

Soaring high...  
Redefining benchmarks...



आरईसी  
**REC**

असीमित ऊर्जा, अनन्त संभावनाएं  
Endless energy. Infinite possibilities.

Interim  
Dividend  
₹ 8.00 Per  
Share of ₹ 10  
each

Loan Book  
₹ 1,68,971 cr.  
**UP 19%**

Total Income  
₹ 15,017 cr.  
**UP 19%**

Net Interest  
Income  
₹ 6,027 cr.  
**UP 21%**

PAT  
₹ 4,163 cr.  
**UP 19%**

EPS  
₹ 42.16  
**UP 19%**

## STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31.12.2014

Part I							
(₹ in Lakhs)							
Sl. No.	PARTICULARS	QUARTER ENDED			NINE MONTHS ENDED		YEAR ENDED
		31.12.2014 (Un-Audited)	30.09.2014 (Un-Audited)	31.12.2013 (Un-Audited)	31.12.2014 (Un-Audited)	31.12.2013 (Un-Audited)	31.03.2014 (Audited)
1	<b>Income from Operations</b>						
a	Interest Income	5,14,453	4,98,619	4,32,897	14,77,882	12,41,023	16,80,639
b	Other Operating Income	6,076	3,752	4,763	11,731	16,524	21,159
	<b>Total Income from Operations</b>	<b>5,20,529</b>	<b>5,02,371</b>	<b>4,37,660</b>	<b>14,89,613</b>	<b>12,57,547</b>	<b>17,01,798</b>
2	<b>Expenses</b>						
a	Finance Costs	3,04,487	2,95,447	2,59,380	8,75,163	7,41,511	10,03,846
b	Employee Benefits Expense	2,692	3,376	3,829	9,561	11,023	12,991
c	Other Expenses	2,267	2,267	2,055	6,688	5,417	10,508
d	Allowance for bad and doubtful debts	206	-	2,500	10,888	4,732	4,732
e	Contingent Allowance against Standard Loan Assets (739)	1,797	5,044	2,495	11,724	26,470	
f	Allowance against Restructured Loans	19,605	-	-	19,605	-	-
g	Depreciation and amortisation expense	165	177	107	529	317	421
	<b>Total Expenses</b>	<b>3,28,683</b>	<b>3,03,064</b>	<b>2,72,915</b>	<b>9,24,929</b>	<b>7,74,724</b>	<b>10,58,968</b>
3	<b>Profit from Operations before Other Income &amp; Exceptional Items (1-2)</b>	<b>1,91,846</b>	<b>1,99,307</b>	<b>1,64,745</b>	<b>5,64,684</b>	<b>4,82,823</b>	<b>6,42,830</b>
4	Other Income	3,903	4,256	2,857	12,116	5,533	10,282
5	<b>Profit from Ordinary Activities before Exceptional Items (3+4)</b>	<b>1,95,749</b>	<b>2,03,563</b>	<b>1,67,602</b>	<b>5,76,800</b>	<b>4,88,356</b>	<b>6,53,112</b>
6	Exceptional Items	-	-	-	-	-	-
7	<b>Profit from Ordinary Activities before Tax (5+6)</b>	<b>1,95,749</b>	<b>2,03,563</b>	<b>1,67,602</b>	<b>5,76,800</b>	<b>4,88,356</b>	<b>6,53,112</b>
8	<b>Tax Expense</b>						
	- Current Year	57,527	54,707	50,397	1,63,311	1,16,793	1,70,466
	- Deferred Tax Liability / (Asset)	180	(1,219)	(5,562)	(2,907)	20,983	12,872
	- Earlier Years / (Refund)	59	-	-	59	1,374	1,404
9	<b>Net Profit from Ordinary Activities after Tax (7-8)</b>	<b>1,37,983</b>	<b>1,50,075</b>	<b>1,22,767</b>	<b>4,16,337</b>	<b>3,49,206</b>	<b>4,68,370</b>
10	Extraordinary Items (net of tax expense)	-	-	-	-	-	-
11	<b>Net Profit for the Period (9-10)</b>	<b>1,37,983</b>	<b>1,50,075</b>	<b>1,22,767</b>	<b>4,16,337</b>	<b>3,49,206</b>	<b>4,68,370</b>
12	<b>Paid up Equity Share Capital (Face Value ₹10 per share)</b>	<b>98,746</b>	<b>98,746</b>	<b>98,746</b>	<b>98,746</b>	<b>98,746</b>	<b>98,746</b>
13	Reserves & Surplus (Excluding Revaluation Reserves) (as per audited balance sheet as at 31st March)						19,68,200
14	<b>Earnings per Share (EPS) (before extraordinary items) (of ₹ 10 each) (not annualised) (in ₹)</b>						
a	Basic	13.97	15.20	12.43	42.16	35.36	47.43
b	Diluted	13.97	15.20	12.43	42.16	35.36	47.43
	<b>Earnings per Share (EPS) (after extraordinary items) (of ₹ 10 each) (not annualised) (in ₹)</b>						
a	Basic	13.97	15.20	12.43	42.16	35.36	47.43
b	Diluted	13.97	15.20	12.43	42.16	35.36	47.43

### Notes:

- The above financial results for the quarter and nine months ended 31st Dec., 2014 were reviewed by the Audit Committee at the meeting held on 13th February, 2015 and approved and taken on record by the Board of Directors at the meeting held on 13th February, 2015.
- These results have been subjected to limited review by Joint Statutory Auditors of the Company.
- The company has opted for amortising the foreign exchange fluctuation loss/(gain) on the long term foreign currency monetary items over the balance period of such items. The amount remaining to be amortised in 'Foreign Currency Monetary Item Translation Difference Account' is ₹ 449.45 Crores. (As on 31.12.2013 ₹ 777.32 Crores)
- RBI, vide its letters dated 25th July, 2013 and 4th April, 2014, has conveyed to the Company to comply with the Prudential Norms of RBI by 31st March, 2016 and follow the instructions contained in RBI Circular dated January 23, 2014 issued vide Notification No. DNBS (PD) No. 271/ CGM (NSV)-2014 in respect of restructuring of assets. Later, RBI vide its letter dated 11th June, 2014 has allowed exemption to the Company from RBI restructuring norms till March 31, 2017 for Transmission & Distribution, Renovation & Modernisation and Life Extension projects and also the Hydro projects in Himalayan region or affected by natural disasters. Further, for new project loans to Generating Companies restructured w.e.f. 01.04.2015, the provisioning requirement would be 5% and for stock of loans as on 31.03.2015 of such projects, the provisioning shall commence with a provision of 2.75% w.e.f. 31.03.2015 and reaching 5% by 31.03.2018.

## Part II SELECT INFORMATION FOR THE QUARTER ENDED 31.12.2014

Sl. No.	PARTICULARS	QUARTER ENDED			NINE MONTHS ENDED		YEAR ENDED
		31.12.2014	30.09.2014	31.12.2013	31.12.2014	31.12.2013	31.03.2014
<b>A</b>	<b>PARTICULARS OF SHAREHOLDING</b>						
1	<b>Public shareholding</b>						
	- Number of shares	33,92,90,782	33,92,90,782	32,78,52,000	33,92,90,782	32,78,52,000	33,92,90,782
	- Percentage of shareholding	34.36%	34.36%	33.20%	34.36%	33.20%	34.36%
2	<b>Promoters and Promoter group Shareholding</b>						
a)	<b>Pledged/ Encumbered</b>						
	- Number of shares	NIL	NIL	NIL	NIL	NIL	NIL
	- Percentage of shares (as a % of total shareholding of Promoter and Promoter Group)	NIL	NIL	NIL	NIL	NIL	NIL
	- Percentage of shares (as a % of total share capital of the Company)	NIL	NIL	NIL	NIL	NIL	NIL
b)	<b>Non-Encumbered shares</b>						
	- Number of shares	64,81,68,218	64,81,68,218	65,96,07,000	64,81,68,218	65,96,07,000	64,81,68,218
	- Percentage of shares (as a % of total shareholding of Promoter and Promoter Group)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	- Percentage of shares (as a % of total share capital of the Company)	65.64%	65.64%	66.80%	65.64%	66.80%	65.64%
	<b>PARTICULARS</b>	<b>QUARTER ENDED 31.12.2014</b>					
		<b>Equity Securities</b>			<b>Debt Securities</b>		
<b>B</b>	<b>INVESTOR COMPLAINTS</b>						
	Pending at the beginning of the quarter		0			0	
	Received during the quarter		162			667	
	Disposed off during the quarter		162			667	
	Remaining unresolved at the end of the quarter		0			0	

Accordingly, the accounting policy on Provisioning against Loans has been amended to create provision @ 2.75% on stock of restructured loans. Thus, during the quarter, a provision has been made on proportionate basis for the period from 1st April, 2014 to 31st Dec., 2014 amounting to ₹ 196.05 crores on qualifying loans (comprising of loans to Public Sector – ₹ 9,505.66 crores + loans to Private Sector - Nil).

- The Company's main business is to provide finance to power sector. Accordingly, the company does not have more than one segment eligible for reporting in terms of Accounting Standard-17 'Segment Reporting'.
- The Company paid the final dividend of ₹ 1.75 per equity share of ₹ 10/- each for the financial year ended on 31st March, 2014 on 1st October, 2014.
- The Company has declared an interim dividend of ₹ 8/- per equity share of ₹ 10/- each for the financial year 2014-15. Further, 20th February, 2015 has been fixed as the Record Date for payment of Interim Dividend.
- During the quarter ended 30th June, 2014, the Company had revised the accounting policy for depreciation of fixed assets in alignment with Schedule-II to the Companies Act, 2013 which has become applicable from 1st April, 2014. Due to this change in accounting policy, profit before tax for the quarter and nine months ended 31st December, 2014 is lower by ₹ 0.67 Crores and ₹ 2.26 Crores respectively. Further, an amount of ₹ 0.74 crores (net of tax ₹ 0.38 crores) had been adjusted in the retained earnings in respect of fixed assets, where the remaining useful life of such assets was Nil as at 1st April, 2014 in line with the provisions of the Schedule-II to the Companies Act, 2013.
- Further, due to the change in accounting policy as referred to in Note 4 above, the profit before tax for the quarter and nine months ended 31st Dec., 2014 is lower by ₹ 172.29 crores, after considering the existing provision on standard loan assets on these restructured loans.
- Modifications have also been made in Significant Accounting Policies regarding Basis of Preparation of Financial Statements and Taxes in order to align them with the Companies Act, 2013. However, there is no financial impact of such modifications.
- Previous periods/year's figures have been regrouped/rearranged wherever necessary. Further, consequent to the limited review for the quarter and half year ended September 30, 2014, the financial statements for the half year ended September 30, 2014 were got audited by the Statutory Auditors of the Company and approved by the Board of Directors at the meeting held on 13th February, 2015. Minor variations had resulted during the audit from the limited reviewed accounts, resulting in increase in profit after tax by ₹ 3.55 Crores. This has been adjusted in the figures for quarter ended 31st December, 2014.

For Rural Electrification Corporation Limited

Sd/-  
(Rajeev Sharma)  
Chairman & Managing Director,  
DIN - 00973413

Place: New Delhi

Date: 13th February, 2015

**Rural Electrification Corporation Limited**  
(A Government of India Enterprise)

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