



REC Limited | आर ई सी लिमिटेड

(भारत सरकार का उद्यम) / (A Government of India Enterprise)
Regd. Office: Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi - 110003
Corporate Office: REC World Headquarters, Plot No. 1-4,
Near IFFCO Chowk Metro Station, Sector-29, Gurugram - 122001 (Haryana)
Tel: +91 124 444 1300 | Website: www.recindia.com
CIN : L40101DL1969GOI005095 | GST No.: 06AAACR4512R3Z3

SEC-1/187(2)/2022/582

Dated: February 4, 2022

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

Sub: Submission of unaudited financial results (standalone & consolidated) of REC for the quarter & nine months ended December 31, 2021 and declaration of 3rd interim dividend for the financial year 2021-22.

Dear Sir/Madam,

In compliance with the provisions Regulation 30 read with Schedule III of SEBI (LODR) Regulations 2015, this is to inform that the Board of Directors of REC Limited in its meeting held on February 4, 2022, *inter-alia* approved the following:-

1. Unaudited financial results (standalone & consolidated) of the Company for the quarter and nine months ended December 31, 2021, in the prescribed format, which have been reviewed by the Audit Committee and approved & taken on record by the Board of Directors of the Company in their meetings held on February 4, 2022. The said results have been subjected to Limited Review by the Statutory Auditors of the Company and a copy of the Limited Review Report is enclosed herewith.
2. Declaration of 3rd interim dividend @ ₹6/- (Rupees Six only) per equity share of ₹10/- each for the financial year 2021-22. Further, the record date for the said interim dividend is **Wednesday, February 16, 2022** and the said interim dividend shall be paid/dispatched on **Thursday, March 3, 2022**, to those shareholders whose names appear (a) as beneficial owners in the statement(s) furnished by the depository(ies) as on the close of business hours on Wednesday, February 16, 2022 in respect of shares held in electronic form; and (b) as members in the register of members on Wednesday, February 16, 2022 in respect of physical shares.

Further, in terms of SEBI circular dated May 20, 2020, the impact of COVID-19 pandemic on the Company is also enclosed with the said financial results.

This is for your kind information and dissemination.

Thanking you,

Yours faithfully,


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

Encl.: as above.

Regional Offices: Bengaluru, Bhopal, Bhubaneswar, Chennai, Dehradun, Guwahati, Hyderabad, Jaipur, Jammu, Kolkata, Lucknow, Mumbai, Panchkula, Patna, Raipur, Ranchi, Shimla, Thiruvananthapuram & Vijaywada

State Offices : Vadodara

Training Centre : REC Institute of Power Management & Training (RECIPMT), Hyderabad

Statement of Unaudited Standalone Financial Results for the period ended 31-12-2021

(₹ in Crores)

| S. No. | Particulars | Quarter Ended | | | Period Ended | | Year Ended |
|--------|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-------------------------|
| | | 31-12-2021 (Unaudited) | 30-09-2021 (Unaudited) | 31-12-2020 (Unaudited) | 31-12-2021 (Unaudited) | 31-12-2020 (Unaudited) | 31-03-2021 (Audited) |
| 1 | Income | | | | | | |
| A | Interest income | | | | | | |
| (i) | Interest income on loan assets | 9,653.51 | 9,671.18 | 8,824.91 | 28,716.65 | 25,556.55 | 34,302.76 |
| (ii) | Other interest income | 56.44 | 52.83 | 71.30 | 154.54 | 280.77 | 381.02 |
| | Sub-total (A) - Interest Income | 9,709.95 | 9,724.01 | 8,896.21 | 28,871.19 | 25,837.32 | 34,683.78 |
| B | Other Operating Income | | | | | | |
| (i) | Dividend income | - | 16.62 | - | 16.62 | 14.12 | 36.40 |
| (ii) | Fees and commission income | 50.43 | 173.45 | 25.66 | 374.00 | 62.91 | 95.38 |
| (iii) | Net gain/ (loss) on fair value changes | 246.51 | 125.06 | 120.26 | 290.58 | 327.93 | 572.33 |
| | Sub-total (B) - Other Operating Income | 296.94 | 315.13 | 145.92 | 681.20 | 404.96 | 704.11 |
| C | Total Revenue from Operations (A+B) | 10,006.89 | 10,039.14 | 9,042.13 | 29,552.39 | 26,242.28 | 35,387.89 |
| D | Other Income | 32.05 | 39.68 | 4.89 | 76.49 | 18.32 | 22.55 |
| | Total income (C+D) | 10,038.94 | 10,078.82 | 9,047.02 | 29,628.88 | 26,260.60 | 35,410.44 |
| 2 | Expenses | | | | | | |
| A | Finance costs | 5,548.72 | 5,562.55 | 5,445.97 | 16,699.83 | 16,050.94 | 21,489.08 |
| B | Net translation/ transaction exchange loss/ (gain) | 114.79 | (78.20) | (22.55) | 327.87 | 116.97 | 330.26 |
| C | Fees and commission expense | 3.27 | 0.95 | 0.33 | 12.31 | 8.92 | 9.95 |
| D | Impairment on financial instruments | 819.02 | 1,118.51 | 729.96 | 2,718.97 | 1,721.98 | 2,419.62 |
| E | Employee benefits expenses | 40.91 | 42.52 | 42.64 | 122.79 | 110.22 | 144.84 |
| F | Depreciation and amortization | 5.07 | 4.65 | 2.24 | 12.53 | 6.88 | 9.53 |
| G | Corporate social responsibility expenses | 23.31 | 16.36 | 21.18 | 60.60 | 108.13 | 144.32 |
| H | Other expenses | 32.15 | 29.46 | 17.20 | 82.20 | 76.20 | 106.71 |
| | Total expenses (A to H) | 6,587.24 | 6,696.80 | 6,236.97 | 20,037.10 | 18,200.24 | 24,654.31 |
| 3 | Profit before tax (1-2) | 3,451.70 | 3,382.02 | 2,810.05 | 9,591.78 | 8,060.36 | 10,756.13 |
| 4 | Tax expense | | | | | | |
| A | Current tax | | | | | | |
| - | Current year | 784.47 | 832.61 | 682.53 | 2,377.84 | 2,061.21 | 2,683.62 |
| - | Earlier years | - | - | - | - | 133.73 | 223.28 |
| B | Deferred tax | (105.42) | (189.38) | (135.41) | (544.10) | (426.73) | (512.55) |
| | Total tax expense (A+B) | 679.05 | 643.23 | 547.12 | 1,833.74 | 1,768.21 | 2,394.35 |
| 5 | Net profit for the period (3-4) | 2,772.65 | 2,738.79 | 2,262.93 | 7,758.04 | 6,292.15 | 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 | 2.16 | (1.59) | 0.28 | 0.51 | (2.90) | (14.26) |
| (b) | Changes in fair value of FVOCI equity instruments | (17.78) | 21.45 | 47.99 | 39.99 | 136.51 | 166.53 |
| (c) | Income tax relating to these items | | | | | | |
| - | Re-measurement gains/(losses) on defined benefit plans | (0.55) | 0.41 | (0.07) | (0.13) | 0.73 | 3.59 |
| - | Changes in fair value of FVOCI equity instruments | (0.88) | (0.03) | 0.48 | (0.88) | (4.47) | (6.01) |
| | Sub-total (i) | (17.05) | 20.24 | 48.68 | 39.49 | 129.87 | 149.85 |
| (ii) | Items that will be reclassified to profit or loss | | | | | | |
| (a) | Effective Portion of Cash Flow Hedges | 153.25 | (3.21) | 23.84 | 147.94 | (11.80) | 80.81 |
| (b) | Cost of hedging reserve | 79.50 | (39.73) | 154.17 | 72.59 | 444.83 | 329.00 |
| (c) | Income tax relating to these items | | | | | | |
| - | Effective Portion of Cash Flow Hedges | (38.57) | 0.81 | (6.00) | (37.23) | 2.97 | (20.34) |
| - | Cost of hedging reserve | (20.01) | 10.00 | (38.81) | (18.27) | (111.96) | (82.80) |
| | Sub-total (ii) | 174.17 | (32.13) | 133.20 | 165.03 | 324.04 | 306.67 |
| | Other comprehensive Income/(Loss) for the period (i+ii) | 157.12 | (11.89) | 181.88 | 204.52 | 453.91 | 456.52 |
| 7 | Total comprehensive income for the period (5+6) | 2,929.77 | 2,726.90 | 2,444.81 | 7,962.56 | 6,746.06 | 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 | 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 | 14.04 | 13.87 | 11.46 | 39.28 | 31.86 | 42.34 |
| B | For continuing and discontinued operations | 14.04 | 13.87 | 11.46 | 39.28 | 31.86 | 42.34 |

See accompanying notes to the financial results.



Statement of Unaudited Consolidated Financial Results for the period ended 31-12-2021

(₹ in Crores)

| S. No. | Particulars | Quarter Ended | | | Period Ended | | Year Ended |
|--------|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-------------------------|
| | | 31-12-2021 (Unaudited) | 30-09-2021 (Unaudited) | 31-12-2020 (Unaudited) | 31-12-2021 (Unaudited) | 31-12-2020 (Unaudited) | 31-03-2021 (Audited) |
| 1 | Income | | | | | | |
| A | Interest Income | | | | | | |
| (i) | Interest income on loan assets | 9,653.51 | 9,671.18 | 8,824.91 | 28,716.65 | 25,556.55 | 34,302.76 |
| (ii) | Other interest income | 58.50 | 55.10 | 72.09 | 160.86 | 285.32 | 390.59 |
| | Sub-total (A) - Interest Income | 9,712.01 | 9,726.28 | 8,897.00 | 28,877.51 | 25,841.87 | 34,693.35 |
| B | Other Operating Income | | | | | | |
| (i) | Dividend income | - | 1.72 | - | 1.72 | 5.69 | 27.97 |
| (ii) | Fees and commission income | 50.43 | 173.45 | 25.66 | 374.00 | 62.91 | 95.38 |
| (iii) | Net gain/ (loss) on fair value changes | 246.51 | 125.06 | 120.26 | 290.58 | 327.93 | 572.33 |
| (iv) | Sale of services | 28.10 | 21.51 | 41.65 | 91.88 | 102.82 | 163.65 |
| | Sub-total (B) - Other Operating Income | 325.04 | 321.74 | 187.57 | 758.18 | 499.35 | 859.33 |
| C | Total Revenue from Operations (A+B) | 10,037.05 | 10,048.02 | 9,084.57 | 29,635.69 | 26,341.22 | 35,552.68 |
| D | Other Income | 33.37 | 8.51 | 4.89 | 50.25 | 18.42 | 22.72 |
| | Total income (C+D) | 10,070.42 | 10,056.53 | 9,089.46 | 29,685.94 | 26,359.64 | 35,575.40 |
| 2 | Expenses | | | | | | |
| A | Finance costs | 5,547.87 | 5,562.05 | 5,444.88 | 16,697.88 | 16,048.33 | 21,489.05 |
| B | Net translation/ transaction exchange loss/ (gain) | 114.79 | (78.20) | (22.55) | 327.87 | 116.97 | 330.26 |
| C | Fees and commission expense | 3.27 | 0.95 | 0.33 | 12.31 | 8.92 | 9.95 |
| D | Impairment on financial instruments | 815.02 | 1,111.70 | 730.31 | 2,708.16 | 1,726.48 | 2,445.94 |
| E | Cost of services rendered | 18.91 | 15.40 | 27.92 | 49.60 | 57.69 | 88.51 |
| F | Employee benefits expenses | 46.04 | 47.20 | 47.37 | 137.21 | 123.90 | 163.62 |
| G | Depreciation and amortization | 5.14 | 4.72 | 2.55 | 12.75 | 7.99 | 10.86 |
| H | Corporate social responsibility expenses | 23.65 | 16.46 | 22.45 | 61.46 | 110.39 | 146.27 |
| I | Other expenses | 44.13 | 28.65 | 18.27 | 93.67 | 77.34 | 109.38 |
| | Total Expenses (A to I) | 6,618.82 | 6,708.93 | 6,271.53 | 20,100.91 | 18,278.01 | 24,793.84 |
| 3 | Share of Profit/ (loss) of Joint Venture accounted for using equity method | - | (12.86) | (10.94) | (11.81) | (6.42) | (1.97) |
| 4 | Profit before Tax (1-2+3) | 3,451.60 | 3,334.74 | 2,806.99 | 9,573.22 | 8,075.21 | 10,779.59 |
| 5 | Tax Expense | | | | | | |
| A | Current Tax | | | | | | |
| - | Current Year | 785.78 | 832.29 | 685.94 | 2,387.34 | 2,071.39 | 2,698.02 |
| - | Earlier Years | - | - | (0.01) | - | 133.72 | 222.95 |
| B | Deferred Tax | (107.62) | (189.82) | (136.90) | (548.49) | (430.30) | (519.62) |
| | Total Tax Expense (A+B) | 678.16 | 642.47 | 549.03 | 1,838.85 | 1,774.81 | 2,401.35 |
| 6 | Net profit for the period (4-5) | 2,773.44 | 2,692.27 | 2,257.96 | 7,734.37 | 6,300.40 | 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 | 2.16 | (1.59) | 0.28 | 0.51 | (2.90) | (14.26) |
| (b) | Changes in fair value of FVOCI equity instruments | (17.78) | 21.45 | 47.99 | 39.99 | 136.51 | 166.53 |
| (c) | Share of Profit of Joint Venture accounted for using equity method | - | - | 0.02 | (0.02) | 0.02 | (0.05) |
| (d) | Income tax relating to these items | | | | | | |
| - | Re-measurement gains/(losses) on defined benefit plans | (0.55) | 0.41 | (0.07) | (0.13) | 0.73 | 3.59 |
| - | Changes in fair value of FVOCI equity instruments | (0.88) | (0.03) | 0.48 | (0.88) | (4.47) | (6.01) |
| | Sub-total (i) | (17.05) | 20.24 | 48.70 | 39.47 | 129.89 | 149.80 |
| (ii) | Items that will be reclassified to profit or loss | | | | | | |
| (a) | Effective Portion of Cash Flow Hedges | 153.25 | (3.21) | 23.84 | 147.94 | (11.80) | 80.81 |
| (b) | Cost of hedging reserve | 79.50 | (39.73) | 154.17 | 72.59 | 444.83 | 329.00 |
| (c) | Share of other comprehensive income/ (loss) of joint venture accounted for using equity method | - | 1.19 | 1.29 | 1.19 | 1.29 | 1.29 |
| (d) | Income tax relating to these items | | | | | | |
| - | Effective Portion of Cash Flow Hedges | (38.57) | 0.81 | (6.00) | (37.23) | 2.97 | (20.34) |
| - | Cost of hedging reserve | (20.01) | 10.00 | (38.81) | (18.27) | (111.96) | (82.80) |
| | Sub-total (ii) | 174.17 | (30.94) | 134.49 | 166.22 | 325.33 | 307.96 |
| | Other comprehensive income/(loss) for the period (i + ii) | 157.12 | (10.70) | 183.19 | 205.69 | 455.22 | 457.76 |
| 8 | Total comprehensive Income for the period (6+7) | 2,930.56 | 2,681.57 | 2,441.15 | 7,940.06 | 6,755.62 | 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 | 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 | 14.04 | 13.63 | 11.44 | 39.16 | 31.90 | 42.42 |
| B | For continuing and discontinued operations | 14.04 | 13.63 | 11.44 | 39.16 | 31.90 | 42.42 |

See accompanying notes to the financial results.



Notes to the financial results:

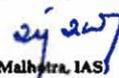
- The above financial results of the Company were reviewed by the Audit Committee and approved and taken on record by the Board of Directors at the meeting held on 4th February, 2022. These results have been subjected to limited review by the Statutory Auditors of the Company.
- The limited reviewed consolidated accounts of the subsidiary company REC Power Development and Consultancy Limited (formerly REC Power Distribution Company Limited) has been consolidated in accordance with the Indian Accounting Standard 110 'Consolidated Financial Statements'.
- 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 31.12.2021 | | | As at 31.03.2021 | | |
|--------|--|------------------|-----------|-------------|------------------|-----------|-------------|
| | | Stage 1 & 2 | Stage 3 | Total | Stage 1 & 2 | Stage 3 | Total |
| 1. | Loan assets | 3,69,044.94 | 19,715.15 | 3,88,760.09 | 3,59,161.22 | 18,256.93 | 3,77,418.15 |
| 2. | Impairment loss allowance (net of movements) | 2,882.48 | 12,957.27 | 15,839.75 | 1,414.80 | 11,791.31 | 13,206.11 |
| | Provisioning Coverage (%) (2/1) | 0.78% | 65.72% | 4.07% | 0.39% | 64.59% | 3.50% |

- Interest income on credit-impaired loan assets is not being recognised as a matter of prudence, pending the outcome of resolutions of such assets.
- 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'.
- During the quarter, the Company has declared an interim dividend of ₹ 6/- per equity share (on face value of ₹ 10/- each) and 16th February, 2022 has been fixed as Record Date for payment of Interim Dividend. The total Interim Dividend for the financial year 2021-22 is ₹ 10.50 per equity share (on face value of ₹ 10/- each).
- The additional information as required under Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed as Annexure - A.
- Pursuant to Regulation 54 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the secured non-convertible debt securities issued by the Company and outstanding as at 31st December, 2021 are fully secured (1.16 times) by way of mortgage on certain immovable properties and/or charge on the receivables of the Company, in terms of respective offer document/ information memorandum and/ or Debenture Trust Deed. Further, asset cover for total non-convertible debt securities issued by the Company is 1.14 times as at 31st December 2021.
- 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, pursuant to Regulation 52(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, there has been no default as on 31st December, 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.
- During the quarter, concern relating to COVID-19 has once again resurfaced in view of the spread of omicron. Considering the nature of infections being milder, the curbs imposed by local/state governments are lesser disruptive than earlier waves. With increase in the pace of vaccination, expectation of sharp recovery in demand is expected as in earlier waves. Company's strong credit profile, liquidity access and available contingency buffers provides no reasons to believe that the current crisis will have any significant impact on its operations, including the going concern assessment. However, the impact will continue to be dependent, among other things, on future developments about discovery of coronavirus variants, which is uncertain.
- Previous period/ years' figures have been regrouped/ reclassified, wherever necessary, in order to make them comparable.

Place: Gurugram
Date: 4th February 2022

For REC Limited

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



Disclosure in compliance with Regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter and nine months ended 31st December, 2021 on standalone basis:

| S. No. | Particulars | Unit | As at/ For the quarter ended 31.12.2021 | As at/ For the period ended 31.12.2021 |
|--------|---|-------------|---|--|
| 1 | Debt Equity Ratio ¹ | times | | 6.49 |
| 2 | Outstanding Redeemable preference shares | ₹ in Crores | | Nil |
| 3 | Debenture Redemption Reserve | ₹ in Crores | | Nil |
| 4 | Net Worth ² | ₹ in Crores | | 50,257.56 |
| 5 | Total debts to total assets ³ | times | | 0.80 |
| 6 | Operating Margin ⁴ | % | 34.17 | 32.20 |
| 7 | Net profit Margin ⁵ | % | 27.62 | 26.18 |
| 8 | Sector specific equivalent ratios | | | |
| (a) | CRAR ⁶ | % | | 23.22 |
| (b) | Gross Credit Impaired Assets Ratio ⁷ | % | | 5.07 |
| (c) | Net Credit Impaired Assets Ratio ⁸ | % | | 1.74 |

Notes:

- Debt/Equity Ratio = Net Debt / Net Worth (Net debt represents principal outstanding less cash and cash equivalents available.)
- Net Worth is calculated as defined in section 2(57) of Companies Act, 2013.
- Total debts to total assets = Total Debt / Total Assets.
- Operating Margin = Net Operating Profit Before Tax / Total Revenue from Operation.
- Net profit Margin = Net Profit after Tax / Total Income.
- CRAR = Adjusted Net worth/ Risk weighted assets, calculated as per applicable RBI guidelines.
- Gross Credit Impaired Asset Ratio = Gross Credit Impaired Assets / Gross Loan Assets.
- Net Credit Impaired Asset Ratio = Net Credit Impaired Assets / Gross Loan Assets.
- Debt Service Coverage Ratio, Interest Service Coverage Ratio, Current Ratio, Current Liability Ratio, Long Term Debt to Working Capital, Debtors Turnover, Inventory Turnover and Bad Debts to Accounts Receivable Ratio is not applicable to the company.



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 AND NINE MONTHS ENDED 31ST DECEMBER 2021 PURSUANT TO REGULATION 33 AND REGULATION 52 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

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

We have reviewed the accompanying statement of standalone unaudited financial results of **REC Limited** ("the Company") for the quarter and nine months ended 31st December 2021 ("the Statement") being submitted by the Company pursuant to the requirement of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

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.

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.

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 and Regulation 52 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.

Emphasis of matter

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. 10 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 evolvement 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

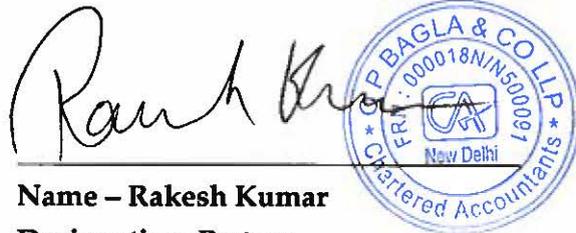
Membership Number: 072290

UDIN: 22072290AAJHJD4329

M/s O.P. Bagla & Co. LLP.

Chartered Accountants,

ICAI Firm Registration: 000018N/N500091



Name – Rakesh Kumar

Designation: Partner

Membership Number: 087537

UDIN: 22087537AAJHNX2606

Place : Gurugram, Haryana

Date : 4th February 2022

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 AND NINE MONTHS ENDED 31ST DECEMBER 2021 PURSUANT TO REGULATION 33 AND REGULATION 52 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

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

We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of REC Limited ("the Parent") and its subsidiary (the Parent and its subsidiary together referred to as "the Group"), and its share of the net profit after tax for the quarter and nine months ended 31st December 2021 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

The results include the result of REC Power Development and Consultancy Limited, the subsidiary.

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.

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.

Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports other auditors referred to in paragraph 6 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 and Regulation 52 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.

Emphasis of matter

- (i) 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.
- (ii) Refer Note No. 10 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 involvement of pandemic in future period is uncertain and could impact the impairment allowance in future years.

Our opinion is not modified in respect of these matters.

Other matters

- (iii) We did not review the interim financial results of the subsidiary included in the consolidated unaudited financial results, whose interim financial results reflect total assets of ₹ 590.64 crores as at 31st December 2021 and total revenue of ₹ 33.75 crores and ₹ 110.18 crores, total net profit after tax of ₹ 0.78 crores and ₹ 32.05 crores, other comprehensive income of ₹ Nil and ₹ Nil crores for the quarter and nine months ended 31st December 2021 respectively, as considered in the consolidated unaudited financial results. These interim financial results have been reviewed by other auditor whose Report has 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 Report of the other auditor and the procedures performed by us.

Our opinion is not modified in respect of these matters.

M/s S.K. Mittal & Co.
Chartered Accountants

ICAI Firm Registration No.: 001135N



Name: S. Murthy

Designation: Partner

Membership Number: 072290

UDIN: 22072290AAJIDH7320

M/s O.P. Bagla & Co. LLP.
Chartered Accountants

ICAI Firm Registration No. : 00018N/N500091



Name: Rakesh Kumar

Designation: Partner

Membership Number: 087537

UDIN: 22087537AAJJBQ7162

Place : Gurugram, Haryana

Date : 4th February 2022