?		
28	Where the entity has issued a contract that may be settled in ordinary shares or cash at the entity's option, has the entity presumed that the contract will be settled in ordinary shares, and the resulting potential ordinary shares included in diluted earnings per share if the effect is dilutive?		
29	For contracts that may be settled in ordinary shares or cash at the holder's option, has the more dilutive of cash settlement and share settlement been used in calculating diluted earnings per share?		
30	Have contracts such as purchased put options and purchased call options (i.e. options held by the entity on its own ordinary shares) been excluded in the calculation of diluted earnings per share? (Because including them would be antidilutive.)		
31	Have contracts that require the entity to repurchase its own shares, such as written put options and forward purchase contracts, been reflected in the calculation of diluted earnings per share if the effect is dilutive?		
32	If the number of ordinary or potential ordinary shares outstanding increases as a result of a capitalization, bonus issue or share split, or decreases as a result of a reverse share split, has the calculation of basic and diluted earnings per share for all periods presented been adjusted retrospectively?		
33	Has the entity presented in the statement of profit and loss basic and diluted earnings per share for profit or loss from continuing operations attributable to the ordinary equity holders of the parent entity and for profit or loss attributable to the ordinary equity holders of the parent entity for the period for each class of ordinary shares that has a different right to share in profit for the period?		
34	Is earnings per share presented for every period for which a statement of profit and loss is presented? Further, if diluted earnings per share are reported for at least one period, has the entity reported it for all periods presented, even if it equals basic earnings per share?		

35	If the entity reports a discontinued operation, has it disclosed the basic and diluted amounts per share for the discontinued operation either in the statement of profit and loss or in the notes?		
36	Has the entity presented basic and diluted earnings per share, even if the amounts are negative (i.e. a loss per share)?		
	Disclosure		
37	Disclosure of the following: (a) the amounts used as the numerators in calculating basic and diluted earnings per share, and reconciliation of those amounts to profit or loss attributable to the parent entity for the period. The reconciliation shall include the individual effect of each class of instruments that affects earnings per share. (b) The weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share, and a reconciliation of these denominators to each other. The reconciliation shall include the individual effect of each class of instruments that affects earnings per share. (c) instruments (including contingently issuable shares) that could potentially dilute basic earnings per share in the future, but were not included in the calculation of diluted earnings per share because they are antidilutive for the period(s) presented. (d)a description of ordinary share transactions or potential ordinary share transactions, other than those accounted for in accordance with paragraph64, that occur after the reporting period and that would have changed significantly the number of ordinary shares or potential ordinary shares outstanding at the end of the period if those transactions had occurred before the end of the reporting period.		
38	Disclosure of, in addition to basic and diluted earnings per share, amounts per share using a reported component of the statement of profit and loss other than one required by this Standard.		

Checklist for Indian Accounting Standard (Ind AS) - 34

Interim Financial Reporting

Sl. No.	Particulars	Yes/No/ NA	Remarks
1	Is the entity required to publish its interim financial reports for the applicability of this standard?		
2	If an entity publishes a complete set of financial statements in its interim financialreport, does the form and content of those statements conform to the requirements Ind AS 1: Presentation of Financial Statementsfor a complete set of financial statements.		
3	If an entity publishes a set of condensed financial statements in its interim financial report, do the condensed statements include, at a minimum, each of the headings and subtotals that were included in its most recent annual financial statements and the selected explanatory notes as required by this Standard.		
4	If the entity is within scope of Ind AS 33, *Earnings per Share,* has it presented the basic and diluted earnings per share in its profit or loss for the interim period?		
5	If an entity's most recent annual financial statements were consolidated statements, did the entity prepare its interim financial report on a consolidated basis?		
	Significant events and transactions		
6	Has entity included in its interim financial report an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the entity since the end of the last annual reporting period? Has the entity updated the information disclosed in relation to those events and transactions that were presented in the most recent annual financial report?		
7	If the entity considers any event as significant, has it disclosed such significant event(s)?		
	Other Disclosures		
8	Has the entity made the following disclosures either in the interim financial statements or incorporated by cross-reference from the interim financial statements to some other statement (such as management commentary or risk report) that is available to users of the financial statements on the same terms as the interim financial statements and at the same time. (a) a statement that the same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements or,ifthose policies or methods have been changed, a description of the nature and effect of the change. (b) Explanatory comments about the seasonality or cyclicality of interim operations. (c) the nature and amount of items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence. (d) the nature and amount of changes in estimates		

	Of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years. (e) issues, repurchases and repayments of debt and equity securities. (f) dividends paid (aggregate or per share) separately for ordinary shares and other shares. (g) the following segment information (i) revenues from external customers, (ii) intersegment revenues, if included in the measure of segment profit or loss (iii) a measure of segment profit or loss. (iv) a measure of total assets and liabilities for a particular reportable segment (v) a description of differences from the last annual financial statements in the basis of segmentation or in the basis of measurement of segment profit or loss. (vi) a reconciliation of the total of the reportable segments' measures of profit or loss to the entity's profit or loss before tax expense (tax income) and discontinued operations. (h) Events after the interim period that have not been reflected in the financial statements for the interim period. (i) The effect of changes in the composition of the entity during the interim period, including business combinations, obtaining or losing control of subsidiaries and long-term investments, restructurings, and discontinued operations. (j) for financial instruments, the disclosures about fair value required by paragraphs 113.91–113.93(h), 113.94–113.96, 113.98 and 113.99 and paragraphs 107.25, 107.26 and 107.28–107.30. (k) for entities becoming, or ceasing to be investment entities, as defined in Ind AS 110,*Consolidated Financial Statements*, the disclosures in paragraph 112.9B.		
	Disclosure of compliance with Ind ASs		
9	If an entity's interim financial report is in compliance with this Standard, that fact shall be disclosed. An interim financial report shall not be described as complying with Ind ASs unless it complies with all of the requirements of Ind ASs.		
10	Has the entity provided the following as part of its Interim report: (a) balance sheet as of the end of the current interim period and a comparative balance sheet as of the end of the immediately preceding financial year. (b) statements of profit and loss for the current interim period and cumulatively for the current financial year to date, with comparative statements of profit and loss for the comparable interim periods (current and year-to-date) of the immediately preceding financial year. (c) statement of changes in equity cumulatively for the current financial year to date, with a comparative statement for the comparable year-to-date period of the immediately preceding financial year.		

	(d) statement of cash flows cumulatively for the current financial year to date, with a comparative statement for the comparable year-to-date period of the immediately preceding financial year.		
11	If the entity, whose business is highly seasonal, then has the entity disclosed the financial information for the twelvemonths up to the end of the interim period and comparative information for the prior twelve-month period?		
12	If the entity assesses materiality in relation to the interim period financial data, does the entity recognize, measure, classify, or disclose an item for interim financial reporting purposes based on such materiality?		
13	If an estimate of an amount reported in an interim period is changed significantly during the final interim period of the financial year but a separate financial report is not published for that final interim period, disclosure of the nature and amount of that change in estimate in a note to the annual financial statements for that financial year.		
	Recognition and measurement		
14	Has the entity applied the same accounting policies in its interim financial statements as are applied in its annual financial statements, except for accounting policy changes made after the date of the most recent annual financial statements that are to be reflected in the next annual financial statements?		
	Revenues received seasonally, cyclically, or occasionally		
15	Has the entity ensured that revenues that are received seasonally, cyclically, or occasionally within a financial year are not anticipated or deferred as of an interim date, if anticipation or deferral would not be appropriate at the end of the entity's financial year.		
	Costs incurred unevenly during the financial year		
16	Has costs that are incurred unevenly during an entity's financial year been anticipated or deferred for interim reporting purposes if, and only if, it is also appropriate to anticipate or defer that type of cost at the end of the financial year.		
	Use of estimates		
17	Have the measurement procedures to be followed in an interim financial report been designed to ensure that the resulting information is reliable and that all material financial information that is relevant to an understanding of the financial position or performance of the entity is appropriately disclosed.		
18	A change in accounting policy, other than one for which the transition is specified by a new Ind AS, shall be reflected by: (a) restating the financial statements of prior interim periods of the current financial year and the comparable interim periods of any prior financial years in accordance with Ind AS 8; or (b) when it is impracticable to determine the cumulative effect at the beginning of the financial year of applying a new accounting policy to all prior periods, adjusting the financial statements of prior interim periods of the current financial year, and comparable interim periods of prior financial years to apply the new accounting policy prospectively from the earliest date practicable.		

Impairment of Assets

Sl. No.	Particulars	Yes/No /NA	Remarks
1	Has the entity excluded the following items from the scope of this Standard and applied the relevant Ind AS instead: (a) inventories (Ind AS 2, *Inventories*); (b) contract assets and assets arising from costs to obtain or fulfill contract that are recognized in accordance with Ind AS 115, *Revenue from Contracts with Customers*; (c) deferred tax assets (see Ind AS 12, *Income Taxes*); (d) assets arising from employee benefits (see Ind AS 19, *Employee Benefits*); (e) financial assets that are within the scope of Ind AS 109, *Financial Instruments*; (f) biological assets related to agricultural activity within the scope of IndAS 41 *Agriculture* that are measured at fair value less costs to sell ; (g) deferred acquisition costs, and intangible assets, arising from aninsurer's contractual rights under insurance contracts within the scope of Ind AS 104, *Insurance Contracts*; and (h) non-current assets (or disposal groups) classified as held for sale in accordance with Ind AS 105, *Non-current Assets Held for Sale andDiscontinued Operations*.		
2	Has the entity included the following items within the scope of this Standard: (a) subsidiaries, as defined in Ind AS 110, *Consolidated Financial Statements*; (b) associates, as defined in Ind AS 28, *Investments in Associates and Joint Ventures*; and (c) joint ventures, as defined in Ind AS 111, *Joint Arrangements*. (For impairment of other financial assets, refer to Ind AS 109).		
3	Has the entity assessed at the end of each reporting period whether there is any indication that an asset may be impaired and if any such indication exists, the estimated the recoverable amount of the asset?		
4	Irrespective of whether there is any indication of impairment, has the entity tested the assets falling under any of the following categories for impairment on an annual basis: (a) intangible asset with an indefinite useful life or an intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. (b) intangible asset not yet available for use by comparing its carrying amount with its recoverable amount and (c) goodwill acquired in a business combination In case the asset falls under category (a) & (b), has the entity ensured that it has: • performed the impairment test for such asset at same time every year, although different intangible assets may be tested for impairment at different times; and • tested the intangible asset for impairment before the end of the current annual period, if such intangible asset was initially recognized during the current period.		

5	Has the entity considered, as a minimum, the indications as given in para 12 of Ind AS 36 to determine whether there is any indication that an asset may be impaired?		
6	Has the entity reviewed and adjusted the remaining useful life, the depreciation (amortization) method or the residual value of the asset, if there is an indication that an asset may be impaired, even if no impairment loss is recognized for the asset.		
	Measuring recoverable amount		
7	Has the entity measured the recoverable amount of the assets as the higher of an asset's fair value less costs of disposal and its value in use?		
8	Has the entity assessed the asset for impairment, if the recoverable amount of the asset does not exceed the asset's carrying amount?		
9	If it is not to measure fair value less costs of disposal of an asset, because there is no basis for making a reliable estimate of the price, has the entity used the asset's value in use as its recoverable amount?		
10	If there is no reason to believe that an asset's value in use materially exceeds its fair value less costs of disposal, has the entity opted to use the asset's fair value less costs of disposal as its recoverable amount?		
11	Has the recoverable amount been determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets? If this is the case, has the recoverable amount been determined for the cash-generating unit to which the asset belongs unless either: (a) the asset's fair value less costs of disposal is higher than its carrying amount; or (b) the asset's value in use can be estimated to be close to its fair value less costs of disposal		
12	Do the estimates of future cash flows exclude: (a) cash inflows or outflows from financing activities; or (b) income tax receipts or payments.		
13	Has the entity estimated the net cash flows to be received (or paid) for the disposal of an asset at the end of its useful life as the amount that an entity expects to obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the estimated costs of disposal?		
14	While determining the estimate of net cash flows to be received (or paid) for the disposal of an asset at the end of its useful life has the entity ensured the following: (a) the prices used are the prevailing at the date of the estimate for similar assets that have reached the end of their useful life and have operated under conditions similar to those in which the asset will be used. (b) adjustments have been made to those prices for the effect of both future price increases due to general inflation and specific future price increases or decreases. However, if estimates of future cash flows from the asset's continuing use and the discount rate exclude the effect of general inflation, has the entity ensured that the effect inflation has been excluded from the from the estimate of net cash flows on disposal.		
	Foreign currency future cash flows		
15	Has the entity ensured that the future cash flows are estimated in the currency in which they will be generated and then discounted using a discount rate appropriate for that currency?		

	Has the entity ensured that the present value has been translated using the spot exchange rate at the date of the value infuse calculation?		
	Discount rate		
16	Is the discount rate (rates) a pre-tax rate (rates) that reflect(s) current market assessments of: (a) the time value of money; and (b) the risks specific to the asset for which the future cash flow estimates have not been adjusted.		
17	When an asset-specific rate is not directly available from the market, has the entity used surrogates estimate the discount rate?		
	Recognizing and measuring an impairment loss		
18	If, and only if, the recoverable amount of an asset is less than its carrying amount, has the entity reduced the carrying amount of the asset to its recoverable amount? (That reduction is an impairment loss.)		
19	Has the entity recognized an impairment loss on a non-revalued asset the in profit or loss?		
20	When the amount estimated for an impairment loss is greater than the carrying amount of the asset to which it relates, has the entity recognized a liability if, and only if, that is required by another Standard?		
21	After the recognition of an impairment loss, has the depreciation (amortization)charge for the asset been adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life?		
22	If an impairment loss is recognized, have the related deferred tax assets or liabilities been determined in accordance with Ind AS 12 by comparing the revised carrying amount of the asset with its tax base?		
23	If there is any indication that an asset may be impaired, has the recoverable amount been estimated for the individual asset? If it is not possible to estimate the recoverable amount of the individual asset, has the entity determined the recoverableamount of the cash-generating unit to which the asset belongs? (the asset's cash-generating unit).		
24	Has the entity ensured that the recoverable amount of an individual asset is not determined if: (a) the asset's value in use cannot be estimated to be close to its fair value less costs of disposal (for example, when the future cash flows from continuing use of the asset cannot be estimated to be negligible); and (b) the asset does not generate cash inflows that are largely independent of those from other assets. (In such cases, value in use and, therefore, recoverable amount, can be determined only for the asset's cash-generating unit.)		
25	If recoverable amount cannot be determined for an individual asset, has the entity identified the lowest aggregation of assets that generate largely independent cash inflows?		
26	Has, the entity made separate the disclosures about the cash-generating unit : • if an impairment loss is recognized or reversed for the cashgeneratingunit • if the entity determined that an asset belongs to a cash-generating unit different from that in previous periods, or • if the types of assets aggregated for the asset's cash-generating unit have changed.		

	Recoverable amount and carrying amount of a cash-generating unit		
27	Has the recoverable amount of a cash-generating unit been determined to be higher of the cash generating unit's fair value less costs of disposal and its value in use?		
28	Has the carrying amount of a cash-generating unit been determined on basis consistent with the way the recoverable amount of the cash-generating unit is determined?		
29	Does the carrying amount of a cash-generating unit: (a) includes the carrying amount of only those assets that can be attributed directly, or allocated on a reasonable and consistent basis, to the cashgeneratingunit and will generate the future cash inflows used in determining the cash-generating unit's value in use; and (b) does not include the carrying amount of any recognized liability, unless the recoverable amount of the cash-generating unit cannot be determined without consideration of this liability.		
	Goodwill ***Allocating goodwill to cash-generating units***		
30	A. If the entity (as an acquirer) has goodwill acquired in a business combination: i) Has the entity allocated such good will to each of its cash-generating units, or groups of cash-generating units, that is expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquireare assigned to those units or groups of units; and ii) was the allocation done form the date of acquisition B. Does each unit or group of units to which the goodwill is so allocated: (a) represent the lowest level within the entity at which the goodwill is monitored for internal management purposes; and (b) represent a size not be larger than an operating segment as defined by paragraph 5 ofInd AS 108, *Operating Segments,* before aggregation.		
	Testing cash-generating units with goodwill for impairment		
31	When goodwill relating to a cash-generating unit has not been allocated to that unit, has the unit been tested for impairment, whenever there is an indication that the unit may be impaired, by comparing the unit's carrying amount, excluding any goodwill, with its recoverable amount?(Any impairment loss shall be recognized in accordance with paragraph 104.)		
32	If a cash-generating unit described in paragraph 88 includes in its carrying amount an intangible asset that has an indefinite useful life or is not yet available for use and that asset can be tested for impairment only as part of the cash-generating unit, has the entity be tested the unit for impairment annually.		
	Corporate assets		
33	If the entity has Corporate assets, have these been tested for impairment in accordance with para no.102 of the Standard?		
	Impairment loss for a cash-generating unit		
34	• Has the entity recognized an impairment loss for the cash-generating unit (the smallest group of cash-generating units to which goodwill or a corporate asset has been allocated) if, and only if, the recoverable amount of the unit (group of units) is less than the carrying amount of the unit (group of units). • Has the entity allocated such impairment loss to reduce the carrying amount of the assets of the unit (group of units) in the following order:		

	(a) first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of units); and (b) then, to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units).		
	Reversing an impairment loss		
35	If the entity has assessed at the end of each reporting period that there an indication that an impairment loss recognized in prior periods for an asset other than goodwill may no longer exist or may have decreased, has the entity estimated the recoverable amount of that asset?		
36	If there is an indication that an impairment loss recognized for an asset other than goodwill may no longer exist or may have decreased, has the entity reviewed and adjusted in accordance with the Indian Accounting Standard applicable to the asset, even if no impairment loss is reversed for the asset?		
37	Has an impairment loss recognized in prior periods for an asset other than goodwill been reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized and has the carrying amount of the asset been increased to its recoverable amount? (That increase is a reversal of an impairment loss.)		
	Reversing an impairment loss for an individual asset		
38	Where impairment loss has been reversed, has the entity ensured that the increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior years.		
39	After a reversal of an impairment loss is recognized, has the entity ensured that the depreciation(amortization) to be charged for the asset has been adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), one systematic basis over its remaining useful life.		
	Reversing an impairment loss for a cash-generating unit		
40	Has the entity ensured that the reversal of an impairment loss for a cash-generating unit has been allocated to the assets of the unit, except for goodwill, on a pro rata with the carrying amounts of those assets and these increases in carrying amounts treated as reversals of impairment losses for individual assets and recognized in accordance with paragraph 119.		
	Reversing an impairment loss for goodwill		
41	Has the entity ensured that an impairment loss recognized for goodwill has not been reversed in subsequent period? (Ind AS 38, *Intangible Assets,* prohibits the recognition of internally generated goodwill. Any increase in the recoverable amount of goodwill in the periods following the recognition of an impairment loss for that goodwill is likely to be an increase in internally generated goodwill, rather than a reversal of the impairment loss recognized for the acquired goodwill)		
	Disclosure		
42	Has the entity disclosed the following for each class of assets: (a) the amount of impairment losses recognized in profit or loss during the period and the line item(s) of the statement of profit and loss in which those impairment losses are included.		

	(b) the amount of reversals of impairment losses recognized in profit or loss during the period and the line item(s) of the statement of profit and loss in which those impairment losses are reversed. (c) the amount of impairment losses on revalued assets recognized in other comprehensive income during the period. (d) the amount of reversals of impairment losses on revalued assets recognized in other comprehensive income during the period.		
43	Has the entity presented the information required in paragraph 126 along with other information disclosed for the class of assets.(For example, this information may be included in a reconciliation of the carrying amount of property, plant and equipment, at the beginning and end of the period, as required by Ind AS 16.)		
44	With respect to aggregate impairment losses and the aggregate reversals of impairment losses recognized during the period for which no information has been disclosed in accordance with paragraph36.130, disclosure of the following: (a) The main classes of assets affected by impairment losses and the main classes of assets affected by reversal of impairment losses, and (b) The main events and circumstances that led to the recognition of these impairment losses and reversals of impairment losses?		
45	Optional disclosure regarding assumptions used todetermine the recoverable amount of assets (CGU) during the period.		
46	If any portion of the goodwill acquired in a business combination during the period has not been allocated to a CGU (group of units) at the end of the reporting period, disclosure of the amount of unallocated goodwill together with the reasons why that amount remains unallocated.		
	Estimates used to measure recoverable amounts of cash generating units containing goodwill or intangible assets within definite useful lives		
47	Disclosure of the following information for each CGU(group of units) for which the carrying amount of goodwill or intangible assets with indefinite useful lives allocated to that unit (group of units) is significant in comparison with the entity's total carrying amount of goodwill or intangible assets within definite useful lives: (a) The carrying amount of goodwill allocated to the unit (group of units), (b) The carrying amount of intangible assets within definite useful lives allocated to the unit (group of units), (c) The basis on which the unit's (group of units')recoverable amount has been determined (i.e. value in use or fair value less costs of disposal), (d) If the unit's (group of units') recoverable amount is based on value in use: (e) if the unit's (group of units') recoverable amount is based on fair value less costs of disposal, the valuation technique(s) used to measure fair valueless costs of disposal. (f) If a reasonably possible change in a key assumption on which management has based its determination of the unit's (group of units')recoverable amount would cause the unit's (group of units') carrying amount to exceed its recoverable amount: • The amount by which the unit's (group of units') recoverable amount exceeds its carrying amount, • The value assigned to the key assumption, and		

	• The amount by which the value assigned to the key assumption must change, after incorporating any consequential effects of that change on the other variables used to measure recoverable amount, in order for the unit's (group of units') recoverable amount Tobe equal to its carrying amount.		
48	If some or all of the carrying amount of goodwill or intangible assets with indefinite useful lives is allocated across multiple CGUs (groups of units), and the amount so allocated to each unit (group of units)is not significant in comparison with the entity's total carrying amount of goodwill or intangible assets within definite useful lives, disclosure of this fact, together with the aggregate carrying amount of goodwill or intangible assets with indefinite useful lives allocated to those units (groups of units).		
49	If the recoverable amounts of any of those units(groups of units) are based on the same key assumption(s) and the aggregate carrying amount of goodwill or intangible assets with indefinite useful lives allocated to them is significant in comparison with the entity's total carrying amount of goodwill or intangible assets with indefinite useful lives, disclosure of that fact together with the following: (a) the aggregate carrying amount of goodwill allocated to those units (groups of units), (b) the aggregate carrying amount of intangible assets with indefinite useful lives allocated to those units (groups of units), (c) a description of the key assumptions, (d) a description of management's approach to determining the value(s) assigned to the key assumption(s), whether those value(s) reflect past experience or, if appropriate, are consistent with external sources of information, and, if not, how and why they differ from past experience or external sources of information, and (e) if a reasonably possible change in the key assumption(s) would cause the aggregate of the units' (groups of units') carrying amounts to exceed the aggregate of their recoverable amounts: i) The amount by which the aggregate of the units' (groups of units') recoverable amounts exceeds the aggregate of their carrying amounts, ii) The value(s) assigned to the key assumptions, and iii) The amount by which the value(s) assigned to the key assumption(s) must change, after incorporating any consequential effects of the change on the other variables used to measure recoverable amount, in order for the aggregate of the units' (groups of units') recoverable amounts to be equal to the aggregate of their carrying amounts.		
50	If the entity has used the most recent detailed calculation made in a preceding period, of the recoverable amount of a cash-generating unit (group of units) in accordance with paragraph 24 or 99, and this is being carried forward and used in the impairment test for that unit (group of units) in the current period provided specified criteria are met, Has the entity disclosed information for that unit (group of units) that is incorporated into the disclosures required by paragraphs 134 and 135 based on the carried forward calculation of recoverable amount?		

Checklist for Indian Accounting Standard (Ind AS)-37

Provisions, Contingent Liabilities and Contingent Assets

Sl. No.	Particulars	Yes/No/ NA	Remarks
1	Has the entity excluded the following items from the scope of this standard and applied the relevant Ind AS, if any, instead: --financial instruments (including guarantees) thatare within the scope of Ind AS 109,*Financial Instruments;* ---executory contracts unless they are onerous; --specific type of provision, contingent liability or contingent asset, an entity applies for the following items that are covered by other Ind ASs: (a) income taxes (Ind AS 12, *Income Taxes*); (b) leases (Ind AS 17, *Leases*); © Construction Contracts (Ind AS 11/Ind AS 115); (d) employee benefits (Ind AS 19, *Employee Benefits*); (e) insurance contracts (Ind AS 104, *Insurance Contracts*). (f) contingent consideration of an acquirer in a business combination (IndAS 103, *Business Combinations*)		
	Recognition		
2	Has the entity recognized a *provision only when it satisfies the following conditions:* (a) an entity has a present obligation (legal or constructive) as a result of a past event; (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate can be made of the amount of the obligation.		
	Present obligation		
3	In cases, where it is not clear whether there is a present obligation, has the entity taken in to account all available evidence, including additional evidence provided by events after the reporting period, and on this basis: a) recognized a provision (whether other recognition criteria are met), if it is more likely than not that a present obligation exists at the end of the reporting period, or b) disclosed a contingent liability, if it is more likely that no present obligation exists at the end of the reporting period and the possibility of outflow of resources embodying economic benefit is not remote?		
	Past event		
4	Has the entity recognized a provision only when there is a present obligation arising from the past event existing independently of the entity's future actions i.e. (a) where the settlement of the obligation can be enforced by law; or (b) in the case of a constructive obligation, where the event (which may be an action of the entity) creates valid expectations in other parties that the entity will discharge the obligation?		
	Probable outflow of resources embodying economic benefits		
5	Has the entity considered anoutflow of resources or other event to be probable if the event is morelikely than not to occur, i.e. the probability that the event will occur is greater thanthe probability that it will not?		
6	In case there are a number of similar obligations (e.g. product warranties or similar contracts), has the entity determined the probability that an outflow		

	will be required in settlement by considering the class of obligations as a whole?		
	Contingent liabilities		
7	Has the entity ensured that it has not recognized a contingent liability?		
8	Has the entity appropriately disclosed a contingent liability when a present obligation exists and the possibility of an outflow of resources embodying economic benefits is remote?		
9	Has the entity appropriately disclosed a contingent liability when an entity is jointly and severally liable for an obligation, and is required to treat the part of theobligation that is expected to be met by other parties as a contingentliability?		
10	Has the entity assessed previously disclosed Contingent liabilitiescontinually to determine whether an outflow of resources embodying economic benefits has become probable and recognized a provision in the financial statements if the change in the probability has occurred in the current period?		
	Contingent assets		
11	Has the entity ensured that it has not recognized a contingent asset?		
12	Has the entity appropriately disclosed contingent assets only when the inflow of economic benefits is probable?		
13	Has the entity recognized contingent assets only when the expected inflow of economic benefits is virtually certain and recognized the asset and the related income in the financial statements of the period in which the change occurs?		
	Measurement		
14	Does the amount recognized as a provision represent the best estimate of the expenditure required to settle the present obligation at the end of the reporting period?		
15	Has the entity made the best estimate of the expenditure required to settle the present obligation by estimating rationally the amount required to pay to settle the obligation at the end of the reporting period or to transfer it to a third party at that time?		
16	Where the provision being measured involves a large population of items, has the obligation been estimated by weighting all possible outcomes by their associated probabilities i.e. ‘expected value’.		
17	Has the entity measured the provision before tax and have the tax consequences of the provision and changes in it been recognized in accordance with the provisions under Ind AS 12?		
	Risks and uncertainties		
18	Has the entity taken into account all risks and uncertainties that inevitably surround many events and circumstances in reaching the best estimate of provision?		
	Present value		
19	Has the entity determined the amount of a provision as the present value of the expenditures expected to berequired to settle the obligation if the effect of thetime value of money on the provision is material?		
20	Is the discount rate (or rates) used by the entity a pre-tax rate (or rates) that reflect(s) current market assessments of the time value of money and the risks specific to the liability?		
	Future events		

21	Has the entity ensured that future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur?		
	Expected disposal of assets		
22	Has the entity ignored any gains from the expected disposal of assets while measuring a provision?		
	Reimbursements		
23	If the entity expects some or all of the expenditure required to settle a provision expected to be reimbursed by another party, has the entity ensured that : a)the reimbursement has been shall be recognized when it is virtually certain to be received if the entity settles the obligation. b)the reimbursement has been treated as a separate asset and provision is recognised for the full amount of liability c) the amount recognized is less than or equal to the amount of the provision		
24	Has the entity ensured that the expenses relating to a provision are presented net of the amount recognized for reimbursement in the statement of profit and loss?		
	Changes in provisions		
25	Has the entity reviewed the Provisions at the end of each reporting period and adjusted to reflect the current best estimate?		
26	Has the entity reversed the provision when it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation?		
27	When a provision has been discounted, has the entity increased the carrying amount of a provision in each period to reflect the passage of time and recognised the increase as borrowing cost.		
	Use of provisions		
28	Has the entity used the provision only for expenditures for which the provision was originally recognized? (Setting expenditures against a provision that was originally recognized for another purpose would conceal the impact of two different events.)		
	Application of the recognition and measurement rules		
29	Has the entity ensured that it does not recognize provisions for future operating losses?		
	Onerous contracts		
30	Has the entity recognised and measured the present obligation under the contract as a provision if the entity has contract that is onerous?		
31	Has the entity identified an onerous contract as a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it?		
	Restructuring		
32	Has the entity recognized the provision for restructuring costs only when the general recognition criteria for provisions set out are met?		
33	Has a constructive obligation to restructure been considered to arise only when an entity: (a) has a detailed formal plan for the restructuring identifying at least: (i) the business or part of a business concerned; (ii) the principal locations affected; (iii) the location, function, and approximate number of employees who will be compensated for terminating their services; (iv) the expenditures that will be undertaken; and		

	(v) when the plan will be implemented; and (b) has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.		
34	If an entity starts to implement a restructuring plan, or announces its main features to those affected, only after the reporting period, disclosure is required under, Ind AS 10, *Events after the Reporting Period,* if the restructuring is material and non-disclosure could influence the economic decisions that users make on the basis of the financial statement?		
35	Has the entity recognized a provision for the future sale of sale of an operation only when it is committed to the sale, i.e. there is a binding sale agreement?		
36	Has the entity ensured that the restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both: (a) necessarily entailed by the restructuring; and (b) not associated with the ongoing activities of the entity.		
37	Has the entity ensured that the restructuring provision do not include such costs as: (a) retraining or relocating continuing staff; (b) marketing; or (c) investment in new systems and distribution networks. (These expenditures relate to the future conduct of the business and are not liabilities for restructuring at the end of the reporting period. Such expenditures arerecognised on the same basis as if they arose independently of a restructuring.)		
38	Has the entity ensured that identifiable future operating losses up to the date of a restructuring are not included in measuring a restructuring provision, unless they relate to an onerous contract as defined in paragraph 10?		
39	Has the entity ensured that the gains on the expected disposal of assets are not taken into account in measuring a restructuring provision, even if the sale of assets is envisaged as part of the restructuring?		
	Disclosure		
40	For each class of provision, disclosure of: (a) the carrying amount at the beginning and end of the period; (b) additional provisions made in the period, including increases to existing provisions; (c) amounts used (i.e., incurred and charged against the provision) during the period; (d) unused amounts reversed during the period; and (e) the increase during the period in the discounted amount arising from the passage of time and the effect of any change in the discount rate. Comparative information is not required.		
41	Disclosure of the following for each class of provision: (a) a brief description of the nature of the obligation and the expected timing of any resulting outflows of economic benefits; (b) an indication of the uncertainties about the amount or timing of those outflows. Where necessary to provide adequate information, an entity shall disclose the major assumptions made concerning future events, as addressed in paragraph 48; and (c) the amount of any expected reimbursement, stating the amount of any asset that has been recognized for that expected reimbursement.		

42	Unless the possibility of any outflow in settlement is remote, for each class of contingent liability at the end of the reporting period disclosure of a brief description of the nature of the contingent liability and, where practicable: (a) an estimate of its financial effect, (b) an indication of the uncertainties relating to the amount or timing of any outflow; and (c) the possibility of any reimbursement.		
43	Has the entity considered the nature of the items which is sufficiently similar for a single statement about them to fulfill the requirements of paragraphs 85(a) and (b) and 86(a) and (b) for determining which provisions are contingent liabilities should be aggregated to treat as a single class of provision?		
44	Where a provision and a contingent liability arise from the same set of circumstances, disclosures as required by paragraphs 37.84–37.86 have been given that shows the link between the provision and the contingent liability?		
45	Where an inflow of economic benefits is probable, disclosure of a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect, measured using the principles set out for provisions in paragraphs 37.36–37.52.		
46	Where any of the information required by paragraphs37.86 and 37.89 is not disclosed because it is not practicable to do so, that fact shall be stated.		
47	In extremely rare cases, disclosure of some or all of the information required by paragraphs 37.84–37.89can be expected to prejudice seriously the position of the entity in a dispute with other parties on the subject matter of the provision, contingent liability or contingent asset. In such cases, the information need not be disclosed, but disclosure of the general nature of the dispute, together with the fact that, and reason why, the information has not been disclosed.		

Check List for Indian Accounting Standard (Ind AS)-38
Intangible Assets

Sl. No	Particulars	Yes/No/ NA	Remarks
Scope			
1	Has the entity excluded the items as given in the para 3 of Ind AS 38 from the scope of this standard and applied the relevant Ind AS instead?		
2	If the entity has an asset that has both tangible as well as intangible elements (e.g., computer software for a computer controlled machine tool), has the entity exercised judgment based on the accounting policies formulated and adopted by management?		
3	If the entity is a lessee in a finance lease of an underlying intangible asset that is excluded from the scope of Ind AS 17, (e.g., rights under licensing agreements for items such as motion picture films, video recordings, plays, manuscripts, patents and copyrights), has the entity included these assets in the scope of Ind AS 38?		
4	Has the entity treated an asset as an intangible asset under this standard only when the conditions of identifiability, control over a resource and existence of future economic benefits have been satisfied?		
5	Has the entity recognized expenditure to acquire it or generate it internally as an expense if the conditions mentioned in point 4 stated above are not satisfied?		
Identifiability			
6	Has the entity included an asset within the scope of this standard only if an asset is either: a) Separable, i.e., is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable asset or liability, regardless of whether the entity intends to do so, or b) Arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations		
Control			
7	Has the entity included an asset within the scope of this standard only if it controls the asset in terms of the power to control the economic benefits flowing from the underlying resource and to restrict the access of others to those benefits?		
8	Has the entity included an asset within the scope of this standard only if there are future economic benefits resulting from the use of an intangible asset by the entity?		
Recognition and Measurement			
9	Has the entity recognized an intangible asset only if the following criteria are met: a) It is probable that the expected future economic benefits that are attributable to the asset will flow to the entity, and b) The cost of the asset can be measured reliably		
10	Has the entity assessed the probability of expected future economic benefits using reasonable and supportable assumptions that represent		

Sl. No	Particulars	Yes/No/ NA	Remarks
	management's best estimate of the set of economic conditions that will exist over the useful life of the asset?		
NA	Has the entity measured an intangible asset initially at cost?		
Separate acquisition			
12	For separately acquired intangible assets, has the entity included the following in cost: a) Purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, and b) Any directly attributable cost for preparing the asset for its intended use.		
13	For separately acquired intangible assets, has the entity excluded the following from the cost of an intangible asset? a) Cost of introducing new product or service (including costs of advertising and promotional activities), b) Cost of conducting the business in a new location or with the new class of customers (including cost of staff training), c) Administration and other general overheads, d) Cost incurred after the asset is capable of operating in the manner intended by the management, e) Initial operating losses such as those incurred while demand for the asset's output builds up, and f) Interest expense incurred where the payment for the intangible asset is deferred beyond the normal credit terms unless it is capitalized in accordance with Ind AS 23, Borrowing Cost.		
14	Has the entity recognised the income and related expenses of incidental operations in profit or loss and included them in their respective classifications of income and expense?		
Acquisition as part of a business combination			
15	If an intangible asset has been acquired under a business combination and for the estimates used to measure an intangible asset's fair value, there is a range of possible outcomes with different probabilities, has the entity considered such uncertainty in the measurement of the asset's fair value?		
Acquisition by way of a government grant			
16	If the entity has acquired an intangible asset free of charge, or for nominal consideration, by way of a government grant, has the entity recognized both the intangible asset and the grant initially at fair value in accordance with Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance?		
Exchange of Assets			
17	If the entity has acquired one or more intangible assets by way of exchange for a non-monetary asset(s) or a combination of monetary and non-monetary assets, has the entity measured the cost of such intangible asset at fair value?		
18	If the exchange transaction lacks commercial substance or the fair value of neither the asset received nor the asset given up is reliably measurable, has the entity measured the cost of such intangible asset acquired at the carrying amount of the asset given up?		
Internally generated goodwill			

Sl. No	Particulars	Yes/No/ NA	Remarks
19	Has the entity ensured that internally generated goodwill is not recognized as an asset?		
Internally generated intangible assets			
20	If the entity has an internally generated intangible asset in a development phase, is the expenditure on development phase of a project recognized as an intangible asset only if the entity demonstrates all of the following: a) The technical feasibility of completing the intangible asset so that it will be available for use or sale, b) Its intention to complete the intangible asset and use or sell it, c) Its ability to use or sell the intangible asset, d) How the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness intangible asset, e) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset, and f) Its ability to measure reliably the expenditure attributable to the intangible asset during its development?		
21	Has the entity included all directly attributable costs in determining the cost of internally generated intangible assets?		
Recognition of an expense			
22	Has the entity ensured that the expenditure on an intangible item is recognized as an expense when it is incurred unless: a) It forms part of the cost of an intangible asset that meets the recognition criteria or b) The item is acquired in a business combination and cannot be recognised as an intangible asset. If this is the case, it forms part of the amount recognised as goodwill at the acquisition date.		
Measurement after recognition			
23	The entity has an option to choose either the cost model or revaluation model as its accounting policy for subsequent measurement of intangible assets. If the entity has selected the cost model, has the entity carried recognised intangible assets at cost less any accumulated amortization and any accumulated impairment losses?		
24	If the entity has selected the revaluation model, has the entity measured previously recognised intangible assets at a revalued amount, being its fair value at the date of revaluation less any subsequent accumulated amortization and any subsequent accumulated impairment losses?		
Useful life			
25	If the entity has assessed the useful life of an intangible asset as finite, has it made this determination based on the length of, or number of production or similar units constituting, that useful life?		
26	Has the entity amortized the intangible assets with finite useful life and not the assets with indefinite useful life?		
27	Has the entity ensured not to choose a life that is unrealistically short while estimating the useful life of an intangible asset on a prudent basis?		
28	Has the useful life of an intangible asset that arises from contractual or other legal rights not exceed the period of the contractual or other legal rights?		

Sl. No	Particulars	Yes/No/ NA	Remarks
29	If the contractual or other legal rights are conveyed for a limited term that can be renewed, has the entity determined the useful life of the intangible asset to include the renewal period(s) only if there is evidence to support renewal by the entity without significant cost?		
30	Has the entity ensured that the useful life is the shorter of the periods determined by the economic factors (the period over which future economic benefits will be received by the entity) and legal factors (which restrict the period over which the entity controls access to these benefits)?		
31	Has the entity ensured that the depreciable amount of an intangible asset with a finite useful life is allocated on a systematic basis over its useful life?		
32	Has the entity ensured that the amortization has begun when the asset is available for use (i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management) and that the amortization has ceased at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with Ind AS 105 and the date that the asset is derecognized?		
33	Has the entity used one of the following amortization methods to allocate the depreciable amount of an asset on systematic basis over its useful life: i) The straight-line method, ii) The diminishing balance method, or iii) The units of production method		
34	Has the entity ensured that if it had used revenue generation as a basis for amortization, which is the predominant limiting factor, then it does so except in the following limited circumstances: a) In which the intangible asset is expressed as a measure of revenue, or b) When it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated		
35	Has the entity ensured that the residual value of an intangible asset with a finite useful life is assumed to be zero unless: a) There is a commitment by a third party to purchase the asset at the end of its useful life, or b) There is an active market for the asset and, i) Residual value can be determined by reference to that market, or ii) It is probable that such a market will exist at the end of the asset's useful life?		
36	Has the entity ensured that the depreciable amount of an asset with a finite useful life is determined after deducting its residual value if the residual value is other than zero?		
37	Has the entity estimated an asset's residual value based on the amount recoverable from disposal using prices prevailing at the date of the estimate for the sale of a similar asset that has reached the end of its useful life and has operated under conditions similar to those in which the asset will be used?		
38	a) Has the entity reviewed at least at each financial year-end, the amortization period and the amortization method for an intangible asset of a finite useful life?		

Sl. No	Particulars	Yes/No/ NA	Remarks
	b) Has the entity ensured that the amortization period is changed, if the expected useful life of the asset is different from previous estimates, or there has been a change in the expected pattern of consumption of future economic benefits embodied in the asset? c) Has the entity ensured that changes are accounted for as changes in accounting estimates in accordance with Ind AS 8?		
39	Has the entity ensured that it does not amortise an intangible asset with an indefinite useful life and instead tests such an intangible asset for impairment by comparing its recoverable amount with its carrying amount in accordance with Ind AS 36, Impairment of Assets: a) Annually, and b) Whenever there is an indication that the intangible asset may be impaired?		
Retirements and disposals			
41	Has the entity derecognized intangible asset in the following cases: a) On disposal, or b) When no future economic benefits are expected from its use or disposal?		
Disclosure			
42	Has the entity disclosed the following, distinguishing between internally generated intangible assets and other intangible assets: a) Whether the useful lives are indefinite or finite and, if finite, the useful lives or the amortization rates used, b) The amortization methods used for intangible assets with finite useful lives, c) The gross carrying amount and any accumulated amortization (aggregated with accumulated impairment losses) at the beginning and end of the period), d) The line item(s) of the statement of profit and loss in which any amortization of intangible assets is included, e) A reconciliation of the carrying amount at the beginning and end of the period showing:		
43	Has the entity disclosed the following information: a) A description of any fully amortized intangible asset that is still in use, and b) A brief description of significant intangible assets controlled by the entity but not recognised as assets because they did not meet the recognition criteria in this Standard or because they were acquired or generated before this standard was effective		

Checklist for Indian Accounting Standard (IndAS)-40

Investment property

Sl No	Particulars	Yes/No/ NA	Remarks
Scope			
1.	Whether the entity applied this standard to the following: i)Measurement in a lessee's financial statements of investment property interests held under a lease accounted for as a finance lease ii) Measurement in a lessor's financial statements of investment property provided to a lessee under an operating lease.		
2.	Whether the entity excluded the following items from the scope of this Standard: i)Biological assets related to agricultural activity (Ind AS 41: Agriculture and Ind AS 16: Property, Plant and Equipment) ii)Mineral rights and mineral reserves such as oil, natural gas and similar non-regenerative resources		
Classifica tion of property as investment property or owner-occupied property			
3.	Whether management has correctly distinguished investment property from owner-occupied property and properly accounted under Investment property?		
4.	In case of the properties comprising a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes:		
	a) if the portions could be sold separately (or leased out separately under a finance lease), whether the portions have been accounted separately.		
	b) if the portion could not be sold separately, whether it has been accounted as investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes		
5.	In cases where an entity provides ancillary services to the occupants of a property it holds:		
	a)Whether such property is treated as investment property if the services are insignificant to the arrangement as a whole?		
	b) In cases where services provided are significant, whether it has been accounted as owner-owned property?		
6.	Whether entity has developed criteria to exercise judgement consistently to determine whether a property qualifies as investment property in accordance with the definition of investment property (Para 5) and related guidance (Para 7-13).		
7.	In case acquisition of investment property is the acquisition of an asset or a group of assets or a business combination within the scope of Ind AS 103 (Business Combinations), whether it has been determined that the specific transaction meets the definition of a business combination as defined in Ind AS 103 and includes an investment property as defined in Ind AS 40 for which separate application of both Standards is required.		
8.	Where an entity owns property that is leased to, and occupied by, its parent or another subsidiary, whether the property is treated as investment property if it meets the definition (Para 5) in its standalone financial		

	statements. Whether the same has not been included in the consolidated financial statement, as it is owner-occupied from the perspective of the group.		
Recognition			
9.	Whether the asset has been recognised as Investment property by the management only when it fulfils or meets the recognition criteria as per para-16 of the IndAS-40?		
10.	Whether the costs incurred initially to acquire an investment property and costs incurred subsequently to add to, replace part of, or service a property has been evaluated at the time they are incurred and included in the investment property cost?		
11.	In case of part of investment property acquired through replacement, whether in the carrying amount of an investment property the cost of replacing part of an existing investment property at the time that cost is incurred is recognised if the recognition criteria are met.		
12.	Whether carrying amount of those parts that are replaced is derecognized in accordance with the DE recognition provisions of this Standard.		
Measurement at Recognition			
13.	Whether management has booked the Investment property at its cost (purchase price and directly attributable expenditure) as per the requirement of Para-20 of this IndAS?		
14.	Whether the cost of an investment property excludes start-up costs (unless they are necessary to bring the property to the condition necessary for it to be capable of operating in the manner intended by management), operating losses incurred before the investment property achieves the planned level of occupancy, or abnormal amounts of wasted material, labour or other resources incurred in constructing or developing the property.		
15.	If payment for an investment property is deferred, whether management has booked the interest part as expense?		
16.	Whether initial cost of a property interest held under a lease and classified as an investment property has been recognised at the lower of the fair value of the property and the present value of the minimum lease payments and an equivalent amount has been recognised as a liability in accordance with Para 20 of Ind AS 17.		
17.	Whether the cost of investment properties acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets, is measured at fair value unless the exchange transaction lacks commercial substance or the fair value of asset received and given is not reliably measurable?		
18.	If the acquired asset is not measured at fair value, whether its cost is measured at the carrying amount of the asset given up?		
19.	If the entity is able to measure reliably the fair value of either the asset received or the asset given up, whether the fair value of the asset given up is used to measure cost unless the fair value of the asset received is more clearly evident.		
Accounting Policy			
20.	Whether the entity has adopted as its accounting policy the cost model prescribed in Paragraph 56 of this Ind AS to all of its investment property.		
Fair Value Measurement			
21.	Whether the fair value of investment property has been measured in accordance with Ind AS 113?		

22.	Whether the entity has ensured that the fair value reflects, among other things, rental income from current leases and other assumptions that market participants would use when pricing investment property under current market conditions?		
23.	Where the fair value of the investment property was not reliably measurable on a continuing basis, whether the entity has measured the fair value of that investment property either when its fair value becomes reliably measurable or construction is complete (whichever is earlier)?		
Cost Model			
24.	Whether the investment properties of the entity after initial recognition have been measured in accordance with Ind AS 16's requirements for cost model?		
25.	Whether investment properties that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) has been measured in accordance with Ind AS 105 (Non-current Assets Held for Sale and Discontinued Operations)?		
Transfers			
26.	Whether transfers to, or from, investment property has been made when, and only, when there is change in use in accordance with Para 57 of this Ind AS?		
Disposals			
27.	Whether an investment property has been derecognised (eliminated from the balance sheet) on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal?		
28.	Whether gains or losses arising from the retirement or disposal of investment property has been determined as the difference between the net disposal proceeds and the carrying amount of the asset?		
29.	Whether such gains or losses has been recognised in profit or loss (unless Ind AS 17 requires otherwise on a sale and leaseback) in the period of the retirement or disposal.		
30.	Whether compensation from third parties for investment property that was impaired, lost or given up has been recognised in profit or loss when the compensation becomes receivable?		
Disclosure			
31.	Whether management has disclosed its accounting policy for measurement of investment property?		
32.	When classification is difficult, whether the criteria used to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of business, has been disclosed?		
33.	Whether the extent to which the fair value of investment property (as measured or disclosed in the financial statements) is based on a valuation by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued has been disclosed?		
34.	In case there is no valuation as above, whether the fact has been disclosed?		
35.	Whether the entity has disclosed the amounts recognised in profit or loss for: i)Rental income from investment property;		

	ii)Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the period; and iii)Direct operating expenses (including repairs and maintenance) arising from investment property that did not generate rental income during the period		
36.	Whether the entity has disclosed the existence and amounts of restrictions on the realisability of investment property or the remittance of income and proceeds of disposal?		
37.	Whether the entity has disclosed contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements?		
38.	In addition to the above disclosures, whether the entity has made additional disclosures in accordance with Para 79 of this Ind AS?		

Checklist for Indian Accounting Standard (Ind AS)-41

AGRICULTURE

Sl No.	Particulars	Yes/No/ NA	Remarks
Scope			
1.	Whether the entity applied this standard to the following agriculture activity: a) Biological assets, b) Agricultural produce at the point of harvest, and c) Government grants related to biological asset?		
2.	Whether the entity excluded the following items from the scope of this standard and applied the relevant IndAS instead: a)Land related to agricultural activity,(refer IndAS*16 Property, Plant and Equipment* and Ind AS 40 *Investment Property*) b)Bearer plants related to agricultural activity, (refer Ind AS 16) c) Government grants related to bearer plants, (refer Ind AS 20 *Accounting for Government Grants and Disclosure of Government Assistance*), and d) Intangible assets related to agricultural activity? (refer Ind AS 38*Intangible Assets*)		
Recognition			
3	With respect to biological asset and agricultural produce, whether the entity recognized such items as an asset only if: a) The entity controls the asset as a result of past events, b)Itisprobablethatfutureeconomicbenefits associated withtheitem will flow to the entity,and c) The fair value or cost of the asset can be reliably measured?		
Measurement at recognition			
4	Whetherthe entity measured the agricultural produce harvested from an entity's biological assets at its Fair Value less Costs to Sell (FVLCTS) at the point of harvest?		
5	If the biological assets are physically attached to the land whetherthe entity used information regarding the combined assets to measure the fair value of the biological assets? (Note:*Forexample, the fairvalueofrawlandandlandimprovementsmay be deducted from the fair value of the combined assets to arrive at thefair value of biologicalassets.*)		
Gains and losses			
6	Whether the entity included a gain or loss arising on initial recognition of a biologicalassetatFVLCTSandalsofromachangeinFVLCTSinitsprofit		

	orlossfortheperiodinwhichitarises?		
7	Whether the entity included a gain or loss arising on initial recognition of an agriculturalproduceatFVLCTSinitsprofitorlossfortheperiodinwhichit arises?		
8	Whethertheentitycanreliablymeasurethefairvalueofabiologicalasset on initialrecognition: a) If yes, is it measured at FVLCTS, or b) Ifno,isitmeasuredatitscostlessanyaccumulateddepreciationand any accumulated impairment losses?		
9	Whether theentityreassessedthebiologicalassetatitsFVLCTSoncethefair value of such asset becomes reliablesubsequently?		
	Government grants		
10	a) Ifthegovernmentgrant related toa biologicalassetisconditional, whether the grant recognized thestatementofprofitandlossonlywhenthe conditionsattachedtothegrantaremet?		
	b) Ifthegovernmentgrantrelatedtoabiologicalassetisnotconditional, whetherthegrant recognized inthestatementofprofitandlossonlywhenit becomesreceivable.		
	Disclosure		
11	Whether theentitydisclosedtheaggregategainorlossarisingduringthe currentperiodoninitialrecognitionofbiologicalassetsandagriculturepr oduce?		
12	Whether theentitydisclosedtheaggregategainorlossarisingduringthe currentperiodfromthechangeinFVLCTSofbiologicalassets?		
13	Whether theentityprovideddescriptionofeachgroupofbiologicalassets (in theformofnarrativeorquantifieddescription)?		
14	Whether the entity provided quantified description of each group of biological asset distinguishing between below: a)Consumable/bearer biological assets, or b) Mature/immature biological assets? If yes, Whether the entity disclosed the basis for making distinction?		

15	Whether the entity disclosed the following (if not disclosed else wherein information published with the financial statements): a)Describedthenatureofitsactivitiesinvolvingeachgroupofbiological assets, b) Described non-financial measures or estimates of the physical quantitiesofeachgroupofentity'sbiologicalassetsattheendof period,and c)Describednon-financialmeasuresorestimatesofthephysical quantitiesofoutputofagriculturalproduceduringtheperiod?		
16	Whether the entity disclosed the following: a) The existence and carrying amounts of biological assets whose title is restricted, b)Carryingamountsofbiologicalassetspledgedassecurityforliabilities, c) The amount of commitments for the development or acquisition of biological assets, and d)Thefinancialriskmanagementstrategiesrelatedtoagricultural activity?		
17	a)Is there a change in carrying amount of biological assets between the beginning and the end of the current period? b)If answer to aboveisyes, Whether the entity presenteda reconciliation of the changes? c) Whether the reconciliation include: i)The gain or loss arising from changes in FVLCTS, ii)Increases/decreases due to purchases/harvest, iii)Increases resulting from business combinations, iv)Decreases attributable to sales and biological assets classified as held for sale(or included in a disposal group that is classified as held for sale) in accordance with Ind AS 105, *Non-current Assets Held for Sale and Discontinued Operations*, v)Net exchange differences arising on the translation of financial statements in to a different presentation currency, and vi) Other changes? d)When asset measured according to Q 8(b) above, Whether the entity disclosed any gain or loss recognised on disposal of such biological asset and amounts relating to such biological asset separately in reconciliation mentioned in (c)above? e)Whenasset measured accordingtoQ8(b)above, Whethertheentity includedfollowingadditionallyinthereconciliation: i)Impairment losses, ii)Reversals of impairment losses,and iii)Depreciation?		
Additional disclosures for biological assets where fair value cannot be measured reliably			

18	Iftheentitymeasuresbiologicalassetsattheircostlessanyaccumulated depreciation and any accumulated impairment losses (refer Q 8) at the endoftheperiod, Whether itdisclosedthefollowing: a) Description of the biological assets, b) An explanation of why fair value cannot be measured reliably, c)Therangeofestimateswithinwhich fair valueishighlylikelytolie(if possible), d) The depreciation method used, e) Useful lives or depreciation rates used, and f) The gross carrying amount and the accumulated depreciation (aggregatedwithaccumulatedimpairmentlosses)atthebeginningand end of theperiod?		
19	Incasethefairvalueofbiologicalassetpreviouslymeasuredattheircost less any accumulated depreciation and any accumulated impairment losses becomes reliably measured during the current period, Whether the entity disclosedfollowing: a) A description of biological assets, b) An explanation of why fair value has become reliably measurable, and c) The effect of the change?		
20	Whether theentitydisclosedthenatureandextentofgovernmentgrants recognized in the financialstatements?		
21	Whether theentitydisclosedtheunfulfilledconditionsandothercontingencies attaching to governmentgrants?		
22	Whether theentitydisclosedsignificantdecreasesexpectedinthelevelof governmentgrants?		
23	Whether the entity disclosed any gain or loss recognized on disposal of biological assets measured at cost during the period?		

Checklist on Indian Accounting Standard (Ind AS)-101

First Time Adoption of Indian Accounting Standards

Sr. No.	Particulars	Yes/No/NA	Remarks
SCOPE AND APPLICABILITY The Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) with effect from 01.04.2018. Therefore, this Ind AS is not applicable.			
1	Is this the first Ind AS financial statements of the entity?		
2	Is this the interim financial report of the entity? If yes, whether it has been presented in accordance with Ind AS 34?		
3	Has the entity adopted Ind AS in accordance with Ind ASs notified under the Companies Act, 2013 and has EXPLICITLY stated the fact of compliance of Ind AS in its financial statement?		
4	Has the entity prepared and presented an opening Ind AS Balance Sheet at the date of transition to Ind ASs?		
5	Has the entity used the same accounting policies in its opening Ind AS Balance Sheet and throughout all periods presented in its first Ind AS financial statements?		
6	Has, the entity has applied a new Ind AS that is not yet mandatory but its early applicability is permissible?		
7	Has the entity: a. Recognized all its assets and liabilities whose recognition is required by Ind ASs b. Derecognized all assets and liabilities whose recognition is not required by Ind ASs c. Reclassified those assets and liabilities or component of equity that were one type of assets and liabilities as per previous GAAP and are now of different type due to applicability of Ind ASs. d. Applied Ind ASs in measuring all recognized assets and liabilities.		
USE OF ESTIMATES IN FINANCIAL STATEMENTS			
8	Were the estimates at the date of transition to Ind AS consistent with estimates made for the same date in accordance with Indian GAAP (**unless there is objective evidence that those estimates were in error**)?		
9	If the entity has received information about estimates made under Indian GAAP after transition to Ind AS, requiring revision in the estimates, has the entity treated such information in the same manner as non-adjusting events after the reporting period in		

	accordance with Ind AS 10, *Events after the Reporting Period?*		
10	If the entity is required to make any estimates in accordance with Ind AS at the date of transition to Ind AS that were not required at that date under previous GAAP do these estimates reflect conditions that existed at the date of transition to Ind AS?		
PRESENTATION AND DISCLOSURE			
11	Does the entity's first Ind AS statement include: a. At least three Balance Sheet b. Two Statements of profit and loss c. Two Statements of cash flows d. Two Statements of changes in equity and e. Related notes (including comparative information for all statements presented)		
12	If the entity has included historical summaries or historical information in accordance with GAAP, has the entity: a. labelled the previous GAAP information prominently as not being prepared in accordance with Ind ASs, and b. disclosed the nature of the main adjustments that would make it comply with Ind ASs. An entity need not quantify those adjustments		
13	Has the entity explained how the transition from previous GAAP to Ind ASs affected its reported Balance sheet, financial performance and cash flows?		
14	If compliance to point 13 is yes, then whether the financial statements of entity included: a. reconciliations of its equity reported in accordance with Ind-ASs to its equity in accordance with previous GAAP on the date of transition to Ind AS; and, the end of the latest period presented in the entity's most recent annual financial statements in accordance with previous GAAP b. significant differences between previous GAAP and Ind-AS in respect of its total comprehensive income (or if it did not report such a total, profit or loss); c. disclosures, if entity had recognised impairment losses or reversals in the period beginning with the date of transition in accordance with Ind AS 36 *Impairment of Assets*		
15	If an entity did not present financial statements for previous periods, whether it has been disclosed by entity in its first Ind AS financial statements?		
16	Has the entity's first Ind AS financial statements disclosed, for each line item, if an entity uses fair value in its opening Ind AS Balance Sheet as *deemed cost* for an item of property, plant and equipment, an investment property or an intangible asset as : a. the aggregate of those fair values; and		

	b. the aggregate adjustment to the carrying amounts reported under previous GAAP.		
17	Has the entity's first Ind AS separate financial statements disclosed the following, if an entity uses a deemed cost in its opening Ind AS Balance Sheet for an investment in a subsidiary, joint venture or associate in its separate financial statements,: a. the aggregate deemed cost of those investments for which deemed cost is their previous GAAP carrying amount; b. the aggregate deemed cost of those investments for which deemed cost is fair value; and c. the aggregate adjustment to the carrying amounts reported under previous GAAP.		
18	Has the entity prepared interim financial report in compliance to point 13, if yes, then whether the report for the comparable interim period of the immediately preceding financial year includes: a. a reconciliation of its equity in accordance with previous GAAP at the end of that comparable interim period to its equity under Ind ASs at that date b. a reconciliation to its total comprehensive income in accordance with Ind ASs for that comparable interim period (current and year to date).		
19	Has the entity explained changes in accounting policies or its use of the exemption contained in Ind AS, if any in its interim financial report and updated?		
20	Has the entity (a first-time adopter) of Ind AS disclosed in its most recent annual financial statements minimum discloser required under Ind AS 34?		

Checklist on Indian Accounting Standard (Ind AS)-102

Share-based Payment

Sl. No.	Particulars	Yes/No/ NA	Remarks
1	**Applicability:** Has the entity applied this standard for all share based payment transactions whether or not entity can identify some or all of the goods received including: i) Equity settled share based payment transaction ii) Cash settled share based payment transaction iii) Transaction in which the entity receives or acquires the goods and services and the terms of the arrangement provide either the entity or supplier of those goods or services with a choice whether the entity settles the transaction in cash (or other assets) or by issuing other instrument.		
2	Does the entity have the following transactions (share based payments arising from business combinations): a) Equity instrument granted to employees of aquiree in their capacity as employees b) The cancellation, replacement or modification of share based payment arrangement because of business combinations or other equity restructuring.		
3	**Recognition:** a) Has the entity appropriately recognised a corresponding increase in equity if the goods or services were received in an equity-settled share-based payment transaction or a liability if the goods or services were acquired in a cash-settled share-based payment transaction? b) Has the entity recognized as expenses the goods or services received or acquired in a share based payment transactions that do not qualify for recognition as assets?		
4	**Equity settled share based payment transactions:** With regard to equity settled share based payment transactions: a) Has the entity measured the goods or services received and correspondingly increased equity directly at the fair value of goods or services received unless that fair value cannot be estimated reliably? b) Has the entity measured their fair value and correspondingly increase in equity or indirectly by reference to the fair value of the equity instrument granted if the entity cannot estimate reliably the fair value of the goods and services received?		

5	Where the equity instruments granted vest immediately, has the entity presumed that services rendered by the counterparty as consideration for the equity instruments have been received and recognised the services received in full, with a corresponding increase in equity on the grant date?		
6	**Transactions measured by reference to the fair value of the equity instrument granted**: Has the entity measured the fair value of equity instrument granted at the measurement date based on the market price if available?		
7	**Treatment of vesting condition:** i) Has the entity ensured that vesting condition other than market condition are not taken into account when estimating the fair value of the shares or shares options at the measurement date? ii) Has the entity revised the estimate to equal the number of equity instruments that ultimate vested on vesting date?		
8	**Modifications to the terms and condition on which equity instruments were granted including cancellation and settlements:** i) Has the entity recognized, as a minimum, the services received measured at the grant date fair value of the equity instrument granted, unless those instrument do not vest because of failure to satisfy the vesting condition (other than market condition) that was specified at the grant date? ii) Has the entity recognized the effect of modification that increased the total fair value of share based payment arrangement or are otherwise beneficial to the employees?		
9	**Cash settled share based payment transactions:** a) For cash settled share based payment if the entity has measured the goods or services acquired and the liability incurred at the fair value of the liability? b) Has the entity remeasured the fair value of the liability at the end of the reporting date and at the date of settlement with any changes in fair value recognized in Profit and Loss account for the period until the liability is settled?		
10	**Share based payment transactions with cash alternatives:** Has the entity accounted for share based transactions with cash alternatives as follows: a) As cash settled share base payment transactions, if and to the extent that entity has incurred a liability to settle in cash or other assets.		

	b) As equity settled share base payment transaction, if and to the extent that no such liability has been incurred?		
11	**Share based payment transactions among group entities:** Has the entity receiving the goods or services measured the goods or services received as either an equity-settled or a cash-settled share-based payment transaction by assessing the nature of the awards granted, and its own rights and obligations in its separate or individual financial statements?		
12	**Disclosure:** With regard to the nature and extent of share-based transactions, whether disclosure of the following has been made: a) a description of each type of share-based payment arrangement that existed at any time during the period, including the general terms and conditions of each arrangement, and b) aggregated information for substantially similar types of share- based payment arrangements (unless separate disclosure of each arrangement is necessary).		
13	Disclosure of the number and weighted average exercise prices of share options for each of the following groups of options: (i) Outstanding at the beginning of the period, (ii) Granted during the period, (iii) Forfeited during the period, (iv) Exercised during the period, (v) Expired during the period, (vi) Outstanding at the end of the period, and (Vii) Exercisable at the end of the period.		
14	Disclosure of weighted average share price at the date of exercise with regards to share options exercised during the period. Disclosure of the weighted average share price during the period, if options were exercised on a regular basis throughout the period?		
15	For share options outstanding at the end of the period, whether disclosure of the range of exercise prices and weighted average remaining contractual life has been made?		
16	Whether disclosure of information has been made that enables users of the financial statements to understand how the fair value of the goods or services received, or the fair value of the equity instruments granted, during the period was determined?		

17	In case the fair value of goods or services received is measured as consideration for equity instruments of the entity indirectly, by reference to the fair value of the equity instruments granted, whether disclosures of the following have been made: a) For share options granted during the period, the weighted average fair value of those options at the measurement date and information on how that fair value was measured, b) For other equity instruments granted during the period (i.e. other than share options), the number and weighted average fair value of those equity instruments at the measurement date, and information on how that fair value was measured		
18	Has the entity disclosed how that fair value was determined, if the entity has measured the fair value directly the fair value of goods or services received during the periode.g. whether fair value was measured at a market price for those goods or services?		
19	Has the entity disclosed the fact and given explanation as of why the presumption was rebutted, if the entity has rebutted the presumption that the fair value of goods or services received cannot be estimated reliably.		
20	Whether the entity has disclosed information that enables users of the financial statements to understand the effect of share-based payment transactions on the entity's profit or loss for the period and on its financial position?		

Checklist on Indian Accounting Standard (Ind-AS) - 103

Business Combinations

Sl. No.	Particulars	Yes/No/ NA	Remarks
1	Has the entity entered into a business combination during the period?		
2	Has any cost acquirer expects but not obliged to incur in the future to effect its plan to exit an activity of an acquiree or to terminate the employment of or relocate an acquiree's employees included in the liabilities at the acquisition date?		
3	Has acquirer measured the identifiable assets acquired and the liabilities assumed at their acquisition-date fair values?		
4	If the acquirer has identified a contingent liability assumed in a business combination, has the acquirer recognised the contingent liability at the acquisition date only if it: a) Poses a present obligation that arises from past events, and b) Have fair value that can be measured reliably?		
5	Has the acquirer recognised and measured a deferred tax asset or liability arising from the assets acquired and liabilities assumed in a business combination in accordance with Ind AS 12, Income Taxes?		
6	Has goodwill as on the acquisition date been recognized correctly and measured as the excess of (a) over (b) below: (a) the aggregate of: (i) the consideration transferred measured in accordance with this Indian Accounting Standard, which generally requires acquisition-date fair value**;** (ii) the amount of any non-controlling interest in the acquiree measured in accordance with this Indian Accounting Standard; and (iii) in a business combination achieved in stages**,** the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree. (b) the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed measured in accordance with this Indian Accounting Standard.		
7	Iftheamountin 6(b)exceedsthe aggregate oftheamountsspecified in 6(a), has the acquirer recognised the resulting gain in other comprehensiveincomeontheacquisitiondateandaccumulatedthesame in equity as capital reserve only?		
8	Was the business combination achieved without transfer of consideration? If so, whether the acquisition method of accounting for a business combination has been correctly applied as per **para 43?**		
9	Whether the acquirer has reported in its financial statements provisional amounts for the items for which the accounting is incomplete and whether the measurement period has exceeded one year from the acquisition date in above case?		
10	Whether the acquirer has revised the accounting for a business combination only to correct an error in accordance with Ind AS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* after the measurement period ends?		
11	Whether consideration transferred in a business combination measured at fair value?		

12	Whether changes in the fair value of contingent consideration have been recognized after the acquisition date due to additional information obtained after that date about facts and circumstances that existed at the acquisition date?		
13	Has the acquirer accounted for acquisition-related costs as expenses in the periods in which the costs are incurred and the services are received?		
14	Whether disclosure by the acquirer has been made regarding information that enables users of its financial statements to evaluate the nature and financial effect of a business combination that occurs either: (a) during the current reporting period; or (b) after the end of the reporting period but before the financial statements are approved for issue.		
15	Whether the disclosure by the acquirer has been made regarding information that enables users of its financial statements to evaluate the financial effects of adjustments recognised in the current reporting period that relate to business combinations that occurred in the period or previous reporting periods?		
16	Whether disclosures have been made for each material business combination or in the aggregate for individually immaterial business combinations that are material collectively: (a) if the initial accounting for a business combination is incomplete for particular assets, liabilities, non-controlling interests or items of consideration and the amounts recognised in the financial statements for the business combination thus have been determined only provisionally: (i) the reasons why the initial accounting for the business combination is incomplete; (ii) the assets, liabilities, equity interests or items of consideration for which the initial accounting is incomplete; and (iii) the nature and amount of any measurement period adjustments recognised during the reporting period. (b) for each reporting period after the acquisition date until the entity collects, sells or otherwise loses the right to a contingent consideration asset, or until the entity settles a contingent consideration liability or the liability is cancelled or expires. (c) for contingent liabilities recognised in a business combination, the acquirer shall disclose the information required by paragraphs 37.84 and37.85 of Ind AS 37 for each class of provision. (d) a reconciliation of the carrying amount of goodwill at the beginning and end of the reporting period showing separately (e) the amount and an explanation of any gain or loss recognised in the current reporting period that both: (i) relates to the identifiable assets acquired or liabilities assumed in a business combination that was effected in the current or previous reporting period; and (ii) is of such a size, nature or incidence that disclosure is relevant to understanding the combined entity's financial statements.		

17	Whether the following disclosures in the first financial statements following the business combination have been made: (a) names and general nature of business of the combining entities, (b) date on which transferor obtains control of the transferee, (c)description and number of shares issued, together with the percentage of each entity's equity shares exchanged to effect the combination, and (d) amount of any difference between the consideration and the value of net assets taken over, and the treatment thereof.		
18	Has the entity entered into a business combination that is classified as a 'reverse acquisition' during the period and the consideration transferred correctly measured?		

Checklist for Indian Accounting Standard (Ind AS) - 104
'INSURANCE CONTRACT'

Sl. No	Particulars	Yes/No/ NA	Remarks
1	Has the entity applied this standard if it: a) Issues insurance contracts, b) Issues reinsurance contracts, c) Holds reinsurance contracts, or d) Issues financial instruments with a discretionary participation feature?		
2	Has the entity separated embedded derivatives, if any, from their host insurance contract?		
3	If the derivative contract is itself an insurance contract, then has the entity applied this standard, else applied Ind AS 109?		
4	Has the entity included changes in the fair value of the separated embedded derivatives in profit and loss?		
5	Has some insurance contracts contain both an insurance component and a deposit component. If the entity has unbundled those components?		
6	Hastheentityassessedattheendofeachreportingperiod, whether it's recognized insuranceliabilitiesareadequate,usingcurrentestimatesof future cash flows under its insurancecontracts?		
7	If that assessment at point no-6 shows that the carrying amount of its insurance liabilities is inadequate in the light of the estimated future cash flows, whether the entire deficiency has been recognized in profit or loss?		
8	Has a reinsurance asset been considered as impaired if and if impaired, whether as per the para 20 of Ind AS 104?		
9	Whether the entity changed its accounting policies for insurance contracts? Whether changed accounting policies made the financial statements more relevant to the economic decision-making needs of users based on the criteria in Ind AS8?		
10	While the entity may continue the following practices, has it ensured that it has not changed its accounting policies to introduce any of the following practices: (a) measuring insurance liabilities on an undiscounted basis. (b) measuring contractual rights to future investment management fees at an amount that exceeds their fair value as implied by a comparison with current fees charged by other market participants for similar services. (c) Using non-uniform accounting policies for the insurance contracts (and related deferred acquisition costs and related intangible assets, if any) of subsidiaries, except as permitted by paragraph 24.		
11	Whether the related adjustment to the insurance liability (or deferred acquisition costs or intangible assets) has been recognized in other comprehensive income if, and only if, the unrealized gains or losses were recognized in other comprehensive income?		
12	Has the entity made disclosure stating the amounts arising from insurance contract?		

13	Is the disclosure of accounting policies for insurance contracts and related assets, liabilities, income and expense made by the entity?		
14	Has the entity disclosed the process used to determine the assumptions that have the greatest effect on the measurement of the recognised amounts?		
15	Has the entity disclosed effect of changes in assumptions used to measure insurance assets and insurance liabilities, showing separately the effect of each change that has a material effect on the financial statements?		
16	Has the entity disclosed reconciliations of changes in insurance liabilities, reinsurance assets and, if any, related deferred acquisition costs?		
17	Whether the disclosure of information has been made by an insurer that enables users of its financial statements to evaluate the nature and extent of risks arising from insurance contracts made by the entity?		
18	Are the disclosure of its objectives, policies and processes for managing risks arising from insurance contracts and the methods used to manage those risks as per the Ind AS?		
19	Has the entity disclosed information about insurance risk (both before and after risk mitigation by reinsurance), including information about: (i) sensitivity to insurance risk. (ii) concentrations of insurance risk, including a description of how management determines concentrations and a description of the shared characteristic that identifies each concentration (e.g., type of insured event, geographical area or currency). (iii) actual claims compared with previous estimates (i.e., claims development). The disclosure about claims development shall go back to the period when the earliest material claim arose for which there is still uncertainty about the amount and timing of the claims payments, but need not go back more than ten years.		
20	Has the entity disclosed information about credit risk, liquidity risk and market risk would require if the insurance contracts were within the scope of Ind AS 107?		
21	Has the entity disclosed information about exposures to market risk arising from embedded derivatives contained in a host insurance contract if the insurer is not required to, and does not; measure the embedded derivatives at fair value?		
22	Whether disclosure has been made by an insurer either (a) or (b) as follows: (a) a sensitivity analysis that shows how profit or loss and equity would have been affected if changes in the relevant risk variable that were reasonably possible at the end of the reporting period had occurred; the methods and assumptions used in preparing the sensitivity analysis; and any changes from the previous period in the methods and assumptions used Or if an insurer uses an alternative method to manage sensitivity to market conditions, by disclosing that alternative sensitivity analysis and the disclosures required by paragraph 107.41. (b) qualitative information about sensitivity, and information about those terms and conditions of insurance contracts that have a material effect on the amount, timing and uncertainty of the insurer's future cash flows.		

Checklist of Indian Accounting Standard (Ind AS)-105
Non-current Assets Held for Sale and Discontinued Operations

Sl. No	Particulars	Yes/No / NA	Remarks
1.	Whether an entity has classified only those Assets as Non-current Assets (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use?		
2.	Whether the non-current assets held for sale /distribution to owners measured at lower of the carrying amount and fair value less cost to sell/ distribution?		
3	If the entity is committed to a sale plan involving loss of control of a subsidiary, has it classified all the assets and liabilities of that subsidiary as held for sale, regardless of whether the entity will retain a non-controlling interest in its former subsidiary after the sale?		
4	Whether entity classified a non-current asset (or disposal group) as held for sale that is to be abandoned?		
5	If an entity has classified an asset (or disposal group) as held for sale, but the criteria to be held as sale for that asset are no longer met, whether the entity ceased to classify the asset (or disposal group) as held for sale?		
6	Whether the entity disclosed the following: (a) a single amount in the statement of profit and loss comprising the total of (i) the post-tax profit or loss of discontinued operations and (ii)the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the assets or disposal group(s) constituting the discontinued operation, (b) an analysis of the single amount into: (i) the revenue, expenses and pre-tax profit or loss of discontinued operations; (ii) the related income tax expense as required by paragraph 12, 81 (h), and (iii) the gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the assets or disposal group(s) constituting the discontinued operation. (iv) the related income tax expense as required by paragraph 12. 81 (h). The analysis may be presented in the notes or in the statement of profit and loss. (c) the net cash flows attributable to the operating, investing and financing activities of discontinued operations. (d) the amount of income from continuing operations and from discontinued operations attributable to owners of the parent.		
7.	Whether adjustments in the current period to amounts previously presented in discontinued operations that are directly related to the		

	disposal of a discontinued operation in a prior period are classified separately in discontinued operation?		
8.	If an entity ceases to classify a component of an entity as held for sale, the results of operations of the component previously presented in discontinued operations in accordance with paragraphs 105.33–105.35 has been reclassified and included in income from continuing operations for all periods presented?		
9.	Has the entity included in profit and loss from continuing operations, any gain or loss on the remeasurement of a non-current asset (or disposal group) classified as held for sale that does not meet the definition of discontinued operations?		
10	Whether disclosure of the following information have been made in the notes in the period in which a non-current asset (or disposal group) has been either classified as held for sale or sold: (a) a description of the non-current asset (or disposal group); (b) a description of the facts and circumstances ofthe sale, or leading to the expected disposal, and the expected manner and timing of that disposal; (c) the gain or loss recognised in accordance with paragraphs 105.20–105.22 and, if not separately presented in the statement of profit and loss, the caption in the statement of profit and loss that includes that gain or loss; (d) if applicable, the reportable segment in which the non-current asset (or disposal group) is presented in accordance with Ind AS 108, *Operating Segments*.		
11.	In case either paragraph 105.26 or paragraph105.29 applies, disclosure of, in the period of the decision to change the plan to sell the non-current asset (or disposal group), a description of the facts and circumstances leading to the decision and the effect of the decision on the results of operations for the period and any prior periods presented?		

Checklist of Indian Accounting Standard (Ind AS)-106

Exploration for and Evaluation of Mineral Resources

Sl. No.	Particulars	Yes/No/ NA	Remarks
1	If the entity incurred expenditure relating to the exploration and evaluation of mineral resources, has it applied the requirements of Ind AS 106?		
2	If the entity has transactions or other events such as: (a)Expenditures incurred before the exploration for an evaluation of mineral resources, and (b)Expenditures incurred after the technical feasibility and commercial viability of extracting a mineral resource are demonstrable? Has the entity excluded these expenditures when applying this standard?		
3	If entity while developing its accounting policies relating to exploration and evaluation assets applied paragraph 10 of Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.		
4	If the Exploration and evaluation assets have been measured at cost?		
5	If entity determined an accounting policy specifying which expenditures is recognized as exploration and evaluation assets and applied the policy consistently?		
6	Has the entity recognized the obligations for removal and restoration that are incurred as a consequence of exploration for and evaluation of mineral resources in accordance with Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets?		
7	a) Has the entity applied either cost model or revaluation model to the exploration and evaluation assets? b) If the latter has been applied, is it consistent with the classification of the assets as per this Ind AS?		
8	Whether an entity has changed its accounting policies for exploration and evaluation expenditures. If so whether the judgment of the management was in accordance with the criteria in Ind AS 8?		
9	Has the entity classified Exploration and Evaluation (E&E) Assets as tangible or intangible according to the nature of the assets acquired, and applied the classification consistently?		
10.	Exploration and Evaluation assets shall be assessed for impairment, and any impairment loss recognized, before reclassification. Whether impairment loss has been assessed and recognized?		
11.	In case, on assessment, facts and circumstances suggest that the carrying amount of exploration and evaluation assets exceeds its recoverable amount, whether disclosure has been made of any resulting impairment loss in accordance with Ind AS 36, except as provided by paragraph 106.21?		

12.	Whether the entity has tested E&E assets for impairment in the following circumstances: (list is not exhaustive) (a)The period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed. (b)Substantive expenditures on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned. (c)Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area. (d)Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the E&E asset is unlikely to be recovered in full from successful development or by sale.		
13.	Whether accounting policy has been determined for allocating E&E assets to cash-generating units or groups of cash-generating units for the purpose of assessing such assets for impairment?		
14.	Whether Disclosure of information that identifies and explains the amounts recognized in its financial statements arising from the exploration for and evaluation of mineral resources has been made?		
15.	To comply with paragraph 106.23,if disclosures of the following have been made: (a)its accounting policies for exploration and evaluation expenditures including the recognition of exploration and evaluation assets. (b)the amounts of assets, liabilities, income and expense and operating and investing cash flows arising from the exploration for and evaluation of mineral resources.		
16.	Whether E&E assets have been treated as a separate class of assets and the disclosures required by either Ind AS 16 or Ind AS 38 consistent with how the assets are classified have been made?		

Checklist on Indian Accounting Standard (Ind AS) - 107

Financial Instruments: Disclosures

Sl. No.	Particulars	Yes/No/ NA	Remarks
Classes of financial instruments and level of disclosure			
1.	Whether the entity has grouped financial instruments into classes that are appropriate to the nature of the information disclosed and that take into account the characteristics of those financial instruments?		
Categories of Financial assets and liabilities: Balance Sheet			
2.	Whether the carrying amounts of each of the following categories, as specified in Ind AS 109, have been disclosed either in the balance sheet or in the notes: (a) Financial assets measured at fair value through profit or loss, showing separately (b) Financial liabilities at fair value through profit or loss, showing separately (c) Financial assets measured at amortised cost. (d) Financial liabilities measured at amortised cost. (e)Financial assets measured at fair value through other comprehensive income, showing separately.		
Financial Assets and liabilities at fair value through Profit or loss			
3.	Whether the financial asset (or group of financial assets) has designated as measured at fair value through profit or loss that would otherwise be measured at fair value through other comprehensive income or amortised cost, disclosure has been made as per para 9 of the Ind AS 109?		
4.	Whether the entity has designated financial liability as at fair value through profit or loss in accordance with paragraph 109.4.2.2 and is required to present the effects of changes in that liability's credit risk in other comprehensive income (see paragraph 109.5.7.7), disclosure has been made as per para 10?		
5.	Whether the entity has disclosed: (a) detailed description of the methods used to comply with the requirements in paragraphs 9(c), 10(a) and 10A(a) and paragraph 5.7.7(a) of Ind AS 109, including an explanation of why the method is appropriate (b) if, the entity believes that the above disclosures of Ind AS 109 does not faithfully represent the change in the fair value of the financial assets or financial liability attributable to change in		

	its credit risk, whether the reasons for reaching this conclusion and the factors it believes are relevant?		
Investments in equity instruments designated at fair value through other comprehensive income			
6.	In case investments in equity instruments are designated to be measured at fair value through other comprehensive income, as permitted by paragraph 109.5.7.5, whether disclosures have been made of: (a) investments in equity instruments have been designated to be measured at fair value through other comprehensive income. (b) the reasons for using this presentation alternative. (c) the fair value of each such investment at the end of the reporting period. (d) dividends recognised during the period, showing separately those related to investments derecognised during the reporting period and those related to investments held at the end of the reporting period. (e) any transfers of the cumulative gain or loss within equity during the period including the reason for such transfers.		
Reclassification			
7.	Whether entity has disclosed if, in the current or previous reporting periods, it has reclassifiedany financial assets in accordance with paragraph 4.4.1 of Ind AS 109?		
8.	For each reporting period following reclassification until de-recognition, if entity has disclosed for assets reclassified out of the fair value through profit or loss category so that they are measured at amortised cost or fair value through other comprehensive income inaccordance with paragraph 4.4.1 of Ind AS 109?		
Collateral			
9.	Whether entity has disclosed: (a) the carrying amount of financial assets it has pledged as collateral for liabilities orcontingent liabilities, and (b) The terms and conditions relating to its pledge?		
10.	When an entity holds collateral (of financial or non-financial assets) and permitted tosell or repledge the collateral in the absence of default by the owner of the collateral, whether it has disclosed: (a) the fair value of the collateral held; (b)the fair value of any such collateral sold or pledged, and whether the entity hasan obligation to return it; and (c) the terms and conditions associated with its use of the collateral.		
Allowance account for credit losses			
11.	Has the entity ensured that the carrying amount of financial assets measured at fair value through other comprehensive income in accordance with paragraph 4.1.2A of Ind AS 109 is not reduced		

	by a loss allowance and the entity has not presented the loss allowance separately in the balance sheet as a reduction of the carrying amount of the financial asset, but has disclosed the loss allowance in the notes to the financial statements?		
Compound financial instruments with multiple embedded derivatives			
12.	If an entity has issued an instrument that contains both a liability and an equitycomponent (see paragraph 28 of Ind AS 32) and the instrument has multiple embeddedderivatives whose values are interdependent (such as a callable convertible debt instrument), if it has disclosed the existence of those features?		
Default and breaches			
13.	For *loans payable* recognised at the end of the reporting period, whether the entity has disclosed: (a) details of any defaults during the period of principal,interest, sinking fund, orredemption terms of those loans payable; (b) the carrying amount of the loans payable in default at the end of the reportingperiod; and (c) Whether the default was remedied, or the terms of the loanspayable wererenegotiated, before the financial statementswere approved for issue.		
Statement of profit and loss **Items of income, expense, gains or losses**			
14.	Whether the entity has disclosed the following items of income, expense, gains or losses either inthe statement of profit and loss or in the notes: (a) Net gains or net losses on: (i) financial assets or financial liabilities measured at fair value through profitor loss, showing separately those on financial assets or financial liabilitiesdesignated as such upon initial recognition or subsequently in accordancewith paragraph 6.7.1 of Ind AS 109, and those on financial assets orfinancial liabilities that are mandatorily measured at fair value through profit or loss in accordance with Ind AS 109. (ii) Financial liabilities measured at amortized cost. (iii) Financial assets measured at amortized cost. (iv) Investments in equity instruments designated at fair value through othercomprehensive income in accordance withparagraph 5.7.5 of Ind AS 109. (v) financial assets measured at fair value through other comprehensive income in accordance with paragraph 4.1.2A of Ind AS 109, showing separatelythe amount of gain or loss recognized in other comprehensive income during the period and the amount reclassified upon DE recognition from		

	accumulatedother comprehensive income to profit or loss for the period. (b) Total interest revenue and total interest expense (calculated using the effectiveinterest method) for financial assets that are measured at amortised cost or that are measured at fair value through other comprehensive income in accordance withparagraph 4.1.2A of Ind AS 109 (showing these amounts separately); or financial liabilities that are not measured at fair value through profit or loss. (c) fee income and expense (other than amounts included in determining the effectiveinterest rate) arising from: I. financial assets and financial liabilities that are not at fair value throughprofit or loss; and II. Trust and other fiduciary activities that result in the holding or investing ofassets on behalf of individuals, trusts, and retirement benefit plans, and otherinstitutions.		
	Other disclosures **Accounting policies**		
15.	Whether the entity disclosed of, In accordance with paragraph 117 of Ind AS 1 *Presentation of Financial Statements*, in the summary of significant accounting policies, the measurement basis(or bases) used in preparing the financial statements and the other accounting policiesused that are relevant to an understanding of the financial statements?		
16.	Whether entity has explained its risk management strategy for each risk category of riskexposures that it decides to hedge and for which hedge accounting is applied?		
The amount, timing and uncertainty of future cash flows			
17.	Unless exempted by paragraph 23C, whether entity has disclosed by risk category quantitativeinformation to allow users of its financial statements to evaluate the terms and conditions of hedging instruments and how they affect the amount, timing and uncertainty of futurecash flows of the entity?		
18.	To meet the requirement in paragraph 23A, whether the entity has provided a breakdown thatdiscloses: (a) a profile of the timing of the nominal amount of the hedging instrument; and (b)if applicable, the average price or rate (for example strike or forward prices etc.) ofthe hedging instrument.		
19.	Has the entity disclosed in a tabular format, the amounts related to itemsdesignated as hedging instruments separately by risk category for each type of hedge as per para 24A and 24B?		
20.	Whether the disclosure has been made of the following, if the entity has designated a financial instrument, or a proportion of it, as measured at fair value through profit or loss because it		

	uses a creditderivative to manage the credit risk of that financial instrument: (a) For credit derivatives that have been used to manage the credit risk of financial instruments designated as measured at fair value through profit or loss in accordance with paragraph 109.6.7.1, a reconciliation of each of the nominal amount and the fair value at the beginning and at the end of the period, (b) The gain or loss recognised in profit or loss on designation of a financial instrument, or a proportion of it, as measured at fair value through profit or loss in accordance with paragraph 109.6.7.1, and (c) On discontinuation of measuring a financial instrument, or a proportion of it, at fair value through profit or loss, that financial instrument's fair value that has become the new carrying amount in accordance with paragraph 109.6.7.4(b) and the related nominal or principal		
Fair value			
21.	Except as set out in paragraph 29, for each class of financial assets and financial liabilities, whether the entity has disclosed the fair value of that class of assets and liabilities in a way that permits it to be compared with its carrying amount?		
22.	Has the entity grouped financial assets and financial liabilities into classes and ensured that it offsets them only to the extent that their carrying amounts are offset in the balance sheet while disclosing fair values?		
Nature and extent of risks arising from financial instruments			
23.	Whether the entity has disclosed information that enables users of its financial statements to evaluate the nature and extent of risks arising from financial instruments to which the entity is exposed at the end of the reporting period?		
Qualitative Disclosures			
24.	For each type of risk arising from financial instruments, whether the entity has disclosed: (a) the exposures to risk and how they arise; (b) its objectives, policies and processes for managing the risk and the methods used to measure the risk; and (c) any changes in (a) or (b) from the previous period.		
Quantity Disclosures			
25.	For each type of risk arising from financial instruments, whether the entity has disclosed: (a) Summary quantitative data about its exposure to that risk at the end of the reportingperiod. (b) The disclosures required by paragraphs 36–42, to the extent not provided inaccordance with (a). (c) Concentrations of risk if not apparent from the disclosures made in accordance with (a) and (b).		
Credit Risk			

26.	Whether entity applied the disclosure requirements inparagraphs 35F–35N to financialinstruments to which the impairment requirements in Ind AS 109 are applied?		
27.	Whether the credit risk disclosures made in accordance with paragraphs 35F–35N of financial statements to understand the effect of credit riskon the amount, timing anduncertainty of future cash flows?		
28.	Whether entity has disclosed its credit risk management practices and how they relate to therecognition and measurement of expected credit losses?		
29.	Has the entity disclosed the following (a-c) and explained the inputs, assumptions and estimation techniques used to apply the requirements in section 5.5 of Ind AS 109: (a) the basis of inputs and assumptions and the estimation techniques used to: (i) measure the 12-month and lifetime expected credit losses; (ii) determine whether the credit risk of financial instruments have increasedsignificantly since initial recognition; and (iii) determine whether a financial asset is a credit-impaired financial asset. (b) how forward-looking information has been incorporated into the determination ofexpected credit losses, including the use ofmacroeconomic information; and (c) Changes in the estimation techniques or significant assumptions made during thereporting period and the reasons for those changes.		
30.	If the reconciliation has been made for class of financial instrument from opening balance to closing balance of the loss allowance, in a tabular form showing separately the changes during the period for: (a) the loss allowance measured at an amount equal to 12-month expected credit losses, (b) the loss allowance measured at an amount equal to lifetime expected credit losses for: (i) financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets, (ii) financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired), and (iii) trade receivables, contract assets or lease receivables for which the loss allowances are measured in accordance with paragraph 109.5.5.15financial assets that are purchased or originated credit-impaired, including disclosure of the total amount of undiscounted expected credit losses at initial recognition on financial assets initially recognised during the reporting period.		

31.	Whether disclosure has been made of the contractual amount outstanding on financial assets that were written off during the reporting period and are still subject to enforcement activity?		
32.	Whether disclosure has been made of, by credit risk rating grades, the gross carrying amount of financial assets and the exposure to credit risk on loan commitments and financial guarantee contracts to enable users of financial statements to assess the entity's credit risk exposure and understand its significant credit risk concentrations separately as per para 107.35M & N?		
33.	If disclosure has been made as per para 107.36 by class of financial instrument for all financial instruments within the scope of Ind AS 107, but to which the impairment requirements in Ind AS 109 are not applied?		
Liquidity Risk			
34.	Whether the entity has disclosed: (a) a maturity analysis for non-derivative financial liabilities (including issued financial guarantee contracts). (b) a maturity analysis for derivative financial liabilities. (c) a description of how it manages the liquidity risk inherent in (a) and (b).		
Market Risk			
35.	Unless an entity complies with paragraph 41, whether the following disclosures as per Para 40 of Ind AS 107 have been made: (a) a sensitivity analysis for each type of market risk to which the entity is exposed atthe end of the reporting period, showing howprofit or loss and equity would havebeen affected by changes in the relevant risk variable that were reasonably possibleat that date; (b) The methods and assumptions used in preparing the sensitivity analysis; and (c) Changes from the previous period in the methods and assumptions used, and thereasons for such changes.		
36.	If an entity prepares a sensitivity analysis, such as value-at-risk, whether the disclosures as per Para 41 of Ind AS 107 have been made?		
	Transfer of financial assets		
37.	Has the entity presented, in a single note in the financial statements, the disclosures for all transferred financial assets that are not derecognised and for any continuing involvement in a transferred asset, existing at reporting date, irrespective of when the related transferred transaction occurred?		
38.	Whether disclosure of information have been made to enable the users:		

	(a) to understand the relationship between transferred financial assets that are not derecognised in their entirety and the associated liabilities, and (b) to evaluate the nature of, and risks associated with, the entity's continuing involvement in derecognised financial assets.		
Transferred financial assets that are derecognised in their entirety			
39	In case entity derecognises transferred financial assets in their entirety (see paragraph 3.2.6(a) and (c)(i) of Ind AS 109) but has continuing involvement in them, whether disclosure of the following have been made , as a minimum, for each type of continuing involvement at each reporting date: (a) the carrying amount of the assets and liabilities that are recognised in the entity's balance sheet and represent the entity's continuing involvement in the derecognised financial assets, and the line items in which the carrying amount of those assets and liabilities are recognised, (b) the fair value of the assets and liabilities that represent the entity's continuing involvement in the derecognised financial assets, (c) the amount that best represents the entity's maximum exposure to loss from its continuing involvement in the derecognised financial assets, and information showing how the maximum exposure to loss is determined, (d) the undiscounted cash outflow that would or may be required to repurchase derecognised financial assets (e.g. the strike price in an option agreement) or other amounts payable to the transferee in respect of the transferred assets. If the cash outflow is variable then the amount disclosed should be based on the conditions that exist at each reporting date, (e) a maturity analysis of the undiscounted cash outflows that would or may be required to repurchase the derecognised financial assets or other amounts payable to the transferee in respect of the transferred assets, showing the remaining contractual maturities of the entity's continuing involvement, and (f) qualitative information that explains and supports the quantitative disclosures required in (a)–(e).		
40.	Whether disclosures have been made of the following for each type of continuing involvement for each period for which the statement of profit and loss is presented: (a) the gain or loss recognised at the date of transfer of the assets, (b) income and expenses recognised, both in the reporting period and cumulatively, from the entity's continuing involvement in the derecognised financial assets (e.g. fair value changes in derivative instruments),		

	(c) if the total amount of proceeds from transfer activity (that qualifies for derecognition) in a reporting period is not evenly distributed throughout the reporting period (e.g. if a substantial proportion of the total amount of transfer activity takes place in the closing days of a reporting period): (i) when the greatest transfer activity took place within that reporting period (e.g. the last five days before the end of the reporting period), (ii) the amount (e.g. related gains or losses) recognised from transfer activity in that part of the reporting period, and (iii) the total amount of proceeds from transfer activity in that part of the reporting period.		
Supplementary information			
41.	If disclosures have been made for the additional information which the entity considers necessary to meet the objectives of paragraph 107.42B?		

Check-list on Indian Accounting Standard (Ind-AS)-108

Operating Segments

Sl.no	Particulars	Yes/No/NA	Remarks
1.	Has the entity identified components : i) That engage in business activities from which they may earn revenues and incur expenses, ii) Whose operating results are regularly reviewed by the entity's Chief operating decision maker (CODM) to make decisions about resources to be allocated and to assess their performance, and iii) For which discrete financial information is available?		
2.	Whether the entity report separate information about each operating segment?		
3.	**a)**Has the entity reported separately information about an operating segment that meets any of the followingthresholds: i) Its reported revenue, including both sales to external customers and inter segment sales or transfers, is10 *percent* or more of the combined revenue, internal and external, of all operating segments, ii) The absolute amount of its reported profit or loss is 10 percent or more of the greater, in absolute amount, of (i) the combined reported profit of all operating segments that did not report a loss and (ii) the combined reported loss of all operating segments that reported a loss, or iii) Its assets are 10 per cent or more of the combined assets of all operatingsegments? **b)** If there are any operating segments that do not meet any of the quantitative thresholds but may be considered reportable, has the entity separately disclosed information about these segments, ifmanagementbelievesthatsuchinformationwouldbeusefultousers of the financial statements?		
4.	If the total external revenue reported by operating segments constitutes less than 75 per cent of the entity's revenue,whether additional operating segments has been identified as reportable segments (even if they do not meet the criteria in paragraph 13 of Ind AS 108) until at least 75 per cent of the entity's revenue is included in reportable segments?		
5.	If an operating segment is identified as a reportable segment in the current period in accordance with the quantitative thresholds, whether the segment data for a prior period presented for comparative purposes has been restated to reflect the newly reportable segment as a separate segment, even if that segment did not satisfy the criteria for reportability in paragraph 13 in the prior period, unless the necessary information is not available and the cost to develop it would be excessive?		

6	Whether the required disclosure of information has been made to enable users of its financial statements to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates?		
7	Whether disclosure of the following general information has been made as per para 21& 22: (a) factors used to identify the entity's reportable segments, including the basis of organization e.g. whether management has chosen to organize the entity around differences in products and services, geographical areas, regulatory environments, or a combination of factors and whether operating segments have been aggregated, (b) the judgment made by management in applying the aggregation criteria in paragraph 108.12. This includes a brief description of the operating segments that have been aggregated in this way and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics, and (c) types of products and services from which each reportable segment derives its revenues		
8	Disclosure of the following has been made as per para 23: (a) the measure of profit or loss for each reportable segment, (b) the measure of total assets and liabilities for each reportable segment if such amounts are regularly provided to the chief operating decision maker, (c)the following about each reportable segment if the specified amounts are included in the measure of segment profit or loss reviewed by the chief operating decision maker, or are otherwise regularly provided to the chief operating decision maker, even if not included in that measure of segment profit or loss: (i) revenues from external customers, (ii) revenues from transactions with other operating segment of the same entity, (iii) interest revenue, (iv) interest expense, (v) depreciation and amortization, (vi) material items of income and expense disclosed in accordance with paragraph 1.97, (vii) the entity's interest in the profit or loss of associates and joint ventures accounted for by the equity method, (viii) income tax expense or income, and (ix) Material non-cash items other than depreciation and amortization.		
9	Whether entity disclose the following about each reportable segment if the specified amounts are included in the measure of		

	segment assets reviewed by the Chief operating decision maker or are otherwise regularly provided to the chief operating decision maker, even if not included in the measure of segment assets: (a) The amount of investment in associated and joint ventures accounted for by the equity method, and (b) The amounts of additions to non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets and rights arising under insurance contracts.		
10	Whether an explanation of the measurements of segment profit or loss, segment assets and segment liabilities for each reportable segment. Disclosure of the following: (a)The basis of accounting for any transactions between reportable segments. (b)The nature of any differences between the measurements of the reportable segments profits or losses and the entity's profit or loss before income tax expenses or income and discontinued operations, (c)The nature of any differences between the measurements of the reportable segments assets and the entity's assets, (d)The nature of any differences between the measurements of the reportable segments liabilities and the entity's liabilities. (e)The nature of any changes from prior periods in the measurement methods used to determine reported segment profit or loss and the effect, if any, of those changes on the measure of segment profit or loss and (f)The nature and effect of any asymmetrical allocations to reportable segments, e.g. the entity might allocate depreciation expense to a segment without allocating the related depreciable assets to that segment.		
11	Whether reconciliations of the following material reconciling items separately identified and described. (a)The total of the reportable segments revenues to the entity's revenue. (b) The totals of the segments measures of profit or loss to the entity's profit or loss before tax expenses (tax income) and discontinued operations, however, if the entity allocated to reportable segments items such as tax expense (tax income), then it may reconcile the total of the segments measures of profit or loss to the entity's profit or loss after those items. (c)The total of the reportable segments assets to the entity's assets if the segment assets are reported in accordance with para 23 (d)The total of the reportable segments liabilities to the entity's liabilities if the segment liabilities are reported in accordance with para 23 and (e)The total of the reportable segments amounts for every other material items of information disclosed to the corresponding		

	amount for the entity.		
12	If an entity changes the structure of its internal organization in a manner that causes the composition of its reportable segments to change, whether the corresponding information for earlier periods, including interim periods, has been restated unless the information is not available and the cost to develop it would be excessive?		
13	(a) If the entity has changed the structure of its internal organization in a manner that causes the composition of its reportable segments to change, has the entity restated segment information for earlier periods, including interim periods, to reflect the change? (b)If not, then in the year in which the change occurs, disclosure of segment information for the current period on both the old basis and the new basis of segmentation, unless the necessary information is not available and the cost to develop it would be excessive?		
14	Has the Entity made disclosures as required even if the entity has only one reportable segment?		
15	Whether disclosure of the following geographical information has been made, unless the necessary information is not available and the cost to develop it would be excessive: (a)Revenues from external customers (i)Attributed to the entity's country of domicile and (ii)Attributed to all foreign countries in total from which the entity derives revenues. If revenues from external customers attributed to an individual foreign country are material, then those revenues are disclosed separately. (b)Non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets and rights arising under insurance contracts (i)located in the entity's country of domicile and (ii) Located in all foreign countries in total in which the entity holds assets. If assets in an individual foreign country are material, then those assets are disclosed separately.		
16	If revenues from transactions with a single external customer amount to 10 percent or more of an entity's revenues, following information about the extent of its reliance on such customers: (a)disclosure of the fact (b)the total amount of revenues from each such customer, and the identity of the segment or segments reporting the revenues (c) For the above purpose, has a group of entities known to a reporting entity to be under common control been considered a single customer.		

Check list for Indian Accounting Standard (Ind AS) - 109

Financial Instruments

Sl. No.	Particulars	Yes/No/ NA	Remarks
1	Whether the Ind AS 109 is applicable to the entity under Audit as per provisions of paragraphs 1 & 2 of Ind AS 109?		
2	Whether the entity is covered by exceptions prescribed under paragraph 2 of Ind AS 109?		
3	Whether the entity has applied this Ind AS to all types of financial instruments except when another standard requires or permits a different accounting treatment?		
4	Whether an entity recognized a financial asset or a financial liability only when the entity becomes party to the contractual provisions of the instrument?		
5	If the purchase or sale of financial assets is classified as a regular way purchase or sale, the entity should consistently use trade date accounting or settlement date accounting for financial assets classified in the same category. Whether this has been done?		
6	Whether de-recognition of financial assets and financial liabilities have been made as per the provision of Ind AS 109?		
7	Whether the entity first consolidated all subsidiaries in accordance with Ind AS 110 and then applied the de-recognition provisions of Ind AS 109?		
8	Whether an entity derecognized a financial asset only if (i) the entity contractual rights to the cash flows from the financial asset have expired, (ii) the entity has transferred the financial assets as per the provision of Ind AS 109?		
9	Whether the entity has removed a financial liability from its balance sheet only when the obligation specified in the contract has been discharged or cancelled or expires?		
10	Whether the accounting of financial assets and financial liabilities at the time of recognition and de-recognition has been made as per the relevant provisions of IndAS 109?		

11	Whether entity has classified the financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both (i) the entity's business model (ii) the contractual cash flow characteristics.		
12	Whether the conditions of Ind AS were fulfilled before measuring a financial asset at (i) amortised cost, (ii) fair value through other comprehensive income and (iii) fair value through profit or loss?		
13	Whether an entity has classified the financial liabilities as subsequently measured at amortized cost except the conditions mentioned in the para 4.2.1 of Ind AS 109?		
14	An entity can reclassify financial assets only when it has changed its business model for managing financial Assets. Whether the entity has reclassified financial assets?		
15	Whether the entity reclassified all affected financial assets only when it has changed its business model for managing financial assets?		
16	Whether the provisions of measurement of reclassified financial assets as stipulated in Ind AS 109 have been followed?		
17	Reclassification of financial liabilities is not permitted by Ind AS 109. Check whether entity has reclassified its financial liabilities?		
18	Has the entity measured a financial assets (except trade receivable) or financial liabilities at its fair value at initial recognition?		
19	Has the entity considered transaction costs that are directly attributable to the acquisition or issue of the financial assets and financial liabilities in the initial recognition amount, when the financial assets and financial liabilities not at fair value through profit or loss?		
20	Whether transaction cost has not been added or reduced when financial assets or financial liabilities are through fair value to profit or loss?		
21	Has the entity measured the expected credit losses of a financial instrument in a way that reflects:		

	a) An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, b) Time value of money, and c) Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economicconditions?		
22	Whether the credit risk on any financial instrument has increased significantly since initial recognition?		
23	Has the entity measured a loss allowance for the financial instrument at the reporting date at an amount equal to the life time expected credit losses?		
24	If at the reporting date the credit risk on a financial instrument has not increased significantly since initial recognition. Whether, the entity has measured the loss allowance for that financial instrument at an amount equal to 12-month expected credit loss?		
25	Whether the entity has designated the hedging instruments and hedged items that qualify the conditions of the qualifying instruments and qualifying items?		
26	Whether only contracts with a party external to the reporting entity (i.e. external to the group or individual entity that is being reported on) has been designated as hedging instruments?		
27	Whether the hedging relationship qualifies for hedge accounting. If yes, whether the entity has accounted the hedge relationships as per provisions of the Ind AS 109?		
28	Whether compliance has been made to the disclosure requirements related to Financial Instruments (Ind AS 109) as prescribed under Ind AS 107?		

Check list for Indian Accounting Standard (Ind AS) - 110

Consolidated Financial Statements

Sl. No.	Particulars	Yes/No/ NA	Remarks
1	Whether the Ind AS 110 is applicable to the entity when an entity controls one or more other entities as per provisions of paragraphs 1 & 2 of Ind AS 110?		
2	Whether the entity has covered by exceptions prescribed under paragraphs 4 of Ind AS 110?		
3	Whether the investor has assessed its control over the investee as per provisions of Ind AS 110?		
4	Whether the following conditions of control of an investee exist (i) power over the investee (ii) exposure or rights to variable returns from its involvement with the investee and (iii) the ability to use its power over the investee to affect the amount of the investor's returns?		
5	Whether the entity has prepared the consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances?		
6	Whether the entity has prepared the consolidated financial statements from the date the company obtains control of the investee?		
7	Whether the entity has prepared consolidated financial statements by (i) combining like items of assets, liabilities, income, expenses and cash flows of the parent with those of its subsidiaries. (ii) offsetting the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary (iii) eliminating in full intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group. Ind AS12, Income Taxes, applies to temporary differences that		

	arise from the elimination of profits and losses resulting from intra group transactions?		
8	Whether the non-controlling interests have been presented in the consolidated balance sheet within equity, separately from the equity of the owners of the parent?		
9	Whether the consolidation procedures have been followed as per Ind AS 110?		
10	Whether the changes in parent's ownership interest in a subsidiary do not result in the parent losing control of the subsidiary as equity transaction?		
11	If the entity (parent) lost control of its subsidiary, whether the following been ensured: (i) the parent derecognizes the assets and liabilities of the subsidiary at their carrying amounts at the date when control is lost. (ii) recognize at its fair value, the consideration received, if any, distribution of shares of the subsidiary to owners in their capacity as owners and any investment retained in the former subsidiary when control is lost and subsequently accounts for it and for any amounts owed by or to the former subsidiary in accordance with relevant Ind AS. (iii) Recognizes the gain or loss associated with the loss of control attributable to the former controlling interest?		
12	Whether an entity is an investment entity as per para 27 of Ind AS 110?		
13	Whether entity (parent) that either ceases to be an investment entity or becomes an investment entity has accounted change in its status prospectively from the date at which the change in status occurred?		
14	Whether the provisions under Section 129 and 134 of the Companies Act, 2013 have been complied with while preparing consolidated financial statements?		
15	Whether the General Instructions for the preparation of Consolidated Financial Statements prescribed by Companies Act, 2013 have been followed?		
16	Has the investment entity measured its investment in a subsidiary at fair value through profit or loss in accordance with Ind AS 109?		

17	Whether disclosure requirements related to Consolidated Financial Statements (Ind AS 110) as prescribed under Ind AS 112 have been fulfilled?		

Checklist for Indian Accounting Standards (Ind AS) – 111
(Joint Arrangements)

Sl. No.	Particulars	Yes/ No/NA	Remarks
1.	Whether the entity is a party to a joint arrangement? (If yes, the IndAS112 shall be applicable to the entity)		
2.	Whether the entity and other parties to the joint arrangement are bound by a contractual arrangement which gives two or more of those parties joint control of the arrangement?		
3.	Whether decisions about the relevant activities require the unanimous consent of the parties that control the arrangement collectively when the contractual arrangement give all the parties, or a group of the parties, control of the arrangement collectively?		
4.	Whether the entities/parties have joint control of the joint arrangement?(*joint operators* or *joint venturers*)		
5.	Whether the type of joint arrangement (Joint Operation or Joint Venture) in which entity is involved has changed with change of circumstances?		
6.	Whether the joint operator recognised following in relation to its interest in a joint operation: (a) its assets, including its share of any assets held jointly; (b) its liabilities, including its share of any liabilities incurred jointly; (c) its revenue from the sale of its share of the output arising from the jointoperation; (d) its share of the revenue from the sale of the output by the joint operation; and (e) its expenses, including its share of any expenses incurred jointly?		
7.	Whether the joint operator accounted for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the Ind ASs applicable to the particular assets, liabilities, revenues and expenses?		
8.	Whether the entity applied, to the extent of its share, all of the principles on business combinations accounting in Ind AS 103, and other Ind ASs that do not conflict with the guidance in this Ind AS and disclosed the information that is required in those Ind ASs in relation to business combinations?		
9.	Whether the gains and losses resulting from the transactions entered with the other parties to the joint operation such as a sale or contribution of assets, have been recognised only to the extent of the other parties' interests in the joint operations?		
10.	Whether the entity recognised the losses fully by the joint operator when such transactions provide evidence of a reduction in the net realisable value of the assets to be sold or contributed to the joint operation, or of an impairment loss of those assets?		

11.	Whether the entity recognised its share of the gains and losses on a transaction in a joint operation such as purchase of assets before reselling those assets to a third party?		
12.	Whether the entity (joint operator) recognised its share of losses of such transactions which provide evidence of a reduction in the net realisable value of the assets to be purchased or of an impairment loss of those assets?		
13.	Whether the entity participating in the joint operation without joint control has accounted for its interest in the arrangement, if the entity has rights to the assets and obligations for the liabilities relating to the joint operation?		
14.	Whether the entity participating in the joint operation not having (a) joint control of joint operation and (b) rights to the assets and obligations for the liabilities accounted for its interest in the joint operation in accordance with Ind ASs applicable to that interest?		
15.	Whether the joint venturerrecognised its interest in a joint venture as an investment and accounted for that investment using the equity method in accordance with Ind AS 28, *Investments in Associates and Joint Ventures,* unless the entity is exempted from applying the equity method as specified in that standard?		
16.	Whether the party that participates in, but does not have joint control of a joint venture, has accounted for its interest in the arrangement in accordance with Ind AS 109, *Financial Instruments*, unless it has significant influence over the joint venture, in which case it shall account for it in accordance with Ind AS 28?		
17.	In its separate financial statements**, w**hether the joint operator accounted for its interest in a) the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the Ind ASs applicable to the particular assets, liabilities, revenues and expenses; & b) a joint venture in accordance with Para 10 of IndAS 27, Separate Financial Statement.		
18.	Whether the party that participates in without joint control of a joint venture, has accounted for its interest in the arrangement in accordance with Ind AS 109, *Financial Instruments*, unless it has significant influence over the joint venture, in which case it shall account for it in accordance with Ind AS 27?		

Checklist for Indian Accounting Standards (Ind AS) – 112

Disclosure of Interest in Other Entities

Sl.No.	Particulars	Yes/No/ NA	Remarks
1.	Whether the IndAS-112 applicable to the entity as the entity has an interest in any of the following: (a) subsidiaries (b) joint arrangements (i.e. joint operations or joint ventures) (c) associates (d) unconsolidated structured entities?		
2.	Whether the entity disclosed information about significant judgements and assumptions it has made (and changes to those judgements and assumptions) in determining: (a) that it has control of another entity, ie an investee as described in paragraphs 5 and 6 of Ind AS 110, *Consolidated Financial Statements*; (b) that it has joint control of an arrangement or significant influence over another entity; and (c) the type of joint arrangement (i.e joint operation or joint venture) when the arrangement has been structured through a separate vehicle?		
3.	Whether the entity has determined itself as an investment entity in accordance with paragraph 27 of Ind AS 110. If yes, whether the entity has disclosed information about significant judgements and assumptions it has made in determining that it is an investment entity?		
4.	Whether the investment entity not having one or more of the typical characteristics of an investment entity (see paragraph 28 of Ind AS 110), has disclosed its reasons for concluding that it is nevertheless an investment entity?		
5.	When an entity becomes, or ceases to be, an investment entity, whether it has disclosed the change of investment entity status and the reasons for the change?		
6.	Whether the entity that becomes an investment entity has disclosed the effect of the change of status on the financial statements for the period presented?		
7.	If the period of financial statements of a subsidiary is different from that of the Consolidated financial statements (see paragraphs B92 and B93 of Ind AS 110)whether the entity has disclosed:(a) the date of the end of the reporting period of the financial statements of that subsidiary; and (b) the reason for using a different date or period?		

8.	Whether the entity has disclosed the information that enables users of its consolidated financial statements: (i) the composition of the group; and (ii) the interest that non-controlling interests have in the group's activities and cash flows; (iii) the nature and extent of significant restrictions on its ability to access or use assets, and settle liabilities, of the group; (iv) the nature of, and changes in, the risks associated with its interests in consolidated structured entities; (v) the consequences of changes in its ownership interest in a subsidiary that do not result in a loss of control; and (vi) the consequences of losing control of a subsidiary during the reporting period.		
9.	Whether as per requirement of para 12 of Ind AS 112 entity have made disclosures which are material for each of its subsidiaries that have non-controlling interests?		
10.	Whether the entity disclosed the terms of any contractual arrangements that could require the parent or its subsidiaries to provide financial support to a consolidated structured entity, including events or circumstances that could expose the reporting entity to a loss (e.g. liquidity arrangements or credit rating triggers associated with obligations to purchase assets of the structured entity or provide financial support)?		
11.	If during the reporting period a parent or any of its subsidiaries has, without having a contractual obligation to do so, provided financial or other support to a consolidated structured entity (e.g. purchasing assets of or instruments issued by the structured entity), whether the entity has disclosed: (a) the type and amount of support provided, including situations in which the parent or its subsidiaries assisted the structured entity in obtaining financial support; and (b) the reasons for providing the support?		
12.	If the entity loses control of a subsidiary during the reporting period, whether the entity disclosed the gain or loss, if any, calculated in accordance with paragraph 25 of Ind AS 110, and: (a) the portion of that gain or loss attributable to measuring any investment retained in the former subsidiary at its fair value at the date when control is lost; and (b) the line item(s) in profit or loss in which the gain or loss is recognised (if not presented separately)?		
13.	Whether an investment entity that, in accordance with Ind AS 110, is required to apply the exception to consolidation and instead account for its investment in a subsidiary at fair value through profit or loss has disclosed the fact?		
14.	For each unconsolidated subsidiary, whether the investment entity has disclosed:		

	(a) the subsidiary's name; (b) the principal place of business (and country of incorporation if different from the principal place of business) of the subsidiary; and (c) the proportion of ownership interest held by the investment entity and, if different, the proportion of voting rights held?		
15.	Whether the entity has disclosed: (a) for each joint arrangement and associate that is material to the reporting entity information regarding name, principal place of business, the nature of the entity's relationship with the joint arrangement or associate and the proportion of ownership interest or participating share held by the entity and, if different, the proportion of voting rights held (if applicable). (b) for each joint venture and associate that is material to the reporting entity: (i) whether the investment in the joint venture or associate is measured usingthe equity method or at fair value. (ii) summarised financial information about the joint venture or associate as specified in paragraphs B12 and B13. (iii) if the joint venture or associate is accounted for using the equity method, the fair value of its investment in the joint venture or associate, if there is quoted market price for the investment. (c) financial information as specified in paragraph B16 about the entity's investments in joint ventures and associates that are not individually material: (i) in aggregate for all individually immaterial joint ventures and, separately, (ii) in aggregate for all individually immaterial associates?		
16.	Whether the entity has disclosed: (a) commitments that it has relating to its joint ventures separately from the amount of other commitments as specified in paragraphs B18–B20. (b) in accordance with Ind AS 37, *Provisions, Contingent Liabilities and Contingent Assets*, unless the probability of loss is remote, contingent liabilities incurred relating to its interests in joint ventures or associates (including its share of contingent liabilities incurred jointly with other investors with joint control of, or significant influence over, the joint ventures or associates), separately from the amount of other contingent liabilities?		
17.	Whether the entity has disclosed qualitative and quantitative information about its interests in unconsolidated structured entities, including, but not limited to, the nature, purpose, size and activities of the structured entity and how the structured entity is financed?		

18.	Whether the entity has disclosed in tabular format, unless another format is more appropriate, a summary of: (a) the carrying amounts of the assets and liabilities recognised in its financial statements relating to its interests in unconsolidated structured entities. (b) the line items in the balance sheet in which those assets and liabilities arerecognised. (c) the amount that best represents the entity's maximum exposure to loss from its interests in unconsolidated structured entities, including how the maximum exposure to loss is determined. If an entity cannot quantify its maximum exposure to loss from its interests in unconsolidated structured entities it shall disclose that fact and the reasons. (d) a comparison of the carrying amounts of the assets and liabilities of the entity that relate to its interests in unconsolidated structured entities and the entity's maximum exposure to loss from those entities?		
19.	If during the reporting period an entity has, without having a contractual obligation to do so, provided financial or other support to any unconsolidated structured entity in which it previously had or currently has an interest, whether the entity has disclosed details of and reasons for providing that support?		

Checklist for Indian Accounting Standards (Ind AS) - 113

Fair Value Measurement

Sl. No.	**Particulars**	**Yes/ No/ NA**	**Remarks**
1	If the entity has the following types of transactions, has the entity ensured that these are measured based on the guidance in the relevant Ind AS and are not included within the scope of this standard: a) Share-based payment transactions within the scope of Ind AS 102,*Share-based Payment*, b) Leasing transactions within the scope of Ind AS 17, *Leases*, and c) Measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2, *Inventories*, or value in use in Ind AS 36, *Impairment of Assets*?		
2	Whether the fair value measurement framework described in this Ind AS applies to both initial and subsequent measurement if fair value is required or permitted by other Ind ASs?		
3	When measuring fair value whether entity has taken into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date?		
4	For determining the fair value, whether the entity has appropriately considered the following : a) Principal market, b) The most advantageous market, or c) The market in which the entity would normally enter into a transaction to sell theasset?		
5	Has the entity ensured that it has used the price in the principal market for the asset or liability, for which the said market is available, even if the price in a different market is potentially more advantageous as at the measurement date?		
6	Whether the entity has measured the fair value of an asset or a liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants acted in their economic best interest?		
7	Whether the price in the principal (or most advantageous) market used to measure the fair value of the asset or liability adjusted for transaction costs?		
8	Has the entity assumed that the current use of the non-financial asset is the highest and best use unless market participants suggest that a different use by the market participants would maximise the value of the asset?		
9	Where a quoted price for the transfer of an identical or a similar liability or entity's own equity instrument is not available, has the entity measured the fair value of liability or equity instrument from the perspective of market		

	participant who holds the identical item as an asset at the measurement date?		
10	When a quoted price for the transfer of an identical or a similar liability or entity's own equity instrument is not available and the identical item is not held by another party as an asset, whether an entity has measured the fair value of the liability or equity instrument using a valuation technique from the perspective of a market participant that owes the liability or has issued the claim on equity?		
11	When measuring the fair value of a liability, whether entity has taken into account the effect of its credit risk (credit standing) and any other factors that might influence the likelihood that the obligation will or will not be fulfilled?		
12	While using the exception to measure the fair value for a group of financial assets and financial liabilities, has the entity applied the price within the bid-ask spread which is the most representative of the fair value in the circumstances to the entity's net exposure to those market risks?		
13	While using the exception, has the entity ensured that the market risks which the entity is exposed to within the group of financial assets and liabilities is substantially the same?		
14	Whether entity has used valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs?		
15	Has the entity selected the inputs that are consistent with the characteristics of the asset or liability that market participants would take into account in a transaction?		
16	Whether adequate disclosure of the following has been given by the entity: a) for assets and liabilities that are measured at fair value on a recurring or non-recurring basis in the balance sheet after initial recognition, the valuation techniques and inputs used to develop those measurements, and b) for recurring fair value measurements using significant unobservable inputs (Level 3), the effect of the measurements on profit or loss or other comprehensive income for the period?		
17	To meet the objectives of above paragraph whether entity has considered all the following: (a) the level of detail necessary to satisfy the disclosure requirements; (b) how much emphasis to place on each of the various requirements; (c) how much aggregation or disaggregation to undertake; and (d) whether users of financial statements need additional information to evaluate the quantitative information disclosed?		
18	Whether disclosure of, at a minimum, of the information as per para 93 for each class of assets and liabilities measured at fair value in the balance sheet after initial recognition?		

19	Whether an entity has determined the appropriate classes of assets and liabilities based on the following: a) the nature, characteristics and risks of the asset or liability, and b) the level of the fair value hierarchy within which the fair value measurement is categorized?		
20	Whether an entity has disclosed and consistently followed policy for determining the transfers between levels in the fair value hierarchy that are deemed to have occurred?		
21	If an entity has made an accounting policy decision to use the exception in paragraph 113.48, has it disclosed the same?		
22	Disclosure of the information required by paragraph 113.93(b)-(d) for each class of assets and liabilities not measured at fair value but for which the fair value is disclosed?		
23	In case entity has issued a liability with inseparable third-party credit enhancement and measured the same at fair value, disclosure of the existence of that credit enhancement and whether it is reflected in the fair value measurement of the liability?		
24	Whether the entity made a presentation of the quantitative disclosures required by Ind AS 113 in a tabular format unless other format is more appropriate?		
25	In case the entity used a market approach to measure fair value, whether the entity has used market multiples derived from a set of comparable assets, liabilities or a group of assets and liabilities?		
26	Has the entity used matrix pricing to value financial instruments such as debt securities etc.?		
27	In case the entity used cost approach to measure fair value, does the cost approach reflect the amount that would be required currently to replace the service capacity of an asset?		
28	In case the entity used Income approach to measure fair value a) Has the entity measured the fair value by using any of the following techniques: i) Present value techniques, ii) Option pricing models, or iii) Multi-period excess earnings method? b) If not, is the valuation technique used by the entity appropriate and relevant?		

Checklist for Indian Accounting Standards (Ind AS) - 114
Regulatory Deferral Accounts

Sl. No.	**Particulars**	**Yes/No/ NA**	**Remarks**
1	Whether the Company has applied the requirements of this standard in its *first Ind AS financial statements,* if and only if, it: i. Conduct rate regulated activities and ii. Recognized amounts that qualify as regulatory deferral account balances in its financial statements in accordance with previous GAAP?		
2	Whether the Company has applied the requirements of the Standard in its financial statements for subsequent periods, if and only if, in its first Ind AS financial statements, it recognized regulatory deferral account balances by electing to apply the requirements of this Standard?		
3	Whether the Company that is within the scope of and that elects to apply, this Standard applied all of its requirements to all regulatory deferral account balances that arise from all of the entity's rate-regulated activities?		
4	Whether the Company has continued to apply previous GAAP accounting policies for the recognition, measurement, impairment and de-recognition of regulatory deferral account balances, except for any changes permitted by the Standard?		
5	Whether the presentation of such amounts has complied with the presentation requirements of this Standard, which may require changes to the entity's previous GAAP presentation policies?		
6	Whether the Company has made changes in its accounting policies for the recognition, measurement, impairment and de recognition of regulatory deferral account balances, and whether the changes has made the financial statements more relevant to the economic decision-making needs of users?		
7	Whether the Company has presented separate line items in the balance sheet for: a. the total of all regulatory deferral account debit balances; and b. the total of all regulatory deferral account credit?		
8	Whether the Company that elects to apply this Standard disclosed information that enables users to assess: a. the nature of, and the risks associated with, the rate regulation that establishes the price(s) that the entity can charge customers for the goods or services it provides; and b. the effects of that rate regulation on its financial position, financial performance and cash?		
9	Whether the Company has presented, in other comprehensive section of the statement of profit and loss, the net movement in all regulatory deferral account balances for the reporting period that relate to items recognized in other comprehensive income?		
10	When Company has presented earnings per share in accordance with IndAs 33 *Earnings per share*, whether the company presented		

	additional basic and diluted earnings per share which are calculated using the earnings amounts required by Ind As 33 but excluding the movements in regulatory deferral account balances?		
11	Whether the Company has disclosed the following points to help a user of the financial statements assess the nature of, and the risk associated with the company's rate regulated activities: a. A brief description of the nature and extent of the rate regulated activity and nature of regulatory rate- setting process b. The identity of the rate regulators. If the rate regulator is a related party, the company shall disclose the fact, together with an explanation of how it is related c. How the future recovery of each class of regulatory deferral account debit balance or reversal of each class of regulatory deferral account credit balance is affected by risk and uncertainty?		
12	Whether the Company has disclosed the basis on which regulatory deferral account balances are recognized and derecognized and how they are measured initially and subsequently,including how regulatory deferral account balances are assessed for recoverability and how any impairment loss is allocated?		
13	Whether for each class of regulatory deferral account balance, the entity has disclosed the following: a. A reconciliation of the carrying amount at the beginning and the end of the period b. The rate of return or discount rate used to reflect the time value of money that is applicable to each class of regulatory deferral account balance c. The remaining period over which the Company expects to recover the carrying amount of each class of regulatory deferral account debit balance or to reverse each class of regulatory deferral account credit balance?		
14	When rate regulation affects the amount and timing of a company's income tax expense (income), whether the Company: a. Disclosed the impact of the rate regulation on the amounts of current and deferred tax recognized. b. Separately disclosed any regulatory deferral account balance that relate to taxation and related movements in that balance?		
15	When Company provides disclosure in accordance with Ins AS 112 *Disclosure of Interest in Other entities* for an interest in in a subsidiary, associate or joint venture that has rate regulated activities and for which regulatory deferral account balances are recognized in accordance with the standard, whether the Company disclosed the amounts that are included for regulatory debit and credit balances and the net movements of these balances for the interest disclosed?		
16	When Company concluded that a regulatory deferral account balance is no longer fully recoverable or reversible whether it disclosed that fact, the reason why it is not recoverable or reversible and the amount by which the regulatory deferral account balances has been reduced?		

Checklist for Indian Accounting Standard (Ind AS) – 115
Revenue from Contracts with Customers

Sl. No.	Particulars	Yes/No /NA	Remarks
1	Whether the entity has applied this Standard to all contracts with customers, except the following: (a) lease contracts within the scope of Ind AS 17, Leases; (b) insurance contracts within the scope of Ind AS 104, Insurance Contracts; (c) financial instruments and other contractual rights or obligations within the scope of Ind AS 109, Financial Instruments, Ind AS 110, Consolidated Financial Statements, Ind AS 111, Joint Arrangements, Ind AS 27, Separate Financial Statements and Ind AS 28, Investments in Associates and Joint Ventures; and (d) non-monetary exchanges between entities in the same line of business to facilitate sales to customers or potential customers?		
2	Whether the entity has accounted for a contract with a customer that was within the scope of this Standard only when all of the following criteria have met: (a) the parties to the contract have approved the contract; (b) the entity identified each party's rights regarding the goods or services to be transferred; (c) the entity identified the payment terms for the goods or services to be transferred; (d) the contract has commercial substance (i.e. the risk, timing or amount of the entity's future cash flows is expected to change as a result of the contract); and (e) it is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer?		
3	Whether the contract with the customer was modified involving a change in the scope or price (or both) of a contract that was approved by the parties to the contract?If the parties to the contract have not approved a contract modification, whether entity has continued to apply this Standard to the existing contract until the contract modification is approved?		
4	Whether the entity has assessed the goods or services promised in a contract with a customer?		
5	Whether the entity has recognised revenue when (or as) the entity satisfied a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset?		
6	Whether the entity has transferred control of a good or service over time and, therefore, satisfied a performance obligation and recognised revenue over time, if one of the following criteria is met:		

	(a) the customer simultaneously received and consumes the benefits provided by the entity's performance as the entity performs; (b) the entity's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or (c) the entity's performance does not create an asset with an alternative use to the entity (see paragraph 36) and the entity has an enforceable right topayment for performance completed to date?		
7	For each performance obligation satisfied over time whether the entity has recognised revenue over time by measuring the progress towards complete satisfaction of that performance obligation?		
8	Whether the entity has applied a single method of measuring progress for each performance obligation satisfied over time and the entity applied that method consistently to similar performance obligations and in similar circumstances?		
9	Whether entity has considered the terms of the contract and its customary business practices to determine the transaction price?		
10	If the consideration promised in a contract includes a variable amount: (a) Whether the variability relating to the consideration promised by a customer may be explicitly stated in the contract? (b) Whether the entity has estimated an amount of variable consideration by using the methods prescribed in Para 53?		
11	Whether the entity has recognised a refund liability if the entity had received consideration from a customer and expected to refund some or all of that consideration to the customer?		
12	Whether the refund liability has been measured at the amount of consideration received (or receivable) for which the entity does not expect to be entitled (i.e. amounts not included in the transaction price)?		
13	In determining the transaction price, whether the entity has adjusted the promised amount of consideration for the effects of the time value of money if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the entity with a significant benefit of financing the transfer of goods or services to the customer?		
14	To determine the transaction price for contracts in which a customer promises consideration in a form other than cash, whether the entity has measured the non-cash consideration (or promise of non-cash consideration) at fair value?		
15	Whether transaction price was allocated to each performance obligation (or distinct good or service) that depicts the amount of consideration to which the entity expects to be entitled in exchange for transferring the promised goods or services to the customer?		

16	Whether entity received a discount for purchasing a bundle of goods or services and if the entity has allocated a discount proportionately to all performance obligations in the contract?		
17	Whether the entity has recognised as an asset the incremental costs of obtaining a contract with a customer if the entity expects to recover those costs?		
18	Whether the entity has disclosed qualitative and quantitative information about all of the following: (a) its contracts with customers ; (b) the significant judgements, and changes in the judgements, made in applying this Standard to those contracts ; and (c) any assets recognised from the costs to obtain or fulfil a contract with a customer in accordance with paragraph 91 or 95?		
19	Whether entity has aggregated or disaggregated disclosures so that useful information is not obscured by either the inclusion of a large amount of insignificant detail or the aggregation of items that have substantially different characteristics?		
20	Whether the entity has disclosed all of the following amounts for the reporting period unless those amounts presented separately in the statement of profit and loss in accordance with other Standards: (a) revenue recognised from contracts with customers, which the entity shall disclose separately from its other sources of revenue (b) any impairment losses recognised(in accordance with Ind AS 109) on any contracts receivables or contract assets arising from an entity's contracts with customers,which the entity shall disclose separately from impairment losses from other?		
21	Whether the entity has disaggregated revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors?		
22	Whether entity has disclosed sufficient information to enable users of financial statements to understand the relationship between the disclosure of disaggregated revenue (in accordance with paragraph 114) and revenue information that is disclosed for each reportable segment, if the entity applies Ind AS 108, *Operating Segments*?		
23	Whether entity disclosed all of the following: (a) the opening and closing balances of receivables, contract assets and contract liabilities from contracts with customers, if not otherwise separately presented or disclosed; (b) revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period; and (c) revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods (for example, changes in transaction price)?		
24	Whether an entity has explained how the timing of satisfaction of its performance obligations relates to the typical timing of payment and the effect that those factors have on the contract asset and the		

	contract liability balances. The explanation provided may use qualitative information?		
25	Whether an entity has given explanation of the significant changes in the contract asset and the contract liability including any of the following: (a) changes due to business combinations. (b) cumulative catch-up adjustments to revenue that affect the corresponding contract asset or contract liability, including adjustments arising from a change in the measure of progress, a change in an estimate of the transaction price (including any changes in the assessment of whether an estimate of variable consideration is constrained) or a contract modification; (c) Impairment of a contract asset. (d) A change in the time frame for a right to consideration to become unconditional (i.e for a contract asset to be reclassified to a receivable)?		
26	Whether an entity has disclosed information about its performance obligations in contracts with customers, including a description of all as per Paragraph 119?		
27	Whether an entity has disclosed the information as per Para 120 about its remaining performance obligations in case of contract period more than one year and if the entity recognises revenue from the satisfaction of the performance obligation not in accordance with paragraph B16 of Appendix B of Ind AS?		
28	Whether an entity has disclosed the judgments, and changes in the judgments, used in determining both of the following: (a) The timing of satisfaction of performance obligations); and (b) The transaction price and the amounts allocated to performance obligations?		
29	Whether an entity has disclosed the following if entity satisfies over time (a) The methods used to recognise revenue (for example, a description of the output methods or input methods used and how those methods are applied); and (b) An explanation of why the methods used provide a faithful depiction of the transfer of goods or services?		
30	Whether an entity has disclosed the significant judgment made in evaluating when a customer obtains control of promised goods or services?		

ANNEXURE-I

Proforma

Name of the Autonomous Body:

1.	Date of submission of Accounts by the Autonomous Body.	
2.	Where applicable reasons for returning the accounts for revision indicating why the accounts could not be certified with qualification.	
3.	Date of submission of revised accounts to audit where revision was considered essential.	
4.	Dates on which audit was taken up and completed.	
5.	Date of issue of Draft SAR to Autonomous Body for replies/Comments.	
6.	Date of receipt of replies/comments from the Autonomous Body, if received.	
7.	Date of issue of Draft SAR including replies/comments of Autonomous Body to C&AG of India	
8.	a) Date of C&AG's office letter communicating approved SAR. b) Date of receipt of letter and approval at 8(a).	
9.	Date of issue of final Audit Report to Government of India/ C&AG office. a) English Version b) Hindi Version (if required)	
10.	Reasons for delay, if any, at various stages	
11.	Date of presentation of the previous Audit Reports to the Parliament.	

Director General of Audit (Energy)

CHECK LIST

Item No.	Name of Item	Whether enclosed with SAR
1.	Performa showing year, submission of accounts, dates of audit and status of presentation of previous audit reports before Parliament/Legislature (duly filled in all respect) (Circular letter No. 173- Rep(AB)27-84-I dated 10.9.99).	May be filled by Reports Section
2.	Copy of resolution/minutes of the authority approving the accounts/revised accounts (Circular letter No. Res(AB)/150-2000 dt. 8.3.2002).	Enclosed
3.	Two copies of Draft SAR with a) Key linking of figures with accounts b) Statement showing key working of the effect of audit comments on the accounts	 Yes please Yes pleases
4.	Aide –Memoire	Yes pleases
5.	One copy of authenticated Annual Accounts accepted in audit for certification	Given in Annexure-I to Draft SAR
6.	A brief note on the evaluation of Internal Control (Circular letter No. 77-Rep(AB)/63-2004 dated 5.4.2004)	Yes pleases

Director General of Audit (Energy)

Assurance Memo

(Forwarded in compliance of HQ office Circular No. 76/RC(AB)/Misc./04-37/2013 dated 24.06.2016)

1. The Autonomous Body has drawn its accounts in the uniform format of accounts/new format of accounts prescribed by MoPNG and in case of non-compliance, the same have been pointed out in the SAR.
2. The accounts contain the necessary approval of the competent authority.
3. The accounts comply with the relevant accounting standards issued by ICAI and cases on non-compliance have been commented in the SAR, if any.
4. The audit has been conducted as per the checklist mentioned in the appendix 8.6 of the Manual of Instructions for Audit of Autonomous Bodies and extant instructions/circulars issued by Headquarters.
5. The information/documents to be submitted with the draft SAR to Headquarters is complete as per para 10.06 of Manual of Instructions for Audit of Autonomous Bodies.

For and on behalf of the C&AG of India

Place:

Date:

Director General of Audit (Energy),
New Delhi

ANNEXURE-J (page no-995)

INTOSAI guidelines

Chapter I

INTRODUCTION

INTOSAI's June 1992 Guidelines for Internal Control Standards defines an internal control structure as the plans of an organization, including management's attitude, methods, procedures, and other measures that provide reasonable assurance that the following general objectives are achieved

- promoting orderly, economical, efficient, and effective operations and quality products and services consistent with the organization's mission; - safeguarding resources against loss due to waste, abuse, mismanagement, errors, and fraud and other irregularities; - adhering to laws, regulations, and management directives; and - developing and maintaining reliable financial and management data and fairly disclosing that data in timely reports

The internal control standards prescribed by INTOSAI form a framework for an internal control structure that meets these objectives. INTOSAI's general and detailed standards are reiterated in chapters II and III, respectively. These chapters also highlight the viewpoints on implementing the standards that were provided by INTOSAI members. Their enlightening perspectives are presented in the context of both control practices that have worked well and examples of control weaknesses that have been identified. Also, the information furnished by INTOSAI's members for this study was valuable in identifying practices that Supreme Audit Institutions have found to be most useful in creating and monitoring a strong internal control framework. These common practices include - having a constitutional or a legislative provision that establishes in law an overall basis (or a requirement and objectives) for maintaining effective internal controls; - prescribing internal control standards to be followed when designing an internal control structure and which can be patterned after or adopted from INTOSAI's standards; - focusing management's attention on its responsibilities for implementing effective internal controls and continuously maintaining a positive internal control environment; - emphasizing the prevention of internal control breakdowns - rather than detecting and correcting them - through such means as requiring managers to periodically undertake self-evaluations of internal control operations; - stressing the role of internal auditors as a critical part of an organization's internal control structure; and - ensuring that Supreme Audit Institutions play a key role in (1) establishing internal control standards, (2) creating a solid internal control framework, (3) working with internal auditors, and (4) evaluating internal controls as an integral part of both financial and performance audits. These overarching elements of a sound internal control structure are further discussed in chapter IV. They reinforce guidance in these areas that the INTOSAI Internal Controls Committee promulgated in June 1992.

Chapter II

EFFECTIVELY IMPLEMENTING GENERAL STANDARDS

To provide the proper control environment within an organization, INTOSAI has established internal control general standards in the following areas: (1) reasonable assurance, (2) supportive attitude, (3) integrity and competence, (4) control objectives, and (5) monitoring controls. REASONABLE ASSURANCE INTOSAI's first internal control general standard states that internal control structures are to provide reasonable assurance that the general objectives will be accomplished. Reasonable assurance equates to a satisfactory level of confidence under given considerations of costs, benefits, and risks. This means that the cost of internal control should not exceed the benefit derived. INTOSAI member countries have had experience in applying this standard. New Zealand, for example, reports that each chief executive of a government department has an obligation as a responsible manager for establishing and maintaining a system of internal control procedures that provides reasonable assurance as to the integrity and reliability of financial reporting. While this responsibility is normally delegated to the organization's chief financial officer (CFO), both the chief executive and the CFO sign a Statement of Responsibility, which is included as part of the organization's annual report along with audited financial statements and service performance measures. In Japan, reasonable assurance that internal controls are effectively maintained is affected by public sector activities that have become increasingly complicated and diversified in the past decades and by increasing delegation of authority to lower echelons. But Japan's Constitution provides the overall foundation necessary to create an effective control environment through requirements such as for (1) the Cabinet to annually submit final accounts of State revenues and expenditures to the Diet (parliament) and (2) the Board of Audit to audit these accounts every year. On the other hand, in the Republic of South Africa, government internal controls are reported to not yet be at a satisfactory level nor effective due to several factors, including the large size of its departments and slack controls. Compounding these problems, management does not always have the knowledge to implement the appropriate internal controls and to maintain them in a working order. Although the Republic of South Africa's internal control environment does not currently provide reasonable assurance that adequate internal controls are in place and operating as intended, the government realizes this problem and is addressing them by means such as implementing an internal audit function in all government entities. Also, the government has appointed local and international consultants to facilitate the establishment of a professional institute for public finance and auditing. SUPPORTIVE ATTITUDE Another general control standard stipulates that managers and employees are to maintain and demonstrate a positive and supportive attitude toward internal controls at all times. INTOSAI member countries have learned first-hand the central role this standard can play in creating an effective internal control environment. For example, in the early 1990s, Iceland's National Audit Office conducted several audits among major governmental lending institutions that showed serious weaknesses in a range of areas related to controlling, monitoring, and reporting nonperforming loans. In many instance, government managers' lax attitude towards proper controls in lending, collections, risk management, and application of loan loss reserves contributed to the weaknesses. As a result, at the end of 1991, the Development Fund of Iceland ceased operations because its management failed to recognize heavy loan losses. Improvements have been made in some areas, such as properly accounting for loan loss reserves, which is now done on a regular basis by all major governmental funds. In another example, in the 1980s and 1990s, the United States experienced substantial savings and loan institution and bank failures, which cost the federal government hundreds of billions of dollars. Control weaknesses were a major cause of the failures; a key factor leading to these weaknesses was a fundamental flaw in management's philosophy and operating style regarding internal controls. For instance, at some savings and loan institutions, inadequate board supervision and the presence of a dominant figure had a detrimental effect on the viability of the institution. This led to risk-oriented activities such as excessive growthoriented practices, unwarranted loan concentrations, and an overreliance on volatile funding sources. However, INTOSAI member countries, including Iceland and the United States, view internal control as a major and important part of their operations. For example, in response to the savings and loan institution and bank failures, the U.S. Congress enacted legislation, the Federal Deposit Insurance Corporation Improvement Act of 1990, to address the serious weaknesses that contributed to earlier bank failures and to require reporting on the effectiveness of financial reporting internal controls. In another instance, the Kingdom of Tonga's government has demonstrated a supportive attitude toward internal controls by passing legislation and establishing related regulations and policies. These includes (1) laws to establish an internal control framework for disbursing public money and preparing accounts and (2) regulations setting out the internal control points for the receipt, expenditure, custody, and handing over of public funds. Further, the Audit Department emphasizes to government departments the importance of improving internal controls over financial management and programs. INTEGRITY AND COMPETENCE Regarding integrity and competence, INTOSAI's general control standards call for the following. Managers and employees are to have personal and professional integrity and are to maintain a level of competence that allows them to understand the importance of developing, implementing, and maintaining good internal controls and to accomplish the general objectives of internal controls. Several INTOSAI countries have found that, when this general standard is not adhered to, the result can be weak internal control situations involving large monetary values. In one such situation, during a government wide review of purchasing goods and services, which represents a significant level of New Zealand's public expenditures, the Audit Office found an array of weaknesses it attributed, in part, to the lack of integrity and competence by purchasing managers. The deficiencies ranged from not documenting the decision making processes for determining purchasing needs and not specifying delegations of authority to not providing adequate review and approval of specific purchases. The New Zealand Audit Office also reports that a recent focus on sensitive areas of discretionary expenditures, such as using credit cards, has resulted in instances of senior officials' integrity being questioned. Another case in point is the United States government's Department of Housing and Urban Development (HUD), which is the principal government agency responsible for housing, community development, and fair housing opportunities. While HUD has since taken action to change the way the agency is managed, in 1989, major incidents of fraud, abuse, and mismanagement at HUD were found and attributed to internal control weaknesses, including an insufficient mix of properly skilled staff. On the other hand, INTOSAI member countries also report having internal controls practices designed to help avoid situations such as those just described. For instance, the National Audit Office of the People's Republic of China reports internal controls covering personnel requirements. Applicants for a post go through strict examinations, are assessed and selected in an open and impartial way, and new members are trained. They will not be allowed to go to their new posts before they are able to procure the "Certificate for The Post." Thus, they are recognized according to their abilities. Further, the members are examined regularly and awarded or penalized according to their work performance and contribution to their organization. When necessary, they will be transferred to other posts. CONTROL OBJECTIVES INTOSAI's internal control standards also suggest that specific control objectives are to be identified or developed for each ministry/department/agency activity and are to be appropriate, comprehensive, reasonable, and integrated into the overall organizational objectives. The following instances typify the experiences of INTOSAI member countries in establishing control objectives, which in some cases have not yet progressed beyond having overall organizational objectives. The Republic of South Africa's Auditor-General reports that a primary objective for the government is to prevent errors or irregularities from occurring in management or financial information or, if any have occurred, to detect them. A range of specific overall control objectives have been identified and include (1) properly recording and accounting for business transactions and activities, (2) safeguarding assets and information from misuse and misappropriation, and (3) establishing limits to which various staff can commit an entity. Also, the Auditor General for the Kingdom of Tonga reports taking the lead to identify and develop specific control objectives for each government ministry and department activity. The Auditor General is in the process of ensuring that the control objectives are appropriate, comprehensive, reasonable, and integrated into the overall organization structure. INTOSAI's internal control guidelines are being used as the foundation for this process. Conversely, when internal controls and their objectives are not clearly established and understood, internal control breakdowns can result. For example, Japan's Board of Audit found that municipalities improperly included the medical costs of many retired persons in State subsidized National Health Insurance costs. Significant overpayments in subsidy costs resulted. The problem arose, in part, because municipalities did not understand the State subsidy medical cost subsidy system and requirements. MONITORING CONTROLS In addition, INTOSAI's standards specify that managers are to continually monitor their operations and take prompt, responsive action on all findings of irregular, uneconomical, inefficient, and ineffective operations. The following cases show the importance of monitoring operations to ensure that controls are achieving the desired results and of building this standard into the methods and procedures used to control operations. In one case, the Icelandic National Audit Office reports a main internal control weakness to be the lack of understanding of the importance of internal controls among individual agency managers. Along with other problems, this weakness was evident in a lack of adherence to the established internal control structure. The National Audit Office said that, although an Icelandic government agency might have well defined internal controls on paper, the reality can be quite different. The audit office has found that, without the necessary understanding and monitoring, it is more convenient for people to not follow established control practices. Another case involves the New Zealand government, which commonly uses consultants that represents a significant expenditure. The New Zealand Audit Office reports finding irregular, uneconomical, inefficient, and ineffective operations associated with the use of consultants. Further, the Office's experience has been that the departments have not taken prompt, responsive action on these findings and thus, the standard calling for monitoring controls was not being adhered to. On a more positive note, the United Kingdom's National Audit Office reports that, when instances of weak internal controls are identified and reported, management responds to the points raised and early corrective action will normally have been taken. The Office's aim is to monitor follow-up action, and to provide further advice to management as necessary. New areas of risk identified as a result of audit will be reflected in subsequent audit planning.

Chapter III

ACHIEVING CONTROL OBJECTIVES THROUGH DETAILED STANDARDS

To help achieve control objectives and an orderly and effective internal control structure, INTOSAI's internal control guidelines provide detailed standards covering (1) documentation, (2) prompt and proper recording of transactions and events, (3) authorization and execution of transactions and events, (4) separation of duties, (5) supervision, and (6) access to and accountability for resources and records. DOCUMENTATION Regarding adequate documentation, INTOSAI's detailed standards indicate the following. The internal control structure and all transactions and significant events are to be clearly documented, and the documentation is to be readily available for examination. Documentation of transactions or significant events should be complete and accurate and should enable each transaction or event (and related information) to be traced from its inception, while it is in process, to after it is completed. A cross section of INTOSAI member countries reported having learned the detrimental effects of not having adequate documentation, as illustrated by the following three situations. First, the National Audit Office in the United Kingdom reported instances of non-existent or inadequate documentation to support financial transactions having been identified as a result of financial audits. For example, the Audit Office reported instances of - the lack of documentation being submitted by employees to support payments made for expenses paid by government credit cards; - the lack of adequate documentation to support legal aid applicants' claims, resulting in insufficient evidence to confirm entitlement and proper payments as authorized by Parliament; and - the government body being unable to produce documentation to support the decision of its management board to dispense with competitive tendering for a contract. Second, the government of Tonga's departments, ministries, and statutory bodies have also identified nonexistent and incomplete documentation and records. For instance, at one department, copies of receipts were lost but the accounting officer and the accounts section did not consider this as serious or contrary to laws and regulations. Third, as a result of examining documentation maintained to support transactions, the Republic of South Africa's Auditor-General identified and reported to Parliament a substantial number of instances involving payments from the government's Department of Labor where beneficiaries had been paid the same amounts based on the same source documents. In other instances, the same amounts had again been paid in respect to the same source documents, although the beneficiaries' names were not exactly identical. The value of the double or multiple payments was substantial. To help overcome deficiencies such as these, INTOSAI's internal control standards suggest that documentation of transactions or significant events should be complete and accurate. This should enable each transaction or event (and related information) to be traced from its inception, while it is in process, to after it is completed. PROMPT AND PROPER RECORDING OF TRANSACTIONS AND EVENTS INTOSAI's detailed standards also provide that transactions and significant events are to be promptly recorded and properly classified. This applies to the entire process or life cycle of a transaction or event, including (1) the initiation and authorization, (2) all stages while in process, and (3) its final classification in summary records. As with documentation, INTOSAI's members reported on the challenges of meeting this standard as well. For example, because of lapses in internal control in the system used to pay United States Army personnel, some individuals were paid that should not have been paid because they were no longer in the Army. Further, these improper payments were not detected by the payroll system. In a one-month period that the U.S. General Accounting Office reviewed, it determined that about 2,200 Army soldiers were overpaid. Many of these individuals received unauthorized payments for several months, with total overpayments reaching $7.8 million. The improper payments occurred primarily because U.S. Department of Defense personnel did not comply with established procedures. For instance, field-level finance offices did not always enter soldiers' separations from active duty and other personnel transactions in the payroll system in a timely manner and payroll staff could not provide adequate support for some payments. The United Kingdom's National Audit Office has also reported instances which it has classified as control weaknesses involving transactions not being promptly and properly recorded. In one instance, procedures were not in place to ensure the prompt and secure handling and recording of cash receipts. For example, the Office identified delays of over two weeks in depositing checks, which increased the risks of misappropriation. In another case, the Office reported financial control weaknesses in purchasing, including failures to record the authorization of transactions such as purchase order, inadequate proof of delivery, and inadequate checking of goods received. Moreover, in New Zealand, a number of government entities have undergone significant system changes that were not fully tested. This has resulted in instances of untimely processing of transactions and lack of reconciliations; a common control deficiency reported by that country's National Audit Office. To help prevent situations such as these, INTOSAI's internal control standards recognize that prompt and proper recording of information is essential. Meeting this standard is pivotal for assuring the timeliness and reliability--and thus, the value and relevance to management--of all information used by an organization to support its operations and decisionmaking. AUTHORIZATION AND EXECUTION OF TRANSACTIONS AND EVENTS INTOSAI's detailed standards set forth the expectation that transactions and significant events are to be authorized and executed only by persons acting within the scope of their authority. Conforming to the terms of an authorization means that employees execute their assigned duties in accordance with directives and within the limitations established by management or legislation. But some INTOSAI members have reported instances where stronger controls over the authorization of transactions could have resulted in more effective controls and savings. For instance, in 1992, the Icelandic National Audit Office audited automobile expenses across many sections of the Icelandic government. The audit showed several weaknesses in the overall structure and control in this area, including many contracts that were made with individual employees in an unstructured manner regardless of transportation requirements--thus limiting managerial approval and other controls. Yet another perspective on this issue was demonstrated by the Comptroller General of the Republic of Costa Rica through an example involving that country's use of State-owned vehicles. An audit detected that, while the use of such vehicles should be properly authorized, they were being used (1) for unauthorized purposes, (2) during non-working hours without authorization, and (3) inappropriately by an official for discretionary purposes. Based on studies of internal control problems such as these, auditors in China have reported agreement that the concept of internal control must cover control of authorization. They advise that this control is necessary to help ensure that personnel work within the limits of their permitted authority and thus, exert control over business activities at the point at which they are started. SEPARATION OF DUTIES As with the other detailed standards, INTOSAI's member countries fully understand the risk of error, waste, or wrongful acts associated with having one person control all key stages of a transaction or event. In this regard, INTOSAI's internal control guidelines direct that key duties and responsibilities in authorizing, processing, recording, and reviewing transactions and events should be separated among individuals. Properly implementing this standard would greatly help to avoid situations like the following episodes reported by INTOSAI members, such as Tonga, which found that separation of duties is a major weakness that is common to departments and ministries of its government. In more specific examples, the Audit Office in New Zealand has found that risks have arisen as a result of the use of significant numbers of contracting staff in certain government entities. Although the entities may have met their aim of reducing expenditures, there has sometimes been a trade-off in creating a separation of duties risk. To address these kinds of problems, Japan reports that its control system to prevent accounting errors and fraud incorporates separation of duties, such as those of contract officers and disbursement officers. For example, (1) the Ministry of Finance notifies the disbursement officers of approved disbursement plans, (2) the disbursement officers submit disbursement reports to the Ministry of Finance, (3) the contract officers notify the disbursement officers of contract amounts and contents, and (4) the disbursement officers approve disbursement after checking whether the contract amount is within the budgeted amounts. However, as the United Kingdom's National Audit Office reports, it is often difficult for small organizations to maintain proper segregation of duties. The Office has found cases where (1) people were able to both authorize and check payments, (2) staff could requisition, authorize, and receive goods, and (3) there was little or no evidence that supervisory checks were done. In cases where small organizations make adequate separation of duties difficult, INTOSAI's guidelines suggest that management must be aware of the risks and compensate with other controls. For instance, rotation of employees may help ensure that no one person deals with key aspects of transactions or events for an undue length of time. SUPERVISION INTOSAI's internal control guidelines prescribe that competent supervision is to be provided to ensure that internal control objectives are achieved. The efforts of INTOSAI members to implement and audit internal controls have underscored the importance of proper supervision of assignments and employees as a fundamental internal control mechanism. The Comptroller General of the Republic of Costa Rica has provided two excellent case studies involving noncompliance with INTOSAI's supervision standard. The first case relates to a computerized system used by banks that collect Customs revenues for the electronic transmission to Customs offices throughout Costa Rica. Auditors found that the process developed by Customs for confirming, recording, and revising this information allowed for unsupervised modification of electronically transmitted data without any documentary support or verification of its validity and reliability. The second case relates to an evaluation of the Costa Rican government's resources used to deliver health services--particularly the external consultation service provided by one of the country's largest public hospitals. Auditors reported that medical resources were significantly underutilized because the established work schedule was not complied with, which resulted in the misuse of available equipment and facilities and the absence of timely attention to waiting patients. The underlying cause was attributed to the absence of supervision and subsequent control of work timetables by the heads of medical specialties. Another country, the Kingdom of Tonga, has also identified supervision, as well lack of training, as an internal control weakness common to most government agencies. The Auditor General has assisted in addressing these weaknesses by starting training programs, identifying supervisors for every level of staff, and stressing the importance of these aspects of internal control systems. A third INTOSAI member, the National Audit Office of the United Kingdom, has found that adequate supervision is essential in operations such as those related to contracts. It found that monitoring the operation of contracts is key to ensuring that suppliers meet the terms and conditions of the contract for price, standards, and delivery and that the contract remains competitive. The Office found, for instance, that evidence of poor contract monitoring resulted in a final cost of £180,000 on a contract initially worth £25,000 without the required approval for the increase having been made. In another case, a refund was due on a contract but because of poor monitoring, the government was unaware of the potential refund and thus, did not make a claim. To help ensure proper supervision, INTOSAI's internal control standards state that supervisors are to review and approve, as appropriate, the assigned work of their employees. They must also provide their employees with the necessary guidance and training to help ensure that errors, waste, and wrongful acts are minimized and that specific management directives are understood and achieved. ACCESS TO AND ACCOUNTABILITY FOR RESOURCES AND RECORDS The last INTOSAI detailed standard instructs that access to resources and records is to be limited to authorized individuals who are accountable for their custody or use. To ensure accountability, the resources are to be periodically compared with the recorded amounts to determine whether the two agree. The asset's vulnerability should determine the frequency of the comparison. The work of INTOSAI members has demonstrated the effects of failing to effectively implement this standard to reduce the risk of unauthorized use or loss to the government and help achieve management directives. In one circumstance involving access to records, the United States government's tax collector, the Internal Revenue Service (IRS), has been plagued by poor internal controls over its computer systems. The U.S. General Accounting Office's financial statement audits showed that IRS did not have adequate safeguards to detect or prevent unauthorized employee access to taxpayer information or to prevent employees from changing certain computer programs to make unauthorized transactions without being detected. The fundamental control problems included controls that did not adequately prevent users from unauthorized access to sensitive programs and data files. Also, numerous users had been given authorized access to powerful computer system privileges which could allow existing security controls to be circumvented. In a situation involving the comparison of resources and records, the Auditor-General for the Republic of South Africa reported finding that the completeness and correctness of the Department of Land Affairs' bank balance could not be confirmed because the Department had not compiled a bank reconciliation for more than 1 year. The difference between the balance according to the Department's accounting records and the bank's statements was great. INTOSAI's internal control standards point out that restricting access to resources and a periodical reconciliation of records reduces the risk of unauthorized use or loss to the government and helps achieve management directives.

Chapter IV

BUILDING EFFECTIVE INTERNAL CONTROL STRUCTURES

Consistent with INTOSAI's guidelines, member countries have stressed that building effective internal control structures requires the following critical elements: (1) legislative underpinnings, (2) internal control standards, (3) managers who accept primary responsibility for effective controls, (4) periodic internal control self-assessments by managers, (5) internal audits of controls, and (6) a supreme audit organization that is engaged in establishing and reviewing internal control systems. LEGISLATIVE UNDERPINNINGS As discussed in the INTOSAI internal control guidelines, in some countries, the legislators will establish the overall objectives that the internal control structures should achieve while leaving the internal control standards to be established to a responsible central organization. In others, the legislators set specific controls for certain operations in legislation. Indeed, INTOSAI members have found it helpful to have legislation that establishes an overall requirement and objectives for maintaining effective internal controls. For example, in Bolivia and in the Netherlands a legislative foundation for public sector internal control is provided by the 1990 Governmental Management and Control law and the Government Accounts Act, respectively. In Japan, financial and accounting check and control systems are stipulated in the Public Finance Law and the Public Account Law, as well as regulations based on this law. The financial accounting activities of all the Japanese government's ministries and agencies are governed by these statutory check and control systems. The United States Congress has also recognized the importance of having legislative underpinning to promote effective internal controls. For instance, it has enacted legislation that requires U.S. government agencies to (1) annually evaluate and report on the status of control systems, (2) have an independent audit function, and (3) annually issue and have audited reports on their financial condition. INTERNAL CONTROL STANDARDS INTOSAI's internal control guidance also points out that, in establishing the framework for internal control structures, a specific authority should be assigned the responsibility for developing and promulgating the standards to be followed when designing an internal control structure. This responsibility could be assigned through constitutional or other legal enactment and given to a central organization with authority across various government organizations. Several INTOSAI member countries have prescribed internal control standards that are to be followed in establishing and monitoring an internal control structure, and some have patterned their standards after, or have adopted, INTOSAI's standards. For instance, the Office of the Comptroller General of the Republic of Bolivia used INTOSAI's guidelines to prepare and issue internal control standards for use in that country. The Office reports that the result has contributed to and facilitated the achievement of control objectives. In the United States, under law, the Comptroller General is charged with developing internal control standards for use by agencies of the U.S. government. These were first issued in 1983 as Standards for Internal Controls in the Federal Government to provide the criteria for establishing and evaluating internal controls. These standards are currently being updated. Another country, the Peoples Republic of China, has also found that a standard is necessary for assessing an organization's internal controls. The National Audit Office reports that the standard is defined by auditors on the basis of the regulations issued by the Chinese government and related departments. The Chinese National Audit Office advises that such a standard--which is usually referred to as an ideal control standard--embodies the control links and procedures essential for a sound internal control system, and it is used by auditors to impartially assess the target organization to determine whether its internal controls are complete and effective. MANAGEMENT'S RESPONSIBILITY INTOSAI's guidelines explain at length management's internal control responsibilities, emphasizing that all managers should realize that a strong internal control structure is fundamental to their control of the organization and its purpose, operations, and resources. INTOSAI member countries that provided information for this study have experienced the need for focusing managers' attention on their responsibilities for implementing effective internal controls and continuously maintaining a positive internal control environment. For example, the Netherlands Court of Audit reports that the framework of responsibility for internal control, which is a cornerstone of central government in the Netherlands, has been developed by means of close cooperation between Parliament, the ministry of Finance, and the Court. Also in this regard, the Government Accounts Act states that it is the minister who is responsible for pursuing sound financial management and for controlling the effectiveness and efficiency of management, organization, and policy. Another instance involves Iceland, where the Icelandic National Audit Office reports that the management of individual governmental agencies is responsible for developing and implementing internal controls. Also, agencies within the central government--such as the Central Accounting Office, the Financial Reporting Commission and to some degree the Ministry of Finance--are directly responsible for implementation of financial controls. Another example comes from Egypt. The Egyptian Central Auditing Organization reports that the senior management of an entity is responsible for developing and implementing internal controls such as by continuously reconsidering the organizational structure that has been created to direct and control its activities. SELF-ASSESSMENTS INTOSAI member countries concentrate on preventing internal control breakdowns before they occur. To illustrate, South Africa's Supreme Auditor reports that a primary objective is to prevent errors or irregularities from occurring in management or financial information, or if any have occurred to detect them. Also, in Egypt, auditors evaluate internal control systems to identify their efficiency in preventing or detecting major mistakes. Several INTOSAI member countries require managers to periodically undertake selfevaluations of internal control operations. INTOSAI's guidelines recognize this practice as useful to ensure that controls for which managers are responsible continue to be appropriate and are working as planned. For New Zealand, emphasis is given to self-review procedures in each individual government entity. These procedures include a program of self-assessment covering internal audit and financial controls, as well as management review and evaluation of output effectiveness. In another case, agencies of the United States government are required by law to annually conduct control self-assessments. These evaluations are to be made pursuant to guidelines issued centrally by the U.S. Office of Management and Budget. The results are to be reported to the U.S. President and the U.S. Congress. These reports are to state whether systems meet the objectives of internal control and conform to standards established by the U.S. Comptroller General. Also, U.S. government agencies are required to take actions to correct control weaknesses the self-assessments identify. In addition, the Bolivian Comptroller General's future plans call for governmental institutions to schedule self-evaluations of the design, operation, and effectiveness of their internal control structures. Bolivia's Comptroller General envisions that the highest responsible officials in each public institution would carry out a self-evaluation and at least annually report their conclusions to the Office of the Comptroller General, which would (1) evaluate the process and outcome and (2) determine the reliability of the data generated by the institution and/or proposed corrective measures. INTERNAL AUDITS Management often establishes an internal audit unit as part of its internal control and selfreview framework. In this tradition, most INTOSAI members find the role of internal auditors to be a critical part of an organization's internal control structure. For example, the Supreme Auditors of both Bolivia and Egypt report that internal auditors should evaluate and periodically report on the effectiveness of and deficiencies in internal control structures and the risk that such weaknesses represent for effective government operations and protecting its assets. The Netherlands is also typical--the audit departments of the ministries audit the financial statements of their ministries and perform specific financial management systems audits. The Netherlands Court of Audit reports that, by advising the minister on internal control weaknesses found during these audits, the internal auditors play an important role in the ongoing improvement of internal (financial) controls. This is reinforced by the performance of specific internal control investigations done at the request of the ministers. In the United Kingdom, the Accounting Officers within each central government body, who are responsible for the financial management and internal control systems, are assisted in fulfilling these responsibilities by the services of an internal audit function. Internal audit operates as a service to management by measuring, evaluating, and reporting on the effectiveness of the elements of the internal control system.

SUPREME AUDITOR'S RESPONSIBILITY INTOSAI members have underscored the key role Supreme Auditors play in (1) establishing internal control standards, (2) creating a solid internal control framework, (3) working with internal auditors, and (4) evaluating internal controls as an integral part of both their financial and performance audits. In sum, the Supreme Audit Institution should gear its work toward assessing the adequacy in principal and the effectiveness in practice of existing internal controls in audited organizations. One nation's Supreme Audit Institution described its internal control responsibilities this way. Control accomplished by the Comptroller General of the Republic of Costa Rica essentially consists of the financial, accounting, economic, operational, administrative and legal examination of public resources and is basically carried out by means of investigations and audits covering financial, operational, legal, computerized and special areas. Like the process reported in use by many INTOSAI Supreme Auditors, the Costa Rica's Comptroller General - evaluates the internal control system in the audited institution, which is comprised of the control environment, the recording and information system, and control proceedings; - verifies the effectiveness of the internal control system and identifies the critical areas in the activity under examination; - prepares reports to the administration that summarize detected deficiencies and weaknesses and recommend measures to be adopted for their solution and for the prevention of more severe problems; and - carries out pertinent follow-up studies to determine whether recommendations and measures, which have been jointly agreed upon with the administration, have been adequately enforced. CONCLUSIONS In 1992, when INTOSAI's Internal Control Standards Committee issued its guidelines for internal control standards, it called for Supreme Auditors to encourage and support the establishment of internal controls. As envisioned by the Committee, this would encompass (1) educating management as to its responsibilities for implementing and monitoring the control structures and (2) auditing those structures to assure that controls are adequate to achieve the desired result. In the intervening 5 years, INTOSAI member countries have achieved a wide range of positive results and are making progress--in some cases, substantial progress--in fulfilling this vision. The individual country papers prepared by Supreme Auditors have provided considerable new insights into the use and assessment of internal controls by various INTOSAI members. Through these papers, the committee has identified several common elements, which this chapter outlines, that are evident in sound internal control structures in all systems of government. These elements parallel INTOSAI's 1992 guidance, which provides a foundation for supporting the prescribed general and detailed control standards. However, this foundation is not yet fully in place and working smoothly in all of INTOSAI's member countries. Further, preserving the effectiveness of these elements and refining the adequacy of internal controls based on the standards should be a continuous process. Accordingly, each INTOSAI member can learn from the constructive examples and experiences that Supreme Auditors have shared with the committee. Their individual country papers, which more extensively discuss the areas presented in this overview, will be available at the XVI INCOSAI in Montevideo. Also, additional information may be obtained by directly contacting the contributing Supreme Audit Institutions at the locations listed in appendix I.

APPENDIX I

CONTRIBUTING SUPREME AUDIT INSTITUTIONS

The following is a list of the names and telephone numbers and the mailing and INTERNET addresses for the Supreme Audit Institutions that have provided the information summarized in this overview document and presented in the related country papers. Mr. Marcelo Zalles Barriga Contralor General de la Republica Casilla Postal 432 La Paz, BOLIVIA Tel: 591 (2) 37 88 61 Fax: 591 (2) 39 21 87 Mr. Li Jinhua Auditor General National Audit Office of the People's Republic of China 1 Beiluyuan, Zhanlan Road Xicheng District Beijing 100830, CHINA Tel: 86 (10) 68 30 12 14 Fax: 86 (10) 68 33 09 58 email: cnao@public.east.cn.net Mr. Luis Fernando Vargas Benavides Contralor General de la Republica Apartado 11-79-1000 San Jose, COSTA RICA Tel: 506 220 31 20 Fax: 506 220 43 85 email: xcisnado@ns.casapres.go.cr Dr. Shawky Khater President of the Central Auditing Organization Madinet Nassr P. O. Box 11789 Cairo, ARAB REPUBLIC OF EGYPT Tel: 20 (2) 60 23 00 Fax: 20 (2) 261 58 13 Mr. Sigurdur Thordarson Auditor General National Audit Office Skulagata 57 IS-150 Reykjavik, ICELAND Tel: 354 (5) 61 41 21 Fax: 354 (5) 62 45 46 Mr. Shuro Hikita President of the Board of Audit 3-2-1 Kasumigaseki Chiyoda-ku, Tokyo, 100 JAPAN Tel: 81 (3) 35 81-8125 Fax: 81 (3) 35 92-1807 email: kys00366@niftyserve.or.jp Mr. Henk E. Koning President, van de Algemene Rekenkamer Postbus 20015 NL-2500 EA Den Hage THE NETHERLANDS Tel: 31 (70) 342 43 44 Fax: 31 (70) 342 41 30 email: BJZ@Rekendamer.nl Mr. David Macdonald Controller and Auditor General Head Office, Level 7, 48 Mulgrave Street P. O. Box 3928 Wellington 1, NEW ZEALAND Tel: 64 (4) 471 65 00 Fax: 64 (4) 471 65 45 email: steveb@oag.govt.nz Mr. H. E. Kluever Auditor General P. O. Box 446 Pretoria 0001, REPUBLIC OF SOUTH AFRICA Tel: 27 (12) 324-2874 Fax: 27 (12) 323-7389 email: yvonne@agsa.co.za Mr. Pohiva Tu'i'onetoa Auditor General Audit Office P. O. Box 50 Nuku'Alofa TONGA, South West Pacific Tel: 676 216 00 Fax: 676 238 88 Sir John Bourn Comptroller and Auditor General National Audit Office 157-197 Buckingham Palace Road Victoria, London SW1W 9SP UNITED KINGDOM Tel: 44 (171) 798-7000 Fax: 44 (171) 828-3774 Email: international.nao@gtnet.gov.uk Mr. James F. Hinchman Acting Comptroller General U. S. General Accounting Office 441 G Street, NW - Room 7806 Washington, DC 20548 UNITED STATES OF AMERICA Tel: 01 (202) 512-4707 Fax: 01 (202) 512-4021 Email: oil@gao.gov

ANNEXURE-K

ASOSAI Guidelines

Fifth ASOSAI Research Project Performance Auditing Guidelines October 2000 2 5th ASOSAI Research Project—Performance Auditing Guidelines 3 Contents Foreword Preface 1 Introduction 7 Performance auditing guidelines 7 Definition and scope of performance auditing 8 Performance auditing mandate and objective 10 Performance audit process 10 General principles of performance auditing 13 2 Strategic Planning 16 Introduction 16 Selecting audit topics 17 3 Initiating the Performance Audit 21 Introduction 21 Planning individual audits 21 Understanding the business of an auditee 23 Audit criteria 25 4 Implementing the Performance Audit 30 Introduction 30 Audit approaches 32 Refining the audit program 33 Audit test programs 35 Developing findings and recommendations 36 5 Evidence and Documentation 38 Audit evidence 38 Competence, relevance and sufficiency of evidence 38 Characteristics of performance audit evidence 40 The evidential process 42 Documentation 44 6 Reporting 48 Introduction 48 Reporting process 49 Report contents 52 7 Follow-up Processes 54 Introduction 54 Assessing and reporting on follow-up activity 55 4 5th ASOSAI Research Project—Performance Auditing Guidelines 8 Audit Management—Some Important Issues 57 Consultation with auditees 57 Quality assurance and quality control 59 Appendix A Important considerations for performance auditing in an Information Technology environment 65 Appendix B Potential impacts of performance auditing 70 Appendix C Key features of the auditee and its environment requiring understanding 72 Appendix D Important issues in the performance audit of government programs/activities 75 Glossary of Terms 79 5 Foreword In 1997, at its 6th International Seminar, held in Jakarta, the Asian Organization of Supreme Audit Institutions (ASOSAI) Assembly approved the Jakarta Declaration of Guidelines on Promoting Efficient and Effective Public Administration through Performance Auditing. The Declaration resolved that broad guidelines for performance auditing be developed. In September 1998 the 26th ASOSAI Governing Board meeting, held in Beijing, approved that the 5th ASOSAI Research Project would be on the topic of performance auditing guidelines. The general framework for the development of ASOSAI performance auditing guidelines has been deduced from the Jakarta Declaration. These guidelines are not a detailed instruction manual and do not replace the need for management and staff to use their professional judgement to ensure the delivery of a quality audit product. The team for the research project comprised: Mr. Peter

Robinson (Team leader—Australia), Messrs. I. P. Singh and A. K. Thakur (India), Mr. Ab. Rahman bin Mohammed and Ms. Azizah Arshad (Malaysia) and Mr. John Oldroyd (New Zealand). The research team developed a draft of the performance auditing guidelines that was circulated to ASOSAI members for review and comment in November 1999. Comments from ASOSAI members were taken into account in developing the final draft of the guidelines. The team wishes to express its appreciation for the contributions made by member Supreme Audit Institutions. In October 2000, at the 8th ASOSAI Assembly held in Chiang Mai, Thailand, the ASOSAI Governing Board approved the performance auditing guidelines. 6 5th ASOSAI Research Project—Performance Auditing Guidelines Preface Performance auditing is essentially a process that uses available evidence to form an opinion on the extent to which an agency utilises its resources in an economic, efficient and effective manner. Although performance auditing involves the use of professional judgement, a robust methodology can provide an objective framework for this judgement. Performance auditing offers considerable scope for adding real value to public administration. It also aims to ensure that individuals and agencies managing public resources remain accountable for their actions. To be effective, performance auditors must have a clear understanding of the objectives and priorities of any area subject to audit. They must also have an understanding of the policies for the planning and conduct of audits, audit standards, audit methodology and processes of the particular Supreme Audit Institution (hereinafter referred to as SAI). These guidelines provide a methodology and a broad framework for the conduct of the performance auditing process and also provide the basis by which the quality of the audit product can be judged. The guidelines will assist performance auditors: • to be attuned to the needs, expectations and priorities of clients, which in the case of SAIs are the legislature, government institutions and those entrusted with the task of managing public affairs; • to add value to agencies through performance auditing services; • to provide an environment that enables performance auditors to enhance their skills and achieve their full potential; • to achieve audit excellence; and • to manage performance audit operations efficiently and effectively. The guidelines take into account relevant INTOSAI Auditing Standards and are based on generally accepted principles of performance auditing distilled from the experience of ASOSAI members. They therefore comprise contemporary performance auditing methodology and reflect a 'best practice' consensus for the current environment, among the member SAIs. The guidelines are a 'living document', which will need to be updated as the environment changes and as performance auditing methodology and practice develop. 7

1. Introduction Performance auditing guidelines 1.1 These guidelines provide a framework for identifying, collecting and analysing information and provide practical guidance to: • assist SAI performance auditors to manage and conduct performance audits; • promote consistent, economical, efficient and effective performance audit practice; • establish a basis for further development of performance audit methodology and professional development; and • set out a basic framework within which professional judgement may be exercised on analysing performance and reporting conclusions. 1.2 These guidelines are designed for use by SAI auditors and consultants who are involved in planning, carrying out, reporting and managing a performance audit. As such, the guideline chapters have been structured in line with the major stages of the performance audit process. The guidelines will help auditors to deal with the complex demands of performance auditing. 1.3 The greater use of information technology by agencies, including the Internet, has meant that performance audits will be increasingly undertaken in information technology environments. As SAIs may be called upon to develop detailed guidelines for performance auditing in an information technology environment, some of the more important considerations have been outlined in Appendix A. 1.4 Performance auditors can be faced with considerable variety and ambiguity in their work. They need skills in analysing organisational activities and management practices. They can be faced with the need to become familiar with a wide range of organisational contexts and subject matters. They need the ability to write reports dealing with complex issues in a logical and thoroughly supported fashion. The guidelines can provide some assistance in these areas, but it is largely incumbent on performance auditors to develop their skills in these areas by other means. 8 5th ASOSAI Research Project—Performance Auditing Guidelines Definition and scope of performance auditing 1.5 The INTOSAI Auditing Standards1 define a performance audit as 'an audit of the economy, efficiency and effectiveness with which the audited entity uses its resources in carrying out its responsibilities'. 2 1.6 Economy is 'minimising the cost of resources used for an activity, having regard to the appropriate quality'. 3 Economy issues focus on the cost of the inputs and processes. Economy occurs where equal-quality resources are acquired at lower prices. 1.7 Efficiency is 'the relationship between the output, in terms of goods, services or other results, and the resources used to produce them'. 4 Efficiency exists where the use of financial, human, physical and information resources is such that output is maximised for any given set of resource inputs, or input is minimised for any given quantity and quality of output. 1.8 Effectiveness is 'the extent to which objectives are achieved and the

relationship between the intended impact and the actual impact of an activity'. 5 Effectiveness addresses the issue of whether the program/activity has achieved its objectives. When focusing on effectiveness, it is important to distinguish between the immediate outputs (or products) and the ultimate impacts (or outcomes). Effectiveness is achieved, for instance, where there is improved achievement of a program's objectives. Outcomes are important to the effectiveness of programs/activities but may be more difficult to measure and assess than the inputs and outputs. Outcomes will often be influenced by external factors and may require long-term rather than short-term assessment. 1.9 Performance auditing, also referred to as 'Value For Money' auditing, shares similar approaches and methodologies to program evaluation but does not generally extend to assessing policy effectiveness or policy alternatives. Apart from examining the impact of outputs, an evaluation could include issues such as whether agency planning reflected the program objectives, whether the objectives were consistent with policy and options for changing the policy to achieve more effective outcomes. 1 Auditing Standards, Auditing Standards Committee, International Organization of Supreme Audit Institutions, June 1992, p. 69. 2 Refer to Appendix B for examples of potential impacts of performance auditing. 3 Auditing Standards, Auditing Standards Committee, INTOSAI, June 1992, p. 66 4 Ibid, p. 67 5 Ibid, p. 67 9 1.10 Performance auditing promotes public accountability and is an aid to good corporate governance. It also encompasses the concept of traditional financial, compliance and propriety audits. Compliance audits deal with regularity and legality aspects. Propriety refers to the concept of the best practice in public management of programs/activities—public funds should not be misused by the managers for personal benefit and expenditure on programs should not exceed what the occasion demands. Performance auditors should utilise these requirements in the course of their audit, wherever applicable. 1.11 The performance auditor will also be expected to address concerns relating to equity and ethics while assessing the effectiveness of a program/activity. Equity in the context of program management relates to fairness and impartiality in use of public funds. Ethics in managing public expenditure enjoins the qualities of honesty and integrity in personal conduct and devotion to the duty as manager of public funds. The SAI performance auditor should be conscious of equity and ethics issues. 1.12 Performance audits may examine and report on: • the quality of information and advice available to Government for the formulation of policy; • the existence and effectiveness of administrative machinery in place to inform the Government whether program objectives and targets have been determined with a view to fulfilling policy objectives; • whether, and to what extent, stated program objectives have been met; • the economy, efficiency, effectiveness and ethics of the means used to implement a program/activity; and • the intended and unintended direct and indirect impacts of programs/ activities; for example, the environmental impact of government activity. 1.13 Auditors should not confine the audit to 'what has been done' but should also examine 'what has not been done' to meet the policy objectives. Given the size, complexity and diversity of agency operations, it is generally impracticable to attempt to assess the overall performance of departments or agencies. Consequently, performance audits are usually directed towards specific functions, activities, programs or operations of the agency. Introduction 10 5th ASOSAI Research Project—Performance Auditing Guidelines Performance auditing mandate and objective 1.14 The audit mandate is generally set out in statute and dictates the extent to which an SAI can audit public sector agencies. Where the mandate is derived out of a broad interpretation of the term 'audit' or has been accepted by convention, auditors should be guided by their best judgement in the context of any such convention. The performance audit mandate ordinarily specifies the minimum audit and reporting requirements; indicates what is required of the auditor; and provides the auditor with authority to carry out the work and report the results. Accordingly, the auditor should be guided by the audit mandate when planning the audit. In most countries performance audits are excluded from commenting on Government policy. 1.15 Performance auditing has the objective of improving public sector administration and accountability by adding value through an effective program of performance audits and related products such as better practice guides. One of the main objectives of performance auditing is to assist the people's representatives in exercising effective legislative control and oversight. 1.16 Performance audits have a dual role. They provide clients with information and assurance about the quality of management of public resources and they also assist public sector managers by identifying and promoting better management practices. Performance auditing may therefore lead to better accountability, improved economy and efficiency in the acquisition of resources, improved effectiveness in achieving public sector program objectives, a higher quality in public sector service delivery and improved management planning and control. The emphasis placed on the assurance role of performance auditing over the role of public sector improvement will vary between SAIs. Performance audit process 1.17 The first stage in performance auditing is strategic planning, which requires the development and maintenance of information on the agency that will assist in identifying potential areas for audit. Potential topics can then be analysed and ranked to form annual audit strategy documents for each agency. Chapter 2 of these guidelines deals further with strategic planning. 11 1.18 Once a topic has been selected for performance audit, the audit is initiated by the development of a plan detailing the conduct of the audit. A preliminary study may be undertaken to gather information on the topic and to identify significant issues for audit. Chapter 3 of these guidelines deals with initiating the performance audit. 1.19 The implementation stage of a performance audit is dealt with in particular in Chapters 4 and 5 of these guidelines and involves: • development and execution of an audit program of procedures; • collection and documentation of sufficient relevant and reliable evidence, including quantitative and qualitative analysis; • formulation of audit findings, conclusions and recommendations; and • development of discussion papers and confirmation of audit findings at an exit conference. 1.20 A report on the audit may then be drafted for consideration by the government, the legislature, the agency and the public. Throughout each stage of the performance audit the emphasis should be on the production of a final report that is balanced and has value added impact. The report-writing process should be viewed as a continuous one of formulating, testing and revising conclusions, if necessary, about the audit topic. Therefore, issues such as the expected impact and value of the audit, the likely improvements and savings resulting from the audit and methods of communicating audit conclusions should be considered throughout the audit. Chapter 6 of these guidelines deals further with reporting. 1.21 Follow-up procedures should identify and document audit impact and the progress of the agency in implementing audit recommendations. The conduct of follow-up audits is vital to the follow-up process to provide feedback to the SAI, the legislature and the government on performance audit effectiveness in producing improvements in public sector management. Follow-up processes are dealt with in Chapter 7 of these guidelines. 1.22 The key stages in the performance audit cycle are outlined in Figure 1. Introduction 12 5th ASOSAI Research Project—Performance Auditing Guidelines Figure 1 Key Stages in the Performance Audit Cycle Information feedback to the strategic planning process 13 General principles of performance auditing Auditing standards 1.23 In conducting a performance audit the auditor should follow INTOSAI Auditing Standards as well as relevant SAI standards applicable to performance audits. 1.24 The INTOSAI general auditing standards common to auditors and SAIs are: (a) The auditor and the SAI must be independent; (b) The auditor and the SAI must possess the required competence; and (c) The auditor and the SAI must exercise due care and concern in complying with the INTOSAI Auditing Standards. This embraces due care in planning, specifying, gathering and evaluating evidence, and in reporting findings, conclusions and recommendations. 6 1.25 The performance auditor and SAI must be, and be seen to be, independent and objective in the conduct of audits. That is, the SAI must have freedom 'to act in accordance with its audit mandate without external direction or interference of any kind'. 7 1.26 The INTOSAI general auditing standards also note that SAIs should: (a) Recruit personnel with suitable qualifications; (b) Develop and train SAI employees to enable them to perform their tasks effectively, and to define the basis for the advancement of auditors and other staff; (c) Prepare manuals and other written guidance and instructions concerning the conduct of audits; (d) Support the skills and experience available within the SAI and identify the skills which are absent; provide a good distribution of skills to auditing tasks and assign a sufficient number of persons for the audit; and have proper planning and supervision to achieve its goals at the required level of due care and concern; and (e) Review the efficiency and effectiveness of the SAI's internal standards and procedures. 8 Introduction 6 Ibid, p. 23 7 Ibid, pp. 24, 68 8 Ibid, p. 23 14 5th ASOSAI Research Project—Performance Auditing Guidelines Professional behaviour 1.27 The auditor should comply with ethical principles and codes of conduct governing the auditor's professional behaviour and responsibilities, which include: • integrity; • objectivity and fairness; • confidentiality; and • technical standards. 1.28 Although these guidelines set out a coherent basis for conducting a performance audit, professional judgement (albeit largely applied on the basis of relevant rules and procedures) remains the most important ingredient in performance audit work. 1.29 The performance auditor should adopt an attitude of professional scepticism throughout the audit, recognising that circumstances may exist that could cause the information relating to performance to be materially mis-stated. Reasonable assurance 1.30 A performance audit conducted in accordance with applicable auditing standards provides reasonable assurance as to whether the information relating to performance is free from material mis-statement. Reasonable assurance relates to the accumulation of audit evidence necessary for the auditor to conclude whether there are any material mis-statements in the information relating to performance. 1.31 What is 'reasonable' is dependent on the facts of that situation and is to be determined by what evidence could reasonably be expected to be gathered and what conclusions could reasonably be expected to be drawn in the particular situation. Terms of the engagement 1.32 The SAI should formally notify the auditee9 of the details of the engagement, preferably before the commencement of the audit, to help in avoiding any misunderstandings. With some engagements, the objective and scope of the audit and the auditor's obligations are established by law. Even in those situations identifying the terms of engagement may still be informative for the agency. 9 'Auditee' refers to the agency being audited. 15 Work performed by assistants 1.33 INTOSAI Auditing Standards10 state: 'The work of the audit staff at each level and audit phase should be properly supervised during the audit, and documented work should be reviewed by a senior member of the audit staff'. When work is delegated to members of the audit team, the auditor should carefully direct, supervise and review the work delegated. 1.34 When multi-disciplinary audit teams are used, adequate direction, supervision and review are necessary to ensure that team members' different perspectives, experience and specialties are appropriately used in the audit. All team members should understand the objectives of the audit, the terms of reference of work assigned to them and the nature of obligations imposed on them by applicable auditing standards. Adequate direction, supervision and review will assist in such an understanding. Using the work of an expert 1.35 When using the work performed by an expert, the auditor should obtain sufficient appropriate audit evidence to ensure that such work is adequate for the purposes of the audit. 1.36 An expert is a person or firm possessing special skill, knowledge and experience in a particular field other than auditing. Because of the diverse range of activities subject to performance auditing, the auditor may need to obtain audit evidence in the form of reports, opinions, valuations and statements of an expert. Although the auditor may use the work of an expert as audit evidence, the auditor retains full responsibility for the conclusions in the audit report. 10 Auditing Standards, Auditing Standards Committee, INTOSAI, June 1992, p. 45 Introduction 16 5th ASOSAI Research Project—Performance Auditing Guidelines

2. Strategic Planning

Introduction

2.1 The SAI needs to select and schedule audit tasks that help achieve its role and corporate objectives. Audit topics should be ranked, for example using a risk-based approach to topic selection, in order to make the best use of limited SAI resources. For this purpose the SAI may prepare a program model which identifies the programs, projects and activities undertaken by an agency, along with other factors such as program objectives, expected outputs, outcomes and performance indicators. The selection of topics for performance audit can be based on a combination of relevant risk and materiality factors. 2.2 A well-structured strategic planning process, based on a sound rationale, is necessary to ensure that the resources of the SAI are used in the most efficient and effective manner. The objectives of strategic audit planning are to: • provide a firm basis for the SAI management to give strategic direction for future audit coverage; • identify and select audits with the potential to improve public sector accountability and administration; • provide a platform for communication with agencies and the legislature on SAI audit strategies; • produce a work program that can be achieved with expected available resources; • understand agency risks and take them into account in audit selection; and • provide a basis for SAI accountability. 2.3 The key deliverable of the strategic planning process is a document which is prepared for the SAI management to enable it to critically assess the proposed planning strategy for overall consistency with the SAI's corporate objectives. It will also assist management to make appropriate resource allocations and an assessment of the strategic planning process. 17 2.4 The strategic plan should be supported by working papers that include: • a description of the agency and its environment; • an assessment of the risks to good performance of the agency's programs and activities; • a summary of the long-term strategic view of SAI performance audit directions in each agency; • recent SAI audits, recent and proposed inquiries by the legislature, and agency evaluations and internal audits; • a list of potential areas for performance audit; and • a list of audits proposed for the next two or three years, the basis for their selection and indicative timing where possible. This list should reflect resource availability and should also distinguish between new performance audit topics, cross-agency audits and follow-up audits. Selecting audit topics 2.5 Audit topics are generally selected on two grounds: firstly, to focus on audits expected to add maximum value in terms of improved accountability, economy, efficiency and effectiveness; secondly, to ensure appropriate coverage of program operations within the limitations of audit resources available. The strategic planning process is outlined in Figure 2. Figure 2 The Strategic Planning Process

Inputs Potential audits Priorities Resource requirements Audit Strategy Plan Outputs Budget Previous audit strategy planning Government views, budget papers, etc Agency annual reports and evaluations Media and external reports Previous audit fieldwork Analysis of performance indicators Discussions with agencies, clients, etc. Priorities of legislature Priorities of government Strategic Planning 18 5th ASOSAI Research Project—Performance Auditing Guidelines 2.6 The analysis of risks of poor performance or, expressed another way, risks of inadequate economy, efficiency and effectiveness will lead to a list of potential audit topics. It can be useful to rank the topics subjectively against the following criteria: • overall estimated audit impact; • financial materiality; • risk to good management; • significance of the program to the activities of the agency; • visibility of the program/activity as reflected in its political sensitivity and national importance; and • lack of recent audit coverage and other internal and external review of the program/activity. Overall estimated audit impact 2.7 Of major importance in the final selection of topics is the added value expected from the audit. A preliminary assessment of the audit's likely benefits should be made at this strategic planning stage. 2.8 Appendix B lists some of the potential impacts of performance auditing and classifies the benefits by reference to: economy; efficiency; effectiveness; quality of service; planning, control and management; and accountability. Quantification is desirable but unlikely to be feasible at the strategic planning stage. Financial materiality 2.9 This criterion is based on an assessment of the total value of assets, liabilities, annual expenditure and annual revenue of the selected audit area. The more material an area is, the higher is its priority for selection as an audit topic. Risks to good management 2.10 Assessment of risks to good performance in the agency requires the SAI to assess whether the management of the activity to be audited is likely to be deficient in economy, efficiency and effectiveness. 2.11 Evidence of risk to good management includes: • management inaction in response to identified weaknesses; • adverse comment by the legislature or media; • non-achievement of stated objectives such as revenue raised or clients assisted; • high staff turnover; 19 • identified weaknesses in internal control; • significant underspending or overspending; • sudden program expansion or contraction; and • overlapping or blurred accountability relationships. 2.12 An agency program or activity that is more complex to manage and operates in an uncertain environment is more likely to have problems associated with performance. Some possible indicators of high complexity and uncertainty are: • highly decentralised operations with devolved management decisionmaking responsibilities; • a multiplicity of interested parties; • use of rapidly changing and sophisticated technology; • a dynamic and competitive environment; and • controversial social and political debate surrounding the issue. 2.13 The stage of the agency's program development should also be kept in mind when assessing management performance. For example, in the development stages it will be particularly important for the agency management to set measurable, operational objectives, which clearly identify how the program will contribute to the agency's objectives. During program implementation it will be important to ascertain whether appropriate performance measures are maintained and analysed to assess performance, and whether there is a clear identification of roles and responsibilities for each level of the program/activity. If the program has been in place for some time it will be important to assess whether a formal evaluation has been undertaken to ascertain whether the program is continuing to meet relevant needs and the extent to which those needs still exist or are being met by other programs. Significance 2.14 The significance of an audit topic should have regard to the magnitude of its organisational impacts. It will depend on whether the activity is comparatively minor and whether shortcomings in the area concerned could flow on to other activities within the agency. 2.15 Significance will rate highly where the topic is considered to be of particular importance to the agency and where improvement would have a significant impact on the operations of the agency. A low ranking in relation to 'significance' would be expected where the activity is of a routine nature and the impact of poor performance would be restricted to a small area or be likely to have minimal impact. Strategic Planning 20 5th ASOSAI Research Project—Performance Auditing Guidelines 2.16 Cross-agency audits are more likely to rank highly on significance. Visibility 2.17 This criterion is similar to significance but is more concerned with the external impact of the program. It is related to the social, economic and environmental aspects of the activity and the importance of its operations to the government and the public. In considering this criterion some weight would be attached to the impact of an error or irregularity on public accountability. It would also have regard to the degree of interest by the legislature and public in the outcome of the audit. Subjects that have been identified as current themes for the SAI would generally warrant a high ranking in terms of 'visibility'. Coverage 2.18 Coverage refers not only to previous SAI coverage but also to other independent reviews of the activity. Such reviews may have been conducted by internal audit, external consultants or government committees or the activity could have been subject to program evaluation. As a general rule, a low ranking would occur when there has been a substantial review of the activity within the past two years. A higher ranking would be warranted where a review has been requested by the legislature or the previous review indicated that such a follow-up should occur. 2.19 The materiality, risk, significance and visibility of an activity will also influence the ranking for coverage. If an activity has ranked highly on all or most of these elements, it would be expected that the audit coverage would be more frequent than for a lower ranked topic. The frequency of audit coverage would also depend on the SAI strategic audit plan and on the availability of resources. Cross-agency and theme audits 2.20 SAI audit managers should consider appropriate themes in proposing audits. Audits that cross several agencies, addressing themes which are of relevance to the entire public sector or addressing significant national concerns, can have very high impact. Potential theme and cross-agency audits can be evaluated in the same way as other audits for inclusion in the audit program. That is, specific topics which rank more highly in terms of risk, impact and materiality should receive priority.

3. Initiating the Performance Audit

Introduction

3.1 This chapter outlines the steps involved with initiating the performance audit: the approach to be followed in planning individual audits, the requirement to understand the auditee's business and environment and the development of audit criteria. Planning individual audits 3.2 INTOSAI Auditing Standards11 identify that the following are the planning steps ordinarily included in an audit: (a) collect information about the audited agency and its organisation in order to assess risk and to determine materiality; (b) define the objective and scope of the audit; (c) undertake preliminary analysis to determine the approach to be adopted and the nature and extent of enquiries to be made later; (d) highlight special problems foreseen when planning the audit; (e) prepare a budget and a schedule for the audit; (f) identify staff requirements and a team for the audit; and (g) discuss with the audited agency the scope, objectives and the assessment criteria of the audit. 3.3 Planning consists of developing a general strategy and a detailed approach for the expected nature, timing and extent of the audit. The audit plan is a key document for controlling and monitoring audits in the SAI. The auditor should develop and document an audit plan describing the expected scope and conduct of the audit and should plan to have the audit work performed in an efficient, effective and timely manner. In addition to the planning steps outlined above, the auditor should also consider: • determining the suitability of audit criteria; • determining an efficient and effective approach to conducting the audit; 11 Ibid, p. 44 22 5th ASOSAI Research Project—Performance Auditing Guidelines • planning to use the work of an expert; • relevant accountability relationships; • remaining mindful of the users of audit reports; • reviewing the auditee's internal audit system; • reviewing relevant previous audit findings/recommendations; and • documenting the audit plan. 3.4 Adequate planning of the audit work helps to ensure that appropriate attention is devoted to important areas of the audit, that potential problems are identified and that the work is completed expeditiously. Planning also assists in proper assignment of work to team members and in coordination of work performed by other auditors and experts. Audit planning should lead to the development of a detailed audit program that identifies the specific audit tasks to be undertaken. Determining the objectives of a performance audit 3.5 Audit objectives relate to the reasons for conducting the audit and should be established early in the audit process to assist in identifying the matters to be audited and reported. For example, an audit objective may be to assess whether an agency uses appropriate processes to identify the human resources it needs to achieve its objectives. 3.6 The audit objectives should address the concerns of accountability and good governance and should facilitate financial control as well as improving the economy, efficiency and effectiveness of program management. 3.7 The audit objectives should be conditioned by the need to maximise the net benefits and impacts from the audit. In setting objectives the audit team should take into account the roles and responsibilities of the SAI and the expected net impact of the audit as defined in the strategic audit plan. The audit objectives and scope are interrelated and, since changes in one usually affect the other, they need to be considered together. It is good management practice for audit objectives and scope to be discussed with the agency management. The audit program 3.8 The auditor should develop and document an audit program.12 An audit program outlines the requirements and procedures necessary 12 Refer to Chapter 4 for more details on developing the audit program. 23 to implement the audit objectives and to make assessments against audit criteria. The main objectives of an audit program are to: • establish a clear relationship between audit objectives, audit methodology, and the anticipated field work to be carried out; • identify and document the procedures to be performed; and • facilitate supervision and review. 3.9 An audit program should set out and specify the following: • audit objectives and sub-objectives concerning the efficient, economical or effective operations of the area or agency being audited; • audit criteria to be applied; • the specific tasks to be performed during the fieldwork to determine the extent to which agency operations meet the requirements outlined in audit criteria; • evidence to be collected, including details of audit sampling and the timeframe of the activity to be covered; • procedures/techniques for collecting the evidence; • the allocation and timing of tasks to be performed by audit team members; and • any necessary special instructions. 3.10 Progress against the planned audit program should be monitored and regular briefings provided to SAI management. The audit program should be revised as necessary during the course of the audit. Understanding the business of an auditee 3.11 It is important to develop a sound understanding of the auditee's business sufficient to achieve the audit objectives, to facilitate the identification of significant audit issues and to fulfil assigned audit responsibilities. This knowledge would include an understanding of: • the mandate of the agency and the areas being audited within the agency; • objectives of the agency and relevant programs; • programs and performance goals of the agency; • organisational and accountability relationships within the agency; • the internal and external environment of the agency and the stakeholders; • external constraints affecting program delivery; Initiating the Performance Audit 24 5th ASOSAI Research Project—Performance Auditing Guidelines • agency management processes and operations; and • resources of the agency. Appendix C details a range of key features, of the auditee and its environment, that need to be understood by the auditor. 3.12 Obtaining the required knowledge of the business is a continuous and cumulative process of gathering and assessing information, and relating the resultant knowledge to audit evidence at all stages of the audit. It is important that auditors weigh up the costs of obtaining information and the additional value of the information to the audit outcomes, to ensure that maximum value is being obtained from the audit resources expended. 3.13 Sources of information to assist in understanding the agency include: • enabling legislation and legislative speeches; • ministerial statements, government submissions and decisions; • recent audit reports, reviews, evaluations and inquiries into the agency; • the agency's strategic and corporate plans, mission statement and annual report; • budget statements; • agency policy files, management committee and executive board minutes; • agency organisation charts, internal guidelines and operating manuals; • the agency's program evaluation and internal audit plans and reports; • conference reports and minutes; • discussions with agency management and key stakeholders; and • management information systems. 3.14 Past audits and other reviews can provide an extremely useful source of information. They can help avoid unnecessary work in examining areas that have been under recent scrutiny and highlight deficiencies that have not yet been remedied. There is, however, no substitute for discussions with senior agency management to gain an overall program perspective against the background of the above information. 25 3.15 Performance monitoring, accountability and evaluation processes within the public sector are generally agency-based. However, there could also be a range of information, which crosses agencies, which may also assist in the information-gathering stage, such as: • studies by industry, professional or special interest groups; • inquiries or previous reviews by the legislature; • information held by coordinating agencies or by interdepartmental committees; • research by academics; • work undertaken by other governments overseas; and • media coverage. Role of preliminary study 3.16 Once a topic has been selected for audit, the audit team may conduct a preliminary study to further understand the activity under audit and identify fundamental issues. The preliminary study aims to provide sufficient justification to proceed to a performance audit or else to conclude any further work and report findings. At the end of the preliminary study there will normally be a report to senior SAI management that summarises the findings of the study and recommends future action. 3.17 If a performance audit is recommended, the preliminary study report should identify the major issues to be pursued, define the audit objectives, scope and focus, estimate potential impacts and develop a timetable and resource budget to conclude a timely and defensible audit report. 3.18 If a performance audit is not recommended, the preliminary study report should summarise the study conclusions. To finalise the preliminary study fieldwork, an exit conference should be held with the agency management. Audit criteria 3.19 Audit criteria are reasonable and attainable standards of performance against which economy, efficiency and effectiveness of activities can be assessed. They reflect a normative (ie. desirable) control model for the subject matter under review. They represent good practice—a reasonable and informed person's expectation of 'what should be'. Initiating the Performance Audit 26 5th ASOSAI Research Project—Performance Auditing Guidelines 3.20 When criteria are compared with what actually exists, audit findings are generated. Meeting or exceeding the criteria might indicate 'best practice', but failing to meet criteria would indicate that improvements can be made. 3.21 Typically, an audit will commence, following its identification by the SAI planning process, with one or more issues to be explored. To explore these issues then requires the formulation of criteria, followed by development of test programs to assess whether the criteria have been met. But, in preparing these programs and carrying them out, auditors may realise that the issues previously defined may need to be extended or modified. 3.22 The auditor should be satisfied that suitable criteria have been identified to enable the auditor to assess the activities subject to audit and to achieve the audit objectives. Some characteristics of suitable criteria include: • Reliability: Reliable criteria result in consistent conclusions when used by another auditor in the same circumstances. • Objectivity: Objective criteria are free from any bias of the auditor or management. • Usefulness: Useful criteria result in findings and conclusions that meet users' information needs. • Understandability: Understandable criteria are clearly stated and are not subject to significantly different interpretations. • Comparability: Comparable criteria are consistent with those used in performance audits of other similar agencies or activities and with those used in previous performance audits within the agency. • Completeness: Completeness refers to the development of all significant criteria appropriate to assessing performance in the circumstances. • Acceptability: Acceptable criteria are those to which the audited agency, legislature, media and general public are generally agreeable. The higher the degree of acceptance of the criteria, the more effective the performance audit. 3.23 Criteria can perform a series of important roles to assist the conduct of a performance audit as they can: • form a common basis for communication within the audit team and with SAI management concerning the nature of the audit; 27 • form a basis for communication with the agency management in that the audit team will often solicit agency management understanding of, and concurrence with the criteria and eventual acceptance of audit findings in light of those criteria; • link the objectives to the audit test programs carried out during the implementation phase; • form a basis for the data collection phase of the audit, providing a basis on which to build procedures for the collection of audit evidence; and • provide the basis for audit findings, helping to add form and structure to audit observations. 3.24 The degree to which criteria are successful in serving these uses is often determined by their level of detail and the form they take. General audit criteria are developed during the preliminary study. As the preliminary study progresses these criteria are usually expanded and made more specific. By the end of the preliminary study, the criteria should be sufficiently detailed to give clear guidance for the implementation stage of the audit, particularly in the development of specific audit programs to test the criteria. 3.25 It is unrealistic to expect that activities, systems or levels of performance relating to economy, efficiency and effectiveness will always fully meet the criteria. It is important to appreciate that satisfactory performance does not mean perfect performance but is based on what a reasonable person would expect, taking into account agency circumstances. The general aim would, however, be high level performance within resource constraints. 3.26 SAIs should note the implications for performance auditing of the emerging shift in the role of many governments from a 'provider of services' to a 'facilitator and regulator' and the increasing use of private operators by the public sector. The performance audit focus, on the economy, efficiency and effectiveness of public sector activity, may have to be modified to take account of the increasing privatisation and liberalisation of public sector operations in many countries. SAIs will be called upon to devise new approaches, techniques and criteria for the performance audit of programs that may not be directly funded by governments, but may affect the public at large by way of quality of service, cost and equity of access. In this environment, performance auditing needs to take into account the shift from a 'government-centred' to a more 'people-oriented' approach. Initiating the Performance Audit 28 5th ASOSAI Research Project—Performance Auditing Guidelines 3.27 It is generally useful to obtain agency management input to the development of criteria. Audit criteria would typically be exposed to the agency at the start of the main performance audit. Any disagreement with agency management about criteria can then be identified, discussed and, if possible, resolved at an early stage without impacting adversely on audit independence. Sources of audit criteria 3.28 Each SAI will need to develop audit criteria that are valid for the nature of the activity under review. These may include quantitative and/or qualitative measures. 3.29 To avoid the necessity to create criteria from first principles for each audit, the audit team should investigate the following sources of existing criteria: • criteria used previously in similar audits; • criteria published by other SAIs; • performance standards used by the agency, or previous inquiries by the legislature; • agencies carrying out similar activities; • professional organisations and standard-setting bodies; and • general management and subject matter literature. 3.30 These sources provide a basis for the development of suitable criteria for the audit, but may require interpretation and modification to ensure their relevance to the agency. 3.31 Criteria must be realistic and take into account the context of the agency. Some key criteria relate directly to the agency itself, for example: • enabling and related legislation; • agency operating and procedures manuals; and • central agency policies, standards, directives and guidelines. Agency performance information 3.32 Information about the performance of an agency underpins performance auditing. Performance information, either quantitative measures or qualitative assessments, is fundamental to evaluating economy, efficiency and effectiveness. Criteria relating to satisfactory performance can be derived from the agency's own objectives or from accepted industry and/or government standards of performance. 29 3.33 In examining performance information, auditors should: • consider whether the agency has sufficient and reliable procedures in place to measure and report on performance; • ascertain whether the performance measures in place are complete, relevant and justified on a cost-benefit basis; • examine procedures to determine if they relate to the agency's corporate goals; and • consider whether the performance measures are incorporated into the management decision-making processes; that is, are they reported and used within the agency. 3.34 These issues draw the performance auditor into a consideration of quantitative and qualitative performance information. Such consideration should be an essential element in all performance audits. 3.35 Appendix D contains a list of important issues that can be considered in a performance audit of any government program or activity. As such they serve as a useful checklist for performance auditors at the start of a performance audit. The questions are designed to help identify potential issues and problems that can be explored in more detail. Initiating the Performance Audit 30 5th ASOSAI Research Project—Performance Auditing Guidelines

4. Implementing the Performance Audit

Introduction

4.1 The audit objectives and criteria will normally be tested by an audit program of procedures that include: • observing, interviewing and documenting; • testing and checking; and • analysing. Developing the audit program 4.2 In developing the audit program, it is important that the criteria: • relate to the audit objectives; that is, enable relevant evidence to be collected on issues which will maximise the impact of the audit; • are clearly stated and include sufficient detail to enable them to be readily understood by those carrying out the audit; • are organised in a logical manner so that the audit examination can be conducted as efficiently as possible; • form an efficient method of gathering sufficient evidence without superfluous testing; and • take account of any earlier related audit work and/or published research on the topic. 4.3 Performance audit programs need to be customised for each audit. Further factors to be considered when developing the programs include: • size—audit programs generally increase in size and complexity (more detailed procedures, questionnaires and checklists) with increases in the scope of the audit; • geographic dispersion—the dispersion and location of sites to be visited can markedly affect the audit program. Detailed procedures may be required to ensure consistency when different personnel are carrying out the same audit at different locations; • audit environment—management receptiveness to being audited and the sensitivity of the area in the agency will affect the way in which procedures are developed and applied; 31 • the components of the program/activity or the system to be audited, eg. its inputs, processing activities, outputs and outcomes; and • whether broad issues only have been identified, or specific criteria are available for audit examination. 4.4 Audit managers should ensure that means of collecting appropriate evidence are listed against each audit criterion. The audit manager should also consider the costs vis-a-vis the benefits of collecting evidence. 4.5 In some cases, a criterion that appears reasonable may not be able to be tested at all. For example, a criterion that 'appropriate priority be given to the development of an information system' could not be assessed without knowing all other priorities and their justifications. Thus the criterion should be revised. Criteria must also be reviewed for consistency with the legislation, for practicality and for comprehension by field staff. 4.6 Furthermore, once preliminary research/fieldwork is under way, new issues may arise that warrant reconsideration and revision of the initial criteria. However, before adding new issues, the likely impact on the audit budget and timetable must be considered. 4.7 In developing an audit program it will not be possible to anticipate all contingencies. In the early stages of an audit, there is a need to retain flexibility and to review the audit program for appropriateness. It is preferable to start with a program outlining the approach to the audit issues and revise and extend it as the audit develops. 4.8 One approach to developing an audit program is an iterative process such as the one outlined in Figure 3: Figure 3 The Audit Program Revision Cycle Initiating the Performance Audit 4.9 In light of observations on the outcomes of this process, planning for the next stage of the audit program can be modified i.e. the interpretations/conclusions arising from one stage of the audit program can be used to review and modify the next stage. 32 5th ASOSAI Research Project—Performance Auditing Guidelines Audit approaches 4.10 There are a number of analytical approaches to undertaking an audit program and making assessments against criteria. These approaches include: • analysis of procedures; • use of existing data or evidence provided by the agency; • analysis of results; • case studies; • surveys; and • quantitative analysis. Analysis of procedures 4.11 An analysis of procedures is often a starting point for audit analysis. The auditor would review systems in place for planning, conducting, checking and monitoring the activity being audited. This would involve interviews of managers and examination of documents such as budgets, financial reports, program guidelines, annual or other plans, procedures manuals, delegations and reporting requirements. Procedures would be tested against established criteria or a desirable control model. This would typically mean that procedures would be checked, among other things, for completeness, relevance against the legislation, internal consistency and practicability. Use of existing data 4.12 It is important for audit staff to investigate the data held by agency management and by other relevant sources. This may include the management information systems used to manage agency programs/activities and/or the data collected on individual programs. Analysis of results 4.13 Analysis of results from examining a number of instances of agency activity in a particular area will help decide whether agency performance in that area conforms to audit criteria and is generally satisfactory. Case studies 4.14 The case study is a method for learning about a complex issue, based on a comprehensive understanding of the particular instance. The case study involves an extensive description and analysis of the particular issue within the context of the whole area under review. 33 Surveys 4.15 Another method of obtaining insight into an agency's activities is by the conduct of a survey. This is a method of collecting information from members of a population (such as the agency's staff, suppliers or clients) to assess the incidence, distribution, and interrelation of events and conditions. Quantitative analysis 4.16 Where practicable, an entire population should be analysed. Where this is not feasible, due to cost and time constraints, sampling techniques should be used. The nature of the population should be examined to decide the most appropriate sampling methodology. When using either a statistical or a non-statistical sampling approach, the auditor should select an appropriate audit sample, perform audit procedures on the sample and evaluate sample results so as to provide sufficient audit evidence. 4.17 When selecting an audit sample, the auditor should consider the specific audit objectives and the attributes of the population from which the auditor wishes to draw the sample. In determining the sample size, the auditor should consider whether sampling risk will be reduced to an acceptably low level. The auditor should select sample items so as to have a reasonable expectation that all sampling units in the population have an equal chance of selection. 4.18 To each item selected the auditor should apply audit procedures appropriate to the particular audit objective. The auditor should consider what conditions would constitute an anomaly or error by reference to the audit objectives. The auditor should consider the nature and cause of any errors identified and their possible effect on the particular audit objective and on other areas of the audit. 4.19 Errors found in the sample should be projected to the population. The auditor should consider the effect of the projected error on the particular audit objective and on other areas of the audit. Refining the audit program 4.20 The initial audit program should be refined by developing ‘action lists’ that reorganise the program by audit activity. For example, for the audit activity ‘interviews’, an auditor would list all criteria/issues that are to be addressed in this way. At the same time, questions for the interviews can be developed from the criteria/issues. Similarly, a list of audit steps should be established against other activities such as file searches. Initiating the Performance Audit 34 5th ASOSAI Research Project—Performance Auditing Guidelines 4.21 The result of this process is that for every criterion there is at least one audit step (sometimes several will be necessary; for example, interviews alone rarely provide adequate evidence). As well, for every audit step there is a relevant issue related to the criterion. 4.22 It is also likely that the initial audit program will require revision to take account of external factors. For example, the precise nature of the data held (whether in databases or on files) may not be known, nor the likely difficulty of access. A decision is then necessary on whether to abandon the test, make an interim finding of lack of satisfactory recordkeeping, or pursue an alternative means of gathering evidence. 4.23 In carrying out planned audit steps additional relevant information, not explicitly covered by the audit program, may come to light. In this case, the auditor should identify the issues highlighted by the new information. 4.24 One of the purposes of the preliminary study is to refine the audit program. It is also advisable to review the program early in the fieldwork stage of the main audit to ensure it remains appropriate. However, revisions at this stage may lead to incompatibility of results from the beginning to the end of the audit. This will need to be considered by the audit manager against the advantages of improving the program. 4.25 The level of detail of the final audit program will depend on a number of factors: • the complexity of the audit issues to be tested; • the extent of the audit; for example, a large audit carried out in several locations would need a detailed program to ensure consistency; and • the level of the staff carrying out the audit; where junior staff have responsibility for carrying out fieldwork, a more detailed program would normally be appropriate. 4.26 For multiple-agency audits, the main issue in the program is whether each audit step needs to be carried out in each agency. Different requirements for sample sizes may lead to some audit steps being carried out in only certain agencies. 4.27 For single-agency audits, the auditor needs to be careful that the instances chosen for analysis can be extrapolated to form a fair picture of the agency or program under review as a whole. In the case of crossagency audits, there is a similar concern that agencies chosen for examination are sufficiently representative or that the results can be reasonably inferred across the public sector. 35 Audit test programs 4.28 Audit test programs form an integral part of the audit program. An audit test program refines audit criteria into a series of procedures and/or activities (tests) to obtain relevant and reliable evidence upon which conclusions may be drawn. 4.29 Audit test programs are the key link between the development of audit objectives/criteria and the conduct of an audit leading to credible and defensible findings. This is illustrated in Figure 4. Figure 4 The Development of Audit Test Programs Audit Objective Test Methodology Test Questions/ Analysis Examine findings and reassess criteria if necessary. Test Programs Findings Audit Criteria Initiating the Performance Audit 4.30 Test programs should not be prescriptive but should have the following characteristics: • Clear purpose: The purpose of the test program should be clearly defined from the outset to show relevance to the audit topic and to effectively focus the audit. • Easily understood: The test program should be easy to understand, with any jargon and acronyms explained. • Sound logic: A logical link should exist between the objectives of the audit, the audit criteria and the audit test program. • Good layout/design: Page layout and design should be kept simple, preferably in a working paper style format for easy referencing. • Good co-ordination: An audit test program should be used to clearly define the roles of each team member to avoid duplication of work. • Flexibility: Test programs should remain flexible to allow for the introduction of new evidence/criteria, and the exclusion of outdated or irrelevant evidence/criteria. • Cost effectiveness: Test programs must ultimately be cost effective; that is, the time and resources used on a test program must not outweigh the likely benefit such a program will produce. 36 5th ASOSAI Research Project—Performance Auditing Guidelines Developing findings and recommendations 4.31 Audit findings are identified by relating audit observations to audit criteria. Audit observations are based on the analysis of information collected during the audit. Audit findings should be developed and evaluated throughout the various phases of a performance audit. Potential findings identified in the planning stage or during the preliminary study should be followed up in the detailed examination phase of the audit. 4.32 Instances where agency performance exceeds the expected performance (as inferred from the audit criteria) are good practice findings, provided the targets/benchmarks are realistically determined, and should also be reported. The process of analysing evidence, developing findings and producing recommendations to resolve identified areas of poor practice is summarised in Figure 5. Figure 5 The Process of Developing Recommendations Audit criteria (what should be) Audit evidence (what is) Audit findings ('what is' compared with 'what should be') Determine the causes and effects of the finding Develop audit conclusions and recommendations Estimate likely impacts of the recommendations wherever possible 4.33 The detailed evaluation of audit findings is generally completed during the preparation of discussion papers for distinct segments of the audit or near the conclusion of the audit fieldwork. However, some evaluation may extend into the reporting phase, as findings are challenged and further evidence is obtained. It is at this latter stage that a final decision is reached on the findings and recommendations that will be reported. Once an audit finding has been identified, two complementary forms of assessment take place; an assessment of the significance of the finding and the determination of the causes of good performance or under-performance (where it is below that expected). 37 4.34 The effect of a finding may be quantifiable in many cases. For example, the cost of expensive processes, expensive inputs or unproductive facilities can usually be estimated. Additionally, the effect of inefficient processes, for example idle resources or poor management, may become apparent in terms of time delays or wasted physical and other resources. Qualitative effects, as evidenced by a lack of control, poor decisions or lack of concern for service, may also be significant. The identified effect should demonstrate the need for corrective action. The effect can also have occurred in the past, be occurring now or may possibly occur in the future. If the effect occurred in the past the audit finding will stand only if the situation has not already been remedied to prevent it from recurring. 4.35 The auditor should identify the underlying cause of a finding, as this forms the basis for the recommendation. The cause is that which, if changed, would prevent similar findings. The cause may be outside the control of the agency under audit, in which case the recommendation should direct attention outside the agency. However, the agency concerned should be provided with the relevant part of the report for comment. This factor should also be taken into consideration while developing the timeline for reporting. 4.36 The auditor may identify a cause-and-effect chain and have the option of reporting the findings at different points in the chain. In this situation the auditor should highlight the most critical deficiency in the chain. 4.37 Findings may be presented in discussion papers for comment by agency management. Agency responses can then be documented and analysed. Where the agency disagrees with the audit findings and recommendations, the reasons for such disagreement should be fully analysed. 4.38 The recommendations made by the SAI regarding performance audits have to be argued in a logical manner. Recommendations should indicate broadly what issues might be examined by management when seeking solutions and should focus on the more significant issues requiring attention. The less significant issues should be referred to agency management for action. 4.39 Recommendations require careful review to ensure that they are practical and add value. The auditor should ensure, for example, that the recommendation addresses the objectives of the audit; ie. economy, efficiency, effectiveness or accountability as appropriate. A good test for the auditor is to consider how the recommendation would be followed up; how the implementation of the recommendation could be tested; and what specific actions the agency can undertake to implement the recommendation. Initiating the Performance Audit 38 5th ASOSAI Research Project—Performance Auditing Guidelines

5. Evidence and Documentation

Audit evidence

5.1 Audit evidence is information collected and used to support audit findings. The conclusions and recommendations in the audit report stand on the basis of such evidence. Consequently, performance auditors must give careful thought to the nature, quality and amount of evidence they collect. 5.2 All fieldwork should be planned from the perspective of acquiring evidence intended to support the findings appearing in the final report. The plan for conducting fieldwork is the audit program which, in turn, is based on the audit objectives and on criteria where they have been developed. Competence, relevance and sufficiency of evidence 5.3 The INTOSAI Auditing Standards13 state ‘Competent, relevant and reasonable evidence should be obtained to support the auditor’s judgement and conclusions regarding the organisation, program, activity or function under audit.’ Competence of evidence 5.4 Evidence is competent (valid and reliable) if it actually represents what it purports to represent. The reliability of evidence can be ensured and assessed by considering the following: • corroboration of evidence is a powerful technique for increasing reliability. This involves the auditor looking for different types of evidence from different sources; • evidence sourced from outside the agency is normally viewed as more reliable for audit purposes than information generated within the agency; • documentary evidence is usually considered to be more reliable than oral evidence; • evidence generated through direct auditor observation or analysis is more reliable than indirectly obtained evidence; • the reliability of agency-generated information will be a function of the reliability of the agency’s internal control systems; 13 Auditing Standards, Auditing Standards Committee, INTOSAI, June 1992, pp. 50, 42 39 • oral evidence that is corroborated in writing is more reliable than oral evidence alone; and • original documents are more reliable than photocopies (if originals are photocopied the auditor should note the source of original and the date copied). Photocopies of evidence regarded as being of significant importance to an audit should, whenever possible, be certified by relevant authorities. Relevance of evidence 5.5 Relevance requires that the evidence bear a clear and logical relationship to the audit objectives and to the criteria. One approach to planning for data collection is to list, for each issue and criterion, the nature and location of evidence that is needed, as well as the audit procedure that is to be implemented. Sufficiency of evidence 5.6 The auditor should obtain sufficient appropriate audit evidence to be able to draw reasonable conclusions on which to base the audit report. Sufficiency is the measure of quantity of audit evidence. Appropriateness is the measure of quality of audit evidence, its relevance to particular criteria and its reliability. 5.7 Evidence is sufficient when there is enough relevant and reliable information to persuade a reasonable person that the performance audit findings, conclusions and recommendations are warranted and supported. In determining whether documentary evidence is sufficient, the auditor must take account of the status of the document; eg. draft internal agency documents may have little status in terms of the agency's intentions and decisions. 5.8 The factors that dictate the strength of evidence required to support an observation in performance auditing include: • level of materiality or significance of the observation; • degree of risk associated with coming to an incorrect conclusion; • experience gained in previous audit examinations on the degree of reliability of the agency's records and representations; • known agency sensitivity to an issue; and • cost of obtaining the evidence relative to the benefits in terms of supporting the observation. Evidence and Documentation 40 5th ASOSAI Research Project—Performance Auditing Guidelines 5.9 Evidence gathered during a performance audit may be predominantly qualitative in nature and requires extensive use of professional judgement. Accordingly the auditor would ordinarily seek corroborating evidence from different sources or of a different nature in making assessments and forming conclusions. 5.10 When planning the audit, the auditor would identify the probable nature, sources and availability of audit evidence required. The auditor should consider such factors as the availability of other audit reports or studies and the cost of obtaining the audit evidence. Characteristics of performance audit evidence 5.11 In performance audit terms, audit evidence is the facts or information used: • to conclude whether an agency's management and employees have accepted and carried out appropriate actions to conform to operational principles, policies or standards for using resources effectively, efficiently and economically; and • to demonstrate to a third party that the auditor's findings are credible and defensible. 5.12 Auditors need to be aware of potential problems or weaknesses with performance audit evidence. Potential problems include: • evidence based on a single source (this may impact on reliability, validity and sufficiency); • oral evidence not supportable by documentation or observation (reliability); • evidence is not time-sensitive, ie. outdated and does not reflect changes (relevance); • evidence too expensive to obtain relative to benefits (relevance and sufficiency); • source of evidence has a vested interest in outcome (reliability); • samples collected are not representative (relevance, validity, sufficiency); • evidence may be related to an isolated occurrence (validity, sufficiency); • evidence is incomplete, ie. does not demonstrate a cause or effect (reliability, sufficiency); and • evidence is conflicting (reliability). 5.13 Evidence can be categorised as to its type—physical, oral, documentary or analytical. 41 Physical evidence 5.14 Physical evidence is obtained by observing people and events or examining property. The evidence can take the form of photographs, charts, maps, graphs or other pictorial representations. A picture of an unsafe condition is far more compelling than a written description. 5.15 When the observation of physical condition is critical to achieving the audit objectives it should be corroborated. This may be achieved by having two or more auditors make the observation, if possible accompanied by representatives of the agency. Oral evidence 5.16 Oral evidence takes the form of statements that are usually in response to inquiries or interviews. These statements can provide important leads not always obtainable through other forms of audit work. They can be made by employees of the agency, beneficiaries and clients of the program being audited, experts and consultants contacted to provide corroborating evidence in relation to an audit, and by members of the general public. 5.17 Corroboration of oral evidence is needed if it is to be used as evidence rather than simply as background. This could be: • by written confirmation by the interviewee; • by weight of multiple independent sources revealing the same facts; or • by checking records later. 5.18 In assessing the reliability and relevance of oral evidence the auditor needs to have regard to the credibility of the interviewee; that is, the position, knowledge, expertise and forthrightness of the person being interviewed. Documentary evidence 5.19 Documentary evidence in physical or electronic form is the most common form of audit evidence. It may be external or internal to the agency. External documentary evidence may include letters or memoranda received by the agency, suppliers' invoices, leases, contracts, external and internal audits and other reports, and third-party confirmations. Internal documentary evidence originates within the audited agency. It includes items such as accounting records, copies of outgoing correspondence, job descriptions, plans, budgets, internal reports and memoranda, statistics summarising performance and internal policies and procedures. Evidence and Documentation 42 5th ASOSAI Research Project—Performance Auditing Guidelines 5.20 The reliability and relevance of documentary evidence should be assessed in relation to the objectives of the audit. For example, the existence of a procedures manual is not evidence that the manual is put into practice. As with oral evidence, the position, knowledge and expertise of the author or approver of the document may need to be assessed. 5.21 Documents that are the output of management information and control systems (eg. the accounting system) will need to be assessed in the light of the internal controls that operate within that system. Auditors who intend to rely on such evidence should assess the system's internal controls. Analytical evidence 5.22 Analytical evidence stems from analysis and verification of data. The analysis can involve computations, analysis of ratios, trends and patterns in data obtained from the agency or other relevant sources. Comparisons can also be drawn with prescribed standards or industry benchmarks. Analysis is often numerical; considering for example ratios of output produced to resources consumed. It can also be non-numerical in nature; for example observing a consistent trend in the nature of complaints made about an agency. The evidential process 5.23 Collecting evidence takes place during both the preliminary study and examination phases of an audit. Work done in the preliminary study phase also constitutes part of the overall evidence. Auditors should: • examine the characteristics of data required; • collect data relevant to achievement of the explicit audit objectives; • collect data based on the audit criteria outlined in the audit work program of the audit plan; • collect data which is sufficient and persuasive to logically support the analysis, observations, conclusions and recommendations; and • apply the standard of evidence to build a successful case 'on the balance of probabilities'. 5.24 Sources of evidence are discussed in the following paragraphs. Policy statements and legislation 5.25 Auditors should gather policy documents, operating guidelines, manuals, ministerial directives, delegations, etc., and examine the background leading to their promulgation. Auditors should also consider 43 changes to legislation and the document trail leading to the need for change, for example, submissions, press clippings, complaints, case histories and speeches. Published program performance data 5.26 Published agency budget statements may provide evidence on the objectives and performance of agencies. They include an agency overview and also provide financial and other performance information. Interviews 5.27 Interviews can be useful, but it is necessary to identify the appropriate people to provide information, and to corroborate the oral information. Solid preparation for the topic is essential and a pre-prepared list of questions is useful; in some cases, it may be effective to supply this list to the interviewee beforehand. File examination 5.28 Information obtained from files provides strong evidence to support audit findings and recommendations. A listing of files should be obtained from agency registry systems. In addition, file information of relevance to a particular work area may be found in that work area. Audit interviews may also give hints on which files to seek and review. Files which may prove useful for review include those on: • strategic and operational planning; • management control; • executive meeting minutes; • complaints and disputes; and • reviews and audits. 5.29 File examination is time-intensive, and it is usually not possible to examine all files. Judgement must be exercised whether to examine a random selection or a selection based on the purpose of the investigation. Usually the latter approach would be adopted but, if time permits, a random sample of other files should be examined. Management reports and reviews 5.30 Agencies usually generate a number of internal reports or reviews summarising for senior management the issues at the time, or proposing courses for action. Auditors should locate and analyse such reports. Ways of identifying these reports include interviews and examination of minutes of management meetings. Evidence and Documentation 44 5th ASOSAI Research Project—Performance Auditing Guidelines Databases 5.31 Most agencies have some form of management information system that collects relevant information for the conduct of operations. These systems can be important sources of evidence, especially in quantifying relevant audit matters. External sources 5.32 Larger agencies may have sophisticated, specialist libraries relevant to their areas of responsibility. Literature searching on relevant topics and key words can be particularly useful. SAI sources 5.33 Evidence collected in previous audits or through the SAI strategic planning process should be used if it is relevant. Observation 5.34 The value of direct observation should not be overlooked. Observation of the general demeanour of staff can give information about pressure, morale, or lack of work which can then be followed up if thought appropriate. 5.35 However, careful consideration needs to be given to selecting activities or facilities to be physically inspected. These should be representative of the area under examination. Auditors should also be aware that people perform differently when they are being observed. 5.36 This type of evidence can be regarded as 'soft' unless corroborated. Photographs and video recordings increase the value of direct observation. Detailed description of the results of the observations in written form is recommended. Documentation 5.37 The auditor should document evidence to support the audit conclusions and to confirm that the audit was carried out in accordance with relevant SAI and INTOSAI standards applicable to performance audits. This includes the basis and extent of planning, audit methods and procedures, research design, the work performed and the audit results and findings. 45 5.38 INTOSAI Auditing Standards14 state that: Auditors should adequately document the audit evidence in working papers, including the basis and extent of the planning, work performed and the findings of the audit… Adequate documentation is important for several reasons. It will: a) confirm and support the auditor's opinions and reports; b) increase the efficiency and effectiveness of the audit; c) serve as a source of information for preparing reports or answering any enquiries from the audited agency or from any other party; d) serve as evidence of the auditor's compliance with auditing standards; e) facilitate planning and supervision; f) help the auditor's professional development; g) help to ensure that delegated work has been satisfactorily performed; and h) provide evidence of work done for future reference. 5.39 Thorough documentation is a vital aspect of maintaining a professionally acceptable level of auditing, for the following reasons: • there must be an adequate and defensible basis for the audit opinions expressed in a report; • it enables auditors to explain audit findings better to the legislature; • it provides an effective link between successive audits; and • it provides a basis for quality assurance reviews. Working papers 5.40 Working papers are all relevant documents collected and generated during a performance audit. They should include documents recording the audit planning, the nature, timing and extent of the audit procedures performed, the results thereof and the conclusions drawn from the audit evidence obtained. Working papers should therefore contain at least three sections: planning; execution; and reporting. 5.41 Working papers serve as the connecting link between the fieldwork and the audit report and should be sufficiently complete and detailed to provide an understanding of the audit. Thus they should contain the evidence accumulated in support of the opinions, conclusions and analysis supporting recommendations in the report. Evidence and Documentation 14 Ibid, pp. 50,51 46 5th ASOSAI Research Project—Performance Auditing Guidelines 5.42 Working papers organise and facilitate access to the evidential documentation and thus: • assist in the planning and performance of the audit; • facilitate effective management of individual audits and the total audit task; • assist in the supervision and review of the audit work; and • record evidence resulting from audit work performed to support the audit opinion. 5.43 The auditor should adopt appropriate procedures to maintain the confidentiality and safe custody of the working papers and should retain the working papers for a period sufficient to meet the needs of the legal and professional requirements of record retention. 5.44 Set out below are several broad characteristics that working papers should have. Completeness and accuracy 5.45 Working papers should be complete and accurate. They should provide proper support for findings, conclusions and recommendations, and demonstrate the nature and scope of the examination performed. Clarity and conciseness 5.46 Working papers should be clear and concise. Without supplementary oral explanations, anyone using the working papers should be able to understand their purpose, the nature and scope of the work done, and the conclusions reached. The working papers should also contain a summary, indexed and cross-referenced to the documents. Ease of preparation 5.47 Working papers should be easy to prepare. This may be achieved by using agency-produced schedules, pre-printed standard audit stationery and automatically-generated standard working paper formats using databases or word processors. Legibility and neatness 5.48 Working papers should be neat and legible. If they are not, their use in report preparation will be restricted and they may lose their value as audit evidence. Relevance 5.49 The information contained in working papers should be restricted to matters which are materially important, pertinent, and useful in relation to the objectives established for the assignment. 47 Organisation 5.50 Working papers should be organised and exhibit a consistent structure. This is facilitated by a logical and easy-to-follow index. The filing and indexing of working papers as they are prepared promote an efficient cross-referencing system which can help avoid the continual restatement of information throughout the file. 5.51 All supporting documentation should be cross-referenced to related working papers, where necessary, and also to the audit plan. This provides for easy access to all information concerning the audit. It is also important to index and cross-reference the information held on magnetic media relating to the audit. 5.52 Audit managers should explore, where necessary, the use of databases, search facilities in word processing packages, or other software packages, as these can assist in information storage and retrieval. Ease of review 5.53 Reviewers/supervisors are presented with a less onerous task if working papers exhibit the characteristics discussed above. 5.54 When preparing working papers, their end uses should be kept in mind. The latter include forming the basis for audit findings and recommendations, and facilitating prompt answers to questions posed by the legislature. Evidence and Documentation 48 5th ASOSAI Research Project—Performance Auditing Guidelines

6. Reporting

Introduction

6.1 INTOSAI reporting standards state: At the end of each audit the auditor should prepare a written opinion or report, as appropriate, setting out the findings in an appropriate form; its content should be easy to understand and free from vagueness or ambiguity, include only information which is supported by competent and relevant audit evidence, and be independent, objective, fair and constructive. 15 6.2 Every performance audit will culminate in development of a report that details the findings of the performance audit. Throughout a performance audit, reports, briefings and presentations may be made to the SAI management, the agency and at times the legislature. Reports produced during an audit may include discussion papers, the proposed (draft) report and the final report. The focus of this chapter is on the development of the final report. 6.3 Given the amount of reporting required during an audit, the reporting process may be facilitated by the use of a continuous report-writing process. This process may start at the beginning of the audit with an outline that develops into discussion papers, which are then brought together in the proposed report and further refined in the final audit report. 6.4 The following points need to be emphasised in regard to performance audit reports: • the value of concise and sharply focussed reports which draw out the significant issues of public administration; • the need for a report to be based on accurate and objective information which is supported by sufficient evidence; • the need for audit findings to be well developed and soundly based; • the importance of a timely audit report to ensure that recommendations remain relevant; • the benefits of sound and well developed audit methodology; and • the importance of having fewer but meaningful recommendations rather than many related but lower level recommendations that may distract attention from the key issues. 15 Ibid, pp. 56–58 49 Reporting process Discussion papers 6.5 At various stages during an audit there may be a need for discussion papers to identify and discuss major issues that have emerged during the course of the audit. They serve to confirm facts with the agency and to progress the development of audit findings and recommendations. It is better to detect possible weaknesses in audit findings and their supporting evidence or logic at this early stage than when the agency reviews the final proposed audit report. 6.6 A discussion paper brings together findings and conclusions for a specific segment or area of the audit. It is not expected to be formatted with the precision expected in the final report but is intended to be clear, concise, simple and, above all, logical.

The development of each discussion paper is generally an iterative process occurring during the fieldwork phase. A discussion paper may be prepared for internal use and/or for comment by the agency. 6.7 When writing a discussion paper it is important to keep the final report in mind. It is desirable that these papers be in the same logical structure as will be used in the development of the exit conference discussion paper. 6.8 Discussion papers are an effective means of: • ensuring that the facts have been stated correctly; • ensuring a correct understanding of the program; and • exploring significant early findings and recommendations with an agency and obtaining its preliminary response or reaction. 6.9 Communication can be improved by this process but, if the findings are not well considered, it may have the reverse effect. 6.10 Discussion papers should be concise and include sufficient information to describe adequately the issues and their effects on agency operations and the agency program. Suggestions for improvement may be included if thought appropriate. This may lead to early implementation of SAI recommendations with an immediate effect on improving public administration. In such a situation, it may be appropriate to mention in the report that, during the audit, the SAI raised a specific issue and the agency subsequently took remedial action. Sources of information used in the discussion paper should be indicated to improve the acceptability of findings. Reporting 50 5th ASOSAI Research Project—Performance Auditing Guidelines 6.11 When presenting an agency with a discussion paper, it needs to be made clear that it is only a draft for comment. It is not uncommon for agencies to overreact to a discussion paper. Some will treat the discussion paper as they would a formal proposed report. Close liaison with the agency on the purpose of the discussion paper, together with an appropriate introduction, should enable the agency to provide a response appropriate to that stage of report production. Exit conference/ interview 6.12 A formal exit conference is held at the conclusion of the audit to ensure full understanding of the issues by both parties and assist the agency in providing its comments for consideration in preparing the final report. The exit conference discussion paper may contain the bulk of the information intended for the proposed report and, in fact, may differ only in the extent or nature of the agencies' responses to audit findings and conclusions. 6.13 After the exit conference the SAI will prepare the proposed report taking into account the agency responses. The oral and written responses elicited from the agency by the exit conference discussion paper should be sufficient to complete the preparation of the proposed report. Proposed/ draft report 6.14 The proposed/draft report provides the first opportunity for the agency to see the full context of audit findings and conclusions in written form. The purpose of this stage is to seek the formal responses of the agency additional to the officer-level responses obtained in discussions during the audit. Where agency responses provide new information, the auditor should assess this and be willing to modify the draft report, provided the usual standards of evidence are met. 6.15 The proposed report represents the culmination of the audit fieldwork and associated analysis and consideration, and should represent the SAI's final conclusions and recommendations. 6.16 It is important that the report describes the objectives and scope of the audit so that readers can understand the purposes of the audit and properly interpret the results. The scope of the audit is described by identifying the agency or part thereof subject to audit, identifying the matters examined and describing the time period covered by the audit. The auditor needs to give particular attention to clearly describing the scope and objectives of the audit where the purpose of the audit or the nature of the performance information is highly specialised or the audit opinion or performance information could mislead users if taken out of context. Similarly, the auditor should consider whether there is any 51 express restriction on the distribution of the audit report or on those who rely on it. If so, this would be mentioned in the audit report. 6.17 Any limitations on the scope of the auditor's work and the reasons thereof should be described in the audit report. A scope limitation occurs, for example, when the auditor is unable to audit key organisational units or systems or to perform necessary audit procedures due to factors beyond the auditor's control. The scope of the audit can also be limited by the inability to identify suitable criteria. The auditor would consider whether it is appropriate to comment in the report on the implications of the lack of suitable criteria for the activity being audited. 6.18 A performance audit report would describe relevant facts and findings sufficiently to allow readers to understand the basis upon which the auditors' opinion has been formed. This would include a discussion of the underlying facts, comparisons with suitable criteria and the analysis of differences between what is observed and the audit criteria, including the causes and effects of the differences. The auditor's opinion in a performance audit may consist of a series of conclusions about the matters subject to audit, where this is appropriate, and may also involve an attestation of management assertions to demonstrate management's regard for economy and/or efficiency and/or effectiveness. 6.19 Where an audit report names specific persons or organisations, procedural fairness requires that comments be sought from those parties whose reputations or interests may be adversely affected by the report. Only relevant parts of the report should be provided to such people and they should be given adequate notice and opportunity to respond to the material in the report. Final report 6.20 The published final performance audit report is the product on which the SAI performance audit function is judged by the legislature and the public at large. Any material errors, particularly in areas contested by agencies, could be potentially damaging to the credibility of a particular report and to the SAI. It is therefore crucial that a great deal of attention be given to the accuracy, logic and clarity of the report. 6.21 Performance audit reports should also be timely and objective, with issues firmly expressed having regard to the circumstances. Where dealing with significant issues, there should be a logical and compelling exposition of the issue and exposures. To maximise the effect of the report on improving public administration, care must be taken to ensure it is accurate, complete, defensible, understandable and balanced. Reporting 52 5th ASOSAI Research Project—Performance Auditing Guidelines 6.22 Significant issues and recommendations should be highlighted in a summary of the report. 6.23 The auditor should review and assess the conclusions drawn from the audit evidence obtained as the basis for preparing the audit report. Performance audit reports vary according to the differences in audit mandates and the scope and complexity of the particular audit and its findings. 6.24 The performance audit mandate, whether established by legislation, by directive from the governing body or by contract, ordinarily specifies the minimum audit and reporting requirements of the performance audit. Report contents 6.25 INTOSAI reporting standards16 state: ‘With regard to performance audits, the report should include all significant instances of non-compliance that are pertinent to the audit objectives.’ 6.26 The INTOSAI reporting standards further note that the form and content of all audit reports are founded on the following general principles. • Title. ‘The opinion or report should be preceded by a suitable title or heading, helping the reader to distinguish it from statements and information issued by others.’ • Signature and date. ‘The opinion or report should be properly signed. The inclusion of a date informs the reader that consideration has been given to the effect of events or transactions about which the auditor became aware up to that date.’ • Objectives and scope. ‘The opinion or report should include reference to the objectives and scope of the audit. This information establishes the purpose and boundaries of the audit.’ • Completeness. ‘Opinions should be appended to and published with the financial statements to which they relate, but performance reports may be free standing. The auditor’s opinions and reports should be presented as prepared by the auditor. In exercising its independence the SAI should be able to include whatever it sees fit, but it may acquire information from time to time which in the national interest cannot be freely disclosed. This can affect the completeness of the audit report. In this situation the auditor retains a responsibility for considering the need to make a report, possibly including confidential or sensitive material in a separate, unpublished report.' 16 Ibid, pp. 56–58 53 • Addressee. 'The opinion or report should identify those to whom it is addressed, as required by the circumstances of the audit engagement and local regulations or practice. This may be unnecessary where formal procedures exist for its delivery.' • Identification of subject matter. 'The opinion or report should identify the financial statements (in the case of regularity (financial) audits) or area (in the case of performance audits) to which it relates. This includes information such as the name of the audited agency, the date and period covered by the financial statements and the subject matter that has been audited.' • Legal basis. 'Audit opinions and reports should identify the legislation or other authority providing for the audit.' • Compliance with the standards. 'Audit opinions and reports should indicate the auditing standards or practices followed in conducting the audit, thus providing the reader with an assurance that the audit has been carried out in accordance with generally accepted procedures.' • Timeliness. 'The audit opinion or report should be available promptly to be of greatest use to readers and users, particularly those who have to take necessary action.' 6.27 SAIs should determine and prescribe an appropriate performance audit report structure. The structure should include an introduction to the audited activity or theme, audit objectives and scope, audit criteria, observations and findings, conclusions and recommendations and should take into account any auditee management response. Reporting 54 5th ASOSAI Research Project—Performance Auditing Guidelines

7. Follow-up Processes

Introduction

7.1 A primary objective of the SAI's work is to improve public sector performance and accountability via the implementation of audit recommendations. The effective and timely implementation of report recommendations will be facilitated by a follow-up process. To achieve this the SAI needs to adopt a consistent and systematic approach to the follow-up of audit reports. 7.2 The follow-up of SAI recommendations serves three main purposes: • increasing the effectiveness of audit reports—the prime reason for following up audit reports is to increase the probability that recommendations will be implemented. Knowledge that a report will be followed up should increase the likelihood that agency management will implement those recommendations they say they will implement; • assisting the legislature—follow-ups may be valuable in guiding the actions of the legislature; and • evaluation of SAI performance—follow-up activity provides a basis for assessing and evaluating SAI performance. In particular, it provides an opportunity to validate the cost savings and other benefits projected at the time of the audit. 7.3 Follow-up activity should be directed to encouraging the implementation of recommendations, rather than finding examples of lack of action. The auditor should focus on the correction of previously identified weaknesses. 7.4 Follow-up processes will provide feedback to the SAI and the government on performance audit effectiveness in producing improvements in public sector management. They will be especially useful in showing SAI effectiveness in those cases where recommendations were rejected by the agency at the time of the initial report but subsequently implemented. Such self-evaluation also adds to SAI credibility. 7.5 The three main types of performance audit follow-up activity are: • keeping abreast of agency activity; • a more detailed review of agency activity, perhaps involving meetings with the agency. This is sometimes referred to as a desk review 55 because it does not involve extensive fieldwork. This type of activity may be undertaken if the subject is particularly topical, sensitive or high-risk but only a short time has elapsed since the original audit; and • a follow-up audit which involves fieldwork and the tabling of a report. It could be expected that no more than one follow-up audit would be conducted in a three-year period. 7.6 Depending on the results of the follow-up activity mentioned above, it may be decided that a full follow-up audit is not required. As with any audit, an audit plan should be prepared and the investment in a full follow-up audit would need to be justified. Planning for follow-up activity 7.7 The priority of follow-up tasks should be considered in the context of the overall audit strategy as determined by the strategic planning process. Follow-up processes would generally be undertaken where the impacts of follow-up activity are expected to outweigh the costs. Such impacts could include both increasing the probability of implementation of original recommendations and deriving new impacts. 7.8 Reasons for not doing follow-up audits might be that the audit was small, or that it referred to a once-only event or to a specific program now abolished. Even in these cases, there may be scope for follow-up activity to test whether general principles recommended in the audit have been implemented by the agency. Smaller audits may also warrant specific follow-up action when they reveal significant issues for further review by the legislature or when audit recommendations are likely to lead to significant benefits. Assessing and reporting on follow-up activity 7.9 Various sources of information are available to assist SAI staff to follow up on recommendations made. One effective way of commencing this activity is to forward to the agency at the start of a follow-up audit, a request to confirm the status of action on each recommendation. The information provided then forms a useful starting point for conduct of any document examination and interviews. Internal audit reviews and evaluations may also be useful. 7.10 Results from the follow-up of audit recommendations should be recorded according to a 'status of action' category that best describes the actions taken. The reasons for the lack of action or non-completion of action on any recommendations should be documented and further action considered on significant recommendations that have not been acted upon. Follow-up Processes 56 5th ASOSAI Research Project—Performance Auditing Guidelines 7.11 Agency rejection of a recommendation does not mean the recommendation should not be followed up. Assuming the agency has taken no action, the status should be entered as, 'action not initiated'. 7.12 Assessing the action taken on SAI findings and recommendations and assessing the impact of the audit will help to measure the effectiveness of SAI performance audits. Impacts include examples of improved economy, efficiency, effectiveness, quality of service, planning, control and management, and accountability. Where possible the impact from performance audits should be recorded. 7.13 In identifying impacts, offsetting costs which are associated with achieving the impacts should be estimated to show the 'net' benefits. Significant impacts should be validated with the agency or relevant bodies where possible. It is recognised that isolating the impact of an audit report in the context of significant other changes can be very difficult. The key factor remains whether the audit recommendations have been carried out, and this may be the only measurable indicator of impact. 7.14 Conduct of follow-up activity may indicate that there are considerable remaining risks in the audited program or in an allied program. As in any audit activity, auditors should be alert to the prospects for auditable areas capable of yielding valuable results. This information should be fed into the annual planning processes for performance and financial statement audits. 7.15 Deficiencies and improvements identified in the follow-up of audits should be reported to the legislature. Reporting options include stand-alone reports or an omnibus report of a number of follow-up audits. Positive action in responding to audit recommendations should also be reported, as this is to the credit of both the agency and the SAI. 7.16 Stand-alone follow-up reports should follow reporting guidelines for audits. Agencies should be given an opportunity to respond and have their response, or part thereof, included in the report. Such action is important in order to ensure that a balanced report is presented to the legislature. 57

8. Audit Management—Some Important Issues

Consultation with auditees

8.1 The development of good relations with the agency is a key factor in achieving an effective and efficient audit of an agency's program or function. The progress and outcome of the audit will be enhanced if the audit team can obtain the cooperation of management and foster confidence by maintaining a fully professional approach during the course of the audit. The quality of the audit process will depend significantly on the careful management of consultation with the agency. The SAI should adopt a policy of ongoing communication with the agency during the audit. 8.2 It is important that the audit team take measures to avoid the development of an adversarial attitude by agency management. In order to facilitate good relations with the agency, the auditor: • should be aware of any other audit activity currently being undertaken within the agency; • should be able and willing to explain the role and responsibilities of the SAI in conducting performance audits; • should ensure that discussions with the agency take place at an appropriate and responsible level; • should prepare fully for all meetings with the agency; • should emphasise improvement in the future rather than just criticism of the past; and • should ensure audit issues are discussed in context and recognition is given to external constraints and management-initiated improvements. 8.3 Audit managers should ensure there is regular contact with agency senior management to ensure that program objectives and issues are fully appreciated and potential audit recommendations are tested and properly targeted. Value will also be added to the performance audit if the agency is asked to specify the high-risk areas that they would like the audit to cover. 8.4 If the audit is conducted in a cooperative manner there is much greater likelihood of suggestions for improvement being seriously considered by agency management with a view to their implementation at an early date (even during the audit). A cooperative approach is to be taken but not at the expense of audit independence. 58 5th ASOSAI Research Project—Performance Auditing Guidelines 8.5 SAI staff should observe normal professional courtesies, seek to maintain good relationships with agencies, promote the free and frank flow of information and conduct discussions in an atmosphere of mutual respect and understanding. The SAI should use its powers of access to information tactfully and with due regard to the agency's ongoing operational responsibilities as well as to the SAI's statutory responsibilities. 8.6 The SAI should endeavour to give agencies reasonable notice of its intention to commence an audit and should discuss the general scope of the audit with relevant agency officers. Establishing contact with the auditee 8.7 The initial contact with the auditee is normally made by the audit manager in charge of the audit. The contact should be with appropriate responsible agency management and in accordance with any working relationship agreed between the SAI and the agency. 8.8 The initial contact should advise the agency on matters such as: • the objectives, timing, duration and type of audit to be conducted; • the intended offices or regions to be visited during the planning phase; and • details of audit staff and a contact officer within the SAI. 8.9 The initial contact should also arrange for an opening/entry conference with agency representatives. The objectives of the opening/ entry conference are to: • enable the audit team to meet key agency staff; • establish suitable liaison arrangements at both the management and working levels, including arrangements for progressive reporting of tentative findings; • ensure the agency clearly understands the audit objectives and processes, including description of access powers and safeguards on confidentiality; • outline the agency's responsibilities and clarify any queries or misunderstandings the agency may have; and • make administrative arrangements for the audit team, such as suitable office accommodation and access to buildings, personnel, files, systems and data. 8.10 Depending on the nature of the audit, careful consideration needs to be given to the level of the SAI and agency representatives at the opening/entry conference. The opening/entry conference must be documented. 59 8.11 Once a decision is made to proceed with a full performance audit, details of the audit methodology and likely coverage should be provided to the agency. 8.12 At the conclusion of each audit an exit conference is arranged, preferably with the persons with whom the opening/entry conference was held. The exit conference must be documented. The purpose of the exit conference is to: • present an exit conference discussion paper; • communicate the audit in a positive light and explain the advantages to the agency; • discuss provisional audit findings, conclusions and recommendations with agency management and obtain management comment on them; • draw on management's experience in the assessment of recommendations for improvement; and • afford the agency the opportunity to correct misunderstandings and question the audit conclusions and findings. Quality assurance and quality control Introduction 8.13 INTOSAI Auditing Standards state that: The SAI should establish systems and procedures to: a) confirm that integral quality assurance processes have operated satisfactorily; b) ensure the quality of the audit report; and c) secure improvements and avoid repetition of weaknesses. 17 8.14 The SAI should implement quality assurance/control policies and procedures. Quality assurance refers to policies, systems and procedures established by SAIs to maintain a high standard of audit activity. Quality control refers to the requirements applicable to the day-to-day management of audit assignments. Quality assurance processes 8.15 INTOSAI Auditing Standards state that: '…it is desirable for SAIs to establish their own quality assurance arrangements. That is, planning, conduct and reporting in relation to a sample of audits may be reviewed in depth by suitably qualified SAI personnel not involved in those audits…' 18 Audit Management—Some Important Issues 17 Ibid, p. 39 18 Ibid, p. 39 60 5th ASOSAI Research Project—Performance Auditing Guidelines 8.16 As part of the SAI's legal and professional obligations it must establish and support adequate systems of quality assurance. The systems comprise an organisational structure, policies and procedures designed to provide the SAI with adequate assurance that the work undertaken within the SAI meets professional requirements and standards. 8.17 A system of quality assurance should provide: • indicators for recruitment and promotion; • guidance for assignment of administrative and technical aspects of quality control to appropriate staff; • a basis for communication of quality control policies, procedures and outcomes to all relevant staff; and • adequate monitoring and review of the quality assurance systems. 8.18 Quality assurance mechanisms include: • planning reviews—the planning of selected tasks may be reviewed by SAI management independent of the task to ensure adequate consideration has been given to all matters considered essential for the successful completion of the task at the planning stage; • on-going review—the work on all tasks would be subject to continual review by supervisors and task managers. This review is essential to maintaining the quality of audit tasks and providing staff development through feedback and on-the-job training; • task reviews—all completed tasks should be reviewed prior to signing any reports required as a result of the audit; and • annual review program—a well-defined, independent review process of a sample of completed tasks to inform SAI management of any weakness in current methodology and practices of the SAI. 8.19 Planning and task reviews should generally focus on high risk or complex audit tasks. These reviews give added assurance that those tasks have addressed all key areas of the audit prior to signing the report. Quality assurance review program 8.20 A quality assurance review program is a series of independent peer reviews of activities undertaken within the SAI that assesses the overall quality of the work performed. The results of the program should be reported to the SAI management at least annually. A quality assurance review may examine adherence to policy and procedures and identify areas where there is any scope for improvements in these policies and procedures, or it may assess the quality of work performed to meet specified objectives. 61 8.21 Quality assurance reviews will generally address both adherence to specified processes and the quality of the work performed on a selected task or group of tasks and may include an annual program of task reviews and ad-hoc reviews of any task undertaken at any time. 8.22 Tasks selected by SAI management should, as far as possible, be representative of the nature of all tasks undertaken by the SAI. The reviews would include a selection of high risk, large and complex tasks and some smaller and less complex tasks. 8.23 The report on the quality assurance review program should summarise the results of all the reviews including the tasks selected (number and type), the findings and any recommendations. The report should not focus on individual audits but be a summary of those findings identified during the review program. 8.24 Quality assurance reviews are generally undertaken using a questionnaire to ensure consistency across the reviewing teams but the approach would allow for the qualitative characteristics of audits to be assessed. 8.25 The quality of performance audits should be assessed against the relevant auditing standards. In short, the quality assurance review process reports whether there is sufficient, appropriate evidence to support the audit report. 8.26 Review team members will be selected by the SAI management on the basis of their knowledge and experience and should generally be at the audit manager level. The team members must be independent of the work they review. 8.27 The quality assurance review reports, in addition to identifying weakness in current methodology and practices, should accentuate positive findings and identify improved practices which may be introduced as office-wide best practice. 8.28 It is the responsibility of all audit managers to address the findings of the quality assurance reviews of their tasks. SAI management should be responsible for ensuring that problems noted or recommendations for improvements are adopted in appropriate changes to SAI methodology and practices. Quality control 8.29 Quality control procedures should be designed to ensure that all audits are conducted in accordance with relevant auditing standards. The objectives of quality control procedures should incorporate: • professional competence; Audit Management—Some Important Issues 62 5th ASOSAI Research Project—Performance Auditing Guidelines • professional independence; • supervision and assignment of personnel to engagements; • guidance and assistance; • client evaluation; and • allocation of administrative and technical responsibilities. 8.30 The SAI's general quality control policies and procedures should be communicated to its personnel in a manner that provides reasonable assurance that the policies and procedures are understood and implemented. Quality control requires a clear understanding of where responsibility lies for particular decisions. It is the responsibility of everyone involved in the audit to fully identify and understand his or her responsibilities. 8.31 The audit manager is responsible for day-to-day management of the audit, including detailed planning, execution of the audit, supervision of staff, reporting to SAI management and overseeing preparation of the audit report. These aspects are covered in more detail below. Planning the audit 8.32 This includes establishing milestones, allocating resources (including the use of consultants), preparing timelines and generally the use of project management principles as discussed above. The audit manager needs to take into account factors such as quality, resources and timing in planning the audit. Budgets and monitoring 8.33 Audit plans/programs should contain a financial budget and a timetable for completion of the audit. The budget should consist of allocations for salaries, travel, consultants and any other direct costs that may be associated with the audit. The timetable should be formulated for the purpose of meeting the agreed date for completion of the audit report. 8.34 The budget and timetable should be documented in the working papers. Progress against these targets should be monitored and recorded. The audit manager and SAI management are responsible for ensuring the audit is completed within budget and on time and they should identify potential risks and develop contingency plans to minimise the impact on the audit. These contingency plans could include amending the scope and focus of the audit, swapping resources between sub-allocations within the budget, identifying cost-neutral solutions, or extending the budget where a case for the extension can be justified. 63 Use of consultants 8.35 The audit manager should ensure that staff with appropriate skills are selected for each audit. It is up to the SAI management to judge, in the particular circumstances, to what extent the SAI's requirements are best met by in-house expertise or employment of outside experts. If the SAI, in the performance of its functions, seeks advice from external experts, the standards for exercise of due care and confidentiality of information will apply to such arrangements. 8.36 Before a final decision is made to engage a consultant to assist with an audit, the agency being audited should be given the opportunity to advise whether, in its opinion, an actual or potential conflict of interest could exist in the event the consultant is engaged by the SAI. It is ultimately a decision of the SAI whether or not to engage a consultant to assist in the conduct of an audit, taking into account the views of the agency and of the consultant. Executing the audit 8.37 To ensure the smooth and efficient conduct of the audit, the audit manager will need to be aware of risks to timely audit completion, such as lack of familiarity with the audit subject, lack of audit resources, changes occurring to the audited area, and lack of reliable agency data. The audit manager should also ensure audit work is relevant to the objectives and scope of the audit. 8.38 The audit manager is also responsible for identifying issues of importance. Where these issues are outside the original objectives and scope of the audit or have an impact on the team's ability to complete the audit on time and within budget, the audit manager should identify options for dealing with these issues. These options include, but are not limited to: • adjusting the scope and focus of the audit to take into account a revised outcome while remaining within budget and on time; • identifying an important issue as forming the basis of a new audit to be conducted later; or • preparing a case for extending the audit resources or completion date to cover the newly identified issue. 8.39 The audit manager is further responsible for ensuring that: • the work performed and the results obtained have been adequately documented; • no significant matters remain unresolved; Audit Management—Some Important Issues 64 5th ASOSAI Research Project—Performance Auditing Guidelines • there is adequate evidence to support findings; • conclusions expressed are consistent with the results of the work performed; and • the objectives of the audit have been achieved. 8.40 The audit manager is responsible for conducting regular discussions with agency management concerning the audit findings and clarification of issues arising during the audit. 8.41 The audit manager is responsible for supervising the preparation of discussion papers and draft report segments, management letters and the final report. Supervision 8.42 The audit manager, in conjunction with SAI management, is responsible for the guidance, training and supervision of the audit team members. 8.43 The audit manager, in conjunction with SAI management, is responsible for overall quality control within the audit and should ensure that audit work is reviewed regularly and the results of the review are adequately documented. This review should specifically ensure that there is sufficient evidence to support the findings and recommendations. The reviewer should also provide feedback to the persons responsible for the audit work. Progress reporting 8.44 The audit manager should prepare regular reports to SAI management on the progress of the audit, with recommendations for corrective action should the audit not be progressing in accordance with the plan. Monitoring the audit program 8.45 The SAI should develop appropriate performance indicators for its performance audit program (such as audit cost, duration, milestones and results) and monitor the operation of audits against these benchmarks. Maintaining this performance information will enable the SAI to determine the extent to which the objectives of the performance audit program are achieved and will provide a basis for benchmarking performance over time. 8.46 For the more complex audits the SAI may consider appointing a steering committee to guide the audit team and to monitor the progress of the audit. 65

Appendix A

Important considerations for performance auditing in an Information Technology environment

Introduction 1. Information Technology (IT) is being increasingly used for public sector program planning, execution and monitoring. The sharing or integration of information between agencies raises issues such as the risk of security breaches and unauthorised manipulation of information. Auditors should not only be aware of the uses of IT, they should also develop strategies and techniques for providing assurance to stakeholders about value for money from the use of IT, security of the systems, existence of proper process controls and the completeness and accuracy of the outputs. 2. The value of good IT systems is that they can be an efficient and effective program delivery mechanism. They have the potential to deliver existing services cheaper and also to provide a range of additional services, including program performance information, with greater efficiency, security and control than are available from manual systems. However, IT systems also have the potential to result in major systematic errors, with a resulting greater impact on agency performance than would be possible in manual systems. 3. This appendix highlights a range of important considerations for performance auditing in an IT environment and is not intended to substitute for detailed guidelines that SAIs may need to develop to suit their auditees' IT environment. 4. The approach towards performance auditing in an IT environment should involve the following inter-related processes: • obtain an understanding of the auditees' IT systems and determine their significance to the performance audit objective; • identify the extent of IT systems auditing required to achieve the performance audit objective (eg. audit of systems development; audit of environment and applications controls) and employ specialist IT auditors to undertake the task; and • develop and use appropriate Computer Assisted Audit Techniques (CAATs) to facilitate the audit. Appendix A 19 Referenced in paragraph 1.3. 66 5th ASOSAI Research Project—Performance Auditing Guidelines 5. A performance audit in an IT environment should: • identify any deficiencies in IT controls and the resulting effect on the efficiency, economy and effectiveness of the performance of the agency; • examine the IT system development and maintenance practices of the agency, compared to industry better practice; • compare the IT strategic planning, risk management and project management practices of the agency, with industry better practice and in relation to the corporate governance framework of the agency; • determine whether system outputs meet agency quality and service delivery parameters; and • assess whether the IT systems enhance the economy, efficiency and effectiveness of the agency's program management, in particular in relation to program planning, execution, monitoring and feedback. Planning and resourcing 6. As with any audit, performance auditing in an IT environment needs to be planned. The planning process should frame audit objectives with reference to the objectives of the agency in adopting/introducing IT systems and should include audit concerns relating to security, controls and value for money. The planning phase should also identify the IT systems, computer systems and software packages being used by the agency. Planning will also need to identify the major potential risks and exposures of IT systems in the agency. 7. Performance auditing in an IT environment requires specialist skills and appropriately trained personnel with IT, audit and accountancy skills should be dedicated to the task. The services of consultants may need to be considered for the more specialised technical areas. The SAI will also need to consider acquisition of appropriate hardware and software tools. Personnel will require extensive training to remain abreast of technological developments and IT audit techniques. Performance auditing involving IT system development 8. A performance audit involving IT systems development should determine if the agency: • has the appropriate executive approvals for the development of the IT system, ie. that IT management fits within the corporate governance of the agency; • has appropriate project management processes in place to manage the project; • has met required targets of time, cost, system function and value for money; 67 • uses an appropriate system development methodology; and • has processes in place, including the involvement of Internal Audit, to ensure that the new system includes all the necessary controls and audit trails, and is likely to meet the requirements of the agency and its stakeholders. Performance auditing involving operational IT systems 9. The following list contains some of the more important concerns that the auditor would be expected to consider and should be modified as required for the specific agency being audited: • the strategic and operational management of IT within the agency, including assurance that IT is included in the overall corporate governance of the agency; • IT project management within the agency, including the agency's record in meeting legislative and other deadlines; • the risk management practices of the agency in relation to IT; • IT system design, development and maintenance controls; • compliance with standards, including external standards; • application controls; • processing controls, including audit trails; • business continuity arrangements; • data integrity, including sampling of data (possibly using CAATs); • access controls and the physical and logical security of networks and computers, including Internet firewalls; • controls to safeguard against illegal software; • performance management and measurement; and • other issues that arise during the audit. 10. In making the assessment the auditor may: • review files and other documents relevant to the development and operation of the IT systems; • use appropriate software packages to test the central and networked computing system controls; • test a sample of transactions (including the use of CAATs) to validate the systems and relevant controls; and • interview key staff members. Appendix A 68 5th ASOSAI Research Project—Performance Auditing Guidelines Performance aspects of auditing in an IT environment 11. The auditor may also examine whether the IT system has enhanced the efficiency with which the agency manages its programs/activities and whether the conversion to an IT system has any beneficial results for the stakeholders in the agency. 12. The auditor may also be expected to assess if the IT systems have facilitated improved program management. Some areas to be considered include: • IT should support the objectives of the agency and, therefore, is an integrated part of its operations; • IT operations require highly qualified staff; • the contribution of IT to operations is measured in operational efficiency terms; • the gains of IT may not be realised without appropriate organisational changes; and • normal value for money measures may be more difficult to apply. 13. In addition to assessing whether the agency's IT system represents value for money, the performance auditor may also be expected to assess whether the IT environment has contributed to transparency, accountability and good governance. Computer Assisted Audit Techniques 14. Auditors are increasingly using Computer Assisted Audit Techniques. CAATs utilise custom developed software programs to aid in the execution of the audit. They can be used for both sampling of system transaction data and for testing the system as a whole. CAATs tools can be developed to: • access and extract information from auditee databases; • total, summarise, sort, compare and select from large volumes of data in accordance with specified criteria; • tabulate, check and perform calculations on the data; • perform sampling, statistical processing and analysis; • provide reports designed to meet particular audit needs; and • facilitate audit planning and control eg. electronic audit working papers that support effective indexing, review and reporting. 69 15. CAATs can be used to validate the processes in the program or to analyse the data. The auditors should develop Computer Assisted Audit Techniques and provide training to the staff of the agency. CAATs tools should be developed/modified keeping in view the IT environment in the agency and the audit objectives. 16. CAATs can be utilised in performance audits of both IT and non-IT environments. Internet 17. The Internet is becoming increasingly important as a research, planning, communication and reporting tool. Auditors should be sufficiently familiar with the Internet to be able to use it to facilitate the conduct of performance audits and to understand the implications for performance auditing, of its use by agencies. Reporting 18. The performance audit report should be drafted so as to minimise the use of technical terminology with a view to making it easily understandable to management, members of the legislature and to the general public. Where the use of technical terms is inescapable, these should be adequately explained.

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Appendix B

Potential impacts of performance auditing

Economy • reduction in costs through better contracting, bulk buying, etc; • reduction in costs through economies on usage of personnel or other resources; • introduction of charges where none were previously imposed, or revision of charges; • rationalisation of facilities; Efficiency • greater outputs from same inputs; • remedying duplication of effort or lack of coordination; Effectiveness • better identification/justification of need; • clarifying objectives and policies; • introducing better sub-objectives and targets; • better achievement of objectives by changing the nature of outputs or improved targeting; Improved quality of service • shorter waiting lists; • reduced response times; • fairer distribution of benefits; • better access to information; • wider range of services and greater choice; • helping the public, clients, industry, etc; • improved equity in access to programs; 20 Referenced in paragraphs 1.5 and 2.8. 71 Improved planning, control and management • introduction/improvements to corporate planning; • clearer definitions of priorities and better-defined targets; • better-targeted incentives; • better control and management of human resources, assets, projects and resources; • tighter controls against fraud; • improved financial accounting systems; • better financial management information; • better computer security; Improved accountability • improved visibility of procedures and outputs; • improved accountability for expenditure to the legislature and to the public sector; • improved forms of account, including commercial formats; • improved external control and monitoring by departments; • better and/or more accurate performance indicators; • better comparison between similar agencies; • greater information on sectoral performance; and • clearer and more informative presentation of information.

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Appendix C

Key features of the auditee and its environment requiring understanding by the auditor

Agency objectives 1. The objectives of an agency may be expressed in financial terms (for example, in budgets or financial reports) and in non-financial terms (for example, expected outputs and impacts). An understanding of the agency's objectives will assist the auditor in establishing or assessing the appropriateness of the audit scope. 2. The auditor should be alert to any conflicting objectives as these may affect the agency's ability to achieve economy, efficiency or effectiveness. Accountability relationships 3. There are two types of accountability relationships; internal and external. The most important accountability relationships involve the governing body. The key external relationship is between the governing body and those who have an interest in the performance of the agency; for example, the legislature and the public at large in the public sector, and owners, creditors and employees in the private sector. 4. The governing body delegates to management the authority for acquiring and using the agency's resources. Management is responsible for administering those resources and is accountable to the governing body for meeting the objectives set out in the agency's governing charter. 5. Accountability relationships within an agency depend on the powers that the governing charter grant to management. Within those powers, senior levels of management hold their staff accountable for certain elements of the agency's performance. The auditor should identify how and to whom authority is delegated within the agency, and the degree of decentralisation of that authority. Resources 6. The auditor needs to understand the relationships between the agency's resources and its objectives and performance goals. 21 Referenced in paragraph 3.11. 73 7. The auditor should identify the resources that management has allocated among the agency's programs, operations and activities and may compare such allocations with those in other similar agencies. These allocations may indicate priorities and the relative significance of specific divisions or branches or of specific programs or operations within an agency. 8. Physical resources include inventories and other assets. The auditor should determine the source, nature and value of the physical resources and how the agency uses its physical resources in its various activities. 9. Financial resources are reflected in the revenue, expenditure, assets and liabilities of the agency. Knowledge of the financial resources enables the auditor to understand the agency's financial magnitude (eg. the amounts of its transactions and balances) and its stakeholders (eg. resource providers). 10. Information resources comprise both internally and externally generated information to which management has access. Access to relevant and reliable information and effective use of it are vital elements of performance for many activities. 11. Human resources include management and other employees of an agency. Human resources are affected by budgetary pressures and constraints on the capability of personnel which may in turn affect the agency's controls and performance. Management processes 12. The auditor needs a knowledge of the agency's management processes to understand their suitability for the agency's programs and operations and to identify the risks the agency faces. 13. The auditor should identify factors such as the elements of performance assessed by management, the nature and frequency of reporting, the performance criteria, the methods of data collection and analysis and the use of performance information. For example, the auditor should consider: (a) the systems and controls in place for safeguarding and controlling the agency's physical, financial, information and human resources; and (b) the extent of internal audit involvement in performance auditing. This knowledge will enable the auditor to identify the probable nature, sources and availability of audit evidence. Appendix C 74 5th ASOSAI Research Project—Performance Auditing Guidelines Performance goals 14. The auditor needs a knowledge of the agency's performance goals to understand such matters as the relevance of the agency's activities to its stakeholders, trade-offs among conflicting objectives, goals and inputs, quality, level of service and stakeholder satisfaction. 15. The auditor should assess the suitability of the audit agency's performance goals. For example, when assessing the suitability of performance goals, the auditor should consider whether those goals are consistent with the governing charter. Programs and operations 16. A sound understanding of the agency's significant programs and operations enables the auditor to determine whether the agency is operating within its powers and how it achieves its objectives and performance goals. The auditor should obtain information about the agency's organisational structure and the characteristics and intended outputs, outcomes and impacts of the agency's significant programs and operations. 17. The characteristics of programs and operations include the source, nature and amount of resources used in program delivery, the method of program delivery and the pricing or fee structures. 18. Outputs, such as the goods or services provided, may be defined by the objectives set out in the agency's governing charter. Output may be subject to constraints imposed by competition or by regulation regarding service or pricing levels. Outcomes and impacts may be the positive or negative effects of a program or operation and they may be intentional or unintentional. 19. The organisational structure of the agency shows how its programs and operations are organised to fulfil its objectives and meet its performance goals. Understanding the agency's organisational structure involves identifying its significant divisions and branches, and determining their responsibilities and degree of autonomy. External environment 20. The agency's external environment includes factors over which management has relatively little control, such as economic, political and social influences. The auditor needs to acquire knowledge of the external environment because changes in that environment may significantly affect the agency's objectives, accountability relationships, resources and management processes.

Appendix D

Important issues in the performance audit of government programs/activities

Mandate • Has management obtained the approval of the competent authority (eg. legislature) for the program? Objectives • Has management developed clear objectives? • Have the program objectives been appropriately determined to fulfil the policy objectives? • Are the objectives specific enough to enable outcome measurement? • Has management set specific targets to accomplish the program objectives within the scheduled timeframe? Need • Has management identified and evaluated the nature and extent of the need for the program outputs? • Does the program continue to make sense in the light of the needs that it was originally set up to meet? Implementation • Has management given proper consideration to alternative means of achieving the program objectives? • Are the design of the program and its components, and the level of effort expended, logical in the light of the program's objectives? • Is the implementation timely? Direction • Does the agency have understandable objectives, plans, targets for levels of service and organisational arrangements? • In short, does everyone understand what they are meant to be doing? One indicator of direction is the extent to which employees clearly understand the service priorities and targets of the current year. Appendix C 22 Referenced in paragraph 3.35. 76 5th ASOSAI Research Project—Performance Auditing Guidelines • Has management used resources economically and efficiently? • What is the relationship between costs, inputs and outputs? • Do systems procedures and practices promote accountability of program managers towards economic and efficient use of resources? Finances • Has management monitored, reported and controlled its financial performance and position? • Are resources (budgets) commensurate with the targets and how realistic are the budgetary assumptions? • Are the financial and physical performance reports interlinked to enable an appreciation of the cost of delivery against the estimated cost as well as value for money? Effectiveness • To what extent has the agency achieved intended objectives without any significant unintended adverse impacts? • To what extent have significant intended or unintended, adverse or beneficial consequences occurred? Acceptance • Is the program outcome meeting the identified needs of its clients or customers? • Has management surveyed its clients to identify client expectations and satisfaction? Responsiveness • Does the agency have mechanisms which enable it to respond appropriately to changing technology, competition, client demand and other environmental characteristics? Human resources • Is there an appropriate policy and practice for the development of human resources? • Do human resource practices facilitate development, initiative, commitment, safety and job satisfaction? Economy and efficiency 77 • Is there an appropriate policy for the protection of key assets, ie. assets that are crucial to the success and perhaps survival of the agency? Such assets might include key people, sources of supply, intellectual property and machinery. • Are actual results monitored and reported against objectives and targets? • Do reporting formats facilitate effective monitoring of the program management and delivery of outputs? • Are the performance reports accurate and free from material misstatements? • Is action taken on the basis of the reports? • Does the program framework provide for clear accountability relationships? • Is the system of program management/delivery framed to ensure good value for money? Are the controls reliable? • Are the systems and procedures as well as the delivery mechanisms transparent? • Does the program planning, execution and delivery fulfil the concept of good corporate governance? Review • Has management established an effective internal audit unit, undertaken appropriate evaluation of programs (including an analysis of unintended impacts) and established procedures for assuring that it is managing with economy, efficiency and effectiveness? Equity • Are outputs/services made available to intended groups without discrimination? Does everyone have access to the benefits due to them? • Has management acted with fairness and impartiality. Appendix D Protection of resources Monitoring and reporting Accountability Relationships 78 5th ASOSAI Research Project—Performance Auditing Guidelines Ethics • Has management established procedures to ensure that public servants utilise public funds honestly? • Are the highest standards of integrity and devotion to duty ensured through adequate management systems, including a system of review of propriety in program management. • Are public servants motivated to optimise the outputs and subsequent outcomes of the program for the beneficiaries? Transparency • Are the systems and procedures used in the management of public programs transparent and do they promote the concept of accountability and good governance? 79 Glossary of terms An international and independent body which aims at promoting the exchange of ideas and experience between Asian Supreme Audit Institutions in the sphere of public auditing. Auditee The agency or area subject to audit by the Supreme Audit Institution (SAI). Audit evidence Information that forms the foundation which supports the auditor's or SAI's opinions, conclusions or reports. Competent: Information that is quantitatively sufficient and appropriate to achieve the auditing results; and is qualitatively impartial such as to inspire confidence and reliability. Relevant:

Information that is pertinent to the audit objectives. Reasonable: Information that is economical in that the cost of gathering it is commensurate with the result which the auditor or the SAI is trying to achieve. Audit mandate The auditing responsibilities, powers, discretions and duties conferred on a SAI under the constitution or other lawful authority of a country. Audit objective A precise statement of what the audit intends to accomplish and/or the question the audit will answer. This may include financial, regularity or performance issues. Audit planning Defining the objectives, setting policies and determining the nature, scope, extent and timing of the procedures and tests needed to achieve the objectives. Audit procedures Tests, instructions and details included in the audit program to be carried out systematically and reasonably. Audit program Audit requirements and procedures necessary to implement the audit objective and to make assessments against audit criteria. Glossary of terms Asian Organisation of Supreme Audit Institutions (ASOSAI) 80 5th ASOSAI Research Project—Performance Auditing Guidelines Audit sampling Statistically based techniques that extrapolate from specific cases to make assertions about the population as a whole and are used when it is not feasible to analyse entire populations eg. invoices/ vouchers, elements of internal control systems, agency units. Audit scope The framework or limits and subjects of the audit. Auditing standards Auditing standards provide minimum guidance for the auditor that helps determine the extent of audit steps and procedures that should be applied to fulfil the audit objective. They are the criteria or yardsticks against which the quality of the audit results is evaluated. The system by which businesses are run, including the responsibility of those directing the business to ensure that it is properly and honestly run. Discussion paper A discussion paper is a document that is used to summarise audit findings and conclusions for a specific segment of the audit. An example of a discussion paper is a management letter that contains audit observations for agency comment. Due care The appropriate element of care and skill which a trained auditor would be expected to apply having regard to the complexity of the audit task, including careful attention to planning, gathering and evaluating evidence, and forming opinions, conclusions and making recommendations. Economy Minimising the cost of resources used for an activity, having regard to the appropriate quality. Effectiveness The extent to which objectives are achieved and the relationship between the intended impact and the actual impact of an activity. Efficiency The relationship between the outputs, in terms of goods, services or other results, and the resources used to produce them. 81 Findings are the specific issues identified by the auditor to satisfy the audit objectives; conclusions are statements deduced by the auditor from those findings; recommendations are courses of action suggested by the auditor relating to the audit objectives. Independence The freedom of the SAI in auditing matters to act in accordance with its audit mandate without external direction or interference of any kind. This includes both administrative and financial independence. An international and independent body which aims at promoting the exchange of ideas and experience between Supreme Audit Institutions in the sphere of public auditing. Legislature The law making authority of a country, for example a Parliament. Opinion The auditor's written conclusions as the result of a performance audit. Performance audit An audit of the economy, efficiency and effectiveness with which the auditee uses its resources in carrying out its responsibilities. This is also referred to as a 'Value For Money' audit. The obligations of persons or entities, including public enterprises and corporations, entrusted with public resources to be answerable for the fiscal, managerial and program responsibilities that have been conferred on them, and to report to those who have conferred these responsibilities on them. Evidence of a non-quantitative nature gathered during a performance audit eg. interview notes or document extracts. Forming conclusions about organisational performance using qualitative information requires the use of professional judgement and accordingly the auditor would ordinarily seek corroborating evidence from different sources or of a different nature. Glossary of terms Findings, conclusions and recommendations International Organisation of Supreme Audit Institutions (INTOSAI) Public accountability Qualitative audit evidence 82 5th ASOSAI Research Project—Performance Auditing Guidelines Quality assurance Policies, systems and procedures established by SAIs to maintain a high standard of audit activity. Quality control The requirements applicable to the day-to-day management of audit assignments. Regularity audit Attestation of financial accountability of accountable entities, involving examination and evaluation of financial records and expression of opinions on financial statements; attestation of financial accountability of the government administration as a whole; audit of financial systems and transactions, including an evaluation of compliance with applicable statutes and regulations; audit of internal control and internal audit functions; audit of the probity and propriety of administrative decisions taken within the audited entity; and reporting of any other matters arising from or relating to the audit that the SAI considers should be disclosed. Report The auditor's written findings, opinion, recommendations and other remarks on completion of a performance audit. Reporting standards The framework for the auditor to report the results of the audit, including guidance on the form and content of the auditor's report. Supervision An essential requirement in auditing which entails proper leadership, direction and control at all stages to ensure a competent, effective link between the activities, procedures and tests that are carried out and the aims to be achieved. The public body of a State which, however designated, constituted or organised, exercises by virtue of law the highest public auditing function of that State. Supreme Audit Institution (SAI)