

S.K. Mittal & Co.
Chartered Accountants
E-29 South Extension Part-II
New Delhi-110049.

O P Bagla & Co. LLP
Chartered Accountants
B-225, 5th Floor,
Okhla Industrial Area Phase-I
New Delhi- 110020.

**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE STANDALONE UNAUDITED
FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE 2021**

The Board of Directors,
REC Limited
Core-4, SCOPE Complex,
7, Lodi Road,
New Delhi - 110003

1. We have reviewed the accompanying statement of standalone unaudited financial results of REC Limited ("the Company") for the quarter ended 30th June 2021 ("the Statement") being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 'Interim Financial Reporting', prescribed under section 133 of the Companies Act, 2013, as amended ("the Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial statements based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (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 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 provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results, prepared in accordance with recognition and measurement principles laid down in the Indian Accounting Standards specified under Section 133 of the Act, as amended, read with relevant rules issued there under and other accounting principles generally accepted in



India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Other Matters

1. Refer Note No. 3 to the financial results regarding, the provision of impairment allowance in respect of its loan assets and Letters of Comfort. In this regard, we have relied upon the basis of determination of impairment allowance, in so far as it relates to technical aspects/parameters considered by independent agency appointed by the company and management judgement for ascertaining impairment allowance as management overlay.
2. Refer Note No. 9 to the financial results regarding the impact of COVID-19 pandemic on the Company. Management is of the view that there are no reasons to believe that the pandemic will have any significant impact on the ability of the company to continue as a going concern. Nevertheless, the impact in sight of evolvment of pandemic in future period is uncertain and could impact the impairment allowance in future years.

Our opinion on the Statement is not modified in respect of above matters.

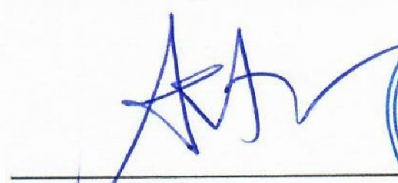
M/s S.K. Mittal & Co.
Chartered Accountants,
ICAI Firm Registration: 001135N



Name - S. Murthy
Designation: Partner
Membership Number: 072290
UDIN: 21072290AAAADP6665

Place : New Delhi
Date : 5th August 2021

M/s O.P. Bagla & Co. LLP.
Chartered Accountants,
ICAI Firm Registration: 000018N/N500091



Name - Atul Aggarwal
Designation: Partner
Membership Number: 092656
UDIN: 21092656AAAADV1480

S.K. Mittal & Co.
Chartered Accountants
E-29 South Extension Part-II
New Delhi-110049.

O P Bagla & Co. LLP
Chartered Accountants
B-225, 5th Floor,
Okhla Industrial Area Phase-I
New Delhi- 110020.

**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE CONSOLIDATED
UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE 2021**

The Board of Directors,
REC Limited
Core-IV, SCOPE Complex,
7, Lodi Road,
New Delhi - 110003

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of REC Limited ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of the net profit after tax and total comprehensive income of its joint venture for the quarter ended 30th June 2021 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.



5. The Statement includes the results of the following entities:

Subsidiary

REC Power Distribution Company Limited

Joint Venture

Energy Efficiency Services Limited, using equity method

6. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Indian Accounting Standards as specified under Section 133 of the Act, as amended, read with relevant rules issued there under and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Other Matters

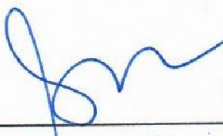
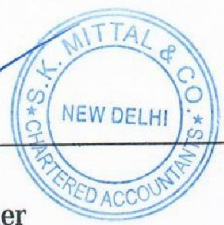
7. We did not review the interim financial results of the subsidiary included in the consolidated unaudited financial results, whose interim financial results reflect total revenue of ₹ 50.38 crores, total net profit after tax of ₹ 21.01 crores and total comprehensive income of ₹ 21.01 crores for the quarter ended 30th June 2021, as considered in the consolidated unaudited financial results. The interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of the subsidiary is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.
8. The consolidated unaudited financial results also include the Group's share of net profit after tax of ₹ 1.05 crores and total comprehensive income of ₹ (.02) crores for the quarter ended 30th June 2021, as considered in the consolidated unaudited financial results, in respect of the joint venture based on their interim financial information which have not been reviewed/audited by their auditors. These interim financial results/information are certified by the Management. According to the information and explanations given to us by the Management, these interim financial information are not material to the Group.
9. Refer Note No. 3 to the financial results regarding, the provision of impairment allowance in respect of its loan assets and Letters of Comfort. In this regard, we have relied upon the basis of determination of impairment allowance, in so far as it relates to technical aspects/parameters considered by independent agency appointed by the company and management judgement for ascertaining impairment allowance as management overlay.



10. Refer Note No. 9 of the financial results regarding the impact of COVID-19 pandemic on the Company. Management is of the view that there are no reasons to believe that the pandemic will have any significant impact on the ability of the company to continue as a going concern. Nevertheless, the impact in sight of evolvement of pandemic in future period is uncertain and could impact the impairment allowance in future years.

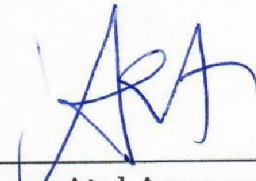
Our opinion on the statements is not modified in respect of the above matters.

M/s S.K. Mittal & Co.
Chartered Accountants
ICAI Firm Registration No.: 001135N



Name: S. Murthy
Designation: Partner
Membership Number: 072290
UDIN: 21072290AAAADQ9660

Place : New Delhi
Date : 5th August 2021

M/s O.P. Bagla & Co. LLP.
Chartered Accountants
ICAI Firm Registration No.: 000018N/N500091



Name: Atul Aggarwal
Designation: Partner
Membership Number: 092656
UDIN: 21092656AAAADW2770

Statement of Unaudited Standalone Financial Results for the period ended 30-06-2021

(₹ in Crores)

S. No.	Particulars	Quarter Ended			Year Ended
		30-06-2021 (Unaudited)	31-03-2021 (Audited)	30-06-2020 (Unaudited)	31-03-2021 (Audited)
1	Income				
A	Interest income				
(i)	Interest income on loan assets	9,391.96	8,746.21	7,986.57	34,302.76
(ii)	Other interest income	45.27	100.25	116.70	381.02
	Sub-total (A) - Interest Income	9,437.23	8,846.46	8,103.27	34,683.78
B	Other Operating Income				
(i)	Dividend income	-	22.28	-	36.40
(ii)	Fees and commission income	150.12	32.47	5.79	95.38
	Sub-total (B) - Other Operating Income	150.12	54.75	5.79	131.78
C	Total Revenue from Operations (A+B)	9,587.35	8,901.21	8,109.06	34,815.56
D	Other Income	4.76	4.23	1.35	22.55
	Total income (C+D)	9,592.11	8,905.44	8,110.41	34,838.11
2	Expenses				
A	Finance costs	5,588.56	5,438.14	5,193.02	21,489.08
B	Net translation/ transaction exchange loss/ (gain)	291.28	213.29	403.59	330.26
C	Fees and commission expense	8.09	1.03	6.86	9.95
D	Net loss/ (gain) on fair value changes	80.99	(244.40)	(311.71)	(572.33)
E	Impairment on financial instruments	781.44	697.64	198.62	2,419.62
F	Employee benefits expenses	39.36	34.62	30.74	144.84
G	Depreciation and amortization	2.81	2.65	2.38	9.53
H	Corporate social responsibility expenses	20.93	36.19	75.61	144.32
I	Other expenses	20.59	30.51	34.25	106.71
	Total expenses (A to I)	6,834.05	6,209.67	5,633.36	24,081.98
3	Profit before tax (1-2)	2,758.06	2,695.77	2,477.05	10,756.13
4	Tax expense				
A	Current tax				
-	Current year	760.76	622.41	595.44	2,683.62
-	Earlier years	-	89.55	133.73	223.28
B	Deferred tax	(249.30)	(85.82)	(91.13)	(512.55)
	Total tax expense (A+B)	511.46	626.14	638.04	2,394.35
5	Net profit for the period (3-4)	2,246.60	2,069.63	1,839.01	8,361.78
6	Other comprehensive Income/(Loss)				
(i)	Items that will not be reclassified to profit or loss				
(a)	Re-measurement gains/(losses) on defined benefit plans	(0.06)	(11.36)	-	(14.26)
(b)	Changes in fair value of FVOCI equity instruments	36.32	30.02	64.95	166.53
(c)	Income tax relating to these items				
-	Re-measurement gains/(losses) on defined benefit plans	0.01	2.86	-	3.59
-	Changes in fair value of FVOCI equity instruments	0.03	(1.54)	(2.82)	(6.01)
	Sub-total (i)	36.30	19.98	62.13	149.85
(ii)	Items that will be reclassified to profit or loss				
(a)	Effective Portion of Cash Flow Hedges	(2.10)	92.61	(39.08)	80.81
(b)	Cost of hedging reserve	32.82	(115.83)	170.54	329.00
(c)	Income tax relating to these items				
-	Effective Portion of Cash Flow Hedges	0.53	(23.31)	9.83	(20.34)
-	Cost of hedging reserve	(8.26)	29.16	(42.92)	(82.80)
	Sub-total (ii)	22.99	(17.37)	98.37	306.67
	Other comprehensive Income/(Loss) for the period (i+ii)	59.29	2.61	160.50	456.52
7	Total comprehensive income for the period (5+6)	2,305.89	2,072.24	1,999.51	8,818.30
8	Paid up equity share capital (Face Value ₹10 per share)	1,974.92	1,974.92	1,974.92	1,974.92
9	Other equity (as per audited balance sheet as at 31st March)				41,451.45
10	Basic & Diluted earnings per equity share of ₹ 10 each (in ₹)				
	(not annualised)				
A	For continuing operations	11.38	10.48	9.31	42.34
B	For continuing and discontinued operations	11.38	10.48	9.31	42.34

See accompanying notes to the financial results.



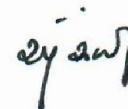
(Signature)
Chairman & Managing Director
REC LIMITED
(Formerly Rural Electrification Corporation Ltd.)
Core-4, SCOPE Complex,
Lodhi Road, New Delhi-110003

Statement of Unaudited Consolidated Financial Results for the period ended 30-06-2021

(₹ in Crores)

S. No.	Particulars	Quarter Ended			Year Ended
		30-06-2021 (Unaudited)	31-03-2021 (Audited)	30-06-2020 (Unaudited)	31-03-2021 (Audited)
1	Income				
A	Interest Income				
(i)	Interest income on loan assets	9,391.96	8,746.21	7,986.57	34,302.76
(ii)	Other interest income	47.26	105.27	118.66	390.59
	Sub-total (A) - Interest Income	9,439.22	8,851.48	8,105.23	34,693.35
B	Other Operating Income				
(i)	Dividend income	-	22.28	-	27.97
(ii)	Fees and commission income	150.12	32.47	5.79	95.38
(iii)	Sale of services	42.27	60.83	23.92	163.65
	Sub-total (B) - Other Operating Income	192.39	115.58	29.71	287.00
C	Total Revenue from Operations (A+B)	9,631.61	8,967.06	8,134.94	34,980.35
D	Other Income	8.37	4.30	1.43	22.72
	Total income (C+D)	9,639.98	8,971.36	8,136.37	35,003.07
2	Expenses				
A	Finance costs	5,587.96	5,440.72	5,192.58	21,489.05
B	Net translation/ transaction exchange loss/ (gain)	291.28	213.29	403.59	330.26
C	Fees and commission expense	8.09	1.03	6.86	9.95
D	Net loss/ (gain) on fair value changes	80.99	(244.40)	(311.71)	(572.33)
E	Impairment on financial instruments	781.44	719.46	201.63	2,445.94
F	Cost of services rendered	15.29	30.82	14.90	88.51
G	Employee benefits expenses	43.97	39.72	35.01	163.62
H	Depreciation and amortization	2.89	2.87	2.80	10.86
I	Corporate social responsibility expenses	21.35	35.88	75.75	146.27
J	Other expenses	20.89	32.04	33.35	109.38
	Total Expenses (A to J)	6,854.15	6,271.43	5,654.76	24,221.51
3	Share of Profit/ (loss) of Joint Venture accounted for using equity method	1.05	4.45	2.28	(1.97)
4	Profit before Tax (1-2+3)	2,786.88	2,704.38	2,483.89	10,779.59
5	Tax Expense				
A	Current Tax				
-	Current Year	769.27	626.63	597.30	2,698.02
-	Earlier Years	-	89.23	133.73	222.95
B	Deferred Tax	(251.05)	(89.32)	(92.44)	(519.62)
	Total Tax Expense (A+B)	518.22	626.54	638.59	2,401.35
6	Net profit for the period (4-5)	2,268.66	2,077.84	1,845.30	8,378.24
7	Other comprehensive Income/(Loss)				
(i)	Items that will not be reclassified to profit or loss				
(a)	Re-measurement gains/(losses) on defined benefit plans	(0.06)	(11.36)	-	(14.26)
(b)	Changes in fair value of FVOCI equity instruments	36.32	30.02	64.95	166.53
(c)	Share of Profit of Joint Venture accounted for using equity method	(0.02)	(0.07)	-	(0.05)
(d)	Income tax relating to these items				
-	Re-measurement gains/(losses) on defined benefit plans	0.01	2.86	-	3.59
-	Changes in fair value of FVOCI equity instruments	0.03	(1.54)	(2.82)	(6.01)
	Sub-total (i)	36.28	19.91	62.13	149.80
(ii)	Items that will be reclassified to profit or loss				
(a)	Effective Portion of Cash Flow Hedges	(2.10)	92.61	(39.08)	80.81
(b)	Cost of hedging reserve	32.82	(115.83)	170.54	329.00
(c)	Share of other comprehensive income/ (loss) of joint venture accounted for using equity method	-	-	-	1.29
(d)	Income tax relating to these items				
-	Effective Portion of Cash Flow Hedges	0.53	(23.31)	9.83	(20.34)
-	Cost of hedging reserve	(8.26)	29.16	(42.92)	(82.80)
	Sub-total (ii)	22.99	(17.37)	98.37	307.96
	Other comprehensive income/(loss) for the period (i + ii)	59.27	2.54	160.50	457.76
8	Total comprehensive Income for the period (6+7)	2,327.93	2,080.38	2,005.80	8,836.00
9	Paid up Equity Share Capital (Face Value ₹10 per share)	1,974.92	1,974.92	1,974.92	1,974.92
10	Other Equity (as per audited balance sheet as at 31st March)				41,789.01
11	Basic & Diluted earnings per equity share of ₹ 10 each (in ₹) (not annualised)				
A	For continuing operations	11.49	10.53	9.34	42.42
B	For continuing and discontinued operations	11.49	10.53	9.34	42.42

See accompanying notes to the financial results.



Chairman & Managing Director
REC LIMITED
 (Formerly Rural Electrification Corporation Ltd.)
 Core-4, SCOPE Complex,
 Lodhi Road, New Delhi-110003



Notes to the financial results:

1. The above financial results of the Company were reviewed by the Audit Committee and approved and taken on record by the Board of Directors at the meeting held on 5th August, 2021. These results have been subjected to limited review by the Statutory Auditors of the Company.
2. The limited reviewed consolidated accounts of the subsidiary company REC Power Development and Consultancy Limited (formerly REC Power Distribution Company Limited) and unaudited standalone accounts of the joint venture (Energy Efficiency Services Limited) have been consolidated in accordance with the Indian Accounting Standard 110 'Consolidated Financial Statements', Indian Accounting Standard 111 'Joint Arrangements' and Indian Accounting Standard 28 'Investments in Associates and Joint Ventures'.
3. Provisioning on loan assets is made based on ECL (Expected Credit Loss) methodology approved by the Board of Directors of the Company and based upon the report provided by an independent agency appointed by the Company, which also considers ratings by the Ministry of Power, as and when they are updated, for Distribution Companies (DISCOMs). This is further enhanced by management overlays in certain accounts wherever necessary considering the risk involved in the account and also on account of aligning the provisions with the lead lender.

Details of impairment loss allowance maintained in respect of loan assets are as under:

S. No.	Particulars	As at 30.06.2021			As at 31.03.2021		
		Stage 1 & 2	Stage 3	Total	Stage 1 & 2	Stage 3	Total
1.	Loan assets	3,61,178.77	18,211.08	3,79,389.85	3,59,161.22	18,256.93	3,77,418.15
2.	Impairment loss allowance (net of movements)	1,834.32	12,106.33	13,940.65	1,414.80	11,791.31	13,206.11
	Provisioning Coverage (%) (2/1)	0.51%	66.48%	3.67%	0.39%	64.59%	3.50%

4. Interest income on credit-impaired loan assets is not being recognised as a matter of prudence, pending the outcome of resolutions of such assets.
5. 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 Indian Accounting Standard (Ind AS) 108 'Operating Segments'.
6. The Company has declared an interim dividend of ₹ 2/- per equity share of ₹ 10/- each for the Financial year 2021-22 and 17th August, 2021 has been fixed as Record Date for payment of Interim Dividend.
7. The Board of Directors at its meeting held on 5th August, 2021 recommended final dividend of ₹ 1.71 per equity share (on face value of ₹ 10/- each) for the financial year 2020-21, subject to approval of Shareholders in the ensuing Annual General Meeting and 17th September, 2021 has been fixed as record date for payment of final dividend.
8. For all the secured bonds issued by the Company and outstanding as at 30th June, 2021, 100% security cover has been maintained by way of mortgage on certain immovable properties and/or charge on the receivables of the Company.
9. The Company raises funds in different currencies through a mix of term loans from banks/ financial institutions/ Govt. agencies and bonds of different tenors through private placement of debt securities. The amounts raised during the period have been utilized for the stated objects in the offer document/ information memorandum. Further, there has been no default as on 30th June, 2021 in the repayment of debt securities, borrowings and subordinated liabilities and the Company has met all its debt servicing obligations, whether principal or interest, during the period.
10. The Covid-19 situation has been under close watch by the Company to take prompt actions for continuity of business operations in an optimised manner. An update on the impact of Covid-19 outbreak on the business operations of the Company is annexed as **Annexure-A**.
11. The figures for the quarter ended 31st March 2021 have been derived by deducting the year to date figures for the period ended 31st December 2020 from the audited figures for the year ended 31st March 2021.
12. Previous period/ years' figures have been regrouped/ reclassified, wherever necessary, in order to make them comparable.

For REC Limited

(Sanjay Malhotra, IAS)
Chairman & Managing Director
DIN - 00992744

Place: New Delhi
Date: 5th August 2021



Impact of COVID-19 Pandemic on the Company

During the quarter ended June 30, 2021, India experienced a "second wave" of COVID-19, including a significant surge of COVID-19 cases. The resultant lockdowns though were less restrictive for economic activity and were concentrated in the most-hit states. With vaccine rollout gathering pace and demand picking up to pre-covid levels, no significant impact of "second wave" of COVID-19 is expected.

The strong credit profile, access to diversified sources of borrowings and contingency buffers placed by the Company (in the form of liquidity limits from multiple banks apart from High Quality Liquid Assets) has ensured that there is no significant impact on its liquidity position.

Thus, there are no reasons to believe that the current crisis will have any significant impact on the Company's ability to maintain its operations, including the going concern assessment. However, the impact will continue to be dependent on future developments, which are uncertain, including, among other things, discovery of mutant coronavirus variants in the country.

Covid-19 Relief Package for the Power Sector

The Govt. of India, as a part of its Covid-19 relief package, had announced liquidity injection to the State Discoms in the form of State Govt. guaranteed loans through REC and PFC (Power Finance Corporation Ltd.) to clear the outstanding dues of Power Generation and Transmission Companies. As on 30th July 2021, the Company has already sanctioned and disbursed ₹ 67,838 crores and ₹ 41,177 crores respectively to the discoms as part of this liquidity package.



24.2.21

Chairman & Managing Director
REC LIMITED
(Formerly Rural Electrification Corporation Ltd.)
Core-4, SCOPE Complex,
Lodhi Road, New Delhi-110003