रूरल इलेक्ट्रीफिकेशन कारपोरेशन लिमिटेड
Rural Electrification Corporation Limited
(भारत सरकार का उद्यम) / (A Government of India Enterprise)
Regd. Office: Core-4, SCOPE Complex, 7 Lodhi Road, New Delhi 110 003
Tel: +91-11-4102 0101 Fax: +91.11.2436 0644 E-mail: reccorp@recl.nic.in
CIN : L40101DL1969GOI005095 Website: www.recindia.nic.in

आरईसी REC
असीमित ऊर्जा, अनन्त संभावनाएं
Endless energy. Infinite possibilities.

स्वच्छ भारत
एक कदम स्वच्छता की ओर

SEC-1/187(2)/2018/ 2991 **Dated: October 12, 2018**

Listing Department, National Stock Exchange of India Limited Exchange Plaza, BandraKurla Complex, Bandra (East), **Mumbai – 400 051.**	**Corporate Relationship Department** BSE Limited 1st Floor, Phiroze Jeejeebhoy Towers Dalal Street, Fort, **Mumbai – 400 001.**
Scrip Code—RECLTD	**Scrip Code—532955**

Sub: Submission of Interim Financial Statements for the quarter ended June 30, 2018 for incorporation in Offering Circular of GMTN Programme of REC.

Dear Sir(s),

In continuation of our letter dated October 5, 2018 on the above cited subject and in terms of Regulation 30 of SEBI (LODR) Regulations, 2015, we are submitting herewith Interim Financial Statements for the quarter ended June 30, 2018 for incorporation in Offering Circular of Global Medium Term Note (GMTN) Programme of REC. The same have been reviewed by the Audit Committee and approved & taken on record by the Board of Directors of the Company in their Meetings held on October 12, 2018.

The aforesaid Interim Financial Statements have been subjected to Limited Review by Statutory Auditors of the Company i.e. M/s. G.S. Mathur & Co., Chartered Accountants and M/s. A.R. & Co., Chartered Accountants and a copy of the Limited Review Report is enclosed herewith for your reference and record.

Thanking you,

Yours faithfully,

(J.S. Amitabh)
General Manager & Company Secretary

Encl.: As above

Rural Electrification Corporation Limited (A Govt. of India Enterprise)
Registered Office - Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi - 110003, CIN: L40101DL1969GOI005095

Balance Sheet as at 30th June 2018

(₹ in Crores)

S. No.	Particulars	Note No.	As at 30.06.2018	As at 30.06.2017
I.	**ASSETS**			
(1)	**Non-current Assets**			
(a)	Property, Plant & Equipment	4	139.22	120.01
(b)	Capital Work-in-Progress	5	134.27	73.21
(c)	Investment Property	6	0.01	0.01
(d)	Other Intangible Assets	7	4.88	0.34
(e)	Intangible Assets Under Development	8	1.91	1.46
(f)	Financial Assets			
	(i) Investments	9	2,644.80	2,786.69
	(ii) Loans	10	2,02,083.88	1,78,812.56
	(iii) Other financial assets	11	4,743.99	413.70
(g)	Deferred tax assets (net)		2,585.13	2,425.46
(h)	Other non-current assets	12	44.77	50.15
	Total non-current assets (1)		**2,12,382.86**	**1,84,683.59**
(2)	**Current Assets**			
(a)	Financial Assets			
	(i) Investments	9	145.99	297.91
	(ii) Cash and cash equivalents	13	363.29	935.89
	(iii) Other bank balances	14	2,472.36	462.88
	(iv) Loans	10	29,108.08	20,439.90
	(v) Other financial assets	11	842.14	144.56
(b)	Other current assets	12	1.83	6.52
	Total current assets (2)		**32,933.69**	**22,287.66**
	Total ASSETS (1+2)		**2,45,316.55**	**2,06,971.25**
II.	**EQUITY & LIABILITIES**			
(1)	**Equity**			
(a)	Equity Share Capital	15	1,974.92	1,974.92
(b)	Other equity	16	30,502.91	29,600.29
	Total equity (1)		**32,477.83**	**31,575.21**
(2)	**Non-current Liabilities**			
(a)	Financial Liabilities			
	(i) Borrowings	17	1,59,510.27	1,49,018.04
	(ii) Other financial liabilities	18	4,132.55	240.70
(b)	Provisions	19	136.87	151.62
	Total non-current liabilities (2)		**1,63,779.69**	**1,49,410.36**
(3)	**Current Liabilities**			
(a)	Financial Liabilities			
	(i) Borrowings	17	6,028.37	1,484.23
	(ii) Other financial liabilities	18	42,883.85	24,187.59
(b)	Other current liabilities	20	20.14	8.59
(c)	Provisions	19	65.34	59.59
(d)	Current Tax Liabilities (net)		61.33	245.68
	Total current liabilities (3)		**49,059.03**	**25,985.68**
	Total EQUITY & LIABILITIES (1+2+3)		**2,45,316.55**	**2,06,971.25**

Notes to Accounts 1 to 36 form an integral part of these interim financial statements.

For and on behalf of the Board

P.V. Ramesh
Chairman and Managing Director
DIN - 02836069

Rural Electrification Corporation Ltd. New Delhi

Place: New Delhi
Date: 12th October 2018

G. S. MATHUR & CO. A-160 Defence Colony New Delhi Chartered Accountants

A. R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

Rural Electrification Corporation Limited (A Govt. of India Enterprise)
Registered Office - Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi - 110003, CIN: L40101DL1969GOI005095

Statement of Profit & Loss for the Period ended 30th June 2018

(₹ in Crores)

S. No.	Particulars	Note No.	Period ended 30.06.2018	Period ended 30.06.2017
I.	**Income**			
(i)	Revenue from Operations	21	5,738.59	5,626.85
(ii)	Other Income	22	580.42	1.16
II.	**Total Income (i+ii)**		**6,319.01**	**5,628.01**
III.	**Expenses**			
(i)	Finance Costs	23	3,628.05	3,186.55
(ii)	Employee Benefits Expense	24	43.18	56.50
(iii)	Depreciation & Amortization	4,7	1.59	1.29
(iv)	Corporate Social Responsibility Expenses	25	47.47	5.34
(v)	Impairment losses on financial assets		131.84	722.99
(vi)	Other Expenses	26	356.04	254.42
	Total Expenses (i to vi)		**4,208.17**	**4,227.09**
IV.	**Profit before Tax (II-III)**		**2,110.84**	**1,400.92**
V.	**Tax Expense**			
(i)	Current tax		344.14	572.87
(ii)	Deferred Tax		298.00	(247.91)
	Total Tax Expense (i+ii)		**642.14**	**324.96**
VI.	**Net Profit for the period**		**1,468.70**	**1,075.96**
VII.	**Other comprehensive Income/(Loss)**			
(i)	**Items that will not be reclassified to profit or loss**			
(a)	- Changes in Fair Value of FVOCI Equity Instruments		(71.44)	(15.39)
(b)	- Income tax relating to these items		(0.83)	-
VIII.	**Other comprehensive Income/(Loss) for the period (a+b)**		**(72.27)**	**(15.39)**
IX.	**Total comprehensive Income for the period (VII+VIII)**		**1,396.43**	**1,060.57**
X.	**Earnings per Equity Share (in ₹ for an equity share of ₹ 10 each)**			
(1)	Basic	27	**7.44**	**5.45**
(2)	Diluted	27	**7.44**	**5.45**

Notes to Accounts 1 to 36 form an integral part of these interim financial statements.

For and on behalf of the Board

P.V. Ramesh
Chairman and Managing Director
DIN - 02836069

Rural Electrification Corporation Ltd. New Delhi

Place: New Delhi
Date: 12th October 2018

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Statement of Changes in Equity

A Equity share capital

(₹ in Crores)

Particulars	Amount
Balance as at 1 April 2017	**1,974.92**
Changes in equity share capital during the period	-
Balance as at 30 June 2017	**1,974.92**

(₹ in Crores)

Particulars	Amount
Balance as at 1 April 2018	**1,974.92**
Changes in equity share capital during the period	-
Balance as at 30 June 2018	**1,974.92**

B Other Equity

(₹ in Crores)

Particulars	Securities Premium Account	Debenture Redemption Reserve	Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961	Reserve for Bad and doubtful debts u/s 36(1)(viia) of the Income Tax Act, 1961	Foreign Currency Monetary Item Translation Difference Account	Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	General Reserve	Retained Earnings	Total
Balance as at 1 April 2017	2,236.54	924.95	12,230.70	2,425.30	203.78	-	4,677.40	5,889.37	28,588.04
Profit / (Loss) for the period								1,075.96	1,075.96
Other Comprehensive Income for the period								(15.39)	(15.39)
Transfer to Debenture Redemption Reserve		49.15						(49.15)	-
Transfer to Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961			375.13					(375.13)	-
Transfer to Reserve for Bad and doubtful debts u/s 36(1)(viia) of the Income Tax Act, 1961				79.12				(79.12)	-
Foreign Currency Translation Gain/ (Loss) on long term monetary items during the period					(104.74)				(104.74)
Amortisation of FCMITD Account					56.42				56.42
Balance as at 30 June 2017	**2,236.54**	**974.10**	**12,605.83**	**2,504.42**	**155.46**	**-**	**4,677.40**	**6,446.54**	**29,600.29**

(₹ in Crores)

Particulars	Securities Premium Account	Debenture Redemption Reserve	Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961	Reserve for Bad and doubtful debts u/s 36(1)(viia) of the Income Tax Act, 1961	Foreign Currency Monetary Item Translation Difference Account	Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	General Reserve	Retained Earnings	Total
Balance as at 1 April 2018	2,236.54	1,121.54	13,813.19	2,761.10	(86.29)	-	5,177.40	5,276.22	30,299.70
Profit / (Loss) for the period								1,468.70	1,468.70
Other Comprehensive Income for the period								(72.27)	(72.27)
Transfer to Debenture Redemption Reserve		49.15						(49.15)	-
Transfer to Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961			254.68					(254.68)	-
Transfer to Reserve for Bad and doubtful debts u/s 36(1)(viia) of the Income Tax Act, 1961				53.05				(53.05)	-
Transfer to Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934						294.00		(294.00)	-
Foreign Currency Translation Gain/ (Loss) on long term monetary items during the period					(1,414.81)				(1,414.81)
Amortisation of FCMITD Account					221.59				221.59
Balance as at 30 June 2018	**2,236.54**	**1,170.69**	**14,067.87**	**2,814.15**	**(1,279.51)**	**294.00**	**5,177.40**	**6,021.77**	**30,502.91**

For and on behalf of the Board

P.V. Ramesh
Chairman and Managing Director
DIN - 02836069

Rural Electrification Corporation Ltd. New Delhi

Place: New Delhi
Date: 12th October 2018

G. S. MATHUR & CO. A-160 Defence Colony New Delhi Chartered Accountants

A. R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

NOTES TO ACCOUNTS

1. COMPANY OVERVIEW

Rural Electrification Corporation Limited ("REC" or the "Company") is a leading public Infrastructure Finance Company in India lending to the power sector. The Company finances and promotes rural electrification projects across India. The principal products of REC as a leading Public Financial Institution are interest bearing loans to State Electricity Boards, State Power utilities/State Power Departments and Private sector for all segments of Power infrastructure.

The Company is headquartered in New Delhi, India. The shares of the Company are listed on the National Stock Exchange and the Bombay Stock Exchange. Its registered office and principal place of business is situated at Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003, India.

2. BASIS OF PREPARATION AND MEASUREMENT

The special purpose interim financial statements of the Company for the quarter ended 30 June 2018 (the 'interim financial statements') have been prepared for the purpose of inclusion in the Offering Circular of the Company, and complies with recognition and measurement requirements of Indian Accounting Standards (hereinafter referred to as the 'Ind-AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. The Company has uniformly applied the accounting policies during the periods presented. These are the Company's first interim financial statements prepared using recognition and measurement requirements of Ind AS (see note 29 for explanation of transition to Ind-AS). Unless otherwise stated, all amounts are stated in crores of Rupees.

The interim financial statements have been prepared on accrual and going concern basis.

The interim financial statements have been prepared under historical cost convention basis except for the following –

- Certain financial instruments which are measured at fair value;
- Defined benefit plans measured using actuarial valuations;

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared using the accounting policies and measurement basis summarized below.

3.1. FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The interim financial statements are presented in Indian Rupee ('INR') which is also the functional currency of the Company, since substantially the entire operational income and majority of its funding is denominated in Indian Rupee.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Company using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at period-end exchange rates are recognized in profit or loss. However, for the long-term monetary items recognised in the financial statements as on 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).

3.2. INTANGIBLE ASSETS

Recognition

Intangible assets

Intangible assets comprise of computer software which is initially measured at acquisition cost thereof.

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Rural Electrification Corporation Ltd. New Delhi

Subsequent measurement

All intangible assets with definite 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.

The estimated useful lives are as follows:

Asset category	Estimated useful life (in years)
Computer Software	5

3.3. PROPERTY, PLANT AND EQUIPMENT

Recognition

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 held under finance lease, which is depreciated over the lease term.

Other tangible assets
Property, plant and equipment other than land are initially recognized at acquisition cost or manufacturing 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.

The cost of property, plant and equipment under construction at the balance sheet date are disclosed as 'Capital work-in-progress'. Advances paid for the acquisition/ construction of property, plant and equipment which are outstanding at the balance sheet date are classified under 'Capital Advances'.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognized in profit or loss within 'other income' or 'other expenses' respectively.

Subsequent measurement

Depreciation
Depreciation on assets is provided on straight-line method in accordance with the useful lives under Schedule II to 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.

Leasehold land is amortized over the lease period.

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

3.4. LEASED ASSETS

Finance leases
Management applies judgment in considering the substance of a lease agreement and whether the lessee receives substantially all the risks and rewards incidental to ownership of the leased asset. Key factors considered include the length of the lease term in relation to the economic life of the asset, the present value of the minimum lease payments in relation to the asset's fair value, and whether the Company obtains ownership of the asset at the end of the lease term. Where the Company is a lessee in this type of arrangement, the related asset is recognized at the inception

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of the lease at the fair value of the leased asset or, if lower, the present value of the lease payments plus incidental payments, if any. A corresponding amount is recognized as a finance lease liability.

The assets held under finance leases are depreciated over the lease term. The corresponding finance lease liability is reduced by lease payments net of finance charges. The interest element of lease payments represents a constant proportion of the outstanding liability and is charged to profit or loss, as finance costs over the period of the lease.

Operating leases
All other leases are treated as operating leases. Where the Company is a lessee, payments on operating lease agreements are recognized as an expense on a straight-line basis over the lease term, except where the increase is in line with general inflation. Associated costs, such as maintenance and insurance, are expensed as incurred.

3.5. INVESTMENT PROPERTY

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). 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 recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Subsequent measurement (depreciation and useful lives)

Depreciation on investment properties is provided on straight-line method, computed on the basis of useful lives prescribed under Part C of Schedule II to the Companies Act, 2013.

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

De-recognition
An investment property is derecognised 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.

3.6. IMPAIRMENT OF NON-FINANCIAL ASSETS

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Intangible assets with indefinite useful life are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to

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calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of future reorganizations and asset enhancements.

Discount factors are determined individually for each cash-generating unit and reflect current market assessment of the time value of money and asset-specific risks factors.

Impairment losses for cash-generating units are charged pro rata to the non-financial assets in the cash-generating unit. All assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount. Impairment losses relating to goodwill are not reversed in future periods.

3.7. FINANCIAL INSTRUMENTS

Recognition, initial measurement and derecognition
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.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

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

- Amortised 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 of 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 for each category of financial assets, which are described below.

Amortised cost
A financial asset shall be measured at amortised cost using effective interest rates 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 in order 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.

The Company's loans and advances, security deposits, staff loans, cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

A loss allowance for expected credit losses is recognised on financial assets carried at amortised 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 the derecognition of that financial asset, the Company recalculates the gross carrying amount of the financial asset and shall recognises 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 amortised over the remaining term of the modified financial asset.

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Expected credit losses
The Company has recognised impairment provisions based on the Expected Credit Loss (ECL) model.

The Company has applied the ECL model to all debt-type assets that are not measured at fair value through profit and loss or classified as fair value through other comprehensive income.

ECL are a probability-weighted estimate of credit losses, and is calculated as the present value of all cash shortfalls. The Company calculates loss allowances by multiplying the 12 months' probability of default ('PD') by the total credit losses that would result from that default for the instruments that have not deteriorated significantly in credit quality since initial recognition or (where the optional low credit risk simplification is applied) that have low credit risk, based on assessed credit quality and recognised industry standards.

On the other hand, the Company recognises lifetime expected credit losses for any assets which are not considered to have 'low' credit risk and where credit quality is considered to have significantly deteriorated. When determining whether the credit quality has significantly deteriorated, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort, and the corresponding increase in the probability of default.

Definition of default
The Company considers a financial asset to be in default when the borrower is 90 days past due on any material obligation to the Company, or when the Company considers that the borrower will be unlikely to pay its credit obligations to the Company in full. The Company considers qualitative and quantitative data of the borrower, received from both internal and external sources, to determine whether a borrower is in default.

For assets where default has occurred, interest income is not recognised.

Incorporation of forward looking information
The Company incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. The estimates of probability of default are suitability adjusted by the Company based on the assessment of relevant economic variables.

Recovery rates
The Company estimates loss given default as the magnitude of the expected loss if there is a default. The Company considers the collateral type, coverage, structure of the instrument, and disposal costs of any collateral. Such estimates are adjusted based on the current economic conditions and expectations of future, and are discounted to their present values using the effective interest rate.

In cases where the Company does not have adequate internal data for estimation of expected credit losses, it uses external data, and engages with market experts.

Financial assets at FVTPL
Financial assets at FVTPL include financial assets that are either do not meet the criteria for amortised 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. 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.

Classification and subsequent measurement of financial liabilities

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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 derivative financial instruments that are not designated and effective as hedging instruments are accounted for at FVTPL.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss and are included within finance costs or finance income.

Derecognition of financial liabilities
A financial liability is derecognised 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 recognised in the statement of profit or loss.

Derivative financial instruments and hedge accounting
Derivative financial instruments are accounted for at FVTPL. The Company does not apply hedge accounting.

3.8. 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 3 months) that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3.9. INCOME TAXES

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. 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 asset ('DTA') is recognized for all deductible temporary differences, carry forward of unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary difference, and the carry forward of unused tax credits and unused tax losses can be utilized or to the extent of taxable temporary differences except:

- Where the DTA relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit or loss.
- in respect of deductible temporary differences arising from investments in subsidiaries, and interests in joint arrangements, to the extent that, and only to the extent that, it is probable that the temporary difference will reverse in the foreseeable future; and taxable profit will be available against which the temporary difference can be utilized.

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This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

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.

3.10. POST-EMPLOYMENT BENEFITS AND SHORT-TERM EMPLOYEE BENEFITS

Defined contribution plan

A defined contribution plan is a plan under which the Company pays fixed contributions into an independent fund administered by the government. The Company has no legal or constructive obligations to pay further contributions after its payment of the fixed contribution. The contributions to national pension schemes are charged to the profit or loss in the period to which the contributions relate.

Defined benefit plan

The defined benefit plans sponsored by the Company define the amount of the benefit that an employee will receive on completion of services by reference to length of service and last drawn salary. The legal obligation for any benefits remains with the Company. Gratuity is post-employment benefit and is in the nature of a defined benefit plan. The liability recognised in the financial statements in respect of gratuity is the present value of the defined benefit obligation net of fair value of plan assets at the reporting date, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated at or near the reporting date by an independent actuary using the projected unit credit method.

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

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 an 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.

Short-term employee benefits

Expense in respect of other short term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

3.11. GOVERNMENT GRANTS

Government grants are only recognized if it is sufficiently certain that the assistance will be granted and the conditions attached to the assistance are satisfied. Where the grant relates to an asset value, it is recognized as deferred income, and amortized over the expected useful life of the asset. Other grants are recognized in the consolidated statement of profit and loss concurrent to the expenses to which such grants relate/ are intended to cover.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

3.12. 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

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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. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

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 with respect to the obligation (such as from insurance) is recognized as a separate asset. However, this asset may not exceed the amount of the related provision.

3.13. INCOME RECOGNITION

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

Interest income
Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable. For all financial assets measured at amortised cost (refer policy on financial instruments above), 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.

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

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

Other services
Income of the nature of processing fee, upfront fee, lead fee, fees/ charges received under the mutatis - mutandis clause and pre-payment premium, which are not considered an adjustment to EIR are accounted for in the year in which it is received by the Company.

3.14. 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, assuming that market participants act in their economic

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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, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised 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 recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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4. **Property, Plant & Equipment**

(₹ In Crores)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2018	Additions during the period	Sales/ adjustment during the period	As at 30.06.2018	As at 01.04.2018	During the period	Adjustment during the period	As at 30.06.2018	As at 30.06.2018	As at 30.06.2017
Freehold Land	82.92	16.03	-	98.95	-	-	-	-	98.95	82.92
Leasehold Land	1.59	-	-	1.59	0.27	0.03	-	0.30	1.29	1.33
Buildings	31.74	-	-	31.74	8.10	0.12	-	8.22	23.52	23.84
Furniture & Fixtures	9.10	0.18	0.07	9.21	5.78	0.16	0.02	5.92	3.29	2.07
Vehicles	0.40	-	-	0.40	0.27	0.01	-	0.28	0.12	0.15
EDP Equipments	15.80	1.23	0.34	16.69	11.69	0.51	0.25	11.95	4.74	3.31
Office Equipments	16.23	0.16	0.21	16.18	8.46	0.49	0.08	8.87	7.31	6.39
Total	**157.78**	**17.60**	**0.62**	**174.76**	**34.57**	**1.32**	**0.35**	**35.54**	**139.22**	**120.01**
Previous period	152.73	0.46	0.26	152.93	31.92	1.16	0.16	32.92	120.01	

5. **Capital Work-in-Progress**

(₹ In Crores)

Particulars	As at 01.04.2018	Additions during the period	Sales/ adjustment during the period	As at 30.06.2018
Current Period	**118.19**	**16.08**	-	**134.27**
Previous period	58.69	14.52	-	73.21

6. **Investment Property**

(₹ In Crores)

Particulars	As at 01.04.2018	Additions during the period	Sales/ adjustment during the period	As at 30.06.2018
Current Period	**0.01**	-	-	**0.01**
Previous period	0.01	-	-	0.01

7. **Other Intangible Assets**

(₹ In Crores)

Particulars	GROSS BLOCK				AMORTISATION				NET BLOCK	
	As at 01.04.2018	Additions during the period	Sales/ adjustment during the period	As at 30.06.2018	As at 01.04.2018	During the period	Adjustment during the period	As at 30.06.2018	As at 30.06.2018	As at 30.06.2017
Intangible Assets										
Computer Software	12.38	-	-	12.38	7.23	0.27	-	7.50	4.88	0.34
Total	**12.38**	-	-	**12.38**	**7.23**	**0.27**	-	**7.50**	**4.88**	**0.34**
Previous period	7.03	0.04	-	7.07	6.60	0.13	-	6.73	0.34	

8. **Intangible Assets under Development**

(₹ In Crores)

Particulars	As at 01.04.2018	Additions during the period	Sales/ adjustment during the period	As at 30.06.2018
Current Period	**1.46**	**0.45**		**1.91**
Previous period	1.46	-	-	1.46

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9. **Investments**

(₹ in Crores)

	Particulars	As at 30.06.2018			As at 30.06.2017		
		Non-current	Current	Total	Non-current	Current	Total
(A)	**Investments in Equity Instruments**						
(i)	**Subsidiaries - Unquoted (at cost)**						
	- REC Power Distribution Company Limited 50,000 Equity shares of ₹10 each, fully paid up	0.05	-	**0.05**	0.05	-	**0.05**
	- REC Transmission Projects Company Limited 50,000 Equity shares of ₹10 each, fully paid up	0.05	-	**0.05**	0.05	-	**0.05**
	Sub-total - Investment in Subsidiaries	**0.10**	-	**0.10**	**0.10**	-	**0.10**
(ii)	**Joint Ventures - Unquoted (at cost)**						
	- Energy Efficiency Services Limited 14,65,00,000 Equity shares of ₹10 each, fully paid up	146.50	-	**146.50**	146.50	-	**146.50**
	Sub-total - Investment in Joint Ventures	**146.50**	-	**146.50**	**146.50**	-	**146.50**
(iii)	**Others - Quoted (at Fair Value through Other Comprehensive Income)**						
	- NHPC Ltd. 18,40,11,865 Equity shares of ₹10 each, fully paid up	431.51	-	431.51	576.88	-	576.88
	- Housing and Urban Development Corporation Ltd. 3,47,429 Equity shares of ₹10 each, fully paid up	1.96	-	1.96	2.33	-	2.33
	- Indian Energy Exchange Ltd. 12,50,000 Equity shares of ₹10 each, fully paid up	207.47	-	207.47	109.25	-	109.25
	Sub-total - Others	**640.94**	-	**640.94**	**688.46**	-	**688.46**
	Sub-total - Investment in Equity Instruments	**787.54**	-	**787.54**	**835.06**	-	**835.06**
(B)	**Investments in Bonds, Debentures & Others**						
(i)	**Investment in Debentures - Quoted (at Fair Value through Profit & Loss)**						
	- 11.15% Additional Tier-1 Perpetual Bonds of Indian Bank 5,000 Bonds of ₹ 10,00,000 each	500.00	14.20	**514.20**	500.00	14.20	**514.20**
	- 11.25% Additional Tier-1 Perpetual Bonds of Vijaya Bank 5,000 Bonds of ₹ 10,00,000 each	500.00	14.02	**514.02**	500.00	14.02	**514.02**
	- 11.25% Additional Tier-1 Perpetual Bonds of Syndicate Bank 5,000 Bonds of ₹ 10,00,000 each	500.00	14.33	**514.33**	500.00	14.33	**514.33**
	Sub-total - Debentures - Quoted	**1,500.00**	**42.55**	**1,542.55**	**1,500.00**	**42.55**	**1,542.55**
(ii)	**Investment in Debentures - Unquoted (at amortised cost)**						
	- 9.68% Bonds of UP Power Corporation Ltd. 30,385 Bonds of ₹ 1,00,000 each	303.85	6.29	**310.14**	303.85	6.29	**310.14**
	Sub-total - Debentures - Unquoted	**303.85**	**6.29**	**310.14**	**303.85**	**6.29**	**310.14**
(iii)	**Investment in Government Securities - Unquoted (at amortised cost)**						
	- 8% Government of Madhya Pradesh Power Bonds-II 3 Bonds of ₹ 47,16,00,000 each	47.16	97.15	**144.31**	141.48	99.04	**240.52**
	Sub-total - Government Securities - Unquoted	**47.16**	**97.15**	**144.31**	**141.48**	**99.04**	**240.52**
(iv)	**Investment in Venture Capital Funds - Unquoted (at Fair Value through Profit & Loss)**						
	- 'Small is Beautiful' Fund 61,52,200 units of ₹ 10 each	6.25	-	**6.25**	6.30	-	**6.30**
	Sub-total - Venture Capital Funds - Unquoted	**6.25**	-	**6.25**	**6.30**	-	**6.30**
(v)	**Investment in Inter Corporate Deposit (at amortised cost)**	-	-	-	-	150.03	**150.03**
	Sub-total - Inter-Corporate Deposits	-	-	-	-	**150.03**	**150.03**
	Sub-total - Investment in Bonds, Debentures & Others	**1,857.26**	**145.99**	**2,003.25**	**1,951.63**	**297.91**	**2,249.54**
	Total (A+B)	**2,644.80**	**145.99**	**2,790.79**	**2,786.69**	**297.91**	**3,084.60**

(₹ in Crores)

Particulars	As at 30.06.2018			As at 30.06.2017		
	Non-current	Current	Total	Non-current	Current	Total
Aggregate amount of quoted investments and market value thereof	2,140.94	42.55	2,183.49	2,188.46	42.55	2,231.01
Aggregate amount of unquoted investments	503.86	103.44	607.30	598.23	255.36	853.59
Aggregate amount of impairment in value of investments	-	-	-	-	-	-
Total	**2,644.80**	**145.99**	**2,790.79**	**2,786.69**	**297.91**	**3,084.60**

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10. Loans

(₹ in Crores)

	Particulars	As at 30.06.2018				As at 30.06.2017			
		Long-term		Short-Term	Total	Long-term		Short-Term	Total
		Non-Current	Current			Non-Current	Current		
(I)	**Loan Assets**								
(A)	**Secured Loans**								
(A1)	**Loans to State Power Utilities/ State Electricity Boards/Corpn. (Secured by hypothecation and/or mortgage of materials/ tangible assets)**								
	(a) Considered good	1,50,207.09	15,712.76	3,278.55	1,69,198.40	1,34,899.70	11,330.73	492.34	1,46,722.77
	Less: Allowance for Expected Credit Loss	(221.58)	(23.50)	(5.11)	(250.19)	(199.83)	(18.53)	(3.31)	(221.67)
		1,49,985.51	15,689.26	3,273.44	1,68,948.21	1,34,699.87	11,312.20	489.03	1,46,501.10
(A2)	**Loans to Others (Secured by hypothecation and/or mortgage of tangible assets)**								
	(a) Considered good	12,398.12	1,002.26	-	13,400.38	24,729.02	1,042.34	-	25,771.36
	Less: Allowance for Expected Credit Loss	(1,451.88)	(250.12)	-	(1,702.00)	(5,818.33)	(275.13)	-	(6,093.46)
		10,946.24	752.14	-	11,698.38	18,910.69	767.21	-	19,677.90
	(b) Considered doubtful	12,749.27	6,106.10	-	18,855.37	2,897.17	1,722.03	-	4,619.20
	Less: Allowance for Expected Credit Loss	(5,588.95)	(2,996.17)	-	(8,585.12)	(1,416.66)	(1,109.83)	-	(2,526.49)
		7,160.32	3,109.93	-	10,270.25	1,480.51	612.20	-	2,092.71
	Sub-total (A1+ A2)	1,68,092.07	19,551.33	3,273.44	1,90,916.84	1,55,091.07	12,691.61	489.03	1,68,271.71
(B)	**Unsecured Loans**								
(B1)	**Loans Guaranteed by respective State Governments**								
	(a) Considered good	23,788.70	3,208.81	-	26,997.51	20,527.33	3,183.54	545.83	24,256.70
	Less: Allowance for Expected Credit Loss	(67.58)	(12.51)	-	(80.09)	(77.00)	(11.19)	(0.05)	(88.24)
		23,721.12	3,196.30	-	26,917.42	20,450.33	3,172.35	545.78	24,168.46
(B2)	**Loans to State Governments**								
	(a) Considered good	3,376.25	327.49	-	3,703.74	2,735.01	321.00	-	3,056.01
	Less: Allowance for Expected Credit Loss	(2.04)	(0.10)	-	(2.14)	(0.81)	(0.10)	-	(0.91)
		3,374.21	327.39	-	3,701.60	2,734.20	320.90	-	3,055.10
(B3)	**Loans - Others**								
	(a) Considered good	6,916.42	727.02	1,260.83	8,904.27	487.88	131.63	1,850.00	2,469.51
	Less: Allowance for Expected Credit Loss	(45.00)	(1.37)	(8.42)	(54.79)	(2.75)	(3.17)	(15.91)	(21.83)
		6,871.42	725.65	1,252.41	8,849.48	485.13	128.46	1,834.09	2,447.68
	(a) Considered doubtful	-	795.30	-	795.30	49.01	744.05	-	793.06
	Less: Allowance for Expected Credit Loss	-	(731.26)	-	(731.26)	(26.57)	(704.80)	-	(731.37)
		-	64.04	-	64.04	22.44	39.25	-	61.69
	Sub-total (B1+ B2+B3)	33,966.75	4,313.38	1,252.41	39,532.54	23,692.10	3,660.96	2,379.87	29,732.93
(C)	**Interest Accrued on Loan Assets**	-	689.18	17.79	706.97	-	1,194.38	13.45	1,207.83
	Total - Loan Assets (A to C)	2,02,058.82	24,553.89	4,543.64	2,31,156.35	1,78,783.17	17,546.95	2,882.35	1,99,212.47
(II)	**Staff Loans**								
	- To Key Managerial Personnel	0.29	0.66	-	0.95	0.39	0.50	-	0.89
	- To Other Employees	23.72	9.89	-	33.61	28.18	10.10	-	38.28
	Total - Staff Loans	24.01	10.55	-	34.56	28.57	10.60	-	39.17
(III)	**Security Deposits**	1.05	-	-	1.05	0.82	-	-	0.82
	Total - Loans (I to III)	2,02,083.88	24,564.44	4,543.64	2,31,191.96	1,78,812.56	17,557.55	2,882.35	1,99,252.46

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11. Other financial assets

(₹ in Crores)

	Particulars	As at 30.06.2018			As at 30.06.2017		
		Non-current	Current	Total	Non-current	Current	Total
(A)	**Derivative Assets**	743.99	514.18	**1,258.17**	413.70	113.94	**527.64**
(B)	**Advances recoverable (Unsecured)**						
	(a) Considered Good	-	38.83	**38.83**	-	15.94	**15.94**
	(b) Classified Doubtful	-	7.61	**7.61**	-	5.59	**5.59**
	Less: Allowance for Expected Credit Loss	-	(7.61)	**(7.61)**	-	(5.59)	**(5.59)**
		-	-	**-**	-	-	**-**
(C)	**Loans & Advances to Subsidiaries**	-	1.90	**1.90**	-	1.38	**1.38**
(D)	**Recoverable from Govt. of India**						
	- Towards Principal - GoI Fully Serviced Bonds	4,000.00	-	**4,000.00**	-	-	**-**
	- Towards Interest - GoI Fully Serviced Bonds	-	87.51	**87.51**	-	-	**-**
	- Towards Issue Expenses - GoI Fully Serviced Bonds	-	3.58	**3.58**	-	-	**-**
	- Agency Charges on Govt. Schemes	-	161.01	**161.01**	-	-	**-**
	- Reimbursement of Expenses on Govt. Schemes	-	14.21	**14.21**	-	8.31	**8.31**
	Recoverable from Govt. of India (Total)	*4,000.00*	*266.31*	***4,266.31***	-	*8.31*	***8.31***
	Less: Allowance for Expected Credit Loss	-	(6.19)	**(6.19)**	-	0.00	**0.00**
	Recoverable from Govt. of India (Net)	**4,000.00**	**260.12**	**4,260.12**	**-**	**8.31**	**8.31**
(E)	**Recoverable from State Electricity Boards/ Govt. Deptt./ Others**	-	27.11	**27.11**	-	4.99	**4.99**
	Total (A to E)	**4,743.99**	**842.14**	**5,586.13**	**413.70**	**144.56**	**558.26**

12. Other assets

(₹ in Crores)

	Particulars	As at 30.06.2018			As at 30.06.2017		
		Non-current	Current	Total	Non-current	Current	Total
(A)	**Capital Advances**	36.20	-	**36.20**	40.23	-	**40.23**
(B)	**Other Assets**	8.57	1.83	**10.40**	9.92	6.52	**16.44**
	Total (A to B)	**44.77**	**1.83**	**46.60**	**50.15**	**6.52**	**56.67**

13. Cash and Cash Equivalents

(₹ in Crores)

Particulars	As at 30.06.2018	As at 30.06.2017
- Balances with Banks	3.30	576.16
- Cash on Hand (including postage & imprest)	0.05	0.04
Sub-total	**3.35**	**576.20**
- Term Deposits & Other Cash Equivalents		
- Short-term Deposits with Scheduled Banks	359.94	209.69
- Short term Investment in Debt Mutual Funds	-	150.00
Sub-total	**359.94**	**359.69**
Total (Cash & Cash Equivalents)	**363.29**	**935.89**

14. Other Bank Balances

(₹ in Crores)

Particulars	As at 30.06.2018	As at 30.06.2017
- Earmarked Balances with Banks		
- For unpaid dividends	4.44	3.41
- For grants	1,943.93	444.70
- Earmarked Term Deposits		
- For grants	6.23	12.60
- Deposits in Compliance of Court Order	2.32	2.17
- Balances with banks not available for use pending allotment of securities	515.44	-
Total (Other Bank Balances)	**2,472.36**	**462.88**

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15. Equity Share Capital

(₹ in Crores)

Particulars	As at 30.06.2018		As at 30.06.2017	
	No. of Shares	Amount	No. of Shares	Amount
Authorised : Equity shares of ₹ 10 each	5,00,00,00,000	5,000.00	5,00,00,00,000	5,000.00
Issued, Subscribed and Paid up : Fully paid up Equity shares of ₹ 10 each	1,97,49,18,000	1,974.92	1,97,49,18,000	1,974.92
Total	1,97,49,18,000	1,974.92	1,97,49,18,000	1,974.92

16. Other Equity

(₹ in Crores)

Particulars	As at 30.06.2018		As at 30.06.2017	
Securities Premium Account		2,236.54		2,236.54
Debenture Redemption Reserve				
Balance as at the beginning of the period		1,121.54		924.95
Add: Amount transferred from Surplus Account		49.15		49.15
Balance as at the end of the period		1,170.69		974.10
Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961				
Balance as at the beginning of the period		13,813.19		12,230.70
Add: Amount transferred from Surplus Account		254.68		375.13
Balance as at the end of the period		14,067.87		12,605.83
Reserve for Bad and doubtful debts u/s 36(1)(viia) of the Income Tax Act, 1961				
Balance as at the beginning of the period		2,761.10		2,425.30
Add: Amount transferred from Surplus Account		53.05		79.12
Balance as at the end of the period		2,814.15		2,504.42
Foreign Currency Monetary Item Translation Difference Account				
Balance as at the beginning of the period		(86.29)		203.78
Add: Foreign Currency Translation Gain/ Loss (-) on long term monetary items during the period		(1,414.81)		(104.74)
Amortisation during the period		221.59		56.42
Balance as at the end of the period		(1,279.51)		155.46
Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934				
Balance as at the beginning of the period		-		-
Add: Amount transferred from Surplus Account		294.00		-
Balance as at the end of the period		294.00		-
General Reserve		5,177.40		4,677.40
Retained Earnings				
Balance as at the beginning of the period		5,276.22		5,889.37
Add: Profit during the period		1,468.70		1,075.96
Add: Other Comprehensive Income/ (Loss) for the period		(72.27)		(15.39)
Less : Appropriations				
- Transfer to Special Reserve u/s 36(1)(viii) of the Income Tax Act, 1961	254.68		375.13	
- Transfer to Reserve for Bad & Doubtful Debts u/s 36(1)(viia) of the Income Tax Act, 1961	53.05		79.12	
- Transfer to Debenture Redemption Reserve	49.15		49.15	
- Transfer to Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	294.00	650.88	-	503.40
Balance as at the end of the period		6,021.77		6,446.54
Total - Other Equity		30,502.91		29,600.29

17. Details of Borrowings

17.1 Non-Current Borrowings

(₹ in Crores)

	Particulars	As at 30.06.2018			As at 30.06.2017		
		Non-Current	Current	Total	Non-Current	Current	Total
(A)	**Secured Long-Term Debt**						
(a)	**Bonds**						
(i)	Institutional Bonds	11,016.84	10,618.54	21,635.38	21,632.83	5,953.13	27,585.96
(ii)	54EC Capital Gain Tax Exemption Bonds	16,291.61	6,919.21	23,210.82	14,452.41	5,422.42	19,874.83
(iii)	Tax Free Bonds	12,607.75	-	12,607.75	12,604.30	-	12,604.30
(b)	**Term Loans**						
(i)	from Financial Institutions	200.00	200.00	400.00	400.00	350.00	750.00
(c)	**Other Loans & Advances**						
(i)	Bond Application Money	514.82	-	514.82	-	-	-
	Total Secured Long-Term Debt (a+b+c)	**40,631.02**	**17,737.75**	**58,368.77**	**49,089.54**	**11,725.55**	**60,815.09**
(B)	**Unsecured Long-Term Debt**						
(a)	**Bonds**						
(i)	Institutional Bonds	98,860.84	6,674.58	1,05,535.42	79,394.59	5,359.53	84,754.12
(ii)	Infrastructure Bonds	16.46	94.01	110.47	34.88	76.75	111.63
(iii)	Zero Coupon Bonds	1,185.01	-	1,185.01	1,094.14	-	1,094.14
(b)	**Other Loans & Advances**						
(i)	Foreign Currency Borrowings	18,816.83	9,813.30	28,630.13	19,404.76	302.11	19,706.87
	Total Unsecured Long-Term Debt (a+b)	**1,18,879.14**	**16,581.89**	**1,35,461.03**	**99,928.37**	**5,738.39**	**1,05,666.76**
(C)	**Lease Liability**	0.11		0.11	0.13		0.13
	Total Long Term Borrowings (A+B+C)	**1,59,510.27**	**34,319.64**	**1,93,829.91**	**1,49,018.04**	**17,463.94**	**1,66,481.98**
	Less: Current Maturities of Long-term Borrowings		34,319.64	34,319.64		17,463.94	17,463.94
	Total Non-Current Borrowings	**1,59,510.27**	-	**1,59,510.27**	**1,49,018.04**	-	**1,49,018.04**

17.2 Short Term Borrowings

(₹ in Crores)

	Particulars	As at 30.06.2018	As at 30.06.2017
(i)	Loans Repayable on Demand from Banks, unsecured	416.00	-
(ii)	Commercial Paper, unsecured	3,208.52	1,484.23
(iii)	FCNR (B) Loans, unsecured	2,400.14	-
(iv)	Interest Accrued on Short-term Borrowings	3.71	-
	Total (i+ii+iii)	6,028.37	1,484.23

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18. Other Financial Liabilities

(₹ in Crores)

	Particulars	As at 30.06.2018			As at 30.06.2017		
		Non-Current	Current	Total	Non-Current	Current	Total
(A)	**Current Maturities of Long term Debt**	-	34,319.64	**34,319.64**	-	17,463.94	**17,463.94**
(B)	**Interest accrued on borrowings**	-	6,342.13	**6,342.13**	-	6,054.21	**6,054.21**
(C)	**Unpaid Principal & Interest on Bonds**						
	- Matured Bonds & Interest Accrued thereon	-	43.12	**43.12**	-	56.52	**56.52**
	- Interest on Bonds	-	14.14	**14.14**	-	12.96	**12.96**
	Sub-total - Unpaid Principal & Interest on Bonds	-	**57.26**	**57.26**	-	**69.48**	**69.48**
(D)	**Unpaid Dividends**	-	4.44	**4.44**	-	3.41	**3.41**
(E)	**Funds Received from Govt. of India for Disbursement as Subsidy/ Grant**	-	61,632.58	**61,632.58**	-	47,164.67	**47,164.67**
	Add: Interest on Subsidy/ Grant	-	18.65	**18.65**	-	2.12	**2.12**
	Less: Disbursed to Beneficiaries	-	(59,705.39)	**(59,705.39)**	-	(46,707.31)	**(46,707.31)**
	Undisbursed Funds to be disbursed as Subsidy/Grant	-	1,945.84	**1,945.84**	-	459.48	**459.48**
(F)	- Payables towards Bonds Fully serviced by Govt. of India						
	Towards Principal	4,000.00	-	**4,000.00**	-	-	-
	Towards Interest	-	87.51	**87.51**	-	-	-
(G)	- Sundry Liabilities Account (Interest Capitalisation)	15.99	24.00	**39.99**	-	-	-
(H)	- Derivative Liabilities	116.56	4.67	**121.23**	240.70	0.04	**240.74**
(I)	- Overdraft in Current Account	-	5.63	**5.63**	-	-	-
(J)	- Payable towards funded staff benefits	-	3.20	**3.20**	-	17.55	**17.55**
(K)	- Other Liabilities	-	89.53	**89.53**	-	119.48	**119.48**
	Total (A to K)	**4,132.55**	**42,883.85**	**47,016.40**	**240.70**	**24,187.59**	**24,428.29**

19. Provisions

(₹ in Crores)

	Particulars	As at 30.06.2018			As at 30.06.2017		
		Non-Current	Current	Total	Non-Current	Current	Total
	Provisions for						
(A)	**Employee Benefits**						
	Earned Leave Liability	9.28	1.57	**10.85**	30.39	3.27	**33.66**
	Post Retirement Medical Benefits	103.22	5.39	**108.61**	95.84	4.66	**100.50**
	Medical Leave Liability	17.54	2.81	**20.35**	17.79	2.64	**20.43**
	Settlement Allowance	1.02	0.22	**1.24**	1.13	0.17	**1.30**
	Economic Rehabilitation Scheme	3.33	0.03	**3.36**	3.54	0.01	**3.55**
	Long Service Award	2.48	0.02	**2.50**	2.93	0.19	**3.12**
	Sub-total (A)	**136.87**	**10.04**	**146.91**	**151.62**	**10.94**	**162.56**
(B)	**Others**						
	Incentive	-	23.94	**23.94**	-	21.03	**21.03**
	Pay Revision	-	31.36	**31.36**	-	27.62	**27.62**
	Sub-total (B)	-	**55.30**	**55.30**	-	**48.65**	**48.65**
	Total (A+B)	**136.87**	**65.34**	**202.21**	**151.62**	**59.59**	**211.21**

20. Other Liabilities

(₹ in Crores)

	Particulars	As at 30.06.2018			As at 30.06.2017		
		Non-Current	Current	Total	Non-Current	Current	Total
(A)	Income Received in Advance	-	1.71	**1.71**	-	2.22	**2.22**
(B)	Statutory Dues payable including PF and TDS	-	16.23	**16.23**	-	6.37	**6.37**
(C)	Deferred Income	-	2.20	**2.20**	-	-	-
	Total (A to C)	-	**20.14**	**20.14**	-	**8.59**	**8.59**

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21. Revenue from Operations

(₹ in Crores)

	Particulars	Period ended 30.06.2018		Period ended 30.06.2017	
(A)	**Interest on Loan Assets**				
(i)	Long term financing	5,551.02		5,381.49	
	Less: Rebate for timely payments/ completion etc.	2.70	5,548.32	8.18	5,373.31
(ii)	Short term financing		120.50		93.52
	Sub-total (A)		**5,668.82**		**5,466.83**
(B)	**Revenue from Other Financial Services**				
(i)	Fees based Income		0.73		2.69
(ii)	Prepayment Premium		3.39		71.10
(iii)	Fee for Implementation of Govt. Schemes		-		7.40
	Sub-total (B)		**4.12**		**81.19**
(C)	**Income from Short-term Investment of Surplus Funds**				
(i)	Interest from Deposits		10.72		17.27
(ii)	Changes in fair value of Mutual Funds		1.68		6.05
(iii)	Interest from CP/ ICD		0.33		0.03
	Sub-total (C)		**12.73**		**23.35**
(D)	**Other Interest Income**				
(i)	Interest from Govt. Securities		2.83		4.72
(ii)	Interest from Long Term Investments		49.28		49.28
(iii)	Interest from Staff Advances		0.81		1.48
	Sub-Total (D)		**52.92**		**55.48**
	Total (A to D)		**5,738.59**		**5,626.85**

22. Other Income

(₹ in Crores)

	Particulars	Period ended 30.06.2018	Period ended 30.06.2017
(A)	**Changes in Fair Value of Derivatives**	**578.87**	**-**
(B)	**Other Non-Operating Income**		
	- Unwinding of Discount of Security Deposits	0.01	0.01
	- Miscellaneous Income	1.54	1.15
	Sub-Total (B)	**1.55**	**1.16**
	Total (A+B)	**580.42**	**1.16**

23. Finance Costs

(₹ in Crores)

	Particulars	Period ended 30.06.2018	Period ended 30.06.2017
(A)	**Interest Expense**		
	- On Bonds	3,228.89	2,970.77
	- On Loans from Banks/ Financial Institutions	18.43	18.79
	- On External Commercial Borrowings	314.43	181.81
	- On Commercial Paper	58.08	7.50
	Sub-Total (A)	**3,619.83**	**3,178.87**
(B)	**Other Borrowing Costs**		
	- Guarantee Fee	2.77	4.14
	- Other Finance Charges	5.45	3.54
	Sub-Total (B)	**8.22**	**7.68**
	Total (A+B)	**3,628.05**	**3,186.55**

24. Employee Benefits Expense

(₹ in Crores)

Particulars	Period ended 30.06.2018	Period ended 30.06.2017
- Salaries and Allowances	29.07	38.13
- Contribution to Provident Fund and Other Funds	3.29	3.47
- Gratuity	0.36	4.37
- Expenses towards Post Retirement Medical Facility	5.08	4.95
- Staff Welfare Expenses	5.38	5.58
Total	**43.18**	**56.50**

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25. **Corporate Social Responsibility Expenses**

(₹ in Crores)

Particulars	Period ended 30.06.2018	Period ended 30.06.2017
- Direct Expenditure	46.00	5.25
- Overheads	1.47	0.09
Total	47.47	5.34

26. **Other Expenses**

(₹ in Crores)

Particulars	Period ended 30.06.2018		Period ended 30.06.2017	
- Foreign Exchange Fluctuation Loss		332.72		55.06
- Changes in MTM Value of Derivatives		-		174.52
- Travelling and Conveyance		3.24		2.69
- Publicity & Promotion Expenses		2.69		1.79
- Repairs and Maintenance				
- Building	0.66		0.73	
- ERP & Data Centre	0.68		0.98	
- Others	0.31	1.65	0.25	1.96
- Rent & Hiring Charges		2.37		1.93
- Rates and Taxes		0.46		0.25
- Power & Fuel		0.50		0.40
- Insurance Charges		0.01		0.01
- Postage and Telephone		0.98		0.77
- Auditors' Remuneration		0.25		0.13
- Consultancy Charges		2.74		3.31
- Loss on Sale of Assets		0.18		0.09
- Miscellaneous Expenses		8.25		11.51
Total		356.04		254.42

27. **Earnings per Share**

Particulars	Period ended 30.06.2018	Period ended 30.06.2017
Numerator		
Profit after Tax as per Statement of Profit and Loss (₹ in Crores)	1,468.70	1,075.96
Denominator		
Weighted average Number of equity shares	1,97,49,18,000	1,97,49,18,000
Basic & Diluted Earnings per share of ₹10 each (in ₹)	**7.44**	**5.45**

28. As per the roadmap notified by the Ministry of Corporate Affairs (MCA), the Company has adopted Indian Accounting Standards (Ind-AS) w.e.f. financial year 2018-19 and accordingly, the transition date is 1st April 2017. The financial results have been prepared in accordance with the recognition and measurement principles of Ind-AS prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder. The impact of the transition has been accounted for in the opening reserves as at 1st April 2017 in line with the requirements of Indian Accounting Standard 101 *'First Time Adoption of Indian Accounting Standards'*.

These interim financial statements have been drawn up on the basis of Ind-AS that are applicable to the Company as at 30th June 2018. The corresponding comparative figures have been restated/ reclassified/ regrouped in order to conform to the current period presentation. Any application/ guidance/ directions issued by RBI or other regulators will be adopted/ implemented as and when they are issued.

29. In terms of the requirements of Para 32 of Indian Accounting Standard 101 *'First Time Adoption of Indian Accounting Standards'*, the reconciliation of the Net Profit reported for the quarter ended 30th June 2017 under the previous GAAP and Ind-AS is as under:

(₹ in Crores)

	Particulars	Quarter ended 30-06-17
(A)	**Net Profit for the period as reported under the previous GAAP**	1,301.14
(B)	**Add/ (Less) - Ind-AS Adjustments**	
(i)	Adjustment on account of Expected Credit Loss	(400.10)
(ii)	Adjustment on account of MTM accounting for derivatives	(87.79)
(iii)	Adjustment on account of effective interest rate on financial liabilities and financial assets	(20.41)
(iv)	Changes in Fair Value of Investments through Other Comprehensive Income (OCI)	19.61
(v)	Other Misc. adjustments	(0.11)
(vi)	Deferred tax impact	263.62
(C)	**Net Profit as per Ind AS (A+B)**	**1,075.96**
(D)	**Other Comprehensive Income (net of tax)**	
	- Adjustment on account of Fair value change in investments	(15.39)
(E)	**Total Comprehensive Income (net of tax) as per Ind AS (C+D)**	**1,060.57**

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30. Details of credit-impaired loan assets and the provisions maintained in respect of those accounts is as under:

(₹ in Crores)

	Particulars	As at 30-06-18
(i)	Credit-impaired loan assets	19,650.67
(ii)	Impairment Allowance Maintained	9,316.17
	Impairment Allowance Coverage (%) (ii/i)	**47.41%**

31. 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*'.

32. The Company has started recognising Deferred Tax Asset on account of accumulated impairment allowance in excess of Reserve for Bad & Doubtful Debts. Suitable adjustments have been made on the transition date and in the restated comparative results.

33. Interest income on credit-impaired loan assets amounting to ₹ 327.70 crores during the current quarter (Corresponding quarter of the previous year ₹ 88.99 crores) has not been recognised as a matter of prudence, pending the outcome of resolutions of stressed assets.

34. For all the secured bonds issued by the Company and outstanding as at 30th June 2018, 100% security cover has been maintained by way of mortgage on certain immovable properties and/or charge on the receivables of the Company.

35. Reconciliation between the figures reported under Ind-AS and actual amounts outstanding in respect of Loan Assets:

(₹ in Crores)

	Particulars	As at 30-06-18	As at 30-06-17
(i)	Non-Current Assets - Loans	2,02,083.88	1,78,812.56
(ii)	Current Assets - Loans	29,108.08	20,439.90
	Total Loans (i+ii)	**2,31,191.96**	**1,99,252.46**
	Less: Staff Loans classified under the same head as per Ind-AS	(34.56)	(39.17)
	Less: Security Deposits classified under the same head as per Ind-AS	(1.05)	(0.82)
	Less: Interest accrued on Loans classified under the same head as per Ind-AS	(706.97)	(1,207.83)
	Add: Allowance for Expected Credit Loss netted off as per Ind-AS	11,405.59	9,683.97
	Add: Ind-AS Adjustments in respect of fees based income at Effective Interest Rate (EIR)	58.00	113.86
	Gross Loan Assets	**2,41,912.97**	**2,07,802.47**

36. Reconciliation between the figures reported under Ind-AS and actual amounts outstanding in respect of Borrowings:

(₹ in Crores)

	Particulars	As at 30-06-18	As at 30-06-17
(i)	Non-Current Liabilities - Borrowings	1,59,510.27	1,49,018.04
(ii)	Current Liabilities - Borrowings	6,028.37	1,484.23
(iii)	Current Maturities of Long Term Borrowings	34,319.64	17,463.94
	Total Borrowings Reported (i+ii+iii)	**1,99,858.28**	**1,67,966.21**
	Less: Interest accrued on Borrowings classified under the same head as per Ind-AS	(3.71)	-
	Less: Lease Liability classified under the same head as per Ind-AS	(0.11)	(0.13)
	Add: Ind-AS Adjustments in respect of fund raising expenses at Effective Interest Rate (EIR)	370.17	317.51
	Total Borrowings Outstanding	**2,00,224.63**	**1,68,283.59**

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Rural Electrification Corporation Limited (A Govt. of India Enterprise)
Registered Office - Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi - 110003, CIN: L40101DL1969GOI005095

Cash Flow Statement for the Quarter ended 30th June 2018

(₹ in Crores)

PARTICULARS	QUARTER ENDED 30.06.2018		QUARTER ENDED 30.06.2017	
A. Cash Flow from Operating Activities :				
Net Profit before Tax	**2,110.84**		**1,400.92**	
Adjustments for:				
1. Loss/ (Profit) on Sale of Property, Plant & Equipment	0.18		0.09	
2. Depreciation & Amortization	1.59		1.29	
3. Impairment losses on financial assets	131.84		722.99	
4. Adjustments in respect of Effective Interest Rate	(3.63)		30.08	
5. Changes in fair value of derivatives	(764.31)		(13.30)	
6. Interest on Commercial Paper	58.08		7.50	
7. Loss/ (Gain) on Exchange Rate fluctuation	357.66		56.44	
8. Interest on Long-term Investments/ Govt. Securities	(52.11)		(54.00)	
9. Interest Accrued on Zero Coupon Bonds	23.46		22.13	
Operating profit before Changes in Operating Assets & Liabilities	**1,863.60**		**2,174.14**	
Increase / Decrease :				
1. Loan Assets	(2,463.65)		(5,873.75)	
2. Other Operating Assets	(959.51)		(582.41)	
3. Operating Liabilities	256.94		143.17	
Cash flow from Operations	**(1,302.62)**		**(4,138.85)**	
1. Income Tax Paid (including TDS)	(261.79)		(289.57)	
2. Income Tax refund	-		1.35	
Net Cash Flow from Operating Activities		**(1,564.41)**		**(4,427.07)**
B. Cash Flow from Investing Activities				
1. Sale of Property, Plant & Equipment	0.06		0.01	
2. Investment in Property, Plant & Equipment (incl. CWIP & Capital Advances)	(23.92)		(15.00)	
3. Investment in Intangible Assets (including intangible assets under development)	(0.45)		(0.04)	
4. Investment in shares of Housing and Urban Development Corporation Ltd.	-		(2.08)	
5. Investment in Inter-Corporate Deposits	-		(150.03)	
6. Interest on Long-term Investments/ Govt. Securities	14.66		14.66	
Net Cash Flow from Investing Activities		**-9.65**		**-152.48**
C. Cash Flow from Financing Activities				
1. Issue of Bonds (Net of redemptions)	(459.49)		412.76	
2. Raising of Term Loans/ WCDL from Banks/ FIs (net of repayments)	416.00		-	
3. Raising of Foreign Currency Borrowings (net of redemptions)	(85.46)		(1,273.64)	
4. Funds received from GOI for further disbursement as Subsidy/ Grant including interest (net of refund)	4,859.14		1,009.94	
5. Disbursement of grants	(3,010.47)		(576.30)	
6. Issue of Commercial Paper (net of repayments)	-		1,476.73	
Net Cash flow from Financing Activities		**1,719.72**		**1,049.49**
Net Increase/Decrease in Cash & Cash Equivalents		**145.66**		**(3,530.06)**
Cash & Cash Equivalents as at the beginning of the period		**212.00**		**4,465.95**
Cash & Cash Equivalents as at the end of the period		**357.66**		**935.89**

G. S. MATHUR & CO. A-160 Defence Colony New Delhi Chartered Accountants

A. R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

Rural Electrification Corporation Ltd. New Delhi

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

(₹ in Crores)

PARTICULARS	AS AT 30.06.2018	AS AT 30.06.2017
- Cash in Hand (including postage & imprest)	0.05	0.04
- Balances with Banks	3.30	576.16
- Short-term Deposits with Scheduled Banks	359.94	209.69
- Short term Investment in Debt Mutual Funds	-	150.00
- Bank Overdraft	(5.63)	-
Total Cash & Cash Equivalents	**357.66**	**935.89**

For and on behalf of the Board

Rural Electrification Corporation Ltd. New Delhi

P.V. Ramesh
Chairman and Managing Director
DIN - 02836069

Place: New Delhi
Date: 12th October 2018

G. S. MATHUR & CO. A-160 Defence Colony New Delhi Chartered Accountants

A. R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

G.S. Mathur & Co.
Chartered Accountants
A-160, Defence Colony
New Delhi- 110024

A.R. & Co.
Chartered Accountants
A-403, Gayatri Apartments,
Plot No. 27, Sector 10, Dwarka
New Delhi- 110075.

Independent Auditors' Limited Review Report

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

We have reviewed the accompanying unaudited standalone interim Ind-AS Financial Statements (the "financial statements") of Rural Electrification Corporation Limited (the "Company") which comprise the Balance Sheet as at 30th June 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement for the period then ended and the Notes to Accounts thereon. These financial statements are the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the financial statements based on our review.

We have conducted our review in accordance with the standard on Review Engagement (SRE) 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*, specified under Section 143(10) of the Companies Act, 2013. 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 provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the financial statements, prepared in accordance with applicable Accounting Standards i.e. Indian Accounting Standards (Ind-AS) specified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognised accounting practices and policies thereon has not disclosed the information required to be disclosed including the manner in which it is to be disclosed, or that it contains any material misstatement.

For G.S. Mathur & Co.
Chartered Accountants
Firm Regn No. 008744N

G.S. MATHUR & CO.
A-160
Defence Colony
New Delhi
Chartered Accountants

S.C. Choudhary
Partner
M.No. 082023

For A.R. & Co.
Chartered Accountants
Firm Regn No. 002744C

A. R. & CO.
FRN 002744 C
CHARTERED ACCOUNTANTS

Anil Gaur
Partner
M.No. 017546

Place : New Delhi
Date : 12th October 2018