

**Statement of Unaudited Results for the Quarter Ended 30-06-2017**

(₹ in Crores)

Sl. No.	Particulars	Quarter Ended			Year Ended
		30-06-17 (Unaudited)	31-03-17 (Audited)	30-06-16 (Unaudited)	31-03-17 (Audited)
1	A Interest Income	5,463.23	5,717.39	5,889.52	22,935.61
	B Other Operating Income	108.33	76.58	64.13	415.18
	<b>C Revenue from Operations (A+B)</b>	<b>5,571.56</b>	<b>5,793.97</b>	<b>5,953.65</b>	<b>23,350.79</b>
	D Other Income	90.60	184.35	97.08	744.56
	<b>Total Revenue (C+D)</b>	<b>5,662.16</b>	<b>5,978.32</b>	<b>6,050.73</b>	<b>24,095.35</b>
2	<b>Expenses</b>				
	A Finance Costs	3,342.54	3,422.51	3,553.35	13,775.12
	B Employee Benefits Expense	56.05	59.93	36.85	178.07
	C Corporate Social Responsibility Expenses	5.34	(40.12)	36.64	69.80
	D Other Expenses	24.71	32.08	14.07	98.80
	E Provisions and Contingencies	342.50	616.19	356.53	1,109.47
	F Depreciation and amortization expense	1.30	1.33	1.20	5.04
	<b>Total Expenses (A to F)</b>	<b>3,772.44</b>	<b>4,091.92</b>	<b>3,998.64</b>	<b>15,236.30</b>
3	<b>Profit before Prior Period Items &amp; Tax (1-2)</b>	<b>1,889.72</b>	<b>1,886.40</b>	<b>2,052.09</b>	<b>8,859.05</b>
4	Prior Period Items	-	(1.01)	(0.64)	(1.64)
5	<b>Profit before Tax (3-4)</b>	<b>1,889.72</b>	<b>1,887.41</b>	<b>2,052.73</b>	<b>8,860.69</b>
6	<b>Tax Expense</b>				
	A Current Year	572.87	636.34	620.53	2,606.29
	B Earlier Years / (Refund)	-	(28.14)	-	(27.78)
	C Deferred Tax Liability / (Asset)	15.71	(40.02)	11.34	36.43
	<b>Total Tax Expense (A+B+C)</b>	<b>588.58</b>	<b>568.18</b>	<b>631.87</b>	<b>2,614.94</b>
7	<b>Profit for the period from Continuing Operations (5-6)</b>	<b>1,301.14</b>	<b>1,319.23</b>	<b>1,420.86</b>	<b>6,245.75</b>
8	<b>Profit from Discontinuing Operations (after tax)</b>	-	-	-	-
9	<b>Profit for the Period (7+8)</b>	<b>1,301.14</b>	<b>1,319.23</b>	<b>1,420.86</b>	<b>6,245.75</b>
10	Paid up Equity Share Capital (Face Value ₹10 per share)	1,974.92	1,974.92	987.46	1,974.92
11	Reserves & Surplus (Excluding Revaluation Reserves) (as per audited balance sheet as at 31 March)				31,350.67
12	<b>Earnings per Share (EPS) (of ₹10 each) (not annualised) (in ₹)</b>				
	A Basic	6.59	6.68	7.19	31.63
	B Diluted	6.59	6.68	7.19	31.63

See accompanying notes to the financial results.

**Notes:**

- The above financial results for the quarter ended 30 June 2017 were reviewed by the Audit Committee at the meeting held on 11 August 2017 and approved and taken on record by the Board of Directors at the meeting held on 11 August 2017.
- These results have been subjected to limited review by M/s Raj Har Gopal & Co., Chartered Accountants and M/s A.R. & Co., Chartered Accountants.



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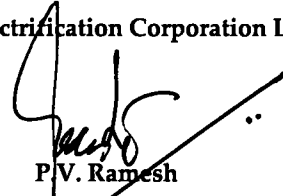
3. During the quarter ended 30 June 2017, the Company has revised the accounting policy for amortization of one time arrangement fee incurred in raising of foreign currency borrowings and premium paid towards hedging contracts. However, since there were no such transactions during the period, there was no impact of this change on the profit before tax for the quarter ended 30 June 2017.
4. The company has opted for amortising the foreign exchange fluctuation loss/ gain (-) on the long term foreign currency monetary items over the balance period of such items. The balance in 'Foreign Currency Monetary Item Translation Difference Account' remaining to be amortised as at 30 June 2017 is ₹ -23.35 Crores (As at 31 March 2017 ₹ -36.31 Crores).
5. RBI, vide its letters dated 25 July 2013 and 4 April 2014, has conveyed to the Company to comply with the Prudential Norms of RBI by 31st March, 2016 and follow the instructions contained in RBI Circular dated 23 January 2014 issued vide Notification No. DNBS (PD) No. 271/ CGM (NSV)-2014 in respect of restructuring of assets. Later, RBI vide its letter dated 11 June 2014 has allowed exemption to the Company from RBI restructuring norms till 31 March 2017 for Transmission & Distribution, Renovation & Modernisation and Life Extension projects and also the Hydro projects in Himalayan region or affected by natural disasters. Further, for project loans to Generating Companies restructured w.e.f. 01/04/2015, the provisioning requirement would be 5% and for stock of loans as on 31/03/2015 of such projects, the provisioning shall commence with a provision of 2.75% w.e.f. 31/03/2015 and reaching 5% by 31/03/2018. In respect of Transmission & Distribution, Renovation & Modernisation and Life Extension projects and also the Hydro projects in Himalayan region or affected by natural disasters, REC has requested RBI for further extension of exemption beyond 31-03-2017. RBI vide letter dated 5 July 2017 has advised that request of REC for exemption from restructuring norms is under examination. For these projects, REC is following its own prudential norms, pending clarification from RBI.  
  
Further, in response to the Company's letter dated 13 May 2016, RBI vide its letter No. DNBR.PD.CO.No. 2184/03.10.001/2015-16 dated 16 June 2016, has exempted REC, from applicability of RBI's concentration of Credit/Investment norms, in respect of its exposure to Central/ State Government entities up to 31 March 2022.  
  
During the current quarter, there is a net reversal of ₹ 5.85 crores from the provision created on qualifying restructured loans (comprising of loans to Public Sector ₹ 10,941.29 crores and loans to Private Sector ₹ 12,142.00 crores). One of the Private Sector project, having outstanding loan amount of ₹ 539.56 crores with provision for restructured asset of ₹ 82.93 Crores, has been downgraded to NPA category and thus has been excluded from restructured standard assets. Further, in case of another private sector project, majority of lenders have invoked S4A and accordingly the provisioning has been raised to 20% on the loan balance by creating an additional provision of ₹ 48.16 crores in the current quarter.
6. As at 30 June 2017, the dues of one of the borrowers were overdue for more than 3 months, thus, exceeding the time limit for classification of the borrower as 'Standard Asset'. However, the borrower had obtained an ad-interim order from Hon'ble High Court of Madras on 18 September 2015 not to classify the account as NPA. In view of the same, the classification of the borrower has been retained as 'Standard Asset' pending final decision of the Court. However, as a matter of prudence, an additional provision has been maintained @ 4.50% over and above 5.00% provision in respect of the loan, making a total of ₹ 218.69 crores. Further, the interest income of ₹ 90.69 Crores has not been recognised during the quarter ended 30 June 2017.
7. The Company's main business is to provide finance to power sector. Accordingly, the company does not have more than one segment eligible for reporting in terms of Accounting Standard-17 'Segment Reporting'.
8. Pursuant to the approval of the shareholders, the Company had allotted bonus shares in the ratio of one equity share of ₹ 10/- each for one existing equity share of ₹ 10/- each on 30 September 2016. Accordingly, Earnings Per Share (EPS) (basic and diluted) have been restated for the previous periods presented in accordance with the provisions of AS-20.
9. For all the secured bonds issued by the Company and outstanding as at 30 June 2017, 100% security cover has been maintained by way of mortgage on certain immovable properties and/or charge on the receivables of the Company.



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10. During the current quarter, the Company has subscribed to 3,47,429 fully paid equity shares of Housing and Urban Development Corporation Limited (HUDCO) under Initial Public Offering at a cost of ₹ 60/- per share of ₹ 10/- each aggregating to ₹ 2.08 crores.
11. Previous periods/year's figures have been regrouped/rearranged wherever necessary. Figures of last quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the relevant financial year.

For Rural Electrification Corporation Limited



P.V. Ramesh

Chairman & Managing Director

DIN - 02836069

Place: New Delhi

Date: 11 August 2017



**Raj Har Gopal & Co.**  
Chartered Accountants  
412, Ansal Bhawan  
16, Kasturba Gandhi Marg,  
New Delhi - 110001

**A.R. & Co.**  
Chartered Accountants  
A-403, Gayatri Apartments,  
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**Limited Review Report for the period ended 30 June 2017**

**The Board of Directors,**  
**Rural Electrification Corporation Limited,**  
**Core-IV, SCOPE Complex,**  
**7, Lodi Road,**  
**New Delhi 110 003.**

We have reviewed the accompanying statement of Standalone unaudited financial results of Rural Electrification Corporation Limited for the period ended 30 June 2017. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of standalone unaudited financial results read with notes thereon, prepared in accordance with applicable accounting standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For Raj Har Gopal & Co.**


Chartered Accountants  
Firm Regn No. 002074N

  
(Gopal Krishan)  
Partner  
M. No. 081085



**For A.R. & Co.**

Chartered Accountants  
Firm Regn No. 002744C

  
(Priyanshu Jain)  
Partner  
M. No. 530262



Place : New Delhi

Date : 11 August 2017