

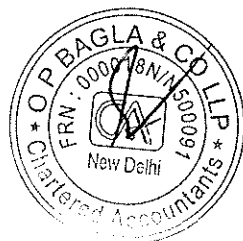
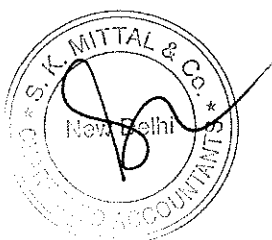
S.K. Mittal & Co.  
Chartered Accountants  
E-29 South Extension Part-II  
New Delhi-110049.

O P Bagla & Co. LLP  
Chartered Accountants  
B-225, 5<sup>th</sup> 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 31<sup>ST</sup>  
DECEMBER 2020**

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 (including annexed Standalone Balance Sheet as on 31<sup>st</sup> December 2020, Statement of Profit & Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the period ended as on that date and summarised Notes to Accounts, including Significant Accounting Policies) of REC Limited ("the Company") for the quarter and nine months ended 31<sup>st</sup> December 2020 ("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.

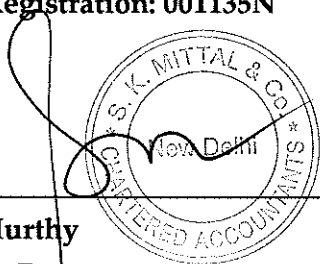
#### Other Matters

5. Refer Note No. 3 to the Statement regarding the provision of impairment allowance in respect of loan assets and undisbursed Letters of Comfort based on the Board approved Expected Credit Loss (ECL) methodology and calculation done by an independent agency. We have relied upon the basis of determination of impairment allowance as mentioned above, in so far as it relates to technical aspects/parameters considered by independent agency.
6. 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.

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

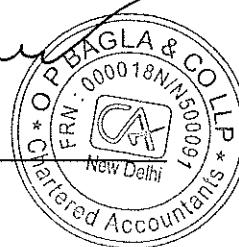
**M/s S.K. Mittal & Co.**  
**Chartered Accountants,**  
**ICAI Firm Registration: 001135N**

**Name - S. Murthy**  
**Designation: Partner**  
**Membership Number: 072290**  
**UDIN: 21072290AAAAAC2131**



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

**Name – Rakesh Kumar**  
**Designation: Partner**  
**Membership Number: 087537**  
**UDIN: 21087537AAAAAQ7996**



**Place : New Delhi**

**Date : 4<sup>th</sup> February 2021**

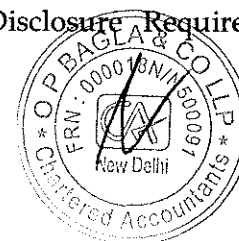
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B-225, 5<sup>th</sup> Floor,  
Okhla Industrial Area Phase-I  
New Delhi- 110020.

**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE CONSOLIDATED UNAUDITED  
FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31<sup>ST</sup>  
DECEMBER 2020**

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 (including annexed Standalone Balance Sheet as on 31<sup>st</sup> December 2020, Statement of Profit & Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the period ended as on that date and summarised Notes to Accounts, including Significant Accounting Policies) 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 and nine months ended 31<sup>st</sup> December 2020 ("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:

**List of Subsidiaries:**

- i) REC Power Distribution Company Limited
- ii) REC Transmission Projects Company Limited

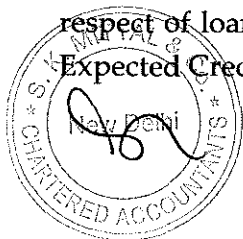
**List of Joint Venture:**

- i) 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 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 two subsidiaries included in the consolidated unaudited financial results, whose interim financial results reflect total assets of ₹ 542.48 crores as at 31<sup>st</sup> December 2020 and total revenue of ₹ 44.71 crores and ₹ 114.65 crores, total net profit after tax of ₹ 5.97 crores and ₹ 21.86 crores and total comprehensive income of ₹ 5.97 crores and ₹ 21.86 crores for the quarter and nine months ended 31<sup>st</sup> December 2020 respectively, as considered in the consolidated unaudited financial results. These 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 these subsidiaries 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 ₹ -10.94 crores and ₹ -6.42 crores, total comprehensive income of ₹ -10.94 crores and ₹ -5.13 crores for the quarter and nine months ended 31<sup>st</sup> December 2020 respectively, as considered in the consolidated unaudited financial results, in respect of one 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 Statement regarding the provision of impairment allowance in respect of loan assets and undisbursed Letters of Comfort based on the Board approved Expected Credit Loss (ECL) methodology and calculation done by an independent agency.



We have relied upon the basis of determination of impairment allowance as mentioned above, in so far as it relates to technical aspects/parameters considered by independent agency.

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.

Our opinion on the Statement 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: 21072290AAAAAD3711**

**Place : New Delhi**

**Date : 4<sup>th</sup> February 2021**

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

**Chartered Accountants**

**ICAI Firm Registration No.: 000018N/N500091**

**Name: Rakesh Kumar**

**Designation: Partner**

**Membership Number: 087537**

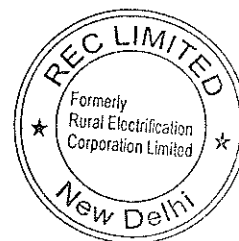
**UDIN:21087537AAAAAR2558**

**Statement of Unaudited Standalone Financial Results for the period ended 31-12-2020**

(₹ in Crores)

S. No.	Particulars	Quarter Ended			Period Ended		Year Ended
		31-12-2020 (Unaudited)	30-09-2020 (Audited)	31-12-2019 (Unaudited)	31-12-2020 (Unaudited)	31-12-2019 (Unaudited)	31-03-2020 (Audited)
1	<b>Income</b>						
A	<b>Interest income</b>						
(i)	Interest income on loan assets	8,824.91	8,745.07	7,464.76	25,556.55	21,731.17	29,422.33
(ii)	Other interest income	71.30	92.77	66.82	280.77	176.27	240.74
	<b>Sub-total (A) - Interest Income</b>	<b>8,896.21</b>	<b>8,837.84</b>	<b>7,531.58</b>	<b>25,837.32</b>	<b>21,907.44</b>	<b>29,663.07</b>
B	<b>Other Operating Income</b>						
(i)	Dividend income	-	14.12	-	14.12	15.26	89.04
(ii)	Fees and commission income	25.66	31.46	12.03	62.91	28.96	38.95
(iii)	Net gain/ (loss) on fair value changes	120.26	(104.04)	107.15	327.93	92.12	(25.85)
	<b>Sub-total (B) - Other Operating Income</b>	<b>145.92</b>	<b>(58.46)</b>	<b>119.18</b>	<b>404.96</b>	<b>136.34</b>	<b>102.14</b>
C	<b>Total Revenue from Operations (A+B)</b>	<b>9,042.13</b>	<b>8,779.38</b>	<b>7,650.76</b>	<b>26,242.28</b>	<b>22,043.78</b>	<b>29,765.21</b>
D	<b>Other Income</b>	<b>4.89</b>	<b>12.08</b>	<b>2.23</b>	<b>18.32</b>	<b>8.64</b>	<b>63.92</b>
	<b>Total income (C+D)</b>	<b>9,047.02</b>	<b>8,791.46</b>	<b>7,652.99</b>	<b>26,260.60</b>	<b>22,052.42</b>	<b>29,829.13</b>
2	<b>Expenses</b>						
A	Finance costs	5,445.97	5,411.96	4,767.95	16,050.94	14,055.25	18,997.05
B	Net translation/ transaction exchange loss/ (gain)	(22.55)	(264.07)	353.02	116.97	1,025.15	2,357.90
C	Fees and commission expense	0.33	1.73	4.11	8.92	14.95	25.44
D	Impairment on financial instruments	729.96	793.40	78.33	1,721.98	351.10	889.56
E	Employee benefits expenses	42.64	36.84	39.72	110.22	133.68	175.79
F	Depreciation and amortization	2.24	2.26	2.29	6.88	6.85	10.00
G	Corporate social responsibility expenses	21.18	11.34	31.04	108.13	82.03	258.40
H	Other expenses	17.20	24.75	33.25	76.20	98.35	131.70
	<b>Total expenses (A to H)</b>	<b>6,236.97</b>	<b>6,018.21</b>	<b>5,309.71</b>	<b>18,200.24</b>	<b>15,767.36</b>	<b>22,845.84</b>
3	<b>Profit before tax (1-2)</b>	<b>2,810.05</b>	<b>2,773.25</b>	<b>2,343.28</b>	<b>8,060.36</b>	<b>6,285.06</b>	<b>6,983.29</b>
4	<b>Tax expense</b>						
A	<b>Current tax</b>						
-	Current year	682.53	783.24	447.31	2,061.21	1,262.19	1,552.99
-	Earlier years	-	-	53.81	133.73	64.11	62.88
B	<b>Deferred tax</b>	<b>(135.41)</b>	<b>(200.19)</b>	<b>199.81</b>	<b>(426.73)</b>	<b>508.31</b>	<b>481.26</b>
	<b>Total tax expense (A+B)</b>	<b>547.12</b>	<b>583.05</b>	<b>700.93</b>	<b>1,768.21</b>	<b>1,834.61</b>	<b>2,097.13</b>
5	<b>Net profit for the period (3-4)</b>	<b>2,262.93</b>	<b>2,190.20</b>	<b>1,642.35</b>	<b>6,292.15</b>	<b>4,450.45</b>	<b>4,886.16</b>
6	<b>Other comprehensive Income/(Loss)</b>						
(i)	<b>Items that will not be reclassified to profit or loss</b>						
(a)	Re-measurement gains/(losses) on defined benefit plans	0.28	(3.18)	-	(2.90)	7.96	(2.87)
(b)	Changes in fair value of FVOCI equity instruments	47.99	23.57	56.13	136.51	(40.31)	(129.20)
(c)	Income tax relating to these items	-	-	-	-	-	-
-	Re-measurement gains/(losses) on defined benefit plans	(0.07)	0.80	-	0.73	(2.00)	0.72
-	Changes in fair value of FVOCI equity instruments	0.48	(2.13)	0.40	(4.47)	12.79	12.39
	<b>Sub-total (i)</b>	<b>48.68</b>	<b>19.06</b>	<b>56.53</b>	<b>129.87</b>	<b>(21.56)</b>	<b>(118.96)</b>
(ii)	<b>Items that will be reclassified to profit or loss</b>						
(a)	Effective Portion of Cash Flow Hedges	23.84	3.44	-	(11.80)	-	(302.12)
(b)	Cost of hedging reserve	154.17	120.12	-	444.83	-	(273.61)
(c)	Income tax relating to these items	-	-	-	-	-	-
-	Effective Portion of Cash Flow Hedges	(6.00)	(0.86)	-	2.97	-	76.04
-	Cost of hedging reserve	(38.81)	(30.23)	-	(111.96)	-	68.86
	<b>Sub-total (ii)</b>	<b>133.20</b>	<b>92.47</b>	<b>-</b>	<b>324.04</b>	<b>-</b>	<b>(430.83)</b>
	<b>Other comprehensive Income/(Loss) for the period (i+ii)</b>	<b>181.88</b>	<b>111.53</b>	<b>56.53</b>	<b>453.91</b>	<b>(21.56)</b>	<b>(549.79)</b>
7	<b>Total comprehensive income for the period (5+6)</b>	<b>2,444.81</b>	<b>2,301.73</b>	<b>1,698.88</b>	<b>6,746.06</b>	<b>4,428.89</b>	<b>4,336.37</b>
8	<b>Paid up equity share capital (Face Value ₹10 per share)</b>	<b>1,974.92</b>	<b>1,974.92</b>	<b>1,974.92</b>	<b>1,974.92</b>	<b>1,974.92</b>	<b>1,974.92</b>
9	<b>Other equity (as per audited balance sheet as at 31st March)</b>						<b>33,101.64</b>
10	<b>Basic &amp; Diluted earnings per equity share of ₹ 10 each (in ₹)</b>						
(not annualised)							
A	For continuing operations	11.46	11.09	8.32	31.86	22.53	24.74
B	For continuing and discontinued operations	11.46	11.09	8.32	31.86	22.53	24.74

See accompanying notes to the financial results.

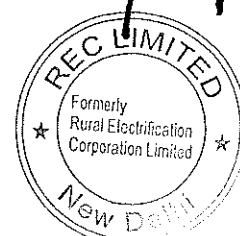
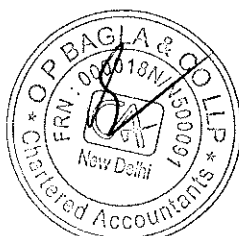
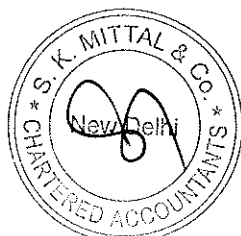


**Statement of Unaudited Consolidated Financial Results for the period ended 31-12-2020**

(₹ in Crores)

S. No.	Particulars	Quarter Ended			Period Ended		Year Ended
		31-12-2020 (Unaudited)	30-09-2020 (Audited)	31-12-2019 (Unaudited)	31-12-2020 (Unaudited)	31-12-2019 (Unaudited)	31-03-2020 (Audited)
<b>1</b>	<b>Income</b>						
<b>A</b>	<b>Interest Income</b>						
(i)	Interest income on loan assets	8,824.91	8,745.07	7,464.76	25,556.55	21,731.17	29,422.33
(ii)	Other interest income	72.09	94.57	69.04	285.32	182.83	249.45
	<b>Sub-total (A) - Interest Income</b>	<b>8,897.00</b>	<b>8,839.64</b>	<b>7,533.80</b>	<b>25,841.87</b>	<b>21,914.00</b>	<b>29,671.78</b>
<b>B</b>	<b>Other Operating Income</b>						
(i)	Dividend income	-	5.69	(2.10)	5.69	13.16	36.94
(ii)	Fees and commission income	25.66	31.46	12.03	62.91	28.96	38.95
(iii)	Net gain/ (loss) on fair value changes	120.26	(104.04)	107.15	327.93	92.12	(25.85)
(iv)	Sale of services	41.65	37.25	61.87	102.82	132.18	182.11
	<b>Sub-total (B) - Other Operating Income</b>	<b>187.57</b>	<b>(29.64)</b>	<b>178.95</b>	<b>499.35</b>	<b>266.42</b>	<b>232.15</b>
<b>C</b>	<b>Total Revenue from Operations (A+B)</b>	<b>9,084.57</b>	<b>8,810.00</b>	<b>7,712.75</b>	<b>26,341.22</b>	<b>22,180.42</b>	<b>29,903.93</b>
<b>D</b>	<b>Other Income</b>	<b>4.89</b>	<b>12.10</b>	<b>3.97</b>	<b>18.42</b>	<b>15.19</b>	<b>77.27</b>
	<b>Total income (C+D)</b>	<b>9,089.46</b>	<b>8,822.10</b>	<b>7,716.72</b>	<b>26,359.64</b>	<b>22,195.61</b>	<b>29,981.20</b>
<b>2</b>	<b>Expenses</b>						
<b>A</b>	<b>Finance costs</b>	<b>5,444.88</b>	<b>5,410.87</b>	<b>4,766.22</b>	<b>16,048.33</b>	<b>14,051.08</b>	<b>18,991.30</b>
<b>B</b>	<b>Net translation/ transaction exchange loss/ (gain)</b>	<b>(22.55)</b>	<b>(264.07)</b>	<b>353.02</b>	<b>116.97</b>	<b>1,025.15</b>	<b>2,357.90</b>
<b>C</b>	<b>Fees and commission expense</b>	<b>0.33</b>	<b>1.73</b>	<b>4.11</b>	<b>8.92</b>	<b>14.95</b>	<b>25.44</b>
<b>D</b>	<b>Impairment on financial instruments</b>	<b>730.31</b>	<b>794.54</b>	<b>81.56</b>	<b>1,726.48</b>	<b>362.93</b>	<b>919.49</b>
<b>E</b>	<b>Cost of services rendered</b>	<b>27.92</b>	<b>14.97</b>	<b>17.15</b>	<b>57.69</b>	<b>48.57</b>	<b>71.61</b>
<b>F</b>	<b>Employee benefits expenses</b>	<b>47.37</b>	<b>41.52</b>	<b>44.23</b>	<b>123.90</b>	<b>147.26</b>	<b>193.15</b>
<b>G</b>	<b>Depreciation and amortization</b>	<b>2.55</b>	<b>2.64</b>	<b>2.77</b>	<b>7.99</b>	<b>8.21</b>	<b>11.77</b>
<b>H</b>	<b>Corporate social responsibility expenses</b>	<b>22.45</b>	<b>12.19</b>	<b>31.21</b>	<b>110.39</b>	<b>82.87</b>	<b>259.29</b>
<b>I</b>	<b>Other expenses</b>	<b>18.27</b>	<b>25.62</b>	<b>33.03</b>	<b>77.34</b>	<b>96.20</b>	<b>130.41</b>
	<b>Total Expenses (A to I)</b>	<b>6,271.53</b>	<b>6,040.01</b>	<b>5,333.30</b>	<b>18,278.01</b>	<b>15,837.22</b>	<b>22,960.36</b>
<b>3</b>	<b>Share of Profit/ (loss) of Joint Venture accounted for using equity method</b>	<b>(10.94)</b>	<b>2.24</b>	<b>3.05</b>	<b>(6.42)</b>	<b>7.36</b>	<b>9.14</b>
<b>4</b>	<b>Profit before Tax (1-2+3)</b>	<b>2,806.99</b>	<b>2,784.33</b>	<b>2,386.47</b>	<b>8,075.21</b>	<b>6,365.75</b>	<b>7,029.98</b>
<b>5</b>	<b>Tax Expense</b>						
<b>A</b>	<b>Current Tax</b>						
-	Current Year	685.94	788.15	459.62	2,071.39	1,284.60	1,579.79
-	Earlier Years	(0.01)	-	52.81	133.72	64.11	65.27
<b>B</b>	<b>Deferred Tax</b>	<b>(136.90)</b>	<b>(200.96)</b>	<b>207.23</b>	<b>(430.30)</b>	<b>518.76</b>	<b>412.65</b>
	<b>Total Tax Expense (A+B)</b>	<b>549.03</b>	<b>587.19</b>	<b>719.66</b>	<b>1,774.81</b>	<b>1,867.47</b>	<b>2,057.71</b>
<b>6</b>	<b>Net profit for the period (4-5)</b>	<b>2,257.96</b>	<b>2,197.14</b>	<b>1,666.81</b>	<b>6,300.40</b>	<b>4,498.28</b>	<b>4,972.27</b>
<b>7</b>	<b>Other comprehensive Income/(Loss)</b>						
(i)	<b>Items that will not be reclassified to profit or loss</b>						
(a)	Re-measurement gains/(losses) on defined benefit plans	0.28	(3.18)	-	(2.90)	7.96	(2.87)
(b)	Changes in fair value of FVOCI equity instruments	47.99	23.57	56.13	136.51	(40.31)	(129.20)
(c)	Share of Profit of Joint Venture accounted for using equity method	0.02	-	-	0.02	(0.10)	(0.12)
(d)	<b>Income tax relating to these items</b>						
-	Re-measurement gains/(losses) on defined benefit plans	(0.07)	0.80	-	0.73	(2.00)	0.72
-	Changes in fair value of FVOCI equity instruments	0.48	(2.13)	0.40	(4.47)	12.79	12.39
	<b>Sub-total (i)</b>	<b>48.70</b>	<b>19.06</b>	<b>56.53</b>	<b>129.89</b>	<b>(21.66)</b>	<b>(119.08)</b>
(ii)	<b>Items that will be reclassified to profit or loss</b>						
(a)	Effective Portion of Cash Flow Hedges	23.84	3.44	-	(11.80)	-	(302.12)
(b)	Cost of hedging reserve	154.17	120.12	-	444.83	-	(273.61)
(c)	Share of other comprehensive income/ (loss) of joint venture accounted for using equity method	1.29	-	-	1.29	(3.14)	(3.94)
(d)	<b>Income tax relating to these items</b>						
-	Effective Portion of Cash Flow Hedges	(6.00)	(0.86)	-	2.97	-	76.04
-	Cost of hedging reserve	(38.81)	(30.23)	-	(111.96)	-	68.86
	<b>Sub-total (ii)</b>	<b>134.49</b>	<b>92.47</b>	<b>-</b>	<b>325.33</b>	<b>(3.14)</b>	<b>(434.77)</b>
	<b>Other comprehensive income/(loss) for the period (i + ii)</b>	<b>183.19</b>	<b>111.53</b>	<b>56.53</b>	<b>455.22</b>	<b>(24.80)</b>	<b>(553.85)</b>
<b>8</b>	<b>Total comprehensive Income for the period (6+7)</b>	<b>2,441.15</b>	<b>2,308.67</b>	<b>1,723.34</b>	<b>6,755.62</b>	<b>4,473.48</b>	<b>4,418.42</b>
<b>9</b>	<b>Paid up Equity Share Capital (Face Value ₹10 per share)</b>	<b>1,974.92</b>	<b>1,974.92</b>	<b>1,974.92</b>	<b>1,974.92</b>	<b>1,974.92</b>	<b>1,974.92</b>
<b>10</b>	<b>Other Equity (as per audited balance sheet as at 31st March)</b>						<b>33,421.51</b>
<b>11</b>	<b>Basic &amp; Diluted earnings per equity share of ₹ 10 each (in ₹) (not annualised)</b>						
<b>A</b>	<b>For continuing operations</b>	<b>11.44</b>	<b>11.14</b>	<b>8.44</b>	<b>31.90</b>	<b>22.78</b>	<b>25.18</b>
<b>B</b>	<b>For continuing and discontinued operations</b>	<b>11.44</b>	<b>11.14</b>	<b>8.44</b>	<b>31.90</b>	<b>22.78</b>	<b>25.18</b>

See accompanying notes to the financial results.



**Notes:**

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 meetings held on 4th February, 2021. These results have been subjected to limited review by the Statutory Auditors of the Company.
2. The accounts of the subsidiary companies, REC Power Distribution Company Limited (standalone) and REC Transmission Projects Company Limited (consolidated) subjected to the limited review and unaudited standalone accounts of 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 provided as per the board-approved ECL methodology and calculations done by an independent agency along with management overlays, wherever necessary. Details of impairment loss allowance maintained in respect of loan assets are as under:

S. No.	Particulars	As at 31.12.2020			As at 31.03.2020		
		Stage 1 & 2	Stage 3	Total	Stage 1 & 2	Stage 3	Total
1.	Loan assets	3,38,846.44	18,220.62	3,57,067.06	3,01,169.13	21,255.55	3,22,424.68
2.	Impairment loss allowance (net of movements)	1,284.30	11,274.00	12,558.30	1,443.91	10,552.13	11,996.04
	<b>Provisioning Coverage (%) (2/1)</b>	0.38%	61.87%	3.52%	0.48%	49.64%	3.72%

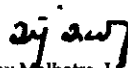
Additionally, the Company has also maintained an Impairment Reserve of ₹ 793.29 crores in accordance with RBI Notification No. DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13th March 2020.

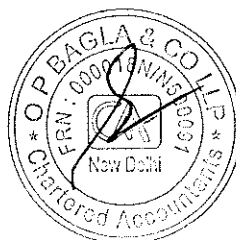
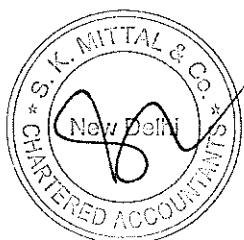
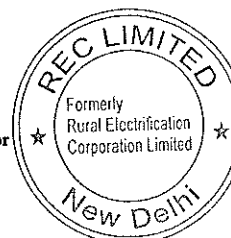
4. Interest income on credit-impaired loan assets is not being recognised as a matter of prudence, pending the outcome of resolutions of such assets.
5. During the quarter, the Company has implemented restructuring plan of one of the borrowers with an outstanding loan amount of Rs. 2,301.99 crores. According to the restructuring agreement, the outstanding loan has been converted into a fresh term loan of 1,396.55 crores along with allotment of equity/ debt instruments and balance amount of Rs. 905.44 crores has been written off with the reversal of the corresponding provision thereof.
6. 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'.
7. 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 31st December, 2020 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.
8. Disclosures in respect of Liquidity Risk Management in accordance with RBI Guidelines dated 4th November 2019 are annexed at **Annexure-A**.
9. 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-B**.
10. For all the secured bonds issued by the Company and outstanding as at 31st December 2020, 100% security cover has been maintained by way of mortgage on certain immovable properties and/ or charge on the receivables of the Company.
11. The Balance Sheet, Statement of Profit & Loss, Statement of Changes in Equity (SOCIE), Statement of Cash Flows and summarised Notes to Accounts, including Significant Accounting Policies on Standalone basis and Consolidated basis for the period ended 31st December 2020 have been annexed herewith this statement as **Annexure-C** and **Annexure-D** respectively.
12. Previous period/ years' figures have been regrouped/ reclassified, wherever necessary, in order to make them comparable.

Place: New Delhi

Date: 4th February 2021

For REC Limited

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





**Disclosures in accordance with RBI Circular on liquidity risk management**

The Company has put in place an effective Asset Liability Management System and has also constituted an Asset Liability Management Committee ("ALCO") which monitors the liquidity risk with the help of liquidity gap analysis. The Company continuously monitors the projected and actual cash flows and accordingly maintains adequate bank balances, overdraft facilities, short term investments that are readily convertible into cash and adequate borrowing plans.

**(i) Funding Concentration based on significant counterparty (borrowings)**

Particulars	As at 31-12-2020	As at 31-03-2020
Number of significant counterparties *	18	14
Amount (₹ in Crores)	1,61,635.72	1,25,850.36
% of Total Liabilities	47.90%	40.41%

**(ii) Top 10 borrowings**

Particulars	As at 31-12-2020		As at 31-03-2020	
	Amount (₹ in Crore)	% of Total borrowings	Amount (₹ in Crore)	% of Total borrowings
1 Term Loan from State Bank of India	10,839.91	3.53%	7,299.92	2.61%
2 Term Loan from National Small Savings Fund (NSSF)	10,000.00	3.26%	10,000.00	3.57%
3 54EC- Series XII (2018-19)	6,651.77	2.17%	6,651.77	2.37%
4 54EC- Series XIII (2019-20)	6,159.32	2.01%	5,759.14	2.06%
5 Foreign Currency Bonds- US \$700 Mn Bonds	5,113.75	1.66%	5,277.01	1.88%
6 Institutional Bonds- 182nd Series	5,063.00	1.65%	5,063.00	1.81%
7 Institutional Bonds- 203rd A Series	5,000.00	1.63%	-	0.00%
8 Foreign Currency Bonds- US \$650 Mn Bonds	4,748.48	1.55%	4,900.08	1.75%
9 Institutional Bonds- 114th Series	4,300.00	1.40%	4,300.00	1.54%
10 54EC- Series XI (2017-18)	4,136.97	1.35%	9,565.23	3.41%
11 Institutional Bonds- 105th Series	-	0.00%	3,922.20	1.40%
<b>Total</b>	<b>62,013.20</b>	<b>20.19%</b>	<b>62,738.35</b>	<b>22.40%</b>

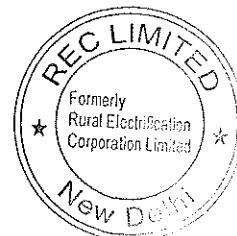
**(iii) Funding Concentration based on significant instrument/ product**

Name of significant instrument/ product *	As at 31-12-2020		As at 31-03-2020	
	Amount (₹ in Crore)	% of Total Liabilities	Amount (₹ in Crore)	% of Total Liabilities
<b>1 Debt Securities</b>				
Institutional Bonds	1,64,914.90	48.87%	1,52,132.20	48.85%
Foreign Currency Bonds	22,646.61	6.71%	22,615.78	7.26%
54EC Capital Gain Tax Exemption Bonds	19,974.37	5.92%	22,376.33	7.19%
Tax Free Bonds	12,648.41	3.75%	12,648.41	4.06%
<b>Sub-Total (1)</b>	<b>2,20,184.29</b>	<b>65.25%</b>	<b>2,09,772.72</b>	<b>67.36%</b>
<b>2 Borrowings (Other than Debt Securities)</b>				
Term Loans from Banks	29,641.54	8.78%	18,899.78	6.07%
Foreign Currency Borrowings	20,866.90	6.18%	21,762.71	6.99%
Term Loans from Govt. of India	10,000.00	2.96%	10,000.00	3.21%
FCNR (B) Loans	7,195.77	2.13%	6,973.20	2.24%
Loans repayable on demand from Banks	10,575.00	3.13%	-	-
<b>Sub-Total (2)</b>	<b>78,279.21</b>	<b>23.20%</b>	<b>57,635.69</b>	<b>18.51%</b>
<b>3 Subordinated Liabilities</b>	<b>6,650.70</b>	<b>1.97%</b>	<b>4,651.20</b>	<b>1.49%</b>
<b>Total (1+2+3)</b>	<b>3,05,114.20</b>	<b>90.42%</b>	<b>2,72,059.61</b>	<b>87.36%</b>

**(iv) Stock Ratios:**

Particulars	As at 31-12-2020				As at 31-03-2020			
	Amount (₹ in Crores)	% of Public Funds	% of Total Liabilities	% of Total Assets	Amount (₹ in Crores)	% of Public Funds	% of Total Liabilities	% of Total Assets
Commercial Papers	-	-	-	-	2,925.00	1.04%	0.94%	0.84%
Non-Convertible debentures having maturity of less than one year	-	-	-	-	-	-	-	-
Other Short-Term liabilities	18,420.10	6.00%	5.46%	4.86%	10,551.34	3.77%	3.39%	3.05%

\* Significant counterparty/ significant instrument/ product is defined as a single counterparty/ single instrument/ product or group of connected or affiliated counterparties accounting in aggregate to more than 1% of the company's total liabilities.



(iv) **Liquidity Coverage Ratio Disclosure**

RBI vide its Liquidity Framework dated 04 Nov, 2019 has stipulated the implementation of Liquidity Coverage Ratio (LCR) for Non-Deposit taking NBFCs with asset size of more than Rs. 10000 Crore w.e.f 01 Dec, 2020. LCR aims to ensure that Company has an adequate stock of unencumbered High-Quality Liquid Assets (HQLA) that can be converted into cash easily and immediately to meet its liquidity needs for a 30 calendar day liquidity stress scenario. Accordingly REC Limited has started computing and making investments in High Quality Liquid Assets under LCR Regime of the regulator.

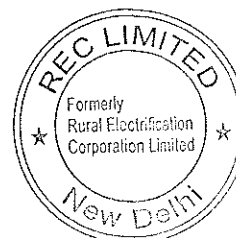
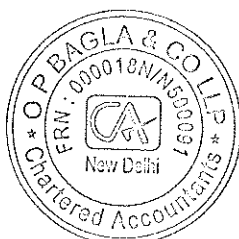
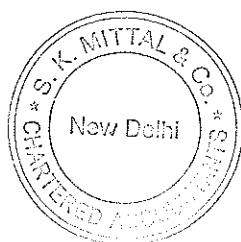
Company is maintaining the LCR at 50% level as per RBI Guidelines under different class of HQLAs such as Govt.-Securities/SDRs/AAA/AA Corporate and auto swap balances with banks. Also, the management is of the view that the Company has sufficient liquidity cover to meet its likely future short-term requirements.

**Liquidity Coverage Ratio Disclosure for the period ended 31.12.2020**

(₹ in Crores)

Particulars	Total Unweighted Value (average)*	Total Weighted Value (average)*
<b>High Quality Liquid Assets</b>		
Total High Quality Liquid Assets (HQLA)	2,249.00	2,221.13
- AA/AAA Corporate Bonds	185.81	157.94
- G-SEC Bonds	212.43	212.43
- SDLs	133.25	133.25
- Banks Autowrap	1,717.50	1,717.50
<b>Cash Outflows</b>		
Deposits (for deposit taking companies)	-	-
Unsecured wholesale funding	-	-
Secured wholesale funding	-	-
Additional requirements, of which	-	-
- Outflows related to derivative exposures and other collateral requirements	-	-
- Outflows related to loss of funding on debt products	-	-
- Credit and liquidity facilities	-	-
Other contractual funding obligations	10,418.50	11,981.28
Other contingent funding obligations	1,970.25	2,265.78
<b>Total Cash Outflows</b>	<b>12,388.75</b>	<b>14,247.06</b>
<b>Cash Inflows</b>		
Secured lending	-	-
Inflows from fully performing exposures	6,789.11	5,091.83
Other cash inflows	6,290.00	4,717.50
<b>Total Cash Inflows</b>	<b>13,079.11</b>	<b>9,809.33</b>
<b>Total Adjusted Value</b>		
Total HQLA		2,221.13
Total Net Cash Outflows		4,437.73
<b>LIQUIDITY COVERAGE RATIO (%)</b>		<b>50.05%</b>

\* For average, the observations as on 01.12.2020 (i.e implementation date) and 31.12.2020 (quarter closing date) has been considered.



**Impact of Covid-19 Pandemic on the Company**

Post the lockdown period, the improvement in electricity consumption and generation reflects expansion in economic activity. The Company continues to leverage digital technology for review & monitoring, information-sharing and knowledge management to continue the business operations without any significant disruptions.

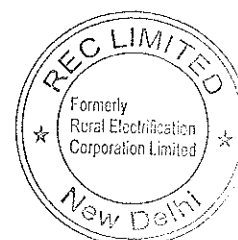
**Liquidity Buffers with the Company**

The Company has not experienced any significant impact on its liquidity position due to the access to diversified sources of borrowings. The Company has available limits of more than Rs. 7,000 crores towards Working Capital/ Term Loans from various banks apart from High Quality Liquid Assets of more than Rs. 1,000 crores as on 31 January 2021.

**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 at 27 January 2021, the Company has sanctioned and disbursed a sum of Rs. 65,932 crores and Rs. 24,204 crores respectively to the discoms as part of this liquidity package.

Considering the resurgence in the business and commercial activity leading to increase in power demand and generation and other mitigating factors including REC's liquidity position and access to diverse sources of funds, 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, any new information concerning the severity or new variants of the Covid-19 virus and any further action by the Govt. or the Company to contain its spread or mitigate its impact.



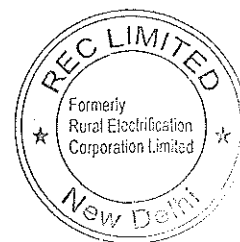
## REC Limited

Registered Office - Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi - 110003, CIN: L40101DL1969GOI005095

## Balance Sheet as at 31st December 2020

(₹ in Crores)

S. No.	Particulars	Note No.	As at 31-12-2020	As at 31-03-2020
	<b>ASSETS</b>			
(1)	<b>Financial Assets</b>			
(a)	Cash and cash equivalents	6	2,010.27	1,678.03
(b)	Other bank balances	7	498.83	2,021.96
(c)	Derivative financial instruments	8	2,456.34	3,318.85
(d)	Loans	9	3,45,624.71	3,12,083.50
(e)	Investments	10	3,270.16	2,313.21
(f)	Other financial assets	11	22,127.29	22,081.59
	<b>Total - Financial Assets (1)</b>		<b>3,75,987.60</b>	<b>3,43,497.14</b>
(2)	<b>Non-Financial Assets</b>			
(a)	Current tax assets (net)	12	218.76	392.66
(b)	Deferred tax assets (net)	13	2,347.59	2,034.32
(c)	Investment Property	14	0.01	0.01
(d)	Property, Plant & Equipment	15	153.42	153.00
(e)	Capital Work-in-Progress	15	405.01	287.62
(f)	Intangible Assets Under Development	15	0.77	0.77
(g)	Other Intangible Assets	15	6.77	8.80
(h)	Other non-financial assets	16	72.94	113.27
	<b>Total - Non-Financial Assets (2)</b>		<b>3,205.27</b>	<b>2,990.45</b>
	<b>Total ASSETS (1+2)</b>		<b>3,79,192.87</b>	<b>3,46,487.59</b>
	<b>LIABILITIES AND EQUITY</b>			
	<b>LIABILITIES</b>			
(1)	<b>Financial Liabilities</b>			
(a)	Derivative financial instruments	8	1,124.74	1,325.73
(b)	Debt Securities	17	2,26,328.67	2,19,977.22
(c)	Borrowings (other than debt securities)	18	80,245.68	61,543.61
(d)	Subordinated Liabilities	19	7,002.70	4,819.65
(e)	Other financial liabilities	20	22,389.86	23,562.70
	<b>Total - Financial Liabilities (1)</b>		<b>3,37,091.65</b>	<b>3,11,228.91</b>
(2)	<b>Non-Financial Liabilities</b>			
(a)	Current tax liabilities (net)	21	163.15	-
(b)	Provisions	22	98.33	106.51
(c)	Other non-financial liabilities	23	90.86	75.61
	<b>Total - Non-Financial Liabilities (2)</b>		<b>352.34</b>	<b>182.12</b>
(3)	<b>EQUITY</b>			
(a)	Equity Share Capital	24	1,974.92	1,974.92
(b)	Other equity	25	39,773.96	33,101.64
	<b>Total - Equity (3)</b>		<b>41,748.88</b>	<b>35,076.56</b>
	<b>Total - LIABILITIES AND EQUITY (1+2+3)</b>		<b>3,79,192.87</b>	<b>3,46,487.59</b>



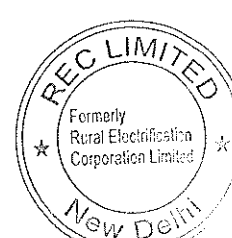
**REC Limited**

Registered Office - Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi - 110003, CIN: L40101DL1969GOIQ05095

**Statement of Profit and Loss for the period ended 31st December 2020**

(₹ in Crores)

S. No.	Particulars	Note No.	Period ended 31-12-2020	Period ended 31-12-2019
	<b>Revenue from Operations</b>			
(i)	Interest Income	26	25,837.32	21,907.44
(ii)	Dividend Income	27	14.12	15.26
(iii)	Fees and Commission Income	28	62.91	28.96
(iv)	Net gain on fair value changes	33	327.93	92.12
<b>I.</b>	<b>Total Revenue from Operations (i to iv)</b>		<b>26,242.28</b>	<b>22,043.78</b>
<b>II.</b>	<b>Other Income</b>	29	18.32	8.64
<b>III.</b>	<b>Total Income (I+II)</b>		<b>26,260.60</b>	<b>22,052.42</b>
	<b>Expenses</b>			
(i)	Finance Costs	30	16,050.94	14,055.25
(ii)	Net translation/ transaction exchange loss	31	116.97	1,025.15
(iii)	Fees and commission Expense	32	8.92	14.95
(iv)	Impairment on financial instruments	34	1,721.98	351.10
(v)	Employee Benefits Expenses	35	110.22	133.68
(vi)	Depreciation and amortization	36	6.88	6.85
(vii)	Corporate Social Responsibility Expenses	37	108.13	82.03
(viii)	Other Expenses	38	76.20	98.35
<b>IV.</b>	<b>Total Expenses (i to viii)</b>		<b>18,200.24</b>	<b>15,767.36</b>
<b>V.</b>	<b>Profit before Tax (III-IV)</b>		<b>8,060.36</b>	<b>6,285.06</b>
<b>VI.</b>	<b>Tax Expense</b>	39		
(i)	Current tax		2,194.94	1,326.30
(ii)	Deferred Tax		(426.73)	508.31
	<b>Total Tax Expense (i+ii)</b>		<b>1,768.21</b>	<b>1,834.61</b>
<b>VII.</b>	<b>Profit for the period</b>		<b>6,292.15</b>	<b>4,450.45</b>
	<b>Other comprehensive Income/(Loss)</b>			
(i)	<b>Items that will not be reclassified to profit or loss</b>			
(a)	Re-measurement gains/(losses) on defined benefit plans		(2.90)	7.96
(b)	Changes in Fair Value of FVOCI Equity Instruments		136.51	(40.31)
(c)	Income tax relating to these items			
	- Re-measurement gains/(losses) on defined benefit plans		0.73	(2.00)
	- Changes in Fair Value of FVOCI Equity Instruments		(4.47)	12.79
	<b>Sub-Total (i)</b>		<b>129.87</b>	<b>(21.56)</b>
(ii)	<b>Items that will be reclassified to profit or loss</b>			
(a)	Effective Portion of Cash Flow Hedges		(11.80)	-
(b)	Cost of hedging reserve		444.83	-
(c)	Income tax relating to these items			
	- Effective Portion of Cash Flow Hedges		2.97	-
	- Cost of hedging reserve		(111.96)	-
	<b>Sub-Total (ii)</b>		<b>324.04</b>	<b>-</b>
<b>VIII.</b>	<b>Other comprehensive Income/(Loss) for the period (i+ii)</b>		<b>453.91</b>	<b>(21.56)</b>
<b>IX.</b>	<b>Total comprehensive Income for the period (VII+VIII)</b>		<b>6,746.06</b>	<b>4,428.89</b>
<b>X.</b>	<b>Basic &amp; Diluted Earnings per Equity Share of ₹ 10 each (in ₹)</b>	40		
(1)	For continuing operations		31.86	22.53
(2)	For continuing and discontinued operations		31.86	22.53



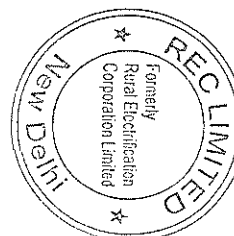
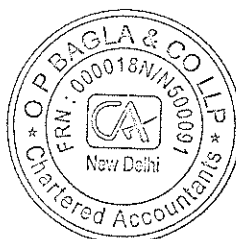
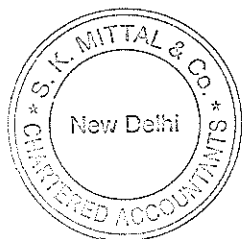
**Statement of Changes in Equity for the period ended 31st December 2020**

**A Equity share capital**

(₹ in Crores)		
Particulars	As at 31-12-2020	As at 31-03-2020
Opening Balance	1,974.92	1,974.92
Changes in equity share capital during the period	-	-
Closing Balance	1,974.92	1,974.92

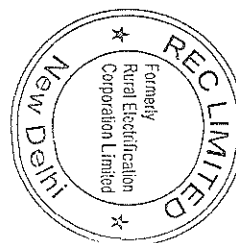
**B Other Equity**

Particulars	Reserves & Surplus									FVOCI-Equity Instruments			Effective Portion of Cash Flow Hedges	Costs of Hedging reserve	Total
	Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961	Reserve for Bad and doubtful debts u/s 36(1)(viiia) of the Income Tax Act, 1961	Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	Debenture Redemption Reserve	Securities Premium Account	Foreign Currency Monetary Item Translation Difference Account	General Reserve	Impairment Reserve	Retained Earnings						
Balance as at 31st March 2019	15,136.78	3,034.72	1,153.00	1,318.13	2,236.54	(764.82)	5,177.40	-	4,899.39	136.88	-	-	-	-	32,328.02
Profit for the period									4,450.45						4,450.45
Remeasurement of Defined Benefit Plans									5.96						5.96
Recognition through Other Comprehensive Income (net of taxes)									-	(27.52)	-				(27.52)
<b>Total Comprehensive Income</b>	-	-	-	-	-	-	-	-	4,456.41	(27.52)	-	-	-	-	4,428.89
<b>Other adjustments</b>															
Transfer to/ (from) Retained Earnings	1,251.10	266.02	891.00	49.15					(2,457.27)						-
Transfer to General Reserve		(378.41)		(1,367.28)			1,745.69		-						-
Reclassification of gain/ (loss) on sale/ extinguishment of FVOCI equity instrument									(86.19)	86.19					-
Foreign Currency Translation Loss on long term monetary items during the period						(570.90)									(570.90)
Amortisation during the period						354.21									354.21
<b>Total- Other adjustments</b>	1,251.10	(112.39)	891.00	(1,318.13)	-	(216.69)	1,745.69	-	(2,543.46)	86.19	-	-	-	-	(216.69)
Dividends									-						-
Dividend Distribution Tax									-						-
<b>Total- Transaction with owners and taxes</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st December 2019</b>	<b>16,387.88</b>	<b>2,922.33</b>	<b>2,044.00</b>	<b>-</b>	<b>2,236.54</b>	<b>(981.51)</b>	<b>6,923.09</b>	<b>-</b>	<b>6,812.34</b>	<b>195.55</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,540.22</b>



(₹ in Crores)

Particulars	Reserves & Surplus									FVOCI- Equity Instruments	Cash Flow Hedging reserve	Costs of Hedging reserve	Total
	Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961	Reserve for Bad and doubtful debts u/s 36(1)(viiia) of the Income Tax Act, 1961	Reserve Fund u/s 45- IC of Reserve Bank of India Act, 1934	Debenture Redemption Reserve	Securities Premium Account	Foreign Currency Monetary Item Translation Difference Account	General Reserve	Impairment Reserve	Retained Earnings				
Balance as at 31st March 2020	16,659.10	2,992.83	2,131.00	-	2,236.54	(1,719.38)	6,923.09	793.29	3,409.74	106.26	(226.08)	(204.75)	33,101.64
Profit for the period									6,292.15				6,292.15
Remeasurement of Defined Benefit Plans									(2.17)				(2.17)
Recognition through Other Comprehensive Income (net of taxes)									-	132.04	(8.83)	332.87	456.08
<b>Total Comprehensive Income</b>	-	-	-	-	-	-	-	-	<b>6,289.98</b>	<b>132.04</b>	<b>(8.83)</b>	<b>332.87</b>	<b>6,746.06</b>
<b>Other adjustments</b>													
Transfer to/ (from) Retained Earnings	1,962.21	288.14	1,259.00	-			981.10	-	(4,490.45)				-
Transfer to General Reserve	-	(1,152.56)		-			1,152.56		-				-
Reclassification of gain/ (loss) on sale/ extinguishment of FVOCI equity instrument									182.68	(182.68)			-
Foreign Currency Translation Loss on long term monetary items during the period						457.90							457.90
Amortisation during the period						653.31							653.31
<b>Total- Other adjustments</b>	<b>1,962.21</b>	<b>(864.42)</b>	<b>1,259.00</b>	<b>-</b>	<b>-</b>	<b>1,111.21</b>	<b>2,133.66</b>	<b>-</b>	<b>(4,307.77)</b>	<b>(182.68)</b>	<b>-</b>	<b>-</b>	<b>1,111.21</b>
Dividends									(1,184.95)				(1,184.95)
Dividend Distribution Tax									-				-
<b>Total- Transaction with owners and taxes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,184.95)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,184.95)</b>
Balance as at 31st December 2020	18,621.31	2,128.41	3,390.00	-	2,236.54	(608.17)	9,056.75	793.29	4,207.00	55.62	(234.91)	128.12	39,773.96



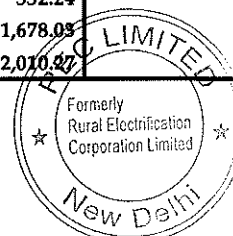
# REC Limited

Registered Office - Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi - 110003, CIN: L40101DL1969GOI005095

## Statement of Cash Flows for the period ended 31st December 2020

(₹ in Crores)

Particulars	Period ended 31-12-2020	Period ended 31-12-2019
<b>A. Cash Flow from Operating Activities :</b>		
Net Profit before Tax	8,060.36	6,285.06
<b>Adjustments for:</b>		
1. Loss on derecognition of Property, Plant and Equipment (net)	3.33	0.86
2. Depreciation & Amortization	6.88	6.85
3. Impairment losses on financial assets	1,721.98	351.10
4. Adjustments towards Effective Interest Rate in respect of Loans	24.53	35.32
5. Adjustments towards Effective Interest Rate in respect of Borrowings	143.92	35.10
6. Fair Value Changes in Derivatives	(301.24)	(78.44)
7. Fair Value Changes in FVTPL/ HQLA Investments	(5.67)	-
8. Interest on Commercial Paper	35.32	421.17
9. Interest Accrued on Zero Coupon Bonds	79.77	77.75
10. Loss/ (Gain) on Exchange Rate fluctuation	258.66	1,026.12
11. Dividend Income	(14.12)	(15.26)
12. Interest Income on Investments	(152.35)	(128.46)
<b>Operating profit before Changes in Operating Assets &amp; Liabilities</b>	<b>9,861.37</b>	<b>8,017.17</b>
<b>Inflow / (Outflow) on account of :</b>		
1. Loan Assets	(36,171.33)	(26,665.04)
2. Derivatives	641.56	(225.66)
3. Other Operating Assets	2,030.58	(564.19)
4. Operating Liabilities	(1,241.76)	561.47
<b>Cash flow from Operations</b>	<b>(24,879.58)</b>	<b>(18,876.25)</b>
1. Income Tax Paid (including TDS)	(1,868.89)	(1,233.99)
2. Income Tax refund	11.73	16.67
<b>Net Cash Flow from Operating Activities</b>	<b>(26,736.74)</b>	<b>(20,093.57)</b>
<b>B. Cash Flow from Investing Activities</b>		
1. Sale of Property, Plant & Equipment	0.14	0.13
2. Investment in Property, Plant & Equipment (incl. CWIP & Capital Advances)	(69.33)	(59.07)
3. Investment in Intangible Assets (including intangible assets under development)	(0.01)	(3.25)
4. Finance Costs Capitalised	(17.77)	(12.07)
5. Investment in Equity Shares of EESL	-	(71.60)
6. Sale of Equity Shares	193.72	4.23
7. Redemption/ (Investment) in Debt Securities (net)	14.20	47.16
8. Cash Inflow/ (Outflow) on HQLA Investments	(527.96)	
9. Interest Income from investments	6.89	58.38
10. Dividend Income	14.12	15.26
<b>Net Cash Flow from Investing Activities</b>	<b>(386.00)</b>	<b>(20.83)</b>
<b>C. Cash Flow from Financing Activities</b>		
1. Issue/ (Redemption) of Rupee Debt Securities (Net)	9,202.65	11,048.13
2. Issue/ (Redemption) of Commercial Paper (net)	(2,925.00)	(4,665.95)
3. Raising/ (Repayments) of Rupee Term Loans/ WCDL from Govt./ Banks/ FIs (net)	19,366.91	4,924.47
4. Raising/ (Repayments) of Foreign Currency Debt Securities and Borrowings (net)	995.88	10,650.52
5. Raising/ (Redemption) of Subordinated Liabilities (net)	1,999.50	-
6. Payment of Dividend on Equity Shares	(1,184.95)	-
7. Repayment towards Lease Liability	(0.01)	-
<b>Net Cash flow from Financing Activities</b>	<b>27,454.98</b>	<b>21,957.17</b>
<b>Net Increase/Decrease in Cash &amp; Cash Equivalents</b>	<b>332.24</b>	<b>1,842.77</b>
Cash & Cash Equivalents as at the beginning of the period	1,678.05	342.94
Cash & Cash Equivalents as at the end of the period	2,010.29	2,185.71

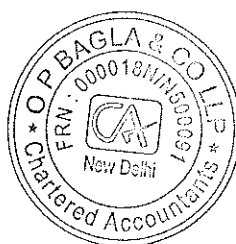




Components of Cash & Cash Equivalents as at end of the period are:

(₹ in Crores)

Particulars	As at 31-12-2020	As at 30-09-2019
- Cash in Hand (including postage & imprest)	0.08	0.06
- Balances with Banks	607.18	429.93
- Short-term Deposits with Scheduled Banks	1,403.01	1,755.72
- Short term Investment in Debt Mutual Funds	-	-
<b>Total Cash &amp; Cash Equivalents</b>	<b>2,010.27</b>	<b>2,185.71</b>



## REC Limited

Registered Office - Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi – 110003

CIN: L40101DL1969GOI005095

### Notes to Accounts

#### 1. Company Overview

REC Limited ("REC" or the "Company") was incorporated in the year 1969. The Company is domiciled in India and is limited by shares, having its registered office and principal place of business at Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003, India. The Company has 22 State offices spread across the country, mainly in the State Capitals and one training center at Hyderabad.

The Company is a Government Company engaged in extending financial assistance across the power sector value chain and is a Systemically Important (Non-Deposit Accepting or Holding) Non-Banking Finance Company (NBFC) registered with Reserve Bank of India (RBI) as an Infrastructure Finance Company (IFC).

REC is a leading public Infrastructure Finance Company in India and the principal products of REC are interest-bearing loans to State Electricity Boards, State Power utilities/State Power Departments and Private sector for all segments of Power infrastructure.

The shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited.

#### 2. Statement of Compliance and Basis of Preparation

These Standalone Financial Statements comply with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), applicable provisions of the Companies Act, 2013 and other applicable regulatory norms / guidelines.

The financial statements for the period ended 31<sup>st</sup> December 2020 were authorized and approved for issue by the Board of Directors on 4<sup>th</sup> February 2021.

These standalone financial statements have been prepared on going concern basis following accrual system of accounting and are in accordance with the Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), applicable provisions of the Companies Act, 2013 and other applicable regulatory norms/ guidelines.

#### 3. Significant Accounting Policies

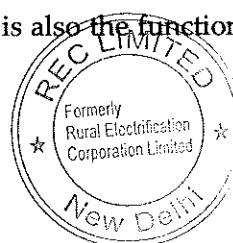
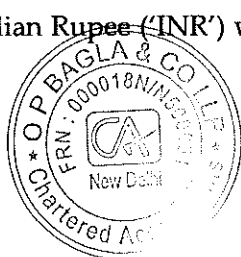
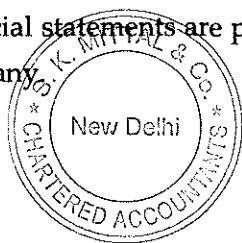
The significant accounting policies applied in preparation of the financial statements are as given below:

##### 3.1 Basis of Preparation and Measurement

The financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities which are measured at fair values as explained in relevant accounting policies. These policies have been applied consistently for all the periods presented in the financial statements.

##### Functional and presentation currency

The financial statements are presented in Indian Rupee ("INR") which is also the functional currency of the Company.



### 3.2 Income recognition

#### *Interest income*

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

Unless otherwise specified, the recoveries from the borrowers are appropriated in the order of (i) costs and expenses of REC (ii) delayed and penal interest including interest tax, if any (iii) overdue interest including interest tax, if any and (iv) repayment of principal; the oldest being adjusted first, except for credit impaired loans and recalled loans, where principal amount is appropriated only after the complete recovery of other costs, expenses, delayed and penal interest and overdue interest including interest tax, if any. The recovery under One Time Settlement (OTS)/ Insolvency and Bankruptcy Code (IBC) proceedings is appropriated first towards the principal outstanding and remaining recovery thereafter, towards interest and other charges, if any.

For all financial assets measured at amortized cost, interest income is recorded using the effective interest rate (EIR), i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets.

Interest on financial assets subsequently measured at fair value through profit and loss is recognized on an accrual basis in accordance with the terms of the respective contract and is disclosed separately under the head interest income.

Rebate on account of timely payment of interest by borrowers is recognized on receipt of entire interest amount due in time, in accordance with the terms of the respective contract and is netted against the corresponding interest income.

#### *Income from Government schemes*

Income of agency fee on Government schemes is recognized on accrual basis based on the services rendered.

#### *Dividend income*

Income from dividend on shares of corporate bodies and units of mutual funds is taken into account on accrual basis when REC's right to receive payment is established.

Provided that in case of final dividend, the right to receive payment shall be considered as established only upon approval of the dividend by the shareholders in the Annual General Meeting.

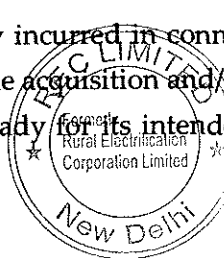
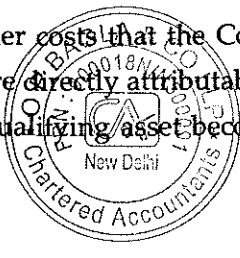
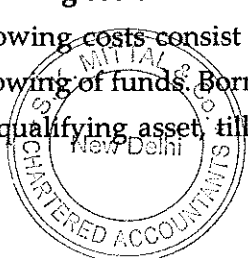
Dividend on financial assets subsequently measured at fair value through profit and loss is recognised separately under the head 'Dividend Income'.

#### *Other services*

Fees/ charges on loan assets, other than those considered an adjustment to EIR, are accounted for on accrual basis. Pre-payment premium is accounted for by the Company in the year of receipt.

### 3.3 Borrowing costs

Borrowing costs consist of interest and other costs that the Company incurred in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition and/ or construction of a qualifying asset, till the time such a qualifying asset becomes ready for its intended use sale, are



capitalized. A qualifying asset is one that necessarily takes a substantial period to get ready for its intended use.

All other borrowing costs are charged to the Statement of Profit and Loss on an accrual basis as per the effective interest rate method.

### 3.4 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

To calculate diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### 3.5 Foreign Currency Translation

#### *Foreign currency transactions and balances*

Foreign currency transactions are translated into the functional currency of the Company using the exchange rates prevailing on the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of such transactions and the re-measurement of monetary items denominated in foreign currency at period-end exchange rates are recognized in the Statement of Profit or Loss. However, for the long-term monetary items recognized in the financial statements before 1 April 2018, such gains and losses are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortized over the balance period of such long term monetary item, by recognition as income or expense in each of such periods.

Non-monetary items are not retranslated at period-end and are measured at historical cost (translated using the exchange rates at the transaction date).

### 3.6 Intangible assets

#### *Recognition and initial measurement*

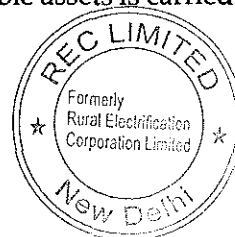
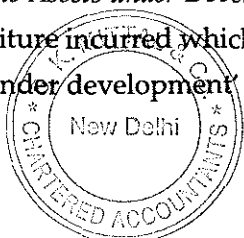
Intangible assets mainly comprise of computer software which is initially measured at cost. Such assets are recognized where it is probable that the future economic benefits attributable to the assets will flow to the company.

#### *Subsequent measurement (amortization method, useful lives and residual value)*

All intangible assets with finite useful life are amortized on a straight line basis over the estimated useful lives, and a possible impairment is assessed if there is an indication that the intangible asset may be impaired. Residual values and useful lives for all intangible assets are reviewed at each reporting date. Changes, if any, are accounted for as changes in accounting estimates. Management estimates the useful life of intangible assets to be five years.

#### *Intangible Assets under Development*

Expenditure incurred which are eligible for capitalization under intangible assets is carried as 'Intangible assets under development' till they are ready for their intended use.



### *Derecognition of Intangible Assets*

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognized in the Statement of Profit and Loss when the asset is derecognized.

## **3.7 Property, Plant and Equipment (PPE)**

### *Recognition and initial measurement*

#### **Land**

Land held for use is initially recognized at cost. For land, as no finite useful life can be determined, related carrying amounts are not depreciated.

Land also includes land treated as a Right of Use asset under lease agreement earlier classified as finance lease and is amortised over the lease term.

#### **Other Tangible assets**

PPE other than land is initially recognized at acquisition cost or construction cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Company's management.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company beyond one year. Maintenance or servicing costs of PPE are recognized in the Statement of Profit and Loss as incurred.

#### *Subsequent measurement (depreciation method, useful lives, residual value, and impairment)*

PPE are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on PPE is provided on the straight-line method over the useful life of the assets as prescribed under Part 'C' of Schedule II of the Companies Act, 2013.

Depreciation on assets purchased/sold during the year is charged for the full month if the asset is in use for more than 15 days, instead of charging the same on pro-rata basis from the date of purchase/sale. Depreciation on assets purchased during the year up to Rs. 5,000/- is provided @ 100%.

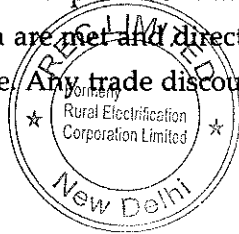
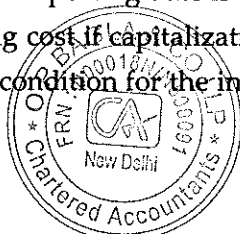
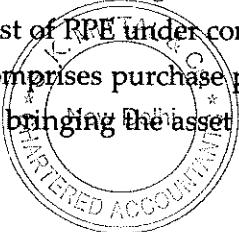
The residual values, useful lives, and method of depreciation are reviewed at the end of each financial year. PPE other than land is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

#### *De-recognition*

An item of PPE and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of an item of PPE is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

#### *Capital Work-in-Progress*

The cost of PPE under construction at the reporting date is disclosed as 'Capital work-in-progress.' The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates



are deducted in arriving at the purchase price. Advances paid for the acquisition/ construction of PPE which are outstanding at the balance sheet date are classified under 'Capital Advances.'

### 3.8 Investment property

Investment properties are the assets which have undetermined future use. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, the investment properties are stated at cost less accumulated depreciation. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company beyond one year. All other repair and maintenance costs are recognized in the Statement of Profit and Loss as incurred.

*Subsequent measurement (depreciation and useful lives)*

The Company only has land as an investment property, which is not depreciated.

*De-recognition*

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

### 3.9 Financial Instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

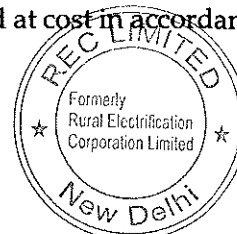
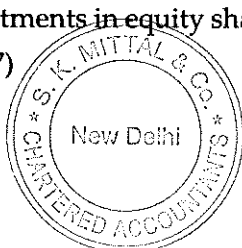
*Initial recognition and measurement*

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below.

*Classification and subsequent measurement of financial assets*

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- Amortized cost
- Financial assets at fair value through profit or loss (FVTPL)
- Financial assets at fair value through other comprehensive income (FVOCI)
- Investments in equity shares of subsidiaries and joint ventures (carried at cost in accordance with Ind AS 27)



All financial assets except for those at FVTPL or equity instruments at FVOCI are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied to each category of financial assets, which are described below.

#### *Amortized cost*

A financial asset is measured at amortized cost using Effective Interest Rate (EIR) if both of the following conditions are met:

- a) the financial asset is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A loss allowance for expected credit losses is recognized on financial assets carried at amortized cost.

#### *Modification of cash flows*

When the contractual cash flows of a financial asset are renegotiated or otherwise modified, and the renegotiation or modification does not result in derecognition of that financial asset, the Company recalculates the gross carrying amount of the financial asset and recognizes a modification gain or loss in profit or loss. The gross carrying amount of the financial asset shall be recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortized over the remaining term of the modified financial asset.

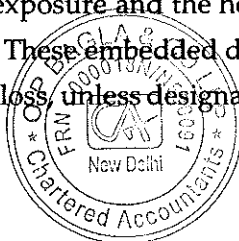
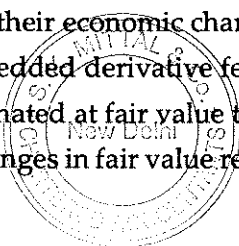
#### *Financial assets at FVTPL*

Financial assets at FVTPL include financial assets that are either do not meet the criteria for amortized cost classification or are equity instruments held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. All derivative financial instruments also fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements may apply. Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

#### *Embedded derivatives*

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, foreign exchange rate, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract.

Derivatives embedded in all host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts or if the embedded derivative feature leverages the exposure and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.



### *Financial assets at FVOCI*

FVOCI financial assets comprise of equity instruments measured at fair value. An equity investment classified as FVOCI is initially measured at fair value plus transaction costs. Gains and losses are recognized in other comprehensive income and reported within the FVOCI reserve within equity, except for dividend income, which is recognized in profit or loss. There is no recycling of such gains and losses from OCI to Statement of Profit & Loss, even on the derecognition of the investment. However, the Company may transfer the same within equity.

### *De-recognition of financial assets*

#### **De-recognition of financial assets due to a substantial modification of terms and conditions**

The Company derecognizes a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognized as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded.

#### **De-recognition of financial assets other than due to substantial modification**

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are derecognized (i.e. removed from the Company's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. The Company also derecognizes the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

### *Classification and subsequent measurement of financial liabilities*

Financial liabilities are measured subsequently at amortized cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognized in profit or loss. All host contracts which are in nature of a financial liability and separated from embedded derivative are measured at amortised cost using the effective interest method.

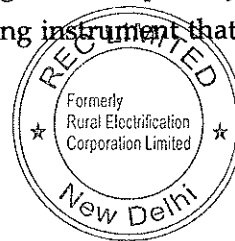
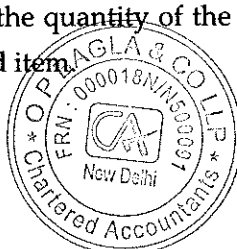
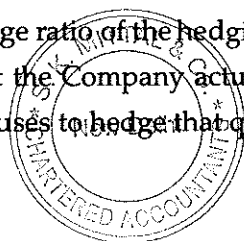
### *Derecognition of financial liabilities*

A financial liability is derecognized when the obligation under the liability is discharged or canceled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

### *Hedge accounting*

To qualify for hedge accounting, the hedging relationship must meet all of the following requirements:

- there is an economic relationship between the hedged item and the hedging instrument
- the effect of credit risk does not dominate the value changes that result from that economic relationship
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Company actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge that quantity of hedged item.





All derivative financial instruments designated under hedge accounting are recognised initially at fair value and reported subsequently at fair value at each reporting date. To the extent that the hedge is effective, changes in the fair value of derivatives designated as hedging instruments in cash flow hedges are recognised in other comprehensive income and included within the cash flow hedge reserve in equity. Any ineffectiveness in the hedge relationship is recognised immediately in profit or loss.

At the time the hedged item affects profit or loss, any gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and presented as a reclassification adjustment within other comprehensive income.

At the inception of each hedging relationship, the Company formally designates and documents the hedge relationship, in accordance with the Company's risk management objective and strategies. The documentation includes identification of the hedged item, hedging instrument, the nature of risk(s) being hedged, the hedge ratio and how the hedging relationship meets the hedging effectiveness requirements.

### 3.10 Impairment of financial assets

#### *Loan assets*

The Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- Stage 1 includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.
- Stage 2 includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.
- Stage 3 includes loan assets that have objective evidence of impairment at the reporting date.

The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default, defined as follows:

**Probability of Default (PD)** - The PD represents the likelihood of the borrower defaulting on its obligation either over next 12 months or over the remaining lifetime of the instrument.

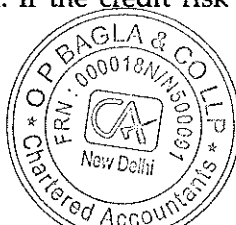
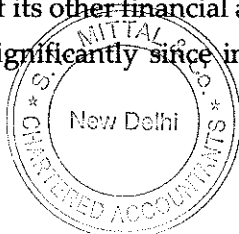
**Loss Given Default (LGD)** – LGD represents the Company's expectation of loss given that a default occurs. LGD is expressed in percentage and it shows the proportion of the amount that will actually be lost post recoveries in case of a default.

**Exposure at Default (EAD)** – EAD represents the amounts, including the principal outstanding, interest accrued and outstanding Letters of Comfort that the Company expects to be owed at the time of default.

Forward-looking economic information is included in determining the 12-month and lifetime PD, EAD and LGD. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis.

#### *Financial assets other than Loans*

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since



initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition. The Company also considers reasonable and supportable information, that is available without undue cost or effort that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

#### *Write-offs*

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery.

### **3.11 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments (original maturity less than three months) that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

### **3.12 Dividend**

Proposed dividends and interim dividends payable to the shareholders are recognized as changes in equity in the period in which they are approved by the shareholders' meeting and the Board of Directors respectively.

### **3.13 Material prior period errors**

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

### **3.14 Prepaid Expenses**

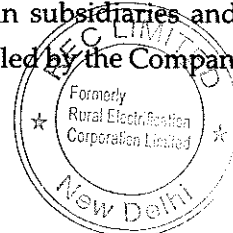
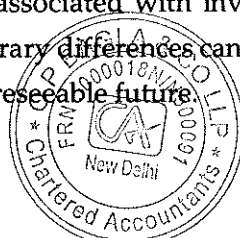
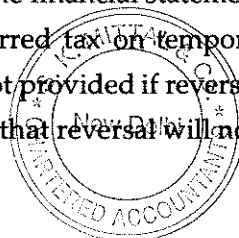
A prepaid expense up to Rs. 1,00,000/- is recognized as expense upon initial recognition.

### **3.15 Taxation**

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax. It is recognized in Statement of Profit and Loss, except when it relates to an item that is recognised in OCI or directly in equity, in which case, the tax is also recognised in OCI or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.



Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided those rates are enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

Deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

Dividend Distribution Tax is recognized at the same time when the liability to pay a dividend is recognized.

### 3.16 Employee benefits

#### Short-term employee benefits

Short-term employee benefits including salaries, short term compensated absences (such as a paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related service, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non-monetary benefits for current employees are estimated and measured on an undiscounted basis.

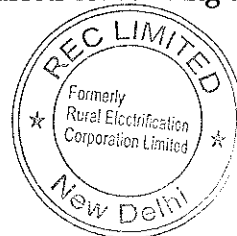
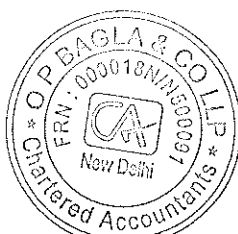
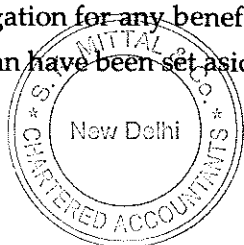
**Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:**

#### *Defined contribution plan*

A defined contribution plan is a plan under which the Company pays fixed contributions in respect of the employees into a separate fund. The Company has no legal or constructive obligations to pay further contributions after its payment of the fixed contribution. The contributions made by the Company towards defined contribution plans are charged to the profit or loss in the period to which the contributions relate.

#### *Defined benefit plan*

The Company has an obligation towards gratuity, Post Retirement Medical Facility (PRMF) and Other Defined Retirement Benefit (ODRB) which are being considered as defined benefit plans covering eligible employees. Under the defined benefit plans, the amount that an employee will receive on retirement is defined by reference to the employee's length of service, final salary, and other defined parameters. The legal obligation for any benefits remains with the Company, even if plan assets for funding the defined benefit plan have been set aside.



The Company's obligation towards defined benefit plans is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The liability recognized in the statement of financial position for defined benefit plans is the present value of the Defined Benefit Obligation (DBO) at the reporting date less the fair value of plan assets. Management estimates the DBO annually with the assistance of independent actuaries.

Actuarial gains/losses resulting from re-measurements of the liability/asset are included in Other Comprehensive Income.

#### **Other long-term employee benefits:**

Liability in respect of compensated absences becoming due or expected to be availed more than one-year after the balance sheet date is estimated on the basis of actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to statement of profit and loss in the period in which such gains or losses are determined.

#### **Loan to employees at concessional rate**

Loans given to employees at concessional rate are initially recognized at fair value and subsequently measured at amortised cost. The difference between the initial fair value of such loans and transaction value is recognised as deferred employee cost, which is amortised on a straight-line basis over the expected remaining period of the Loan. In case of change in expected remaining period of the Loan, the unamortised deferred employee cost on the date of change is amortised over the updated expected remaining period of the loan on a prospective basis.

### **3.17 Provisions, Contingent Liabilities, and Contingent Assets**

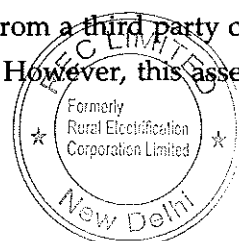
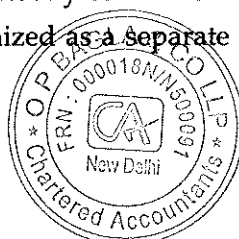
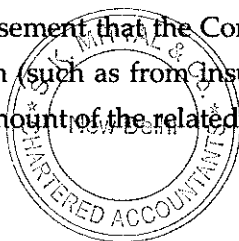
Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of economic resources will be required from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

A contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

In those cases, where the outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized or disclosure is made.

Any reimbursement that the Company can be virtually certain to collect from a third party concerning the obligation (such as from Insurance) is recognized as a separate asset. However, this asset may not exceed the amount of the related provision.



Contingent assets are not recognized. However, when the inflow of economic benefits is probable, the related asset is disclosed.

### 3.18 Fair value measurement

The Company measures financial instruments, such as derivatives at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

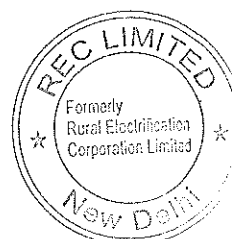
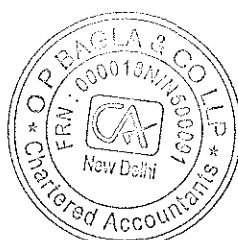
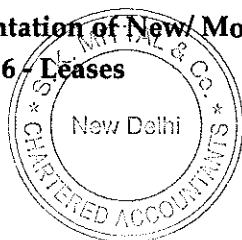
For assets and liabilities that are recognized in the financial statements regularly, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### 3.19 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## 4. Implementation of New/ Modified Standards

### Ind AS 116 - Leases



Ind AS 116 supersedes Ind AS 17 and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Standard also contains enhanced disclosure requirements for lessees.

The Company adopted Ind AS 116 using modified retrospective method of adoption, with the date of initial application being 01.04.2019. The adoption did not have any material impact on the financial statements of the Company.

#### **Ind AS 12 - Appendix C, Uncertainty over Income Tax Treatments:**

The Appendix is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

Upon adoption of the Appendix C to Ind AS 12, the Company considered whether it has any uncertain tax positions. The Group determined, based on its tax compliance, that it is probable that its tax treatments will be accepted by the taxation authorities. The Appendix did not have an impact on the financial statements of the Company.

#### **Amendment to Ind AS 12 – Income taxes**

The amendments to the guidance in Ind AS 12, 'Income Taxes', is in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Since, the Company's current practice is in line with these amendments, they had no impact on the financial statements of the Company.

#### **Amendment to Ind AS 19 – Plan amendment, curtailment or settlement**

The amendments to Ind AS 19, 'Employee Benefits', is in connection with accounting for plan amendments, curtailments and settlements requiring an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

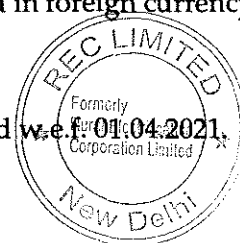
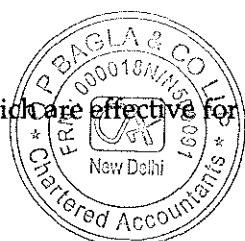
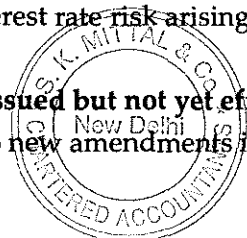
The amendments had no impact on the consolidated financial statements of the Company as it did not have any plan amendments, curtailment or settlement during the year.

#### **4.1 Adoption of Hedge Accounting**

The Company has applied hedge accounting requirements in Ind AS 109 prospectively from 1 January 2020, wherein certain derivative contracts have been designated as hedging instruments in 'Cash flow hedge' relationships. These arrangements have been entered into to mitigate foreign currency exchange risk and interest rate risk arising from certain debt instruments denominated in foreign currency.

#### **4.2 Standards issued but not yet effective**

There are no new amendments issued by MCA which are effective for period w.e.f. 01.04.2021.



5. **Significant management judgment in applying accounting policies and estimation of uncertainty**

The preparation of the Company's financial statements requires management to make judgments, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures. Actual results may differ from these estimates.

*Significant management judgments*

**Recognition of deferred tax assets/ liability** – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized. Further, the Company Management has no intention to make withdrawal from the Special Reserve created and maintained under section 36(1)(viii) of the Income tax Act, 1961 and thus, the special reserve created and maintained is not capable of being reversed. Hence, the company does not create any deferred tax liability on the said reserve.

**Evaluation of indicators for impairment of assets** – The evaluation of the applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

**Non recognition of Interest Income on Credit Impaired Loans** - Interest income on credit-impaired loan assets is not being recognised as a matter of prudence, pending the outcome of resolutions of stressed assets.

*Significant estimates*

**Impact of Covid-19 Outbreak** - The extent to which the Covid-19 pandemic will impact the Company will depend on future developments, which are uncertain, including, among other things, any new information concerning the severity of the Covid-19 pandemic and any further action by the Govt. or the Company to contain its spread or mitigate its impact.

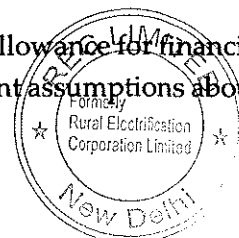
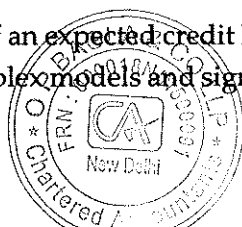
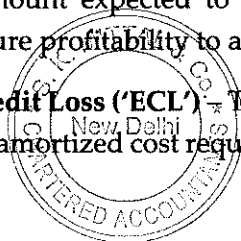
**Useful lives of depreciable/amortizable assets** – Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

**Defined benefit obligation (DBO)** – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

**Fair value measurements** – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. In case of non-availability of market-observable data, Level 2 & Level 3 hierarchy is used for fair valuation.

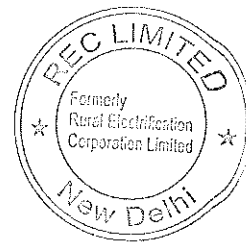
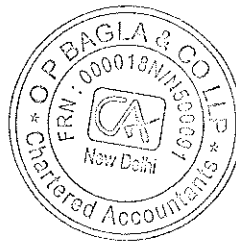
**Income Taxes** – Significant estimates are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions and also in respect of expected future profitability to assess deferred tax asset.

**Expected Credit Loss ('ECL')** – The measurement of an expected credit loss allowance for financial assets measured at amortized cost requires the use of complex models and significant assumptions about future



economic conditions and credit behavior (e.g., likelihood of customers defaulting and resulting losses). The Company makes significant judgments about the following while assessing expected credit loss to estimate ECL:

- Determining criteria for a significant increase in credit risk;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/ market and the associated ECL; and
- Establishing groups of similar financial assets to measure ECL.
- Estimating the probability of default and loss given default (estimates of recoverable amounts in case of default)





6. Cash and Cash Equivalents

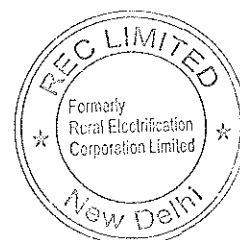
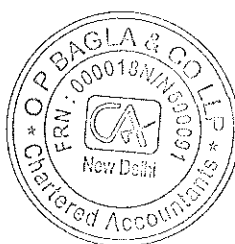
(₹ in Crores)

Particulars	As at 31-12-2020	As at 31-03-2020
- Balances with Banks	607.18	1,173.41
- Cash in Hand (including postage & imprest)	0.08	0.06
<i>Sub-total</i>	<b>607.26</b>	<b>1,173.47</b>
- Term Deposits & Other Cash Equivalents		
- Deposits with original maturity less than 3 months	1,403.01	504.56
<i>Sub-total</i>	<b>1,403.01</b>	<b>504.56</b>
<b>Total (Cash &amp; Cash Equivalents)</b>	<b>2,010.27</b>	<b>1,678.03</b>

7. Other Bank Balances

(₹ in Crores)

Particulars	As at 31-12-2020	As at 31-03-2020
- Earmarked Balances with Banks		
- For unpaid dividends	5.25	4.75
- For govt. funds for onward disbursement as grant	163.90	1,616.49
- Earmarked Term Deposits		
- Deposits in Compliance of Court Order	0.56	0.53
- Balances with banks not available for use pending allotment of securities	329.12	400.19
<b>Total (Other Bank Balances)</b>	<b>498.83</b>	<b>2,021.96</b>



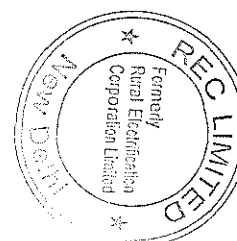
## 8. Derivative Financial Instruments

The Company enters into derivatives for hedging foreign exchange risks and interest rate risks. Derivatives held for risk management purposes include hedges that are either designated as effective hedges under the hedge accounting requirements or hedges that are economic hedges. The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

### Part I

(₹ in Crores)

Particulars	As at 31-12-2020			As at 31-03-2020		
	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
(i) <b>Currency Derivatives</b>						
- Spot and forwards	986.22	-	19.29	565.39	27.62	-
- Currency swaps	2,852.34	55.36	81.39	3,094.32	432.94	-
- Others						
- Call Spread	4,237.11	256.11	-	6,068.56	504.12	-
- Seagull Options	24,302.45	1,896.07	34.66	22,321.22	2,212.46	-
<b>Sub-total (i)</b>	<b>32,378.12</b>	<b>2,207.54</b>	<b>135.34</b>	<b>32,049.49</b>	<b>3,177.14</b>	<b>-</b>
(ii) <b>Interest Rate Derivatives</b>						
- Forward Rate Agreements and Interest Rate Swaps	29,377.87	248.80	556.29	29,056.52	141.71	586.06
<b>Sub-total (ii)</b>	<b>29,377.87</b>	<b>248.80</b>	<b>556.29</b>	<b>29,056.52</b>	<b>141.71</b>	<b>586.06</b>
(iii) <b>Other derivatives</b>						
- Reverse cross currency swaps	4,347.00	-	433.11	4,347.00	-	739.67
<b>Total - Derivative Financial Instruments (i + ii+iii)</b>	<b>66,102.99</b>	<b>2,456.34</b>	<b>1,124.74</b>	<b>65,453.01</b>	<b>3,318.85</b>	<b>1,325.73</b>

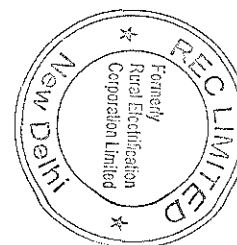
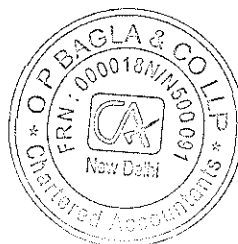


Part II

(₹ in Crores)

Particulars	As at 31-12-2020			As at 31-03-2020		
	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
(i) <b>Cash Flow Hedging</b>						
- <b>Currency Derivatives</b>						
- Currency Swaps	2,739.51	30.53	81.39	8,638.68	2.32	303.14
- Others						
- Call Spread	1,826.34	73.71	-	1,884.65	97.16	-
- Seagull Options	21,343.78	1,821.66	34.66	11,348.70	1,662.20	-
- <b>Interest Rate Derivatives</b>						
- Forward Rate Agreements and Interest Rate Swaps	17,398.03	0.81	440.66	9,498.62	5.24	134.45
<b>Sub-total (i)</b>	<b>43,307.66</b>	<b>1,926.71</b>	<b>556.71</b>	<b>31,370.65</b>	<b>1,766.92</b>	<b>437.59</b>
(ii) Undesignated Derivatives	22,795.33	529.63	568.03	34,082.36	1,551.93	888.14
<b>Total - Derivative Financial Instruments (i+ii)</b>	<b>66,102.99</b>	<b>2,456.34</b>	<b>1,124.74</b>	<b>65,453.01</b>	<b>3,318.85</b>	<b>1,325.73</b>

Derivative financial instruments are measured at fair value at each reporting date. The changes in the fair value of derivatives designated as hedging instruments in effective cash flow hedges are recognised in OCI. For undesignated derivatives, the changes in the fair value are recognised in the Statement of Profit & Loss.

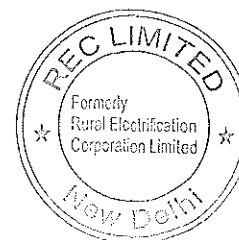
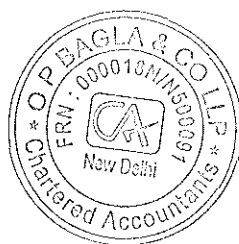


9. Loans

The Company has categorised all loans at Amortised Cost in accordance with the requirements of Ind AS 109.

(₹ in Crores)

Particulars	As at 31-12-2020		As at 31-03-2020	
	Principal O/s	Amortised Cost	Principal O/s	Amortised Cost
<b>(A) Loans</b>				
(i) Term Loans	3,56,786.46	3,57,900.85	3,21,526.76	3,23,177.53
(ii) Working Capital Loans	280.60	282.16	897.92	902.01
<b>Total (A) - Gross Loans</b>	<b>3,57,067.06</b>	<b>3,58,183.01</b>	<b>3,22,424.68</b>	<b>3,24,079.54</b>
Less: Impairment loss allowance	(12,558.30)	(12,558.30)	(11,996.04)	(11,996.04)
<b>Total (A) - Net Loans</b>	<b>3,44,508.76</b>	<b>3,45,624.71</b>	<b>3,10,428.64</b>	<b>3,12,083.50</b>
<b>(B) Security Details</b>				
(i) Secured by tangible assets	2,52,581.44	2,53,142.03	2,44,034.67	2,45,113.22
(ii) Secured by intangible assets	-	-	-	-
(iii) Covered by Bank/ Govt. Guarantees	84,947.61	85,429.74	58,166.76	58,684.29
(iv) Unsecured	19,538.01	19,611.24	20,223.25	20,282.03
<b>Total (B) - Gross Loans</b>	<b>3,57,067.06</b>	<b>3,58,183.01</b>	<b>3,22,424.68</b>	<b>3,24,079.54</b>
Less: Impairment loss allowance	(12,558.30)	(12,558.30)	(11,996.04)	(11,996.04)
<b>Total (B) - Net Loans</b>	<b>3,44,508.76</b>	<b>3,45,624.71</b>	<b>3,10,428.64</b>	<b>3,12,083.50</b>
<b>(C)(I) Loans in India</b>				
(i) Public Sector	3,19,138.02	3,20,216.02	2,84,644.05	2,86,210.40
(ii) Private Sector	37,929.04	37,966.99	37,780.63	37,869.14
<b>Total (C)(I) - Gross Loans</b>	<b>3,57,067.06</b>	<b>3,58,183.01</b>	<b>3,22,424.68</b>	<b>3,24,079.54</b>
Less: Impairment loss allowance	(12,558.30)	(12,558.30)	(11,996.04)	(11,996.04)
<b>Total (C)(I) - Net Loans</b>	<b>3,44,508.76</b>	<b>3,45,624.71</b>	<b>3,10,428.64</b>	<b>3,12,083.50</b>
<b>(C)(II) Loans outside India</b>				
(i) Public Sector	-	-	-	-
(ii) Private Sector	-	-	-	-
<b>Total (C)(II) - Gross Loans</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Less: Impairment loss allowance	-	-	-	-
<b>Total (C)(II) - Net Loans</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (C)(I) and (C)(II)</b>	<b>3,44,508.76</b>	<b>3,45,624.71</b>	<b>3,10,428.64</b>	<b>3,12,083.50</b>

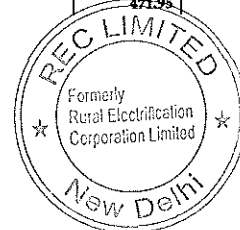
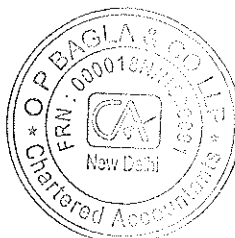


10. Investments

Particulars	Amortised Cost	At fair value				Others (At Cost)	Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total		
<b>As at 31st December, 2020</b>							
Govt. Securities	-	-	345.87	-	345.87	-	345.87
Debt Securities	199.72	-	1,959.99	-	2,159.71	-	2,159.71
Equity Instruments	-	450.20	21.75	-	471.95	218.20	690.15
Preference Shares	25.27	-	43.04	-	68.31	-	68.31
Others	-	6.12	-	-	6.12	-	6.12
<b>Total - Gross (A)</b>	<b>224.99</b>	<b>456.32</b>	<b>2,370.65</b>	<b>-</b>	<b>3,051.96</b>	<b>218.20</b>	<b>3,270.16</b>
Less: impairment loss allowance (B)	-	-	-	-	-	-	-
<b>Total - Net (C=A-B)</b>	<b>224.99</b>	<b>456.32</b>	<b>2,370.65</b>	<b>-</b>	<b>3,051.96</b>	<b>218.20</b>	<b>3,270.16</b>
<b>As at 31st March, 2020</b>							
Govt. Securities	-	-	-	-	-	-	-
Debt Securities	-	-	1,500.62	-	1,500.62	-	1,500.62
Equity Instruments	-	507.43	12.50	-	519.93	218.20	738.13
Preference Shares	22.93	-	45.41	-	68.34	-	68.34
Others	-	6.12	-	-	6.12	-	6.12
<b>Total - Gross (A)</b>	<b>22.93</b>	<b>513.55</b>	<b>1,558.53</b>	<b>-</b>	<b>2,095.01</b>	<b>218.20</b>	<b>2,313.21</b>
Less: impairment loss allowance (B)	-	-	-	-	-	-	-
<b>Total - Net (C=A-B)</b>	<b>22.93</b>	<b>513.55</b>	<b>1,558.53</b>	<b>-</b>	<b>2,095.01</b>	<b>218.20</b>	<b>2,313.21</b>

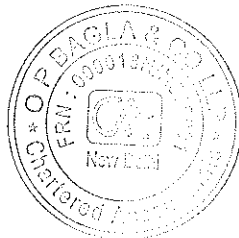
10.1 Details of investments

Particulars	Investment measured at	As at 31-12-2020		As at 31-03-2020	
		Number	Amount	Number	Amount
<b>Government Securities</b>					
- 5.22% GSEC 2025	Fair value through profit or loss	50,00,000	50.46	-	-
- 7.27% GSEC 2026	Fair value through profit or loss	50,00,000	55.45	-	-
- 7.17% GSEC 2028	Fair value through profit or loss	50,00,000	55.84	-	-
- 5.77% GSEC 2030	Fair value through profit or loss	50,00,000	50.72	-	-
- 6.20% RAJASTHAN SDL JULY 2027	Fair value through profit or loss	20,00,000	20.70	-	-
- 7.20% SDL MH 2027	Fair value through profit or loss	20,00,000	21.76	-	-
- 6.60% HIMACHAL PRADESH SDL 2030	Fair value through profit or loss	50,00,000	50.53	-	-
- 6.48% KA SDL 2031	Fair value through profit or loss	40,00,000	40.41	-	-
<b>Sub-total - Government Securities</b>			<b>345.87</b>		
<b>Debt Securities</b>					
- 5.78% Chennai Petroleum Corporation Ltd 2025	Fair value through profit or loss	150	15.74	-	-
- 6.11% BPCL 2025	Fair value through profit or loss	100	10.65	-	-
- 7.30% NMDC 2025	Fair value through profit or loss	200	22.13	-	-
- 7.30% PGC Ltd. 2027	Fair value through profit or loss	200	22.30	-	-
- 8.69% DAMODAR VALLEY CORPORATION 2028	Fair value through profit or loss	200	23.52	-	-
- 7.05% MTNL 2030	Fair value through profit or loss	450	47.36	-	-
- 6.65% Food Corporation Of India 2030	Fair value through profit or loss	200	20.42	-	-
- 7.19% THDC India Ltd 2030	Fair value through profit or loss	250	25.73	-	-
11.15% Perpetual Bonds of Indian Bank	Fair value through profit or loss	5,000	542.31	5,000	500.31
11.25% Perpetual Bonds of Bank of Baroda	Fair value through profit or loss	5,000	542.38	5,000	500.00
11.25% Perpetual Bonds of Syndicate Bank	Fair value through profit or loss	5,000	542.69	5,000	500.31
3% Optionally convertible debentures- Series A of Essar Power Transmission Co. Ltd.	Fair value through profit or loss	22,85,25,079	100.51	-	-
3% Optionally convertible debentures- Series B of Essar Power Transmission Co. Ltd.	Fair value through profit or loss	10,06,12,911	44.25	-	-
Optionally convertible debentures- Series C of Essar Power Transmission Co. Ltd.	Fair value through profit or loss	1,86,35,162	-	-	-
0% Non- Convertible Debentures (NCDs) of Ferro Alloys Corporation Limited	Amortised Cost	2,52,91,783	199.72	-	-
0.01% Optionally convertible Debentures (OCD) Series A of R.K.M PowerGen Private Ltd.	Fair value through profit or loss	21,38,03,170	-	-	-
0.01% Optionally convertible Debentures (OCD) Series B of R.K.M PowerGen Private Ltd.	Fair value through profit or loss	63,03,032	-	-	-
0.01% Optionally convertible Debentures (OCD) Series Ai of R.K.M PowerGen Private Ltd.	Fair value through profit or loss	1,04,74,150	-	-	-
<b>Sub-total - Debt Securities</b>			<b>2,159.71</b>		<b>1,500.62</b>
<b>Equity Instruments</b>					
- NHPC Ltd.	Fair value through other comprehensive income	17,53,02,206	397.06	17,53,02,206	349.73
- Indian Energy Exchange Ltd.	Fair value through other comprehensive income	27,45,807	51.76	1,22,71,211	157.01
- HUDCO Ltd.	Fair value through other comprehensive income	3,47,429	1.38	3,47,429	0.69
- Universal Commodity Exchange Ltd.	Fair value through other comprehensive income	1,60,00,000	-	1,60,00,000	-
- Rattan India Power Ltd.	Fair value through profit or loss	9,25,68,105	21.75	9,25,68,105	12.50
- R.K.M PowerGen Private Ltd.	Fair value through profit or loss	18,17,90,667	-	-	-
<b>Sub-total - Equity Instruments</b>			<b>471.95</b>		<b>519.93</b>



(₹ in Crores)

Particulars	Investment measured at	As at 31-12-2020		As at 31-03-2020	
		Number	Amount	Number	Amount
<b>Subsidiaries</b>					
- REC Power Distribution Company Ltd.	Others (At Cost)	50,000	0.05	50,000	0.05
- REC Transmission Projects Company Ltd.	Others (At Cost)	50,000	0.05	50,000	0.05
<b>Sub-total - Subsidiaries</b>			<b>0.10</b>		<b>0.10</b>
<b>Joint Ventures</b>					
- Energy Efficiency Services Ltd.	Others (At Cost)	21,81,00,000	218.10	21,81,00,000	218.10
<b>Sub-total - Joint Ventures</b>			<b>218.10</b>		<b>218.10</b>
<b>Preference Shares (PS)</b>					
- Redeemable PS of Rattan India Power Ltd.	Amortised cost	2,87,20,978	25.27	2,87,20,978	22.93
- Optionally Convertible PS of Rattan India Power Ltd.	Fair value through profit or loss	4,33,03,616	43.04	4,33,03,616	45.41
<b>Sub-total - Preference Shares</b>			<b>68.31</b>		<b>68.34</b>
<b>Others</b>					
- Units of 'Small is Beautiful' Venture Capital Fund	Fair value through other comprehensive income	61,52,200	6.12	61,52,200	6.12
<b>Sub-total - Others</b>		<b>61,52,200</b>	<b>6.12</b>		<b>6.12</b>
<b>Total - Gross (A)</b>			<b>3,270.16</b>		<b>2,313.21</b>
(i) Investments outside India			-		-
(ii) Investments in India			3,270.16		2,313.21
<b>Total (B)</b>			<b>3,270.16</b>		<b>2,313.21</b>
(i) Investments measured at amortised cost			224.99		22.93
(ii) Investments measured at fair value through other comprehensive income			456.32		513.55
(iii) Investments measured at fair value through profit or loss			2,370.65		1,558.53
(iv) Investments measured at cost			218.20		218.20
<b>Total (C)</b>			<b>3,270.16</b>		<b>2,313.21</b>
Less: impairment loss allowance (D)			-		-
<b>Total - Net (E=A-D)</b>			<b>3,270.16</b>		<b>2,313.21</b>



# 11. Other financial assets

The Company has categorised all the components under 'Other Financial Assets' at Amortised Cost in accordance with the requirements of Ind AS 109.

(₹ in Crores)

Particulars	As at 31-12-2020	As at 31-03-2020
(A) Loans to Employees	38.67	34.61
(B) Advances to Employees	0.17	0.30
(C) Loans & Advances to Subsidiaries	3.90	3.99
(D) Security Deposits	1.32	1.29
(E) Recoverable from Govt. of India		
- Towards GoI Fully Serviced Bonds	21,992.97	21,931.30
- Agency Charges on Govt. Schemes	48.53	50.64
- Reimbursement of Expenses on Govt. Schemes	7.69	48.17
<b>Total - Recoverable from Govt. of India</b>	<b>22,049.19</b>	<b>22,030.11</b>
(F) Other amounts recoverable	70.82	42.14
Less: Impairment Loss allowance	(36.78)	(30.85)
<b>Other Amounts Recoverable (Net)</b>	<b>34.04</b>	<b>11.29</b>
<b>Total (A to F)</b>	<b>22,127.29</b>	<b>22,081.59</b>

# 12. Current tax assets (net)

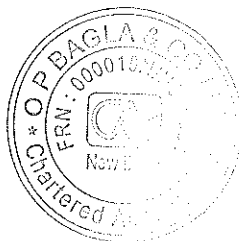
(₹ in Crores)

Particulars	As at 31-12-2020	As at 31-03-2020
Advance Income-tax & TDS	5,531.01	1,811.17
Provision for Income Tax	(5,350.89)	(1,552.27)
<b>Sub-Total</b>	<b>180.12</b>	<b>258.90</b>
Tax Deposited on income tax demands under contest	311.47	201.05
Provision for income tax for demand under contest	(272.83)	(67.29)
<b>Sub-Total</b>	<b>38.64</b>	<b>133.76</b>
<b>Current tax assets (Net)</b>	<b>218.76</b>	<b>392.66</b>

# 13. Deferred tax assets (net)

(₹ in Crores)

Particulars	As at 31-12-2020	As at 31-03-2020
<b>Deferred Tax Assets (Net)</b>	<b>2,347.59</b>	<b>2,034.32</b>



**14. Investment Property**

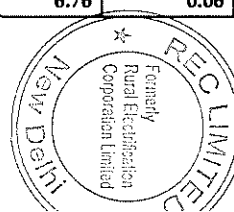
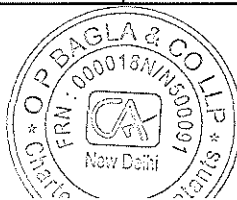
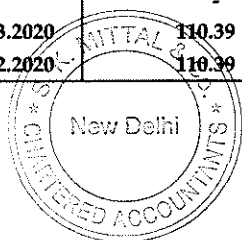
(₹ in Crores)

Particulars	Opening Balance	Additions during the period	Sales/ adjustment during the period	Closing Balance
As at 31st December 2020	0.01	-	-	0.01
As at 31st March 2020	0.01	-	-	0.01

**15. Property, Plant & Equipment and Intangible Assets**

(₹ in Crores)

Particulars	Property, Plant & Equipment								Capital Work-in-Progress	Intangible Assets under Development	Other Intangible Assets
	Freehold Land	Right-of-Use Land	Buildings	Furniture & Fixtures	EDP Equipments	Office Equipments	Vehicles	Total	Immovable Property	Computer Software	Computer Software
<b>Gross carrying value</b>											
As at 31.03.2019	110.39	1.59	31.74	10.65	19.92	18.50	0.40	193.19	196.94	1.59	17.25
Additions	-	-	-	1.31	1.76	2.39	-	5.46	51.40	0.38	3.33
Borrowings Cost Capitalised	-	-	-	-	-	-	-	-	12.07	-	-
Disposals	-	-	-	0.59	1.96	0.91	-	3.46	-	0.46	-
As at 31.12.2019	110.39	1.59	31.74	11.37	19.72	19.98	0.40	195.19	260.41	1.51	20.58
As at 31.03.2020	110.39	1.59	31.74	11.62	20.25	19.97	0.40	195.96	287.62	0.77	13.62
Additions	-	-	-	1.71	3.45	3.57	-	8.73	99.62	-	0.01
Borrowings Cost Capitalised	-	-	-	-	-	-	-	-	17.77	-	-
Disposals/ Adjustments	-	-	-	0.42	2.91	7.54	-	10.87	-	-	-
As at 31.12.2020	110.39	1.59	31.74	12.91	20.79	16.00	0.40	193.82	405.01	0.77	13.63
<b>Accumulated depreciation/ amortisation</b>											
As at 31.03.2019	-	0.31	8.58	6.32	13.37	10.33	0.30	39.21	-	-	8.74
Charge for the period	-	0.01	0.37	0.49	1.87	1.93	0.01	4.68	-	-	2.17
Adjustment for disposals	-	-	-	0.30	1.74	0.43	-	2.47	-	-	0.01
As at 31.12.2019	-	0.32	8.95	6.51	13.50	11.83	0.31	41.42	-	-	10.90
As at 31.03.2020	-	0.32	9.06	6.66	14.38	12.22	0.32	42.96	-	-	4.82
Charge for the period	-	0.02	0.36	0.61	1.97	1.86	0.02	4.84	-	-	2.04
Adjustment for disposals	-	-	-	0.14	2.42	4.84	-	7.40	-	-	-
As at 31.12.2020	-	0.34	9.42	7.13	13.93	9.24	0.34	40.40	-	-	6.86
Net block as at 31.03.2020	110.39	1.27	22.68	4.96	5.87	7.75	0.08	153.00	287.62	0.77	8.80
Net block as at 31.12.2020	110.39	1.25	22.32	5.78	6.86	6.76	0.06	153.42	405.01	0.77	6.77

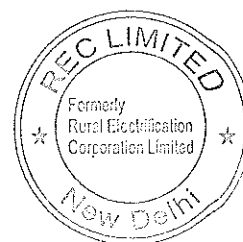




16. Other non-financial assets

(₹ in Crores)

Particulars	As at 31-12-2020	As at 31-03-2020
<b>Unsecured, considered good</b>		
(A) Capital Advances	11.36	50.38
(B) Other Advances	3.36	5.12
(C) Balances with Govt. Authorities	44.23	44.37
(D) Prepaid Expenses	0.02	0.17
(E) Deferred Employee Cost	13.96	13.21
(F) Other Assets	0.01	0.02
<b>Total (A to F)</b>	<b>72.94</b>	<b>113.27</b>



# 17. Debt Securities

The Company has categorised all debt securities at amortised cost in accordance with the requirements of Ind AS 109.

(₹ in Crores)

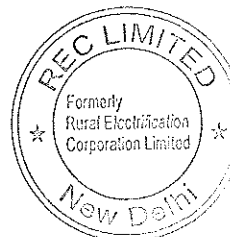
Particulars	As at 31.12.2020		As at 31.03.2020	
	Face Value	Amortised Cost	Face Value	Amortised Cost
<b>(A) Secured Long-Term Debt Securities</b>				
(i) Institutional Bonds	3,470.00	3,599.29	3,470.00	3,679.51
(ii) 54EC Capital Gain Tax Exemption Bonds	19,645.25	20,162.31	21,976.14	22,781.73
(iii) Tax Free Bonds	12,648.41	12,838.13	12,648.41	13,088.03
(iv) Bond Application Money	329.12	328.39	400.19	399.41
<b>Sub-total (A)</b>	<b>36,092.78</b>	<b>36,928.12</b>	<b>38,494.74</b>	<b>39,948.68</b>
<b>(B) Unsecured Long-Term Debt Securities</b>				
(i) Institutional Bonds	1,61,444.90	1,66,928.47	1,48,662.20	1,53,685.20
(ii) Infrastructure Bonds	16.46	26.85	16.46	25.19
(iii) Zero Coupon Bonds	266.52	266.44	1,364.85	1,363.91
(iv) Foreign Currency Bonds	22,646.61	22,178.79	22,615.78	22,064.56
<b>Sub-total (B)</b>	<b>1,84,374.49</b>	<b>1,89,400.55</b>	<b>1,72,659.29</b>	<b>1,77,138.86</b>
<b>(C) Unsecured Short-Term Debt Securities</b>				
(i) Commercial Paper	-	-	2,925.00	2,889.68
<b>Sub-total (C)</b>	<b>-</b>	<b>-</b>	<b>2,925.00</b>	<b>2,889.68</b>
<b>Total - Debt Securities (A+B+C)</b>	<b>2,20,467.27</b>	<b>2,26,328.67</b>	<b>2,14,079.03</b>	<b>2,19,977.22</b>
<b>Debt Securities issued in/ outside India</b>				
(i) Debt Securities in India	1,97,820.66	2,04,149.88	1,91,463.25	1,97,912.66
(ii) Debt Securities outside India	22,646.61	22,178.79	22,615.78	22,064.56
<b>Total - Debt Securities</b>	<b>2,20,467.27</b>	<b>2,26,328.67</b>	<b>2,14,079.03</b>	<b>2,19,977.22</b>

# 18. Borrowings (Other than Debt Securities)

The Company has categorised all borrowings (other than debt securities) at Amortised Cost in accordance with the requirements of Ind AS 109.

(₹ in Crores)

Particulars	As at 31.12.2020		As at 31.03.2020	
	Principal O/s	Amortised Cost	Principal O/s	Amortised Cost
<b>(A) Unsecured Long-Term Borrowings</b>				
(i) Lease Liability	0.06	0.06	0.07	0.07
(ii) Term Loans from National Small Savings Fund (NSSF)	10,000.00	10,122.31	10,000.00	10,326.81
(iii) Term Loans from Banks	29,641.54	29,758.99	18,899.78	18,900.72
(iv) Term Loans from Financial Institutions	1,800.00	1,816.49	1,000.00	1,000.00
(v) Foreign Currency Borrowings	20,866.90	20,748.42	21,762.71	21,579.29
(vi) FCNR (B) Loans	438.32	439.20	1,017.71	1,020.89
<b>Sub-total (A)</b>	<b>62,746.82</b>	<b>62,885.47</b>	<b>52,680.27</b>	<b>52,827.78</b>
<b>(B) Unsecured Short-Term Borrowings</b>				
(i) FCNR (B) Loans	6,757.45	6,763.05	5,955.49	5,964.91
(ii) Short Term Loans/ Loans repayable on demand from Banks	10,575.00	10,597.16	2,749.86	2,750.92
<b>Sub-total (B)</b>	<b>17,332.45</b>	<b>17,360.21</b>	<b>8,705.35</b>	<b>8,715.83</b>
<b>Total - Borrowings (other than Debt Securities) (A to B)</b>	<b>80,079.27</b>	<b>80,245.68</b>	<b>61,385.62</b>	<b>61,543.61</b>
<b>Borrowings (other than Debt Securities) in/ outside India</b>				
(i) Borrowings in India	59,212.37	59,497.26	39,622.91	39,964.32
(ii) Borrowings outside India	20,866.90	20,748.42	21,762.71	21,579.29
<b>Total - Borrowings (other than Debt Securities)</b>	<b>80,079.27</b>	<b>80,245.68</b>	<b>61,385.62</b>	<b>61,543.61</b>



# 19. Subordinated Liabilities

The Company has categorised all debt securities at amortised cost in accordance with the requirements of Ind AS 109.

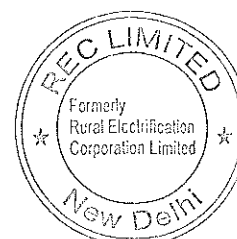
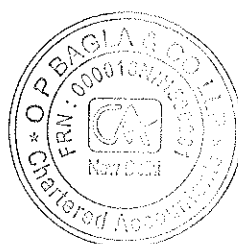
(₹ in Crores)

Particulars	As at 31.12.2020		As at 31.03.2020	
	Face Value	Amortised Cost	Face Value	Amortised Cost
(i) 199th Series - Subordinate Tier-II Bonds - 7.96% Redeemable at par on 15.06.2030	1,999.50	2,088.27	-	-
(ii) 175th Series - Subordinate Tier-II Bonds - 8.97% Redeemable at par on 28.03.2029	2,151.20	2,296.27	2,151.20	2,151.86
(iii) 115th Series - Subordinate Tier-II Bonds - 8.06% Redeemable at par on 31.05.2023	2,500.00	2,618.16	2,500.00	2,667.79
<b>Total - Subordinated Liabilities</b>	<b>6,650.70</b>	<b>7,002.70</b>	<b>4,651.20</b>	<b>4,819.65</b>
<b>Subordinated Liabilities in/ outside India</b>				
(i) Borrowings in India	6,650.70	7,002.70	4,651.20	4,819.65
(ii) Borrowings outside India	-	-	-	-
<b>Total - Subordinated Liabilities</b>	<b>6,650.70</b>	<b>7,002.70</b>	<b>4,651.20</b>	<b>4,819.65</b>

## 19.1 Reconciliation between carrying values and the contractual amounts outstanding in respect of Borrowings:

(₹ in Crores)

Particulars	Debt Securities	Other Borrowings	Subordinated Liabilities	Total
<b>As at 31st December 2020</b>				
<b>Total Amount as per Ind-AS</b>	<b>2,26,328.67</b>	<b>80,245.68</b>	<b>7,002.70</b>	<b>3,13,577.05</b>
Less: Interest accrued on Borrowings classified under the same head as per Ind-AS	(6,696.63)	(329.77)	(355.39)	(7,381.79)
Add: Ind-AS Adjustments in respect of transaction costs at Effective Interest Rate (EIR)	835.23	163.36	3.39	1,001.98
<b>Total Borrowings Outstanding</b>	<b>2,20,467.27</b>	<b>80,079.27</b>	<b>6,650.70</b>	<b>3,07,197.24</b>
<b>As at 31st March 2020</b>				
<b>Total Amount as per Ind-AS</b>	<b>2,19,977.22</b>	<b>61,543.61</b>	<b>4,819.65</b>	<b>2,86,340.48</b>
Less: Interest accrued on Borrowings classified under the same head as per Ind-AS	(6,874.20)	(392.52)	(170.57)	(7,437.29)
Add: Ind-AS Adjustments in respect of transaction costs at Effective Interest Rate (EIR)	976.01	234.53	2.12	1,212.66
<b>Total Borrowings Outstanding</b>	<b>2,14,079.03</b>	<b>61,385.62</b>	<b>4,651.20</b>	<b>2,80,115.85</b>



## 20. Other Financial Liabilities

(₹ in Crores)		
Particulars	As at 31-12-2020	As at 31-03-2020
(A) Unpaid Dividends	5.25	4.75
(B) Unpaid Principal & Interest on Bonds		
- Matured Bonds & Interest Accrued thereon	52.34	39.13
- Interest on Bonds	19.46	17.97
Sub-total (B)	71.80	57.10
(C) Funds Received from Govt. of India for Disbursement as Subsidy/ Grant (cumulative)	86,096.23	85,006.38
Add: Interest on such funds (net of refund)	7.39	7.75
Less: Disbursed to Beneficiaries (cumulative)	(85,941.14)	(83,395.51)
Undisbursed Funds to be disbursed as Subsidy/ Grant	162.48	1,618.62
(D) Payables towards Bonds Fully serviced by Govt. of India	22,082.89	21,792.32
(E) Payable towards funded staff benefits	0.68	0.38
(F) Other Liabilities	66.76	89.53
Total (A to F)	22,389.86	23,562.70

## 21. Current tax liabilities (net)

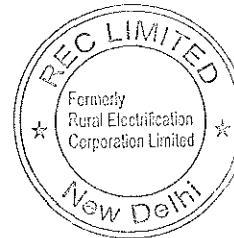
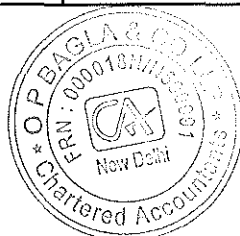
(₹ in Crores)		
Particulars	As at 31-12-2020	As at 31-03-2020
Provision for Income Tax	- 1,825.09	-
Less: Advance Income-tax & TDS	1,988.24	-
Current tax liabilities (Net)	163.15	-

## 22. Provisions

(₹ in Crores)		
Particulars	As at 31-12-2020	As at 31-03-2020
(A) Provisions for Employee Benefits		
Earned Leave Liability	17.62	15.95
Medical Leave Liability	21.13	21.87
Settlement Allowance	1.71	1.60
Economic Rehabilitation Scheme	4.26	4.25
Long Service Award	2.27	1.89
Incentive	41.71	52.57
Sub-total (A)	88.70	98.13
(B) Others		
Expected Credit Loss on Letters of Comfort	9.63	8.38
Sub-total (B)	9.63	8.38
Total (A+B)	98.33	106.51

## 23. Other Non-financial Liabilities

(₹ in Crores)		
Particulars	As at 31-12-2020	As at 31-03-2020
(A) Income Received in Advance	0.34	-
(B) Sundry Liabilities Account (Interest Capitalisation)	5.40	6.57
(C) Unamortised Fee on Undisbursed Loans	62.42	46.15
(D) Advance received from Govt. towards Govt. Schemes	3.90	3.90
(E) Statutory Dues	18.80	18.99
Total (A to E)	90.86	75.61



#### 24. Equity Share Capital

(₹ in Crores)

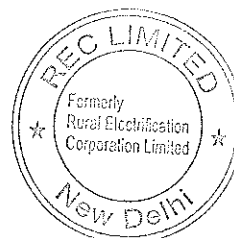
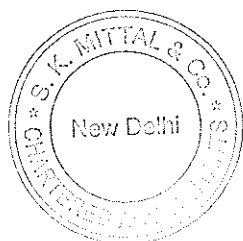
Particulars	As at 31.12.2020		As at 31.03.2020	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised :</b> Equity shares of ₹ 10 each	5,00,00,00,000	5,000.00	5,00,00,00,000	5,000.00
<b>Issued, Subscribed and Paid up :</b> Fully paid up Equity shares of ₹ 10 each	1,97,49,18,000	1,974.92	1,97,49,18,000	1,974.92
<b>Total</b>	<b>1,97,49,18,000</b>	<b>1,974.92</b>	<b>1,97,49,18,000</b>	<b>1,974.92</b>

#### 25. Other Equity

(₹ in Crores)

Particulars	As at 31.12.2020	As at 31.03.2020
<b>(A) Other Reserves</b>		
(i) Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961	18,621.31	16,659.10
(ii) Reserve for Bad and doubtful debts u/s 36(1)(viii) of the Income Tax Act, 1961	2,128.41	2,992.83
(iii) Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	3,390.00	2,131.00
(iv) Securities Premium	2,236.54	2,236.54
(v) Foreign Currency Monetary Item Translation Difference Account	(608.17)	(1,719.38)
(vi) General Reserve	9,056.75	6,923.09
(vii) Impairment Reserve	793.29	793.29
<b>(B) Retained Earnings</b>	<b>4,207.00</b>	<b>3,409.74</b>
<b>(C) Other Comprehensive Income (OCI)</b>		
- Equity Instruments through Other Comprehensive Income	55.62	106.26
- Effective Portion of Cash Flow Hedges	(234.91)	(226.08)
- Cost of Hedging reserve	128.12	(204.75)
<b>Total - Other Equity</b>	<b>39,773.96</b>	<b>33,101.64</b>

Additions and deductions to the components of 'Other Equity' has been disclosed in 'Statement of Changes in Equity'.



## 26. Interest Income

(₹ in Crores)

Particulars	Period ended 31-12-2020			Period ended 31-12-2019		
	On Financial Assets measured at Fair Value through OCI	On Financial Assets measured at Amortised Cost	On Financial Assets measured at Fair Value through Profit or Loss	On Financial Assets measured at Fair Value through OCI	On Financial Assets measured at Amortised Cost	On Financial Assets measured at Fair Value through Profit or Loss
(A) Interest on Loan Assets						
(i) Long term financing	-	25,491.86	-	-	21,579.05	-
Less: Rebate for timely payments/completion etc		(0.05)			(0.06)	
Long term financing (net)	-	25,491.81	-	-	21,578.99	-
(ii) Short term financing	-	64.74	-	-	152.18	-
Sub-total (A)	-	25,556.55	-	-	21,731.17	-
(B) Interest Income from Investments						
(i) Interest from CP/ICD	-	-	-	-	0.21	-
(ii) Interest from Govt. Securities	-	-	1.46	-	1.89	-
(iii) Interest from Long Term Investments	-	2.34	147.67	-	0.03	126.54
(iv) Interest from Short Term Investments	-	-	0.88	-	-	-
Sub-total (B)	-	2.34	150.01	-	2.13	126.54
(C) Interest on Deposits with Banks						
(i) Interest from Deposits	-	125.19	-	-	42.11	-
Sub-total (C)	-	125.19	-	-	42.11	-
(D) Other Interest Income						
(i) Interest from Staff Advances	-	2.72	-	-	3.50	-
(ii) Interest from Subsidiary Companies	-	-	-	-	0.03	-
(iii) Interest on Mobilisation Advance	-	0.50	-	-	1.94	-
(iv) Unwinding of Discount of Security Deposits	-	0.01	-	-	0.02	-
Sub-total (D)	-	3.23	-	-	5.49	-
Total (A to D)	-	25,687.31	150.01	-	21,780.90	126.54

## 27. Dividend Income

(₹ in Crores)

Particulars	Period ended 31-12-2020	Period ended 31-12-2019
- Dividend from Subsidiary Companies	8.43	-
- Dividend from Other Investments	5.69	15.26
Total - Dividend Income	14.12	15.26

## 28. Fees and Commission Income

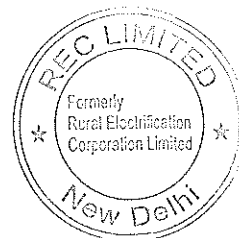
(₹ in Crores)

Particulars	Period ended 31-12-2020	Period ended 31-12-2019
Fees based Income	16.85	1.80
Prepayment Premium	20.77	9.99
Fee for Implementation of Govt. Schemes	25.29	17.17
Total - Fees and Commission Income	62.91	28.96

## 29. Other Income

(₹ in Crores)

Particulars	Period ended 31-12-2020	Period ended 31-12-2019
- Fees from Training Courses	0.24	3.81
- Interest from Income Tax Refund	0.94	0.77
- Miscellaneous Income	17.14	4.06
Total	18.32	8.64



### 30. Finance Costs

Finance Costs have been incurred on financial liabilities measured at amortised cost.

(₹ in Crores)

Particulars	Period ended 31-12-2020	Period ended 31-12-2019
(i) <b>Interest on Debt Securities</b>		
- Domestic Debt Securities	11,553.28	10,295.52
- Foreign Currency Debt Securities	900.85	591.22
- Commercial Paper	35.32	421.17
<b>Sub-Total (i)</b>	<b>12,489.45</b>	<b>11,307.91</b>
(ii) <b>Interest on Borrowings</b>		
- Loans from Govt. of India	618.00	408.47
- Loans from Banks/ Financial Institutions	1,500.32	1,362.89
- External Commercial Borrowings	522.06	690.84
- Lease Liability	-	-
<b>Sub-Total (ii)</b>	<b>2,640.38</b>	<b>2,462.20</b>
(iii) <b>Interest on Subordinated Liabilities</b>		
- Subordinate Bonds	296.28	297.21
<b>Sub-Total (iii)</b>	<b>296.28</b>	<b>297.21</b>
(iv) <b>Other Interest Expense</b>		
- Swap Premium	641.25	-
- Interest on Advance Income Tax	-	-
- Interest on liability towards employee benefits	1.35	-
<b>Sub-Total (iv)</b>	<b>642.60</b>	<b>-</b>
<b>Total - Finance Costs</b>	<b>16,068.71</b>	<b>14,067.32</b>
Less: Finance Costs Capitalised	(17.77)	(12.07)
<b>Total - Finance Costs (Net)</b>	<b>16,050.94</b>	<b>14,055.25</b>

### 31. Net translation/ transaction exchange loss/ (gain)

(₹ in Crores)

Particulars	Period ended 31-12-2020	Period ended 31-12-2019
Net translation/ transaction exchange loss/ (gain)	116.97	1,025.15
<b>Total</b>	<b>116.97</b>	<b>1,025.15</b>

### 32. Fees and commission expense

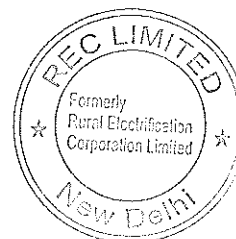
(₹ in Crores)

Particulars	Period ended 31-12-2020	Period ended 31-12-2019
(i) Guarantee Fee	-	5.63
(ii) Listing and Trusteeship Fee	0.78	1.42
(iii) Agency Fees	0.80	0.88
(iv) Credit Rating Expenses	3.19	2.84
(v) Other Finance Charges	4.15	4.18
<b>Total (i to v)</b>	<b>8.92</b>	<b>14.95</b>

### 33. Net Gain/ (loss) on Fair Value Changes

(₹ in Crores)

Particulars	Period ended 31-12-2020	Period ended 31-12-2019
(A) <b>Net gain/ (loss) on financial instruments at Fair Value through profit or loss</b>		
(i) <b>On trading Portfolio</b>	-	-
(ii) <b>Others</b>		
- Changes in fair value of Derivatives	301.24	78.44
- Changes in fair value of Long Term Investments	2.25	-
- Changes in fair value of Short-term MF investments	21.02	13.68
- Changes in fair value of HQLA Investments	3.42	-
<b>Sub-total (ii)</b>	<b>327.93</b>	<b>92.12</b>
<b>Total (A)</b>	<b>327.93</b>	<b>92.12</b>



#### 34. Impairment on financial instruments

(₹ in Crores)

Particulars	Period ended 31-12-2020		Period ended 31-12-2019	
	On financial instruments measured at FVOCI	On financial instruments measured at Amortised Cost	On financial instruments measured at FVOCI	On financial instruments measured at Amortised Cost
(i) - Loans *	-	1,716.05	-	348.93
(ii) - Others	-	5.93	-	2.17
<b>Total (i+ii)</b>	-	<b>1,721.98</b>	-	<b>351.10</b>

\* includes ₹ 1.24 crores (Previous period ₹ 3.79 crores towards impairment allowance on Letters of Comfort).

#### 35. Employee Benefits Expense

(₹ in Crores)

Particulars	Period ended 31-12-2020	Period ended 31-12-2019
- Salaries and Allowances	76.16	98.75
- Contribution to Provident Fund and Other Funds	10.45	11.33
- Expenses towards Post Employment Benefits	3.64	1.84
- Rent towards Residential Accommodation for Employees	1.55	1.10
- Staff Welfare Expenses	18.42	20.66
<b>Total</b>	<b>110.22</b>	<b>133.68</b>

#### 36. Depreciation and amortization

(₹ in Crores)

Particulars	Period ended 31-12-2020	Period ended 31-12-2019
- Depreciation on Property, Plant & Equipment	4.84	4.68
- Amortization on Intangible Assets	2.04	2.17
<b>Total</b>	<b>6.88</b>	<b>6.85</b>

#### 37. Corporate Social Responsibility Expenses

(₹ in Crores)

Particulars	Period ended 31-12-2020	Period ended 31-12-2019
- Direct Expenditure	104.86	78.41
- Overheads	3.27	3.62
<b>Total</b>	<b>108.13</b>	<b>82.03</b>

#### 38. Other Expenses

(₹ in Crores)

Particulars	Period ended 31-12-2020	Period ended 31-12-2019
- Travelling and Conveyance	5.47	10.24
- Publicity & Promotion Expenses	4.49	4.81
- Repairs and Maintenance	7.66	8.28
- Rent, taxes and energy costs	9.60	9.87
- Insurance Charges	0.08	0.11
- Communication costs	1.57	1.53
- Printing & stationery	0.66	2.78
- Director's sitting fees	0.06	0.17
- Auditors' fees and expenses	0.58	0.74
- Legal & Professional Charges	7.19	9.11
- Net Loss on Disposal of Property, Plant & Equipment	3.33	0.86
- Govt. Scheme Monitoring Expenses	17.87	14.80
- Miscellaneous Expenses	17.64	35.05
<b>Total</b>	<b>76.20</b>	<b>98.35</b>

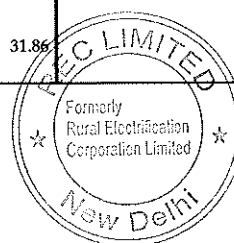
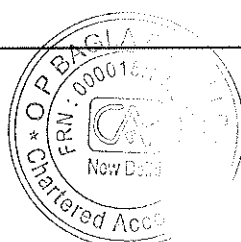
#### 39. Tax Expense

(₹ in Crores)

Particulars	Period ended 31-12-2020	Period ended 31-12-2019
- Current tax expense	2,061.21	1,262.19
- Current tax expense/ (benefit) pertaining to earlier years	133.73	64.11
<b>Sub-total - Current Tax</b>	<b>2,194.94</b>	<b>1,326.30</b>
- Deferred tax expense/ (credit)	(426.73)	508.31
<b>Total</b>	<b>1,768.21</b>	<b>1,834.61</b>

#### 40. Earnings per Share

Particulars	Period ended 31-12-2020	Period ended 31-12-2019
<b>Numerator</b>		
Profit for the period from continuing operations as per Statement of Profit and Loss (₹ in Crores)	6,292.15	4,450.45
Profit for the period from continuing and discontinued operations as per Statement of Profit and Loss (₹ in Crores)	6,292.15	4,450.45
<b>Denominator</b>		
Weighted average Number of equity shares	1,97,49,18,000	1,97,49,18,000
Basic & Diluted Earnings per Share (in ₹ for an equity share of ₹ 10 each) (for continuing operations)	31.86	22.53
Basic & Diluted Earnings per Share (in ₹ for an equity share of ₹ 10 each) (for continuing and discontinued operations)	31.86	22.53





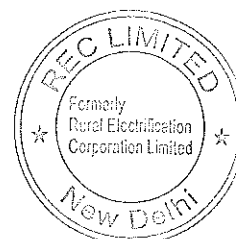
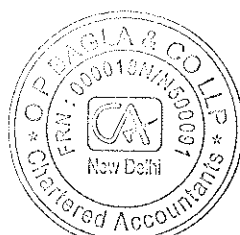
## REC Limited

Registered Office - Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi - 110003, CIN: L40101DL1969GOI005095

## Consolidated Balance Sheet as at 31st December 2020

(₹ in Crores)

S. No.	Particulars	Note No.	As at 31-12-2020	As at 31-03-2020
	<b>ASSETS</b>			
(1)	<b>Financial Assets</b>			
(a)	Cash and cash equivalents	6	2,042.01	1,717.71
(b)	Other Bank Balances	7	679.15	2,257.45
(c)	Trade receivables	8	128.74	110.72
(d)	Derivative financial instruments	9	2,456.34	3,318.85
(e)	Loans	10	3,45,624.71	3,12,083.50
(f)	Investments	11	3,084.83	2,127.11
(g)	Other financial assets	12	22,167.10	22,099.67
	<b>Total - Financial Assets (1)</b>		<b>3,76,182.88</b>	<b>3,43,715.01</b>
(2)	<b>Non-Financial Assets</b>			
(a)	Current tax assets (net)	13	225.92	409.94
(b)	Deferred tax assets (net)	14	2,367.41	2,050.57
(c)	Investment Property	15	0.01	0.01
(d)	Property, Plant & Equipment	16	155.13	156.97
(e)	Capital Work-in-Progress	16	405.01	287.62
(f)	Intangible Assets Under Development	16	0.77	0.77
(g)	Other Intangible Assets	16	6.83	8.82
(h)	Other non-financial assets	17	95.76	132.37
(i)	Investments accounted for using equity method	11	253.36	258.47
	<b>Total - Non-Financial Assets (2)</b>		<b>3,510.20</b>	<b>3,305.54</b>
(3)	<b>Assets classified as held for sale</b>	18	<b>12.59</b>	<b>9.53</b>
	<b>Total ASSETS (1+2+3)</b>		<b>3,79,705.67</b>	<b>3,47,030.08</b>
	<b>LIABILITIES AND EQUITY</b>			
	<b>LIABILITIES</b>			
(1)	<b>Financial Liabilities</b>			
(a)	Derivative financial instruments	9	1,124.74	1,325.73
(b)	Trade Payables			
	(i) total outstanding dues of MSMEs	19	0.04	0.15
	(ii) total outstanding dues of creditors other than MSMEs	19	31.04	46.00
(c)	Debt Securities	20	2,26,270.85	2,19,918.25
(d)	Borrowings (other than debt securities)	21	80,245.84	61,550.66
(e)	Subordinated Liabilities	22	7,002.70	4,819.65
(f)	Other financial liabilities	23	22,577.89	23,782.21
	<b>Total - Financial Liabilities (1)</b>		<b>3,37,253.10</b>	<b>3,11,442.65</b>
(2)	<b>Non-Financial Liabilities</b>			
(a)	Current tax liabilities (net)	24	163.15	-
(b)	Provisions	25	99.21	107.09
(c)	Other non-financial liabilities	26	111.81	83.23
	<b>Total - Non-Financial Liabilities (2)</b>		<b>374.17</b>	<b>190.32</b>
(3)	<b>Liabilities directly associated with assets classified as held for sale</b>	18	<b>0.10</b>	<b>0.68</b>
(4)	<b>EQUITY</b>			
(a)	Equity Share Capital	27	1,974.92	1,974.92
(b)	Other equity	28	40,103.38	33,421.51
	<b>Total - Equity (4)</b>		<b>42,078.30</b>	<b>35,396.43</b>
	<b>Total - LIABILITIES AND EQUITY (1+2+3+4)</b>		<b>3,79,705.67</b>	<b>3,47,030.08</b>



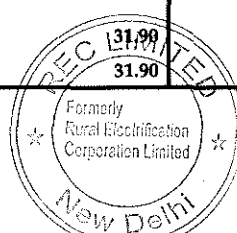
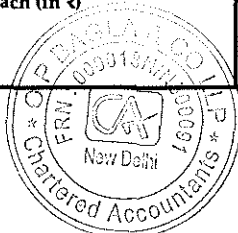
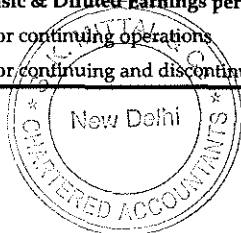
**REC Limited**

Registered Office - Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi - 110003, CIN: L40101DL1969GOI005095

**Consolidated Statement of Profit and Loss for the period ended 31st December 2020**

(₹ in Crores)

S. No.	Particulars	Note No.	Period ended 31.12.2020	Period ended 31.12.2019
	<b>Revenue from Operations</b>			
(i)	Interest Income	29	25,841.87	21,914.00
(ii)	Dividend Income	30	5.69	13.16
(iii)	Fees and Commission Income	31	62.91	28.96
(iv)	Net gain on fair value changes	37	327.93	92.12
(v)	Sale of services	32	102.82	132.18
I.	<b>Total Revenue from Operations (i to v)</b>		<b>26,341.22</b>	<b>22,180.42</b>
II.	Other Income	33	18.42	15.19
III.	<b>Total Income (I+II)</b>		<b>26,359.64</b>	<b>22,195.61</b>
	<b>Expenses</b>			
(i)	Finance Costs	34	16,048.33	14,051.08
(ii)	Net translation/ transaction exchange loss	35	116.97	1,025.15
(iii)	Fees and commission Expense	36	8.92	14.95
(iv)	Impairment on financial instruments	38	1726.48	362.93
(v)	Cost of services rendered	39	57.69	48.57
(vi)	Employee Benefits Expenses	40	123.90	147.26
(vii)	Depreciation and amortization	41	7.99	8.21
(viii)	Corporate Social Responsibility Expenses	42	110.39	82.87
(ix)	Other Expenses	43	77.34	96.20
IV.	<b>Total Expenses (i to ix)</b>		<b>18,278.01</b>	<b>15,837.22</b>
V.	<b>Profit before Tax (III-IV)</b>		<b>8,081.63</b>	<b>6,358.39</b>
V.	Share of Profit/Loss of Joint Venture accounted for using equity method		(6.42)	7.36
VI.	<b>Profit before Tax (III-IV+V)</b>		<b>8,075.21</b>	<b>6,365.75</b>
VII.	<b>Tax Expense</b>	44		
(i)	Current tax		2,205.11	1,348.71
(ii)	Deferred Tax		(430.30)	518.76
	<b>Total Tax Expense (i+ii)</b>		<b>1,774.81</b>	<b>1,867.47</b>
VIII.	<b>Profit for the period</b>		<b>6,300.40</b>	<b>4,498.28</b>
IX.	<b>Other comprehensive Income/(Loss)</b>			
(i)	<b>Items that will not be reclassified to profit or loss</b>			
(a)	Re-measurement gains/(losses) on defined benefit plans		(2.90)	7.96
(b)	Changes in Fair Value of FVOCI Equity Instruments		136.51	(40.31)
(c)	Share of Other Comprehensive Income/ (loss) of Joint Venture accounted for using equity method		0.02	(0.10)
(d)	Income tax relating to these items			
	- Re-measurement gains/(losses) on defined benefit plans		0.73	(2.00)
	- Changes in Fair Value of FVOCI Equity Instruments		(4.47)	12.79
	<b>Sub-Total (i)</b>		<b>129.89</b>	<b>(21.66)</b>
(ii)	<b>Items that will be reclassified to profit or loss</b>			
(a)	Effective Portion of Cash Flow Hedges		(11.80)	-
(b)	Cost of hedging reserve		444.83	-
(c)	Share of Other Comprehensive Income/ (loss) of Joint Venture accounted for using equity method		1.29	(3.14)
(d)	Income tax relating to these items			
	- Effective Portion of Cash Flow Hedges		2.97	-
	- Cost of hedging reserve		(111.96)	-
	<b>Sub-Total (ii)</b>		<b>325.33</b>	<b>3.14</b>
	<b>Other comprehensive Income/(Loss) for the period (i+ii)</b>		<b>455.22</b>	<b>(24.80)</b>
X.	<b>Total comprehensive Income for the period (VIII+IX)</b>		<b>6,755.62</b>	<b>4,473.48</b>
XI.	<b>Basic &amp; Diluted Earnings per Equity Share of ₹ 10 each (in ₹)</b>	45		
(1)	For continuing operations		31.90	22.78
(2)	For continuing and discontinued operations		31.90	22.78



**REC Limited**

Registered Office - Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi - 110003, CIN: L40101DL1969GOI005095

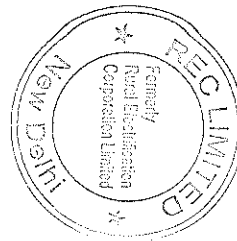
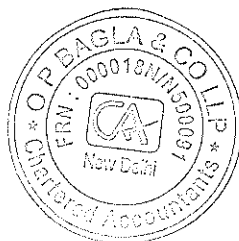
**Consolidated Statement of Changes in Equity for the period ended 31st December 2020**

**A Equity share capital**

Particulars	(₹ in Crores)	
	As at 31-12-2020	As at 31-03-2020
Opening Balance	1,974.92	1,974.92
Changes in equity share capital during the period	-	-
Closing Balance	1,974.92	1,974.92

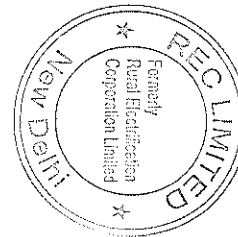
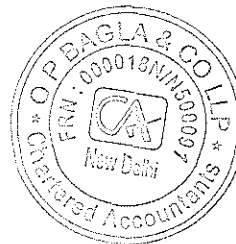
**B Other Equity**

Particulars	Reserves & Surplus										Share of Other Comprehensive Income/( loss) of Joint Venture accounted for using equity method	FVOCI- Equity Instruments	Effective Portion of Cash Flow Hedges	Costs of Hedging reserve	Total
	Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961	Reserve for Bad and doubtful debts u/s 36(1)(viii) of the Income Tax Act, 1961	Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	Debenture Redemption Reserve	Securities Premium Account	Capital Reserve	Foreign Currency Monetary Item Translation Difference Account	General Reserve	Impairment Reserve	Retained Earnings					
Balance as at 31st March 2019	15,136.78	3,034.72	1,153.00	1,318.13	2,236.54	-	(764.82)	5,230.54	-	5,088.19	1.46	136.88	-	-	32,571.42
Profit for the period	-	-	-	-	-	-	-	-	-	4,498.28	-	-	-	-	4,498.28
Remeasurement of Defined Benefit Plans	-	-	-	-	-	-	-	-	-	5.96	-	-	-	-	5.96
Recognition through Other Comprehensive Income (net of taxes)	-	-	-	-	-	-	-	-	-	(0.10)	(3.14)	(27.52)	-	-	(30.76)
Total Comprehensive Income	-	-	-	-	-	-	-	-	-	4,504.14	(3.14)	(27.52)	-	-	4,473.48
Other adjustments															
Transfer to/ (from) Retained Earnings	1,251.10	266.02	891.00	49.15	-	-	-	-	-	(2,457.27)	-	-	-	-	-
Transfer to General Reserve	-	(378.41)	-	(1,367.28)	-	-	-	1,745.69	-	-	-	-	-	-	-
Reclassification of gain/ (loss) on sale/ extinguishment of FVOCI equity instrument	-	-	-	-	-	-	-	-	-	(86.19)	-	86.19	-	-	-
Foreign Currency Translation Loss on long term monetary items during the period	-	-	-	-	-	-	(570.90)	-	-	-	-	-	-	-	(570.90)
Gain on increase in share in EESL	-	-	-	-	-	3.75	-	-	-	-	-	-	-	-	3.75
Amortisation during the period	-	-	-	-	-	-	354.21	-	-	-	-	-	-	-	354.21
Total- Other adjustments	1,251.10	(112.39)	891.00	(1,318.13)	-	3.75	(216.69)	1,745.69	-	(2,543.46)	-	86.19	-	-	(212.94)
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend Distribution Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total- Transaction with owners and taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st December 2019	16,387.88	2,922.33	2,044.00	-	2,236.54	3.75	(981.51)	6,976.23	-	7,048.87	(1.68)	195.55	-	-	36,831.96



(₹ in Crores)

Particulars	Reserves & Surplus										Share of Other Comprehensive Income/ (loss) of Joint Venture accounted for using equity method	FVOCI- Equity Instruments	Effective Portion of Cash Flow Hedges	Costs of Hedging reserve	Total
	Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961	Reserve for Bad and doubtful debts u/s 36(1)(viii) of the Income Tax Act, 1961	Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	Debenture Redemption Reserve	Securities Premium Account	Capital Reserve	Foreign Currency Monetary Item Translation Difference Account	General Reserve	Impairment Reserve	Retained Earnings					
Balance as at 31st March 2020	16,659.10	2,992.83	2,131.00	-	2,236.54	4.70	(1,719.38)	6,976.23	793.29	3,674.25	(2.48)	106.26	(226.08)	(204.75)	33,421.51
Profit for the period	-	-	-	-	-	-	-	-	-	6,300.39	-	-	-	-	6,300.39
Remeasurement of Defined Benefit Plans	-	-	-	-	-	-	-	-	-	(2.17)	-	-	-	-	(2.17)
Recognition through Other Comprehensive Income (net of taxes)	-	-	-	-	-	-	-	-	-	0.02	1.29	132.04	(8.83)	332.87	457.39
<b>Total Comprehensive Income</b>	-	-	-	-	-	-	-	-	-	<b>6,298.24</b>	<b>1.29</b>	<b>132.04</b>	<b>(8.83)</b>	<b>332.87</b>	<b>6,755.61</b>
Transfer to/ (from) Retained Earnings	1,962.21	288.14	1,259.00	-	-	-	-	981.10	-	(4,490.45)	-	-	-	-	-
Transfer to/ (from) General Reserve	-	(1,152.56)	-	-	-	-	-	1,152.56	-	-	-	-	-	-	-
Reclassification of gain/ (loss) on sale/ extinguishment of FVOCI equity instrument	-	-	-	-	-	-	-	-	-	182.68	-	(182.68)	-	-	-
Foreign Currency Translation Loss on long term monetary items during the period	-	-	-	-	-	-	457.90	-	-	-	-	-	-	-	457.90
Amortisation during the period	-	-	-	-	-	-	653.31	-	-	-	-	-	-	-	653.31
<b>Total- Other adjustments</b>	<b>1,962.21</b>	<b>(864.42)</b>	<b>1,259.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,111.21</b>	<b>2,133.66</b>	<b>-</b>	<b>(4,307.77)</b>	<b>-</b>	<b>(182.68)</b>	<b>-</b>	<b>-</b>	<b>1,111.21</b>
Dividends	-	-	-	-	-	-	-	-	-	(1,184.95)	-	-	-	-	(1,184.95)
Dividend Distribution Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total- Transaction with owners and taxes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,184.95)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,184.95)</b>
<b>Balance as at 31st December 2020</b>	<b>18,621.31</b>	<b>2,128.41</b>	<b>3,390.00</b>	<b>-</b>	<b>2,236.54</b>	<b>4.70</b>	<b>(608.17)</b>	<b>9,109.89</b>	<b>793.29</b>	<b>4,479.77</b>	<b>(1.19)</b>	<b>55.62</b>	<b>(234.91)</b>	<b>128.12</b>	<b>40,103.38</b>



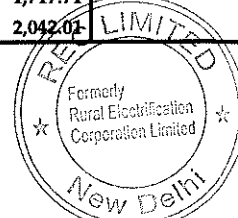
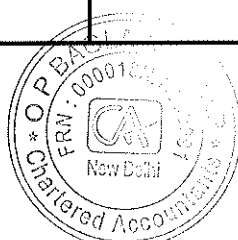
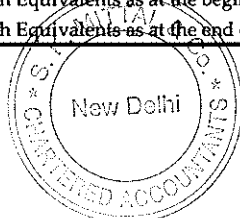
# REC Limited

Registered Office - Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi - 110003, CIN: L40101DL1969GOI005095

## Consolidated Statement of Cash Flows for the period ended 31st December 2020

(₹ in Crores)

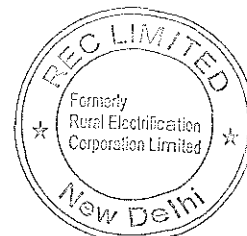
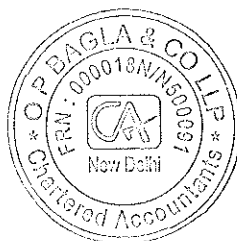
PARTICULARS	Period ended 31-12-2020	Period ended 31-12-2019
<b>A. Cash Flow from Operating Activities :</b>		
Net Profit before Tax	8,075.21	6,365.75
<b>Adjustments for:</b>		
1. Loss on derecognition of Property, Plant and Equipment (net)	3.33	0.86
2. Depreciation & Amortization	7.99	8.21
3. Impairment losses on financial assets	1,726.48	362.93
4. Adjustments towards Effective Interest Rate in respect of Loans	24.53	35.32
5. Adjustments towards Effective Interest Rate in respect of Borrowings	143.92	35.10
6. Fair Value Changes in Derivatives	(301.24)	(78.44)
7. Fair Value Changes in FVTPL Instruments	(5.67)	-
8. Interest on Commercial Paper	35.32	421.17
9. Interest on Other borrowings	0.07	0.05
10. Interest Accrued on Zero Coupon Bonds	79.77	77.75
11. Loss/ (Gain) on Exchange Rate fluctuation	258.66	1,026.12
12. Dividend Income	(5.69)	(13.16)
13. Interest Income on Investments & others	(156.89)	(135.07)
14. Interest expense on other liabilities	0.11	-
15. Share of Profit/Loss of Joint Venture accounted for using equity method	6.42	(7.36)
<b>Operating profit before Changes in Operating Assets &amp; Liabilities</b>	<b>9,892.32</b>	<b>8,099.23</b>
<b>Inflow / (Outflow) on account of :</b>		
1. Loan Assets	(36,171.33)	(26,665.04)
2. Derivatives	641.56	(225.66)
3. Other Operating Assets	2,037.25	(395.21)
4. Operating Liabilities	(1,275.36)	386.64
<b>Cash flow from Operations</b>	<b>(24,875.56)</b>	<b>(18,800.04)</b>
1. Income Tax Paid (including TDS)	(1,868.92)	(1,255.18)
2. Income Tax refund	11.73	16.67
<b>Net Cash Flow from Operating Activities</b>	<b>(26,732.75)</b>	<b>(20,038.55)</b>
<b>B. Cash Flow from Investing Activities</b>		
1. Sale of Property, Plant & Equipment	0.14	0.13
2. Investment in Property, Plant & Equipment (incl. CWIP & Capital Advances)	(69.44)	(62.13)
3. Investment in Intangible Assets (including intangible assets under development)	(0.06)	(3.25)
4. Finance Costs Capitalised	(17.77)	(12.07)
5. Investment in Equity Shares of EESL	-	(71.60)
6. Sale of Equity Shares	193.72	4.23
7. Sale/(Investment) of/in shares of associate companies (Net)	(0.45)	0.30
8. Redemption/ (Investment) in Debt Securities (net)	14.20	47.16
9. Cash Inflow/ (Outflow) on HQLA Investments	(527.96)	-
10. Interest Income from investments	9.56	61.78
11. Maturity/(Investment) of/in Corporate and Term deposits (incl. interest)	0.14	(22.64)
12. Dividend Income	5.69	13.16
<b>Net Cash Flow from Investing Activities</b>	<b>(392.23)</b>	<b>(44.93)</b>
<b>C. Cash Flow from Financing Activities</b>		
1. Issue/ (Redemption) of Rupee Debt Securities (Net)	9,202.65	11,018.13
2. Issue/ (Redemption) of Commercial Paper (net)	(2,925.00)	(4,665.95)
3. Raising/ (Repayments) of Rupee Term Loans/ WCDL from Govt./ Banks/ FIs (net)	19,361.91	4,924.47
4. Raising/ (Repayments) of Foreign Currency Debt Securities and Borrowings (net)	995.88	10,650.52
5. Raising/ (Redemption) of Subordinated Liabilities (net)	1,999.50	-
6. Payment of Dividend on Equity Shares	(1,184.95)	2.10
7. Payment of interest	(0.07)	(0.05)
8. Repayment towards Lease Liability	(0.64)	2.23
<b>Net Cash flow from Financing Activities</b>	<b>27,449.28</b>	<b>21,931.45</b>
<b>Net Increase/Decrease in Cash &amp; Cash Equivalents</b>	<b>324.30</b>	<b>1,847.97</b>
Cash & Cash Equivalents as at the beginning of the period	1,717.71	381.98
Cash & Cash Equivalents as at the end of the period	2,042.01	2,229.95



Components of Cash & Cash Equivalents as at end of the period are:

(₹ in Crores)

PARTICULARS	Period ended 31-12-2020	Period ended 31-12-2019
- Cash in Hand (including postage & imprest)	0.08	0.06
- Balances with Banks	623.07	450.18
- Short-term Deposits with Scheduled Banks	1,418.86	1,779.71
- Short term Investment in Debt Mutual Funds	-	-
<b>Total Cash &amp; Cash Equivalents</b>	<b>2,042.01</b>	<b>2,229.95</b>



## REC Limited

Registered Office - Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi – 110003

CIN: L40101DL1969GOI005095

### Notes to Accounts

#### 1. Company Overview

REC Limited ("REC" or the "Company" or the "holding company") was incorporated in the year 1969. The Company is domiciled in India and is limited by shares, having its registered office and principal place of business at Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003, India. The Company has 22 State offices spread across the country, mainly in the State Capitals and one training centre at Hyderabad.

The Company is a Government Company engaged in extending financial assistance across the power sector value chain and is a Systemically Important (Non-Deposit Accepting or Holding) Non-Banking Finance Company (NBFC) registered with Reserve Bank of India (RBI) as an Infrastructure Finance Company (IFC).

REC is a leading Infrastructure Finance Company in India and the principal products of REC are interest-bearing loans to State Electricity Boards, State Power utilities/State Power Departments and Private sector for all segments of Power infrastructure.

The shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited.

The Company together with its subsidiaries is hereinafter referred to as 'the Group'.

#### 2. Statement of Compliance and Basis of Preparation

These Consolidated Financial Statements comply with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), applicable provisions of the Companies Act, 2013 and other applicable regulatory norms / guidelines.

The consolidated financial statements for the period ended 31<sup>st</sup> December 2020 were authorized and approved for issue by the Board of Directors on 4<sup>th</sup> February 2021.

These consolidated financial statements have been prepared on going concern basis following accrual system of accounting and are in accordance with the Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), applicable provisions of the Companies Act, 2013 and other applicable regulatory norms/ guidelines.

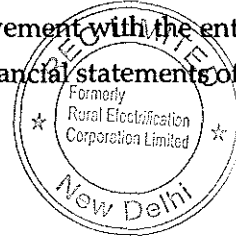
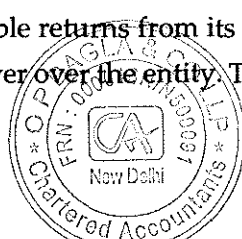
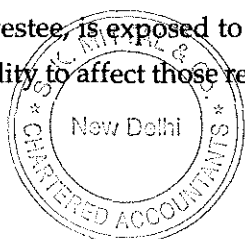
#### 3. Significant Accounting Policies

The significant accounting policies applied in preparation of the consolidated financial statements are as given below:

##### 3.1 Basis of consolidation

###### *Subsidiary*

Subsidiary is the entity controlled by the Group. The Group controls an entity when it has power over the investee, is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiary



are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. The Group combines the financial statements of the holding company and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses.

#### *Equity accounted investees*

The Group's interests in equity accounted investees comprise of the interests in associates and joint venture.

An associate is an entity, including an unincorporated entity, over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Interests in associates are accounted for using the equity method. These interests are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of Profit and Loss and Other Comprehensive Income (OCI) of equity-accounted investees until the date on which significant influence ceases. However, in case where it is assessed that the investment/ interest in associates is held for sale, the interest in associates is accounted for under Ind AS 105.

A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in joint venture are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of Profit and Loss and Other Comprehensive Income (OCI) of equity-accounted investees until the date on which significant influence or joint control ceases.

#### *Transactions eliminated on consolidation*

- 3.2 Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

### **3.3 Basis of Preparation and Measurement**

The consolidated financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities which are measured at fair values as explained in relevant accounting policies. These policies have been applied consistently for all the periods presented in the consolidated financial statements.

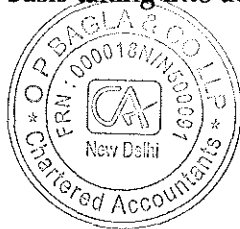
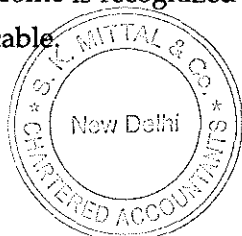
#### *Functional and presentation currency*

The consolidated financial statements are presented in Indian Rupee ('INR') which is also the functional currency of the Group.

### **3.4 Revenue recognition**

#### *Interest income*

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.





Unless otherwise specified, the recoveries from the borrowers are appropriated in the order of (i) costs and expenses of REC (ii) delayed and penal interest including interest tax, if any (iii) overdue interest including interest tax, if any and (iv) repayment of principal; the oldest being adjusted first, except for credit impaired loans and recalled loans, where principal amount is appropriated only after the complete recovery of other costs, expenses, delayed and penal interest and overdue interest including interest tax, if any. The recovery under One Time Settlement (OTS)/ Insolvency and Bankruptcy Code (IBC) proceedings is appropriated first towards the principal outstanding and remaining recovery thereafter, towards interest and other charges, if any.

For all financial assets measured at amortized cost, interest income is recorded using the effective interest rate (EIR), i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets.

Interest on financial assets subsequently measured at fair value through profit and loss is recognized on an accrual basis in accordance with the terms of the respective contract and is disclosed separately under the head interest income.

Rebate on account of timely payment of interest by borrowers is recognized on receipt of entire interest amount due in time, in accordance with the terms of the respective contract and is netted against the corresponding interest income.

#### *Income from Government schemes*

Income of agency fee on Government schemes is recognized on accrual basis based on the services rendered.

#### *Dividend income*

Income from dividend on shares of corporate bodies and units of mutual funds is taken into account on accrual basis when REC's right to receive payment is established.

Provided that in case of final dividend, the right to receive payment shall be considered as established only upon approval of the dividend by the shareholders in the Annual General Meeting.

Dividend on financial assets subsequently measured at fair value through profit and loss is recognised separately under the head 'Dividend Income'.

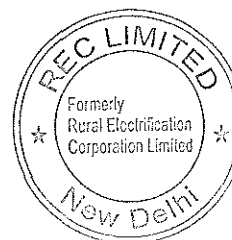
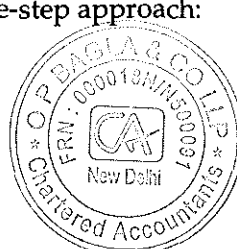
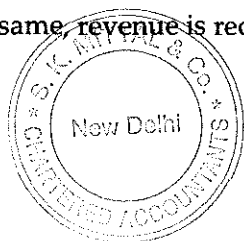
#### *Other services*

Fees/ charges on loan assets, other than those considered an adjustment to EIR, are accounted for on accrual basis. Pre-payment premium is accounted for by the Group in the year of receipt.

#### *Revenue from sale of services*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

The Group uses the principles laid down by the Ind AS 115 to determine that how much and when revenue is recognized, what is the nature, amount, timing and uncertainty of revenues etc. In accordance with the same, revenue is recognised through a five-step approach:



- (i) Identify the contract(s) with customer;
- (ii) Identify separate performance obligations in the contract;
- (iii) Determine the transaction price;
- (iv) Allocate the transaction price to the performance obligations; and
- (v) Recognise revenue when a performance obligation is satisfied.

Revenues are measured at the fair value of the consideration received or receivable, net of discounts and other indirect taxes.

In Cost Plus Contracts - Revenue is recognised by including eligible contractual items of expenditures plus proportionate margin as per contract;

In Fixed Price Contracts – Revenue is recognised on the basis of stage of completion of the contract. The Group has assessed that the stage of completion is determined as the proportion of the total time expected to complete the performance obligation to that has lapsed at the end of the reporting period, which is an appropriate measure of progress towards complete satisfaction of these performance obligations under Ind AS 115.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

Professional charges to be charged from the selected bidders/developers for transmission projects put on tariff based bidding is accounted for in the year in which it is reasonably certain that the ultimate collection of the professional charges will be made.

Sale proceeds of Request for Proposal (RFP) documents is credited to the respective SPV and sale proceeds of Request for Qualification (RFQ) documents is retained by the Group and accounted as income of the Group.

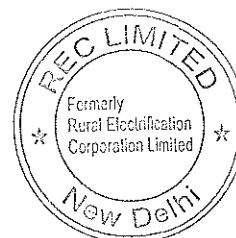
### 3.5 Borrowing costs

Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition and/ or construction of a qualifying asset, till the time such a qualifying asset becomes ready for its intended use sale, are capitalized. A qualifying asset is one that necessarily takes a substantial period to get ready for its intended use.

All other borrowing costs are charged to the Statement of Profit and Loss on an accrual basis as per the effective interest rate method.

### 3.6 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.



To calculate diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### 3.7 Foreign Currency Translation

#### *Foreign currency transactions and balances*

Foreign currency transactions are translated into the functional currency of the Group using the exchange rates prevailing on the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of such transactions and the re-measurement of monetary items denominated in foreign currency at period-end exchange rates are recognized in the Statement of Profit or Loss. However, for the long-term monetary items recognized in the consolidated financial statements before 01<sup>st</sup> April 2018, such gains and losses are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortized over the balance period of such long term monetary item, by recognition as income or expense in each of such periods.

Non-monetary items are not retranslated at period-end and are measured at historical cost (translated using the exchange rates at the transaction date).

### 3.8 Intangible assets

#### *Recognition and initial measurement*

Intangible assets mainly comprise of computer software which is initially measured at cost. Such assets are recognized where it is probable that the future economic benefits attributable to the assets will flow to the Group.

#### *Subsequent measurement (amortization method, useful lives and residual value)*

All intangible assets with finite useful life are amortized on a straight line basis over the estimated useful lives, and a possible impairment is assessed if there is an indication that the intangible asset may be impaired. Residual values and useful lives for all intangible assets are reviewed at each reporting date. Changes, if any, are accounted for as changes in accounting estimates. Management estimates the useful life of intangible assets to be five years.

#### *Intangible Assets under Development*

Expenditure incurred which are eligible for capitalization under intangible assets is carried as 'Intangible assets under development' till they are ready for their intended use.

#### *Derecognition of Intangible Assets*

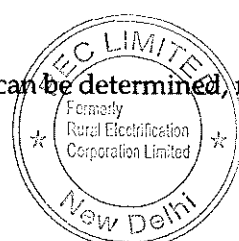
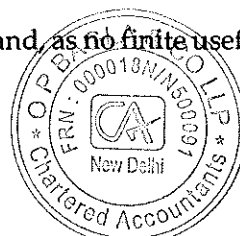
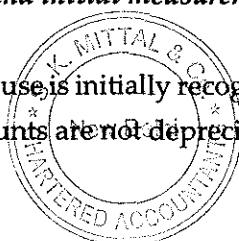
An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognized in the Statement of Profit and Loss when the asset is derecognized.

### 3.9 Property, Plant and Equipment (PPE)

#### *Recognition and initial measurement*

##### Land

Land held for use is initially recognized at cost. For land, as no finite useful life can be determined, related carrying amounts are not depreciated.



### **Other Tangible assets**

PPE other than land is initially recognized at acquisition cost or construction cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Group's management.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group beyond one year. Maintenance or servicing costs of PPE are recognized in the Statement of Profit and Loss as incurred.

#### *Subsequent measurement (depreciation method, useful lives, residual value, and impairment)*

PPE are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on PPE is provided on the straight-line method over the useful life of the assets as prescribed under Part 'C' of Schedule II of the Companies Act, 2013.

Depreciation on assets purchased/sold during the year is charged for the full month if the asset is in use for more than 15 days, instead of charging the same on pro-rata basis from the date of purchase/sale. Depreciation on assets purchased during the year up to Rs. 5,000/- is provided @ 100%.

The residual values, useful lives, and method of depreciation are reviewed at the end of each financial year. PPE other than land is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

#### *De-recognition*

An item of PPE and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of an item of PPE is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

#### *Capital Work-in-Progress*

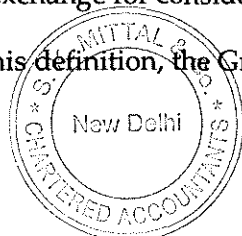
The cost of PPE under construction at the reporting date is disclosed as 'Capital work-in-progress.' The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Advances paid for the acquisition/ construction of PPE which are outstanding at the balance sheet date are classified under 'Capital Advances.'

### **3.10 Lease Accounting:**

The Group recognises a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as short-term or low-value lease.

The Group assesses at contract inception whether a contract is, or contains, a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:



- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

At lease commencement date, the Group recognizes a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

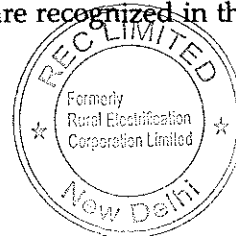
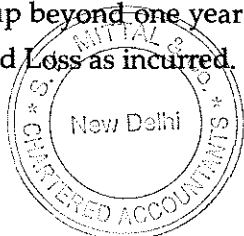
Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

### 3.11 Investment property

Investment properties are the assets which have undetermined future use. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, the investment properties are stated at cost less accumulated depreciation. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group beyond one year. All other repair and maintenance costs are recognized in the Statement of Profit and Loss as incurred.



#### *Subsequent measurement (depreciation and useful lives)*

The Group only has land as an investment property, which is not depreciated.

#### *De-recognition*

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

### **3.12 Financial Instruments**

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### *Initial recognition and measurement*

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below.

#### *Classification and subsequent measurement of financial assets*

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- Amortized cost
- Financial assets at fair value through profit or loss (FVTPL)
- Financial assets at fair value through other comprehensive income (FVOCI)

All financial assets except for those at FVTPL or equity instruments at FVOCI are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied to each category of financial assets, which are described below.

#### *Amortized cost*

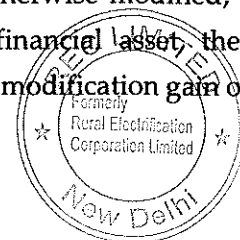
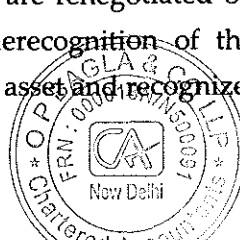
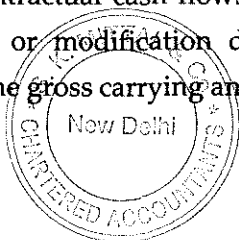
A financial asset is measured at amortized cost using Effective Interest Rate (EIR) if both of the following conditions are met:

- a) the financial asset is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A loss allowance for expected credit losses is recognized on financial assets carried at amortized cost.

#### *Modification of cash flows*

When the contractual cash flows of a financial asset are renegotiated or otherwise modified, and the renegotiation or modification does not result in derecognition of that financial asset, the Group recalculates the gross carrying amount of the financial asset and recognizes a modification gain or loss in



profit or loss. The gross carrying amount of the financial asset shall be recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortized over the remaining term of the modified financial asset.

#### *Financial assets at FVTPL*

Financial assets at FVTPL include financial assets that either do not meet the criteria for amortized cost classification or are equity instruments held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. All derivative financial instruments also fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements may apply. Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

#### *Financial assets at FVOCI*

FVOCI financial assets comprise of equity instruments measured at fair value. An equity investment classified as FVOCI is initially measured at fair value plus transaction costs. Gains and losses are recognized in other comprehensive income and reported within the FVOCI reserve within equity, except for dividend income, which is recognized in profit or loss. There is no recycling of such gains and losses from OCI to Statement of Profit & Loss, even on the derecognition of the investment. However, the Group may transfer the same within equity.

#### *De-recognition of financial assets*

##### **De-recognition of financial assets due to a substantial modification of terms and conditions**

The Group derecognizes a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognized as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded.

##### **De-recognition of financial assets other than due to substantial modification**

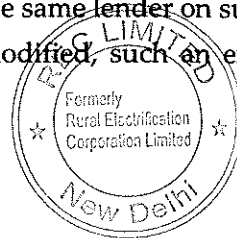
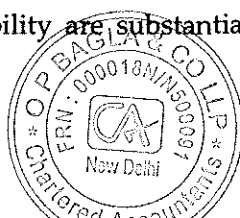
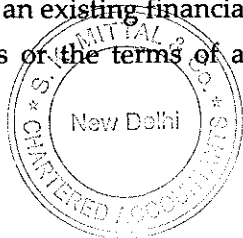
Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are derecognized (i.e. removed from the Group's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. The Group also derecognizes the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

#### *Classification and subsequent measurement of financial liabilities*

Financial liabilities are measured subsequently at amortized cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognized in profit or loss.

#### *Derecognition of financial liabilities*

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or



modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

#### *Hedge accounting*

To qualify for hedge accounting, the hedging relationship must meet all of the following requirements:

- there is an economic relationship between the hedged item and the hedging instrument
- the effect of credit risk does not dominate the value changes that result from that economic relationship
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

All derivative financial instruments designated under hedge accounting are recognised initially at fair value and reported subsequently at fair value at each reporting date. To the extent that the hedge is effective, changes in the fair value of derivatives designated as hedging instruments in cash flow hedges are recognised in other comprehensive income and included within the cash flow hedge reserve in equity. Any ineffectiveness in the hedge relationship is recognised immediately in profit or loss.

At the time the hedged item affects profit or loss, any gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and presented as a reclassification adjustment within other comprehensive income.

At the inception of each hedging relationship, the Company formally designates and documents the hedge relationship, in accordance with the Company's risk management objective and strategies. The documentation includes identification of the hedged item, hedging instrument, the nature of risk(s) being hedged, the hedge ratio and how the hedging relationship meets the hedging effectiveness requirements.

### **3.13 Impairment of financial assets**

#### *Loan assets*

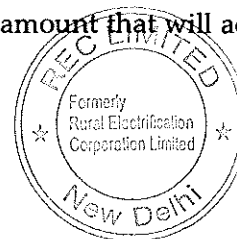
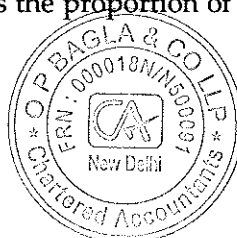
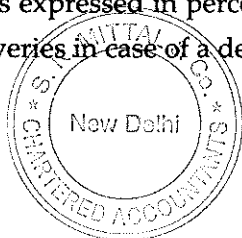
The Group follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- Stage 1 includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.
- Stage 2 includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.
- Stage 3 includes loan assets that have objective evidence of impairment at the reporting date.

The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default, defined as follows:

**Probability of Default (PD)** - The PD represents the likelihood of the borrower defaulting on its obligation either over next 12 months or over the remaining lifetime of the instrument.

**Loss Given Default (LGD)** - LGD represents the Company's expectation of loss given that a default occurs. LGD is expressed in percentage and it shows the proportion of the amount that will actually be lost post recoveries in case of a default.





**Exposure at Default (EAD)** – EAD represents the amounts, including the principal outstanding, interest accrued and outstanding Letters of Comfort that the Company expects to be owed at the time of default.

Forward-looking economic information is included in determining the 12-month and lifetime PD, EAD and LGD. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis.

#### *Financial assets other than Loans*

In respect of its other financial assets, the Group assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

To make that assessment, the Group compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition. The Group also considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

#### *Write-offs*

Financial assets are written off either partially or in their entirety only when the Group has stopped pursuing the recovery.

### **3.14 Assets/ Disposal Groups held for sale**

Assets are classified as held for sale if their carrying amount will be recovered principally through sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at lower of their carrying amount or fair value less cost to sell, except for assets such as deferred tax, assets arising from employee benefit, financials assets and contractual rights under insurance contracts, which are specifically exempted from this requirement.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Non-current assets held for sale are presented separately from other assets in the balance sheet.

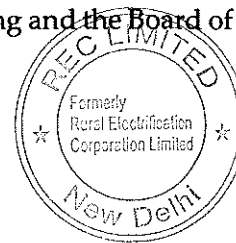
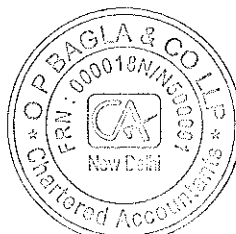
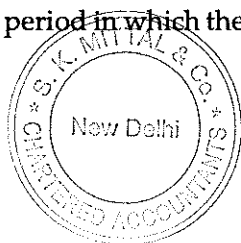
Where the Group is committed to a sale plan involving loss of control of an entity, it classifies investment in the entity (i.e. all the assets and liabilities of that entity) as held for sale.

### **3.15 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments (original maturity less than three months) that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

### **3.16 Dividend**

Proposed dividends and interim dividends payable to the shareholders are recognized as changes in equity in the period in which they are approved by the shareholders' meeting and the Board of Directors respectively.



### 3.17 Material prior period errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

### 3.18 Prepaid Expenses

A prepaid expense up to Rs. 1,00,000/- is recognized as expense upon initial recognition.

### 3.19 Taxation

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax. It is recognized in Statement of Profit and Loss, except when it relates to an item that is recognised in OCI or directly in equity, in which case, the tax is also recognised in OCI or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable income.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided those rates are enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

Deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

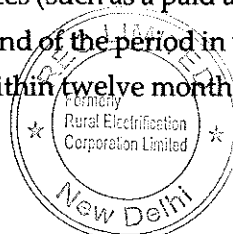
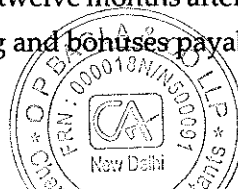
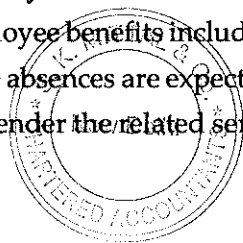
Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

Dividend Distribution Tax is recognized at the same time when the liability to pay a dividend is recognized.

### 3.20 Employee benefits

#### Short-term employee benefits

Short-term employee benefits including salaries, short term compensated absences (such as a paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related service, profit sharing and bonuses payable within twelve months after



the end of the period in which the employees render the related services and non-monetary benefits for current employees are estimated and measured on an undiscounted basis.

**Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:**

*Defined contribution plan*

A defined contribution plan is a plan under which the Group pays fixed contributions in respect of the employees into a separate fund. The Group has no legal or constructive obligations to pay further contributions after its payment of the fixed contribution. The contributions made by the Group towards defined contribution plans are charged to the profit or loss in the period to which the contributions relate.

*Defined benefit plan*

The Group has an obligation towards gratuity, Post-Retirement Medical Facility (PRMF) and Other Defined Retirement Benefit (ODRB) which are being considered as defined benefit plans covering eligible employees. Under the defined benefit plans, the amount that an employee will receive on retirement is defined by reference to the employee's length of service, final salary, and other defined parameters. The legal obligation for any benefits remains with the Group, even if plan assets for funding the defined benefit plan have been set aside.

The Group's obligation towards defined benefit plans is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The liability recognized in the statement of financial position for defined benefit plans is the present value of the Defined Benefit Obligation (DBO) at the reporting date less the fair value of plan assets. Management estimates the DBO annually with the assistance of independent actuaries.

Actuarial gains/losses resulting from re-measurements of the liability/asset are included in Other Comprehensive Income.

**Other long-term employee benefits:**

Liability in respect of compensated absences becoming due or expected to be availed more than one-year after the balance sheet date is estimated on the basis of actuarial valuation performed by an independent actuary using the projected unit credit method.

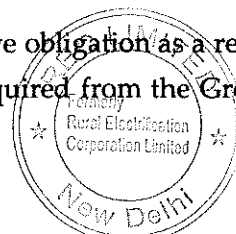
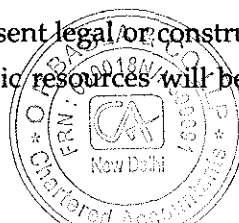
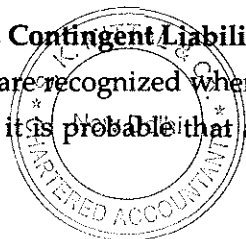
Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to statement of profit and loss in the period in which such gains or losses are determined.

**Loan to employees at concessional rate**

Loans given to employees at concessional rate are initially recognized at fair value and subsequently measured at amortised cost. The difference between the initial fair value of such loans and transaction value is recognised as deferred employee cost, which is amortised on a straight-line basis over the expected remaining period of the Loan. In case of change in expected remaining period of the Loan, the unamortised deferred employee cost on the date of change is amortised over the updated expected remaining period of the loan on a prospective basis.

**3.21 Provisions, Contingent Liabilities, and Contingent Assets**

Provisions are recognized when the Group has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of economic resources will be required from the Group and



amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

A contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Group or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

In those cases, where the outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized or disclosure is made.

Any reimbursement that the Group can be virtually certain to collect from a third party concerning the obligation (such as from insurance) is recognized as a separate asset. However, this asset may not exceed the amount of the related provision.

Contingent assets are not recognized. However, when the inflow of economic benefits is probable, the related asset is disclosed.

### 3.22 Fair value measurement

The Group measures financial instruments, such as derivatives at fair value at each reporting date.

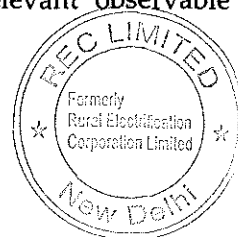
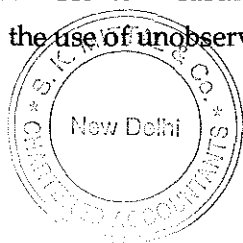
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.



All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements regularly, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### 3.23 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## 4. Implementation of New/ Modified Standards

### Ind AS 116 - Leases

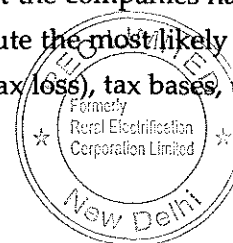
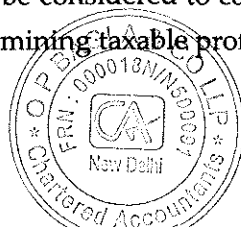
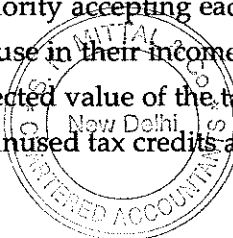
Ind AS 116 supersedes Ind AS 17 and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Standard also contains enhanced disclosure requirements for lessees.

With the date of initial application being 01<sup>st</sup> April 2019, the Group adopted Ind AS 116 using modified retrospective method of adoption using the modified retrospective approach, where right-to-use asset is measured equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments existed at the date of transition. Refer Note 51 for more details.

For accounting periods before the adoption of Ind AS 116, the Group classified a lease as a finance lease or operating lease, by applying judgement and evaluates whether it transfers substantially all the risks and rewards incidental to ownership of the lease asset. A lease classified as a finance lease resulted in recognition of asset with a corresponding finance lease obligation. In case of operating leases, rental payments were recognised as expense in year of payment.

### Ind AS 12 - Appendix C, Uncertainty over Income Tax Treatments:

The Appendix is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.



Upon adoption of the Appendix C to Ind AS 12, the Group considered whether it has any uncertain tax positions. The Group determined, based on its tax compliance, that it is probable that its tax treatments will be accepted by the taxation authorities. The Appendix did not have an impact on the consolidated financial statements of the Group.

#### **Amendment to Ind AS 12 – Income taxes**

The amendments to the guidance in Ind AS 12, 'Income Taxes', is in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Since, the Group's current practice is in line with these amendments, they had no impact on the consolidated financial statements of the Group.

#### **Amendment to Ind AS 19 – Plan amendment, curtailment or settlement**

The amendments to Ind AS 19, 'Employee Benefits', is in connection with accounting for plan amendments, curtailments and settlements requiring an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

The amendments had no impact on the consolidated financial statements of the Group as it did not have any plan amendments, curtailment or settlement during the year.

#### **4.1 Adoption of Hedge Accounting**

The Group has applied hedge accounting requirements in Ind AS 109 prospectively from 01<sup>st</sup> January 2020, wherein certain derivative contracts have been designated as hedging instruments in 'Cash flow hedge' relationships. These arrangements have been entered into to mitigate foreign currency exchange risk and interest rate risk arising from certain debt instruments denominated in foreign currency.

#### **4.2 Standards issued but not yet effective**

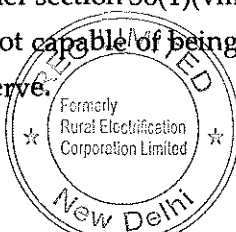
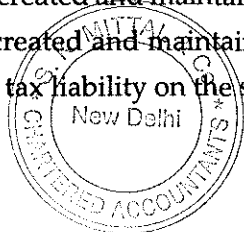
There are no new amendments issued by MCA which are effective for period w.e.f. 01<sup>st</sup> April 2021.

#### **5. Significant management judgment in applying accounting policies and estimation of uncertainty**

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures. Actual results may differ from these estimates.

##### *Significant management judgments*

**Recognition of deferred tax assets/ liability** – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized. Further, the Management has no intention to make withdrawal from the Special Reserve created and maintained under section 36(1)(viii) of the Income tax Act, 1961 and thus, the special reserve created and maintained is not capable of being reversed. Hence, the Group does not create any deferred tax liability on the said reserve.



**Recognition of Deferred Tax Liability on Undistributed Reserves of Group Companies** – The applicable tax laws provide for tax deduction in respect of dividend income from equity investments, to the extent of dividend declared by the Company to its shareholders during the year. Considering the historical information and dividend distribution policy of the Company, the Company does not expect any tax liability on the undistributed reserves of the Group Companies, as and when such reserves are distributed. Hence, the Company does not create any deferred tax liability on undistributed reserves of Group Companies.

**Evaluation of indicators for impairment of assets** – The evaluation of the applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

**Investment in SPVs** – Transmission projects are managed as per the mandate from Government of India and the Group does not have the practical ability to direct the relevant activities of these projects unilaterally. The Group therefore considers its investment in respective SPVs as associates having significant influence despite the Company holding 100% of their paid-up equity share capital.

**Non recognition of Interest Income on Credit Impaired Loans** - Interest income on credit-impaired loan assets is not being recognised as a matter of prudence, pending the outcome of resolutions of stressed assets.

#### *Significant estimates*

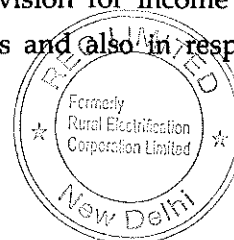
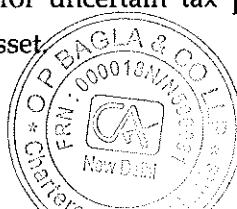
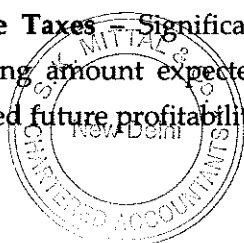
**Impact of Covid-19 Outbreak** - The extent to which the Covid-19 pandemic will impact the Group will depend on future developments, which are uncertain, including, among other things, any new information concerning the severity of the Covid-19 pandemic and any further action by the Govt. or the Group to contain its spread or mitigate its impact.

**Useful lives of depreciable/amortizable assets** – Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

**Defined benefit obligation (DBO)** – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

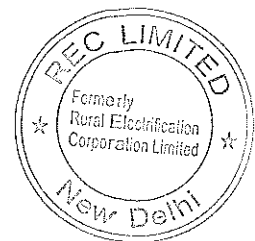
**Fair value measurements** – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. In case of non-availability of market-observable data, Level 2 & Level 3 hierarchy is used for fair valuation.

**Income Taxes** – Significant estimates are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions and also in respect of expected future profitability to assess deferred tax asset.



**Expected Credit Loss ('ECL')** – The measurement of an expected credit loss allowance for financial assets measured at amortized cost requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g., likelihood of customers defaulting and resulting losses). The Group makes significant judgments about the following while assessing expected credit loss to estimate ECL:

- Determining criteria for a significant increase in credit risk;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/ market and the associated ECL; and
- Establishing groups of similar financial assets to measure ECL.
- Estimating the probability of default and loss given default (estimates of recoverable amounts in case of default)





## 6 Cash and cash equivalents

(₹ in Crores)

Particulars	As at 31-12-2020	As at 31-03-2020
- Balances with Banks	623.07	1,195.40
- Cash on Hand (including postage & imprest)	0.08	0.06
<i>Sub-total</i>	<b>623.15</b>	<b>1,195.46</b>
- Term Deposits & Other Cash Equivalents		
- Deposits with original maturity less than 3 months	1,418.86	522.25
<i>Sub-total</i>	1,418.86	522.25
<b>Total (Cash &amp; Cash Equivalents)</b>	<b>2,042.01</b>	<b>1,717.71</b>

## 7 Other Bank Balances

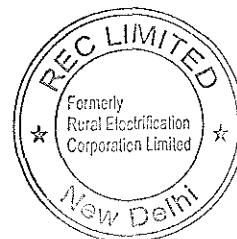
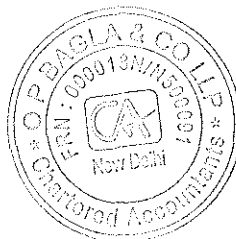
(₹ in Crores)

Particulars	As at 31-12-2020	As at 31-03-2020
- Earmarked Balances with Banks		
- For unpaid dividends	5.25	4.75
- For govt. funds for onward disbursement as grant	307.87	1,817.72
- Earmarked Term Deposits		
- For govt. funds for further disbursement	-	32.98
- Deposits in Compliance of Court Order	0.56	0.53
- Balances with banks not available for use pending allotment of securities	329.12	400.19
- Other Term deposits	36.35	1.28
<b>Total (Other Bank Balances)</b>	<b>679.15</b>	<b>2,257.45</b>

## 8 Trade Receivables

(₹ in Crores)

Particulars	As at 31-12-2020	As at 31-03-2020
(A) Unsecured, Considered good	103.35	87.92
Less: Allowance for Expected Credit Loss	(7.08)	(13.66)
	<b>96.27</b>	<b>74.26</b>
(B) Trade receivables which have significant increase in credit risk	49.47	52.01
Less: Allowance for Expected Credit Loss	(17.00)	(15.55)
	<b>32.47</b>	<b>36.46</b>
(C) Credit impaired receivables	35.46	33.60
Less: Allowance for Expected Credit Loss	(35.46)	(33.60)
	<b>-</b>	<b>-</b>
<b>Total Trade Receivables (A+B+C)</b>	<b>128.74</b>	<b>110.72</b>



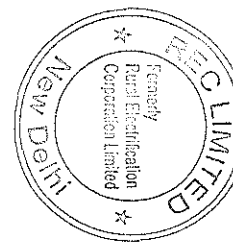
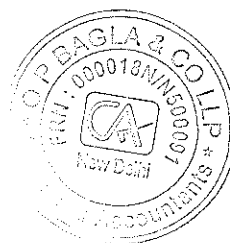
## 9 Derivative Financial Instruments

The Company enters into derivatives for hedging foreign exchange risks and interest rate risks. Derivatives held for risk management purposes include hedges that are either designated as effective hedges under the hedge accounting requirements or hedges that are economic hedges. The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

### Part I

(₹ in Crores)

Particulars	As at 31-12-2020			As at 31-03-2020		
	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
<b>(i) Currency Derivatives</b>						
- Spot and forwards	986.22	-	19.29	565.39	27.62	-
- Currency swaps	2,852.34	55.36	81.39	3,094.32	432.94	-
- Others						
- Call Spread	4,237.11	256.11	-	6,068.56	504.12	-
- Seagull Options	24,302.45	1,896.07	34.66	22,321.22	2,212.46	-
<b>Sub-total (i)</b>	<b>32,378.12</b>	<b>2,207.54</b>	<b>135.34</b>	<b>32,049.49</b>	<b>3,177.14</b>	<b>-</b>
<b>(ii) Interest Rate Derivatives</b>						
- Forward Rate Agreements and Interest Rate Swaps	29,377.87	248.80	556.29	29,056.52	141.71	586.06
<b>Sub-total (ii)</b>	<b>29,377.87</b>	<b>248.80</b>	<b>556.29</b>	<b>29,056.52</b>	<b>141.71</b>	<b>586.06</b>
<b>(iii) Other derivatives</b>						
- Reverse cross currency swaps	4,347.00	-	433.11	4,347.00	-	739.67
<b>Total - Derivative Financial Instruments (i + ii+iii)</b>	<b>66,102.99</b>	<b>2,456.34</b>	<b>1,124.74</b>	<b>65,453.01</b>	<b>3,318.85</b>	<b>1,325.73</b>

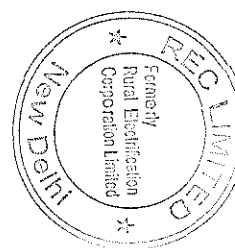


Part II

(₹ in Crores)

Particulars	As at 31-12-2020			As at 31-03-2020		
	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
(i) <b>Cash Flow Hedging</b>						
- <b>Currency Derivatives</b>						
- Currency Swaps	2,739.51	30.53	81.39	8,638.68	2.32	303.14
- Others						
- Call Spread	1,826.34	73.71	-	1,884.65	97.16	-
- Seagull Options	21,343.78	1,821.66	34.66	11,348.70	1,662.20	-
- <b>Interest Rate Derivatives</b>						
- Forward Rate Agreements and Interest Rate Swaps	17,398.03	0.81	440.66	9,498.62	5.24	134.45
<b>Sub-total (i)</b>	<b>43,307.66</b>	<b>1,926.71</b>	<b>556.71</b>	<b>31,370.65</b>	<b>1,766.92</b>	<b>437.59</b>
(ii) Undesignated Derivatives	22,795.33	529.63	568.03	34,082.36	1,551.93	888.14
<b>Total - Derivative Financial Instruments (i+ii)</b>	<b>66,102.99</b>	<b>2,456.34</b>	<b>1,124.74</b>	<b>65,453.01</b>	<b>3,318.85</b>	<b>1,325.73</b>

Derivative financial instruments are measured at fair value at each reporting date. The changes in the fair value of derivatives designated as hedging instruments in effective cash flow hedges are recognised in OCI. For undesignated derivatives, the changes in the fair value are recognised in the Statement of Profit & Loss.

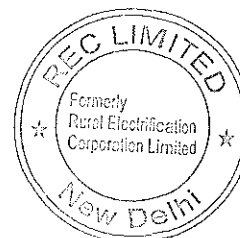
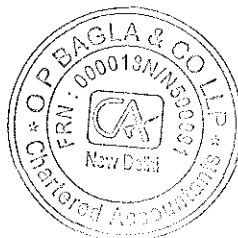


# 10 Loans

The Company has categorised all loans at Amortised Cost in accordance with the requirements of Ind AS 109.

(₹ in Crores)

Particulars	As at 31-12-2020		As at 31-03-2020	
	Principal O/s	Amortised Cost	Principal O/s	Amortised Cost
<b>(A) Loans</b>				
(i) Term Loans	3,56,786.46	3,57,900.85	3,21,526.76	3,23,177.53
(ii) Working Capital Loans	280.60	282.16	897.92	902.01
<b>Total (A) - Gross Loans</b>	<b>3,57,067.06</b>	<b>3,58,183.01</b>	<b>3,22,424.68</b>	<b>3,24,079.54</b>
Less: Impairment loss allowance	(12,558.30)	(12,558.30)	(11,996.04)	(11,996.04)
<b>Total (A) - Net Loans</b>	<b>3,44,508.76</b>	<b>3,45,624.71</b>	<b>3,10,428.64</b>	<b>3,12,083.50</b>
<b>(B) Security Details</b>				
(i) Secured by tangible assets	2,52,581.44	2,53,142.03	2,44,034.67	2,45,113.22
(ii) Secured by intangible assets	-	-	-	-
(iii) Covered by Bank/ Govt. Guarantees	84,947.61	85,429.74	58,166.76	58,684.29
(iv) Unsecured	19,538.01	19,611.24	20,223.25	20,282.03
<b>Total (B) - Gross Loans</b>	<b>3,57,067.06</b>	<b>3,58,183.01</b>	<b>3,22,424.68</b>	<b>3,24,079.54</b>
Less: Impairment loss allowance	(12,558.30)	(12,558.30)	(11,996.04)	(11,996.04)
<b>Total (B) - Net Loans</b>	<b>3,44,508.76</b>	<b>3,45,624.71</b>	<b>3,10,428.64</b>	<b>3,12,083.50</b>
<b>(C)(I) Loans in India</b>				
(i) Public Sector	3,19,138.02	3,20,216.02	2,84,644.05	2,86,210.40
(ii) Private Sector	37,929.04	37,966.99	37,780.63	37,869.14
<b>Total (C)(I) - Gross Loans</b>	<b>3,57,067.06</b>	<b>3,58,183.01</b>	<b>3,22,424.68</b>	<b>3,24,079.54</b>
Less: Impairment loss allowance	(12,558.30)	(12,558.30)	(11,996.04)	(11,996.04)
<b>Total (C)(I) - Net Loans</b>	<b>3,44,508.76</b>	<b>3,45,624.71</b>	<b>3,10,428.64</b>	<b>3,12,083.50</b>
<b>(C)(II) Loans outside India</b>				
(i) Public Sector	-	-	-	-
(ii) Private Sector	-	-	-	-
<b>Total (C)(II) - Gross Loans</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Less: Impairment loss allowance	-	-	-	-
<b>Total (C)(II) - Net Loans</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (C)(I) and (C)(II)</b>	<b>3,44,508.76</b>	<b>3,45,624.71</b>	<b>3,10,428.64</b>	<b>3,12,083.50</b>



## 11 Investments

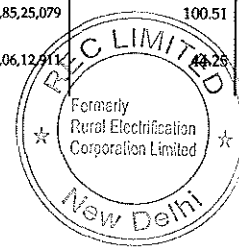
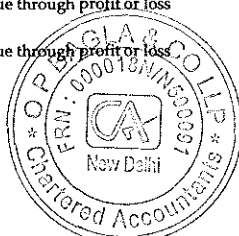
(₹ in Crores)

Particulars	Amortised Cost	At fair value				Others (At Cost)	Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total		
<b>As at 31st December, 2020</b>							
Govt. Securities	-	-	345.87	-	345.87	-	345.87
Debt Securities	232.59	-	1,959.99	-	2,192.58	-	2,192.58
Equity Instruments	-	450.20	21.75	-	471.95	-	471.95
Preference Shares	25.27	-	43.04	-	68.31	-	68.31
Others	-	6.12	-	-	6.12	-	6.12
<b>Total - Gross (A)</b>	<b>257.86</b>	<b>456.32</b>	<b>2,370.65</b>	<b>-</b>	<b>3,084.83</b>	<b>-</b>	<b>3,084.83</b>
<b>Less: impairment loss allowance (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total - Net (C=A-B)</b>	<b>257.86</b>	<b>456.32</b>	<b>2,370.65</b>	<b>-</b>	<b>3,084.83</b>	<b>-</b>	<b>3,084.83</b>
<b>As at 31st March, 2020</b>							
Govt. Securities	-	-	-	-	-	-	-
Debt Securities	32.10	-	1,500.62	-	1,532.72	-	1,532.72
Equity Instruments	-	507.43	12.50	-	519.93	-	519.93
Preference Shares	22.93	-	45.41	-	68.34	-	68.34
Others	-	6.12	-	-	6.12	-	6.12
<b>Total - Gross (A)</b>	<b>55.03</b>	<b>513.55</b>	<b>1,558.53</b>	<b>-</b>	<b>2,127.11</b>	<b>-</b>	<b>2,127.11</b>
<b>Less: impairment loss allowance (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total - Net (C=A-B)</b>	<b>55.03</b>	<b>513.55</b>	<b>1,558.53</b>	<b>-</b>	<b>2,127.11</b>	<b>-</b>	<b>2,127.11</b>

## 11.1 Details of investments

(₹ in Crores)

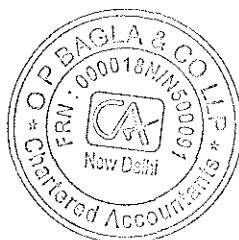
(A) Particulars	Investment measured at	As at 31-12-2020		As at 31-03-2020	
		Number	Amount	Number	Amount
<b>Government Securities</b>					
- 5.22% GSEC 2025	Fair value through profit or loss	50,00,000	50.46	-	-
- 7.27% GSEC 2026	Fair value through profit or loss	50,00,000	55.45	-	-
- 7.17% GSEC 2028	Fair value through profit or loss	50,00,000	55.84	-	-
- 5.77% GSEC 2030	Fair value through profit or loss	50,00,000	50.72	-	-
- 6.20% RAJASTHAN SDL JULY 2027	Fair value through profit or loss	20,00,000	20.70	-	-
- 7.20% SDL MH 2027	Fair value through profit or loss	20,00,000	21.76	-	-
- 6.60% HIMACHAL PRADESH SDL 2030	Fair value through profit or loss	50,00,000	50.53	-	-
- 6.48% KA SDL 2031	Fair value through profit or loss	40,00,000	40.41	-	-
<b>Sub-total - Government Securities</b>			<b>345.87</b>		
<b>Debt Securities</b>					
- 5.78% Chennai Petroleum Corporation Ltd 2025	Fair value through profit or loss	150	15.74	-	-
- 6.11% BPCL 2025	Fair value through profit or loss	100	10.65	-	-
- 7.30% NMDC 2025	Fair value through profit or loss	200	22.13	-	-
- 7.30% PGC Ltd. 2027	Fair value through profit or loss	200	22.30	-	-
- 8.69% DAMODAR VALLEY CORPORATION 2028	Fair value through profit or loss	200	23.52	-	-
- 7.05% MTNL 2030	Fair value through profit or loss	450	47.36	-	-
- 6.65% Food Corporation Of India 2030	Fair value through profit or loss	200	20.42	-	-
- 7.19% THDC India Ltd 2030	Fair value through profit or loss	250	25.73	-	-
11.15% Perpetual Bonds of Indian Bank	Fair value through profit or loss	5,000	542.31	5,000	500.31
11.25% Perpetual Bonds of Bank of Baroda	Fair value through profit or loss	5,000	542.38	5,000	500.00
11.25% Perpetual Bonds of Syndicate Bank	Fair value through profit or loss	5,000	542.69	5,000	500.31
7.39% Tax Free 15 years Secured Redeemable Non Convertible Bonds of Housing and Urban Development Corporation (HUDCO)	Amortised Cost	86,798	9.01	86,798	8.81
7.35% Tax Free 15 years Secured Redeemable Non Convertible Bonds of National Highway Authority of India Ltd. (NHAI)	Amortised Cost	42,855	4.52	42,855	4.60
7.39% Tax Free 15 years Secured Redeemable Non Convertible Bonds of National Highway Authority of India Ltd. (NHAI)	Amortised Cost	35,463	3.61	35,463	3.67
7.49% Tax Free 15 years Secured Redeemable Non Convertible Bonds of Indian Renewable Energy Development Agency (IREDA)	Amortised Cost	61,308	6.56	61,308	6.22
7.35% Tax Free 15 years Secured Redeemable Non Convertible Bonds of Indian Railway Finance Corporation (IRFC)	Amortised Cost	22,338	2.27	22,338	2.31
7.35% Tax Free 15 years Secured Redeemable Non Convertible Bonds of National Bank for Agriculture and Rural Development (NABARD)	Amortised Cost	14,028	1.48	14,028	1.40
8.76% Tax Free 20 years Secured Redeemable Bonds of Housing and Urban Development Corporation (HUDCO)	Amortised Cost	50,000	5.42	50,000	5.09
3% Optionally convertible debentures- Series A of Essar Power Transmission Co. Ltd.	Fair value through profit or loss	22,85,25,079	100.51	-	-
3% Optionally convertible debentures- Series B of Essar Power Transmission Co. Ltd.	Fair value through profit or loss	10,06,12,911	44.28	-	-



(₹ in Crores)					
Particulars	Investment measured at	As at 31-12-2020		As at 31-03-2020	
		Number	Amount	Number	Amount
Optionally convertible debentures- Series C of Essar Power Transmission Co. Ltd.	Fair value through profit or loss	1,86,35,162	-	-	-
0% Non- Convertible Debentures (NCDs) of Ferro Alloys Corporation Limited	Amortised Cost	2,52,91,783	199.72	-	-
0.01% Optionally convertible Debentures (OCD) Series A of R.K.M PowerGen Private Ltd.	Fair value through profit or loss	21,38,03,170	-	-	-
0.01% Optionally convertible Debentures (OCD) Series B of R.K.M PowerGen Private Ltd.	Fair value through profit or loss	63,03,032	-	-	-
0.01% Optionally convertible Debentures (OCD) Series A of R.K.M PowerGen Private Ltd.	Fair value through profit or loss	1,04,74,150	-	-	-
<b>Sub-total - Debt Securities</b>			<b>2,192.58</b>		<b>1,532.72</b>
<b>Equity Instruments</b>					
- NHPC Ltd.	Fair value through other comprehensive income	17,53,02,206	397.06	17,53,02,206	349.73
- Indian Energy Exchange Ltd.	Fair value through other comprehensive income	27,45,807	51.76	1,22,71,211	157.01
- HUDCO Ltd.	Fair value through other comprehensive income	3,47,429	1.38	3,47,429	0.69
- Universal Commodity Exchange Ltd.	Fair value through other comprehensive income	1,60,00,000	-	1,60,00,000	-
- Rattan India Power Ltd.	Fair value through profit or loss	9,25,68,105	21.75	9,25,68,105	12.50
- R.K.M PowerGen Private Ltd.	Fair value through profit or loss	18,17,90,667	-	-	-
<b>Sub-total - Equity Instruments</b>			<b>471.95</b>		<b>519.93</b>
<b>Preference Shares (PS)</b>					
- Redeemable PS of Rattan India Power Ltd.	Amortised cost	2,87,20,978	25.27	2,87,20,978	22.93
- Optionally Convertible PS of Rattan India Power Ltd.	Fair value through profit or loss	4,33,03,616	43.04	4,33,03,616	45.41
<b>Sub-total - Preference Shares</b>			<b>68.31</b>		<b>68.34</b>
<b>Others</b>					
- Units of 'Small is Beautiful' Venture Capital Fund	Fair value through other comprehensive income	61,52,200	6.12	61,52,200	6.12
<b>Sub-total - Others</b>			<b>6.12</b>		<b>6.12</b>
<b>Total - Gross (A)</b>			<b>3,084.83</b>		<b>2,127.11</b>
(i) Investments outside India			-		-
(ii) Investments in India			<b>3,084.83</b>		<b>2,127.11</b>
<b>Total (B)</b>			<b>3,084.83</b>		<b>2,127.11</b>
(i) Investments measured at amortised cost			58.14		55.03
(ii) Investments measured at fair value through other comprehensive income			456.32		513.55
(iii) Investments measured at fair value through profit or loss			2,036.65		1,558.53
<b>Total (C)</b>			<b>2,551.11</b>		<b>2,127.11</b>
<b>Less: impairment loss allowance (D)</b>			-		-
<b>Total - Net (E=A-D)</b>			<b>3,084.83</b>		<b>2,127.11</b>

(B) Investments accounted for using equity method

(₹ in Crores)		
Particulars	As at 31-12-2020	As at 31-03-2020
<b>Investment in Joint Ventures</b>		
- Energy Efficiency Services Ltd. (21,81,00,000 Equity shares of ₹ 10 each)	253.36	258.47
<b>Total</b>	<b>253.36</b>	<b>258.47</b>



## 12 Other financial assets

The Company has categorised all the components under 'Other Financial Assets' at Amortised Cost in accordance with the requirements of Ind AS 109.

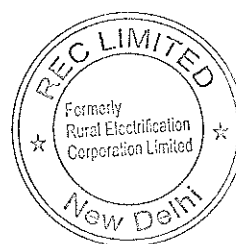
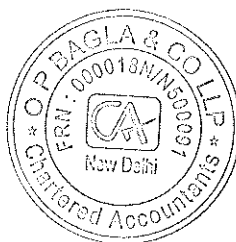
(₹ in Crores)		
Particulars	As at 31-12-2020	As at 31-03-2020
(A) Loans to Employees	38.67	34.61
(B) Advances to Employees	0.17	0.30
(C) Loans & Advances to Subsidiaries	-	-
(D) Security Deposits	1.63	1.88
(E) Recoverable from Govt. of India		
- Towards GoI Fully Serviced Bonds	21,992.97	21,931.30
- Agency Charges on Govt. Schemes	48.53	50.64
- Reimbursement of Expenses on Govt. Schemes	7.69	48.17
Total - Recoverable from Govt. of India	22,049.19	22,030.11
(F) Other Amounts Recoverable	121.82	63.62
Less: Impairment loss allowance	(44.38)	(30.85)
Other Amounts Recoverable (Net)	77.44	32.77
<b>Total (A to F)</b>	<b>22,167.10</b>	<b>22,099.67</b>

## 13 Current tax assets (net)

(₹ in Crores)		
Particulars	As at 31-12-2020	As at 31-03-2020
Advance Income-tax & TDS	5,565.22	1,889.71
Less: Provision for Income Tax	(5,378.00)	(1,613.59)
<b>Sub-Total (1)</b>	<b>187.22</b>	<b>276.12</b>
Tax Deposited on income tax demands under contest	311.53	201.11
Provision for income tax for demand under contest	(272.83)	(67.29)
<b>Sub-Total (2)</b>	<b>38.70</b>	<b>133.82</b>
<b>Current tax assets (Net)</b>	<b>225.92</b>	<b>409.94</b>

## 14 Deferred tax assets (net)

(₹ in Crores)		
Particulars	As at 31-12-2020	As at 31-03-2020
Deferred Tax Assets (Net)	2,367.41	2,050.57



## 15 Investment Property

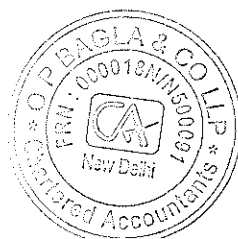
(₹ in Crores)

Particulars	Opening Balance	Additions during the period	Sales/ adjustment during the period	Closing Balance
As at 31.12.2020	0.01	-	-	0.01
As at 31.03.2020	0.01	-	-	0.01

## 16 Property, Plant &amp; Equipment and Intangible Assets

(₹ in Crores)

Particulars	Property, Plant & Equipment										Capital Work-in-Progress	Intangible Assets under Development	Other Intangible Assets
	Freehold Land	Right-of-Use Land	Buildings	Right-of-Use Building	Furniture & Fixtures	EDP Equipments	Office Equipments	Vehicles	Leasehold Improvements	Total	Immovable Property	Computer Software	Computer Software
Gross carrying value													
As at 31.03.2019	110.39	1.59	31.74	-	10.99	22.45	19.90	0.40	2.48	199.94	196.94	1.59	17.38
Additions	-	-	-	2.61	1.33	1.78	2.45	-	-	8.17	51.40	0.38	3.33
Borrowings Cost Capitalised	-	-	-	-	-	-	-	-	-	-	12.07	-	-
Disposals	-	-	-	-	0.60	2.12	1.39	-	-	4.11	-	0.46	0.01
As at 31.12.2019	110.39	1.59	31.74	2.61	11.72	22.11	20.96	0.40	2.48	204.00	260.41	1.51	20.70
As at 31.03.2020	110.39	1.59	31.74	2.65	11.99	22.94	20.98	0.40	2.48	205.16	287.62	0.77	13.74
Additions	-	-	-	0.25	1.71	3.54	3.59	-	-	9.09	99.62	-	0.06
Borrowings Cost Capitalised	-	-	-	-	-	-	-	-	-	-	17.77	-	-
Disposals/ Adjustments	-	-	-	1.50	0.44	2.95	7.56	-	-	12.45	-	-	0.01
As at 31.12.2020	110.39	1.59	31.74	1.40	13.26	23.53	17.01	0.40	2.48	201.80	405.01	0.77	13.79
Accumulated depreciation/ amortisation													
As at 31.03.2019	-	0.31	8.58	-	6.52	15.35	11.34	0.30	0.89	43.29	-	-	8.83
Charge for the period	-	0.01	0.37	0.38	0.52	2.06	2.00	0.01	0.22	5.57	-	-	2.18
Adjustment for disposals	-	-	-	-	0.31	1.89	0.90	-	-	3.10	-	-	0.02
As at 31.12.2019	-	0.32	8.95	0.38	6.73	15.52	12.44	0.31	1.11	45.76	-	-	10.99
As at 31.03.2020	-	0.32	9.06	0.77	6.91	16.56	12.91	0.32	1.34	48.19	-	-	4.92
Charge for the year	-	0.02	0.36	0.47	0.63	2.17	1.95	0.02	0.32	5.94	-	-	2.05
Adjustment for disposals	-	-	-	-	0.15	2.45	4.86	-	-	7.46	-	-	0.01
As at 31.12.2020	-	0.34	9.42	1.24	7.39	16.28	10.00	0.34	1.66	46.67	-	-	6.96
Net block as at 31.12.2019	110.39	1.27	22.79	2.23	4.99	6.59	8.52	0.09	1.37	158.24	260.41	1.51	9.71
Net block as at 31.03.2020	110.39	1.27	22.68	1.88	5.08	6.38	8.07	0.08	1.14	156.97	287.62	0.77	8.82
Net block as at 31.12.2020	110.39	1.25	22.32	0.16	5.87	7.25	7.01	0.06	0.82	155.13	405.01	0.77	6.83





17 Other non-financial assets

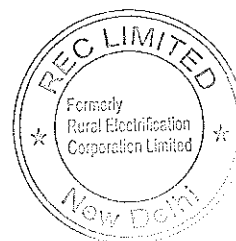
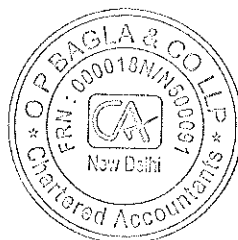
(₹ in Crores)		
Particulars	As at 31-12-2020	As at 31-03-2020
<b>Unsecured, considered good</b>		
(A) Capital Advances (unsecured, considered good)	11.36	50.38
(B) Other Advances	7.27	5.75
(C) Balances with Govt. Authorities	59.41	59.58
(D) Prepaid Expenses	0.02	0.22
(E) Deferred Employee Cost	13.96	13.21
(F) Deferred Expenses	3.73	3.19
(G) Other Assets	0.01	0.04
<b>Total (A to G)</b>	<b>95.76</b>	<b>132.37</b>

18 Disposal Group

(₹ in Crores)		
Particulars	As at 31-12-2020	As at 31-03-2020
<b>Assets classified as held for sale</b>		
(A) Investment in associates	0.65	0.20
(B) Loans to associates	11.94	9.33
<b>Total (A+B)</b>	<b>12.59</b>	<b>9.53</b>
<b>Liabilities directly associated with assets classified as held for sale</b>		
(C) Payable to associates	0.10	0.68
<b>Total (C)</b>	<b>0.10</b>	<b>0.68</b>
<b>Disposal group -Net assets (A+B-C)</b>	<b>12.49</b>	<b>8.85</b>

19 Trade Payables

(₹ in Crores)		
Particulars	As at 31-12-2020	As at 31-03-2020
<b>Trade Payables</b>		
Total outstanding dues of MSMEs	0.04	0.15
Total outstanding dues of creditors other than MSMEs	31.04	46.00
<b>Total</b>	<b>31.08</b>	<b>46.15</b>



## 20 Debt Securities

The Company has categorised all debt securities at amortised cost in accordance with the requirements of Ind AS 109.

(₹ in Crores)

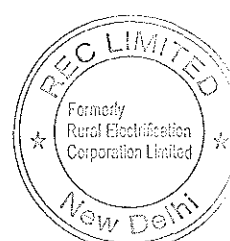
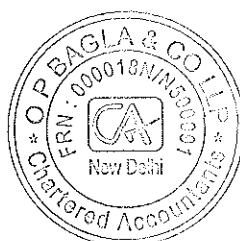
Particulars	As at 31-12-2020		As at 31-03-2020	
	Face Value	Amortised Cost	Face Value	Amortised Cost
<b>(A) Secured Long-Term Debt Securities</b>				
(i) Institutional Bonds	3,470.00	3,599.29	3,470.00	3,679.51
(ii) 54EC Capital Gain Tax Exemption Bonds	19,645.25	20,162.31	21,976.14	22,781.73
(iii) Tax Free Bonds	12,602.97	12,792.38	12,602.97	13,041.35
(iv) Bond Application Money	329.12	328.39	400.19	399.41
<b>Sub-total (A)</b>	<b>36,047.34</b>	<b>36,882.37</b>	<b>38,449.30</b>	<b>39,902.00</b>
<b>(B) Unsecured Long-Term Debt Securities</b>				
(i) Institutional Bonds	1,61,432.90	1,66,916.40	1,48,650.20	1,53,672.91
(ii) Infrastructure Bonds	16.46	26.85	16.46	25.19
(iii) Zero Coupon Bonds	266.52	266.44	1,364.85	1,363.91
(iv) Foreign Currency Bonds	22,646.61	22,178.79	22,615.78	22,064.56
<b>Sub-total (B)</b>	<b>1,84,362.49</b>	<b>1,89,388.48</b>	<b>1,72,647.29</b>	<b>1,77,126.57</b>
<b>(C) Unsecured Short-Term Debt Securities</b>				
(i) Commercial Paper	-	-	2,925.00	2,889.68
<b>Sub-total (C)</b>	<b>-</b>	<b>-</b>	<b>2,925.00</b>	<b>2,889.68</b>
<b>Total - Debt Securities (A+B+C)</b>	<b>2,20,409.83</b>	<b>2,26,270.85</b>	<b>2,14,021.59</b>	<b>2,19,918.25</b>
<b>Debt Securities issued in/ outside India</b>				
(i) Debt Securities in India	1,97,763.22	2,04,092.06	1,91,392.81	1,97,853.69
(ii) Debt Securities outside India	22,646.61	22,178.79	22,615.78	22,064.56
<b>Total - Debt Securities</b>	<b>2,20,409.83</b>	<b>2,26,270.85</b>	<b>2,14,021.59</b>	<b>2,19,918.25</b>

## 21 Borrowings (Other than Debt Securities)

The Company has categorised all borrowings (other than debt securities) at Amortised Cost in accordance with the requirements of Ind AS 109.

(₹ in Crores)

Particulars	As at 31-12-2020		As at 31-03-2020	
	Principal O/s	Amortised Cost	Principal O/s	Amortised Cost
<b>(A) Unsecured Long-Term Borrowings</b>				
(i) Lease Liability	0.22	0.22	2.12	2.12
(ii) Term Loans from Govt. of India	10,000.00	10,122.31	10,000.00	10,326.81
(iii) Term Loans from Banks	29,641.54	29,758.99	18,899.78	18,900.72
(iv) Term Loans from Financial Institutions	1,800.00	1,816.49	1,000.00	1,000.00
(v) Foreign Currency Borrowings	20,866.90	20,748.42	21,762.71	21,579.29
(vi) FCNR (B) Loans	438.32	439.20	1,017.71	1,020.89
<b>Sub-total (A)</b>	<b>62,746.98</b>	<b>62,885.63</b>	<b>52,682.32</b>	<b>52,829.83</b>
<b>(B) Unsecured Short-Term Borrowings</b>				
(i) FCNR (B) Loans	6,757.45	6,763.05	5,955.49	5,964.91
(ii) Short Term Loans/ Loans repayable on demand from Banks	10,575.00	10,597.16	2,754.86	2,755.92
<b>Sub-total (B)</b>	<b>17,332.45</b>	<b>17,360.21</b>	<b>8,710.35</b>	<b>8,720.83</b>
<b>Total - Borrowings (other than Debt Securities) (A to B)</b>	<b>80,079.43</b>	<b>80,245.84</b>	<b>61,392.67</b>	<b>61,550.66</b>
<b>Borrowings (other than Debt Securities) in/ outside India</b>				
(i) Borrowings in India	59,212.53	59,497.42	39,629.96	39,971.37
(ii) Borrowings outside India	20,866.90	20,748.42	21,762.71	21,579.29
<b>Total - Borrowings (other than Debt Securities)</b>	<b>80,079.43</b>	<b>80,245.84</b>	<b>61,392.67</b>	<b>61,550.66</b>



## 22 Subordinated Liabilities

The Company has categorised all debt securities at amortised cost in accordance with the requirements of Ind AS 109.

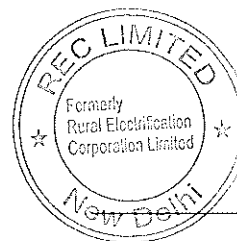
(₹ in Crores)

Particulars	As at 31-12-2020		As at 31-03-2020	
	Face Value	Amortised Cost	Face Value	Amortised Cost
(i) 199th Series - Subordinate Tier-II Bonds - 7.96% Redeemable at par on 15.06.2030	1,999.50	2,088.27	-	-
(ii) 175th Series - Subordinate Tier-II Bonds - 8.97% Redeemable at par on 28.03.2029	2,151.20	2,296.27	2,151.20	2,151.86
(iii) 115th Series - Subordinate Tier-II Bonds - 8.06% Redeemable at par on 31.05.2023	2,500.00	2,618.16	2,500.00	2,667.79
<b>Total - Subordinated Liabilities</b>	<b>6,650.70</b>	<b>7,002.70</b>	<b>4,651.20</b>	<b>4,819.65</b>
<b>Subordinated Liabilities in/ outside India</b>				
(i) Borrowings in India	6,650.70	7,002.70	4,651.20	4,651.20
(ii) Borrowings outside India	-	-	-	-
<b>Total - Subordinated Liabilities</b>	<b>6,650.70</b>	<b>7,002.70</b>	<b>4,651.20</b>	<b>4,651.20</b>

### 22.1 Reconciliation between carrying values and the actual amounts outstanding in respect of Borrowings:

(₹ in Crores)

Particulars	Debt Securities	Other Borrowings	Subordinated Liabilities	Total
<b>As at 31st December 2020</b>				
<b>Total Amount as per Ind-AS</b>	<b>2,26,270.85</b>	<b>80,245.84</b>	<b>7,002.70</b>	<b>3,13,519.39</b>
Less: Interest accrued on Borrowings classified under the same head as per Ind-AS	(6,696.25)	(329.77)	(355.39)	(7,381.41)
Add: Ind-AS Adjustments in respect of transaction costs at Effective Interest Rate (EIR)	835.24	163.37	3.39	1,002.00
<b>Total Borrowings Outstanding</b>	<b>2,20,409.84</b>	<b>80,079.44</b>	<b>6,650.70</b>	<b>3,07,139.98</b>
<b>As at 31st March 2020</b>				
<b>Total Amount as per Ind-AS</b>	<b>2,19,918.25</b>	<b>61,550.66</b>	<b>4,819.65</b>	<b>2,86,288.56</b>
Less: Interest accrued on Borrowings classified under the same head as per Ind-AS	(6,872.67)	(392.52)	(170.57)	(7,435.76)
Add: Ind-AS Adjustments in respect of transaction costs at Effective Interest Rate (EIR)	976.01	234.53	2.12	1,212.66
<b>Total Borrowings Outstanding</b>	<b>2,14,021.59</b>	<b>61,392.67</b>	<b>4,651.20</b>	<b>2,80,065.46</b>



## 23 Other Financial Liabilities

(₹ in Crores)		
Particulars	As at 31-12-2020	As at 31-03-2020
(A) Unpaid Dividends	5.25	4.75
(B) Unpaid Principal & Interest on Bonds		
- Matured Bonds & Interest Accrued thereon	52.34	39.13
- Interest on Bonds	19.46	17.97
Sub-total (B)	71.80	57.10
(C) Funds Received from Govt. of India for Disbursement as Subsidy/ Grant (cumulative)		
Add: Interest on such funds (net of refund)	31.89	31.96
Less: Disbursed to Beneficiaries (cumulative)	(86,036.62)	(83,684.07)
Undisbursed Funds to be disbursed as Subsidy/ Grant	276.93	1,779.63
(D) Payables towards Bonds Fully serviced by Govt. of India	22,082.89	21,792.32
(E) Payable towards funded staff benefits	0.68	0.38
(F) Other Liabilities	140.34	148.03
<b>Total (A to F)</b>	<b>22,577.89</b>	<b>23,782.21</b>

## 24 Current tax liabilities (net)

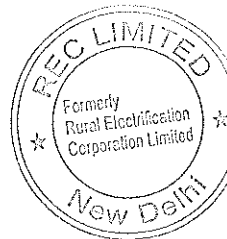
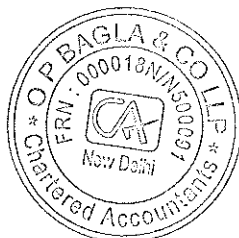
Particulars	As at 31-12-2020	As at 31-03-2020
Provision for Income Tax	(1,825.09)	-
Less: Advance Income-tax & TDS	1,988.24	-
<b>Current tax liabilities (Net)</b>	<b>163.15</b>	<b>-</b>

## 25 Provisions

(₹ in Crores)		
Particulars	As at 31-12-2020	As at 31-03-2020
(A) Provisions for Employee Benefits		
Earned Leave Liability	18.00	16.22
Medical Leave Liability	21.13	21.87
Settlement Allowance	1.71	1.60
Economic Rehabilitation Scheme	4.26	4.25
Long Service Award	2.27	1.89
Incentive	41.71	52.57
Loyalty Bonus	0.50	0.31
Sub-total (A)	89.58	98.71
(B) Others		
Expected Credit Loss on Letters of Comfort	9.63	8.38
Sub-total (B)	9.63	8.38
<b>Total (A+B)</b>	<b>99.21</b>	<b>107.09</b>

## 26 Other Non-Financial Liabilities

(₹ in Crores)		
Particulars	As at 31-12-2020	As at 31-03-2020
(A) Income Received in Advance	0.35	0.15
(B) Sundry Liabilities Account (Interest Capitalisation)	5.40	6.57
(C) Unamortised Fee on Undisbursed Loans	62.42	46.15
(D) Advance received from Govt. towards Govt. Schemes	22.79	4.14
(E) Statutory Dues	19.49	24.74
(F) Other Liabilities	1.36	1.48
<b>Total (A to F)</b>	<b>111.81</b>	<b>83.23</b>



## 27 Equity Share Capital

(₹ in Crores)

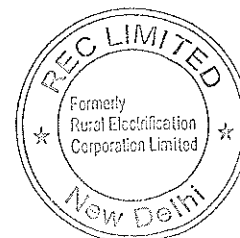
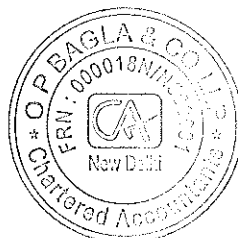
Particulars	As at 31-12-2020		As at 31-03-2020	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised :</b> Equity shares of ₹ 10 each	5,00,00,00,000	5,000.00	5,00,00,00,000	5,000.00
<b>Issued, Subscribed and Paid up :</b> Fully paid up Equity shares of ₹ 10 each	1,97,49,18,000	1,974.92	1,97,49,18,000	1,974.92
<b>Total</b>	<b>1,97,49,18,000</b>	<b>1,974.92</b>	<b>1,97,49,18,000</b>	<b>1,974.92</b>

## 28 Other Equity

(₹ in Crores)

Particulars	As at 31-12-2020	As at 31-03-2020
<b>(A) Other Reserves</b>		
(i) Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961	18,621.31	16,659.10
(ii) Reserve for Bad and doubtful debts u/s 36(1)(viii) of the Income Tax Act, 1961	2,128.41	2,992.83
(iii) Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	3,390.00	2,131.00
(iv) Securities Premium	2,236.54	2,236.54
(v) Foreign Currency Monetary Item Translation Difference Account	(608.17)	(1,719.38)
(vi) Capital Reserve	4.70	4.70
(vii) General Reserve	9,109.89	6,976.23
(viii) Impairment Reserve	793.29	793.29
<b>(B) Retained Earnings</b>	<b>4,479.77</b>	<b>3,674.25</b>
<b>(C) Other Comprehensive Income (OCI)</b>		
- Share of Other Comprehensive Income/ (loss) of Joint Venture accounted for using equity method	(1.19)	(2.48)
- Equity Instruments through Other Comprehensive Income	55.62	106.26
- Effective Portion of Cash Flow Hedges	(234.91)	(226.08)
- Cost of Hedging reserve	128.12	(204.75)
<b>Total - Other Equity (A+B+C)</b>	<b>40,103.38</b>	<b>33,421.51</b>

Additions and deductions to the components of 'Other Equity' has been disclosed in 'Statement of Changes in Equity'.



## 29 Interest Income

(₹ in Crores)

Particulars	Period ended 31.12.2020			Period ended 31.12.2019		
	On Financial Assets measured at Fair Value through OCI	On Financial Assets measured at Amortised Cost	On Financial Assets measured at Fair Value through Profit or Loss	On Financial Assets measured at Fair Value through OCI	On Financial Assets measured at Amortised Cost	On Financial Assets measured at Fair Value through Profit or Loss
(A) Interest on Loan Assets						
(i) Long term financing	-	25,491.86	-	-	21,579.05	-
Less: Rebate for timely payments/completion etc	-	(0.05)	-	-	(0.06)	-
Long term financing (net)	-	25,491.81	-	-	21,578.99	-
(ii) Short term financing	-	64.74	-	-	152.18	-
Sub-total (A)	-	25,556.55	-	-	21,731.17	-
(B) Interest Income from Investments						
(i) Interest from CP/ICD	-	-	-	-	0.21	-
(ii) Interest from Govt. Securities	-	-	1.46	-	1.89	-
(iii) Interest from Long Term Investments	-	4.12	147.67	-	1.84	126.54
(iii) Interest from Short Term Investments	-	-	0.88	-	-	-
Sub-total (B)	-	4.12	150.01	-	3.94	126.54
(C) Interest on Deposits with Banks						
(i) Interest from Deposits	-	127.82	-	-	45.87	-
Sub-total (C)	-	127.82	-	-	45.87	-
(D) Other Interest Income						
(i) Interest from Staff Advances	-	2.72	-	-	3.50	-
(ii) Interest on Mobilisation Advance	-	0.50	-	-	1.94	-
(iii) Unwinding of Discount of Security Deposits	-	0.04	-	-	0.06	-
(iv) Interest from SPVs	-	0.11	-	-	0.98	-
Sub-total (D)	-	3.37	-	-	6.48	-
Total (A to D)	-	25,691.86	150.01	-	21,787.46	126.54

## 30 Dividend Income

(₹ in Crores)

Particulars	Period ended 31.12.2020	Period ended 31.12.2019
- Dividend from Long-Term Investments	5.69	13.16
Total - Dividend Income	5.69	13.16

## 31 Fees and Commission Income

(₹ in Crores)

Particulars	Period ended 31.12.2020	Period ended 31.12.2019
Fees based Income	16.85	1.80
Prepayment Premium	20.77	9.99
Fee for Implementation of Govt. Schemes	25.29	17.17
Total - Fees and Commission Income	62.91	28.96

## 32 Sale of services

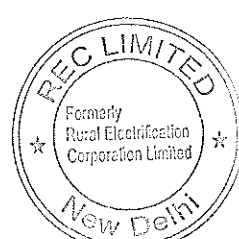
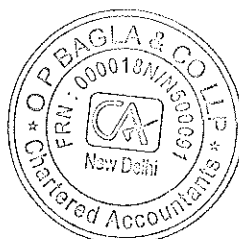
(₹ in Crores)

Particulars	Period ended 31.12.2020	Period ended 31.12.2019
Consultancy Engineering Services	97.92	122.06
Execution of IT Implementation projects	1.13	4.06
Income from REC - UE Village Project	3.67	6.06
Documentation fees	0.10	-
Total	102.82	132.18

## 33 Other Income

(₹ in Crores)

Particulars	Period ended 31.12.2020	Period ended 31.12.2019
- Fees from Training Courses	0.24	3.81
- Interest from Income Tax Refund	0.94	1.94
- Miscellaneous Income	17.24	9.44
Total	18.42	15.19



### 34 Finance Costs

Finance Costs have been incurred on financial liabilities measured at amortised cost.

(₹ in Crores)

Particulars	Period ended 31.12.2020	Period ended 31.12.2019
(i) Interest on Debt Securities		
- Domestic Debt Securities	11,549.86	10,290.86
- Foreign Currency Debt Securities	900.85	591.22
- Commercial Paper	35.32	421.17
Sub-Total (i)	12,486.03	11,303.25
(ii) Interest on Borrowings		
- Loans from Govt. of India	618.00	408.47
- Loans from Banks/ Financial Institutions	1,500.39	1,362.89
- External Commercial Borrowings	522.06	690.84
- Lease Liability	0.10	-
Sub-Total (ii)	2,640.55	2,462.20
(iii) Interest on Subordinated Liabilities		
- Subordinate Bonds	296.28	297.21
Sub-Total (iii)	296.28	297.21
(iv) Other Interest Expense		
- Swap Premium	641.25	-
- Interest on Income Tax	-	0.18
- Interest on liability towards employee benefits	1.35	-
- Miscellaneous interest expense	0.64	0.31
Sub-Total (iv)	643.24	0.49
Total - Finance Costs	16,066.10	14,063.15
Less: Finance Costs Capitalised	(17.77)	(12.07)
Total - Finance Costs (Net)	16,048.33	14,051.08

### 35 Net translation/ transaction exchange loss/ (gain)

(₹ in Crores)

Particulars	Period ended 31.12.2020	Period ended 31.12.2019
Net translation/ transaction exchange loss/ (gain)	116.97	1,025.15
Total	116.97	1,025.15

### 36 Fees and commission expense

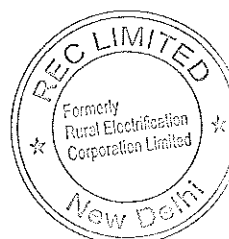
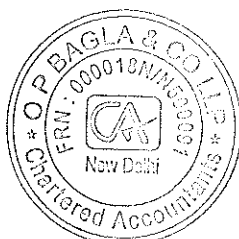
(₹ in Crores)

Particulars	Period ended 31.12.2020	Period ended 31.12.2019
(i) Guarantee Fee	-	5.63
(ii) Listing and Trusteeship Fee	0.78	1.42
(iii) Agency Fees	0.80	0.88
(iv) Credit Rating Expenses	3.19	2.84
(v) Other Finance Charges	4.15	4.18
Total (i to v)	8.92	14.95

### 37 Net Gain/ (loss) on Fair Value Changes

(₹ in Crores)

Particulars	Period ended 31.12.2020	Period ended 31.12.2019
(A) Net gain/ (loss) on financial instruments at Fair Value through profit or loss		
(i) On trading Portfolio	-	-
(ii) Others		
- Changes in fair value of Derivatives	301.24	78.44
- Changes in fair value of Long Term Investments	2.25	-
- Changes in fair value of Short-term MF investments	21.02	13.68
- Changes in fair value of HQLA Investments	3.42	-
Sub-total (ii)	327.93	92.12
Total (A)	327.93	92.12
Breakup of Fair Value Changes		
- Realised	39.94	15.53
- Unrealised	287.99	76.59
Total Net Gain/ (loss) on Fair Value Changes	327.93	92.12



## 38 Impairment on financial instruments

(₹ in Crores)

Particulars	Period ended 31.12.2020		Period ended 31.12.2019	
	On financial instruments measured at FVOCI	On financial instruments measured at Amortised Cost	On financial instruments measured at FVOCI	On financial instruments measured at Amortised Cost
(i) - Loans *	-	1,716.05	-	348.93
(ii) - Others	-	10.43	-	14.00
<b>Total (i+ii)</b>	-	<b>1,726.48</b>	-	<b>362.93</b>

\* includes ₹ 1.24 crores (Previous period ₹ 3.79 crores towards impairment allowance on Letters of Comfort).

## 39 Cost of services rendered

(₹ in Crores)

Particulars	Period ended 31.12.2020	Period ended 31.12.2019
Project Expenses	57.69	48.57
<b>Total</b>	<b>57.69</b>	<b>48.57</b>

## 40 Employee Benefits Expense

(₹ in Crores)

Particulars	Period ended 31.12.2020	Period ended 31.12.2019
- Salaries and Allowances	89.48	111.92
- Contribution to Provident Fund and Other Funds	10.63	11.56
- Expenses towards Post Employment Benefits	3.64	1.84
- Rent towards Residential Accommodation for Employees	1.55	1.10
- Staff Welfare Expenses	18.60	20.84
<b>Total</b>	<b>123.90</b>	<b>147.26</b>

## 41 Depreciation and amortization

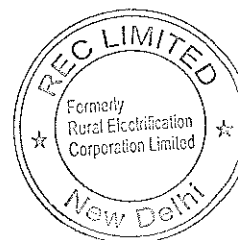
(₹ in Crores)

Particulars	Period ended 31.12.2020	Period ended 31.12.2019
- Depreciation on Property, Plant & Equipment	5.94	6.03
- Amortization on Intangible Assets	2.05	2.18
<b>Total</b>	<b>7.99</b>	<b>8.21</b>

## 42 Corporate Social Responsibility Expenses

(₹ in Crores)

Particulars	Period ended 31.12.2020	Period ended 31.12.2019
- Direct Expenditure	107.12	79.25
- Overheads	3.27	3.62
<b>Total</b>	<b>110.39</b>	<b>82.87</b>



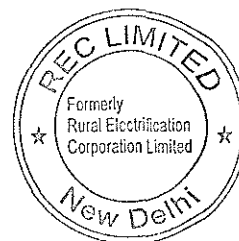


**43 Other Expenses**

₹ in Crores		
Particulars	Period ended 31.12.2020	Period ended 31.12.2019
- Travelling and Conveyance	6.38	11.73
- Publicity & Promotion Expenses	4.87	5.07
- Repairs and Maintenance	8.36	8.97
- Rent, taxes and energy costs	11.25	11.55
- Insurance Charges	0.08	0.11
- Communication costs	1.66	1.66
- Printing & stationery	0.74	2.95
- Director's sitting fees	0.06	0.17
- Auditors' fees and expenses	0.62	0.80
- Legal & Professional Charges	7.86	9.49
- Net Loss on Disposal of Property, Plant & Equipment	3.33	0.86
- Monitoring Expenses	12.87	5.93
- Miscellaneous Expenses	19.26	36.91
<b>Total</b>	<b>77.34</b>	<b>96.20</b>

**44 Tax Expense**

₹ in Crores		
Particulars	Period ended 31.12.2020	Period ended 31.12.2019
- Current tax expense	2,071.39	1,284.60
- Current tax expense/ (benefit) pertaining to earlier years	133.72	64.11
<b>Sub-total - Current Tax</b>	<b>2,205.11</b>	<b>1,348.71</b>
- Deferred tax expense/ (credit)	430.30	518.76
<b>Total</b>	<b>1,774.81</b>	<b>1,867.47</b>



Particulars	Period ended 31.12.2020	Period ended 31.12.2019
<b>Numerator</b>		
Profit for the period from continuing operations as per Statement of Profit and Loss (₹ in Crores)	6,300.40	4,498.28
Profit for the period from continuing and discontinued operations as per Statement of Profit and Loss (₹ in Crores)	6,300.40	4,498.28
<b>Denominator</b>		
Weighted average Number of equity shares	1,97,49,18,000	1,97,49,18,000
Basic & Diluted Earnings per Share (in ₹ for an equity share of ₹ 10 each) (for continuing operations)	31.90	22.78
Basic & Diluted Earnings per Share (in ₹ for an equity share of ₹ 10 each) (for continuing and discontinued operations)	31.90	22.78

