

Statement of Unaudited Standalone Financial Results for the Quarter Ended 30-06-2018

(₹ in Crores)

Sl. No.	Particulars	Quarter Ended	
		30-06-18 (Unaudited)	30-06-17 (Unaudited)
1	A Interest Income	5,668.82	5,466.83
	B Other Operating Income	69.77	160.02
	C Revenue from Operations (A+B)	5,738.59	5,626.85
	D Other Income	580.42	1.16
	Total Revenue (C+D)	6,319.01	5,628.01
2	Expenses		
	A Finance Costs	3,628.05	3,186.55
	B Employee Benefits Expense	43.18	56.50
	C Depreciation & Amortization	1.59	1.29
	D Corporate Social Responsibility Expenses	47.47	5.34
	E Other Expenses	356.04	254.42
	F Impairment losses on financial assets	131.84	722.99
	Total Expenses (A to F)	4,208.17	4,227.09
3	Profit before Tax (1-2)	2,110.84	1,400.92
4	Tax Expense		
	A Current Year	344.14	572.87
	B Deferred Tax Liability / (Asset)	298.00	(247.91)
	Total Tax Expense (A+B)	642.14	324.96
5	Net profit for the period (3-4)	1,468.70	1,075.96
6	Other comprehensive Income/(Loss)		
	A Items that will not be reclassified to profit or loss		
	- Changes in fair value of investments	(71.44)	(15.39)
	B Income tax relating to these items	(0.83)	-
	Other comprehensive Income/(Loss) for the period (A+B)	(72.27)	(15.39)
7	Total comprehensive Income for the period (5+6)	1,396.43	1,060.57
8	Paid up Equity Share Capital (Face Value ₹10 per share)	1,974.92	1,974.92
9	Earnings per Share (EPS) (of ₹10 each) (not annualised) (in ₹)		
	A Basic	7.44	5.45
	B Diluted	7.44	5.45

See accompanying notes to the financial results.

Notes:

- 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 financial results 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.

- The above financial results were reviewed by the Audit Committee at the meeting held on 14th September 2018 and approved and taken on record by the Board of Directors at the meeting held on 14th September 2018. These have been subjected to limited review by the Statutory Auditors of the Company.



3. During the current quarter, The President of India, acting through Ministry of Power (MoP) has transferred 72,22,395 equity shares of the Company, in connection with Follow-on Fund Offer (FFO) of Bharat-22 ETF. However, 7,49,151 equity shares were transferred back to the Govt. of India in July 2018. Accordingly, as on date, the shareholding of the Govt. of India stands at 57.99%, as against 58.32% as on 31st March 2018.
4. 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)
S. No.	Particulars	Quarter ended 30th June 2017
(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

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

		(₹ in Crores)
S. No.	Particulars	As at 30th June 2018
1.	Credit-impaired loan assets	19,650.67
2.	Impairment Allowance Maintained	9,316.17
	Impairment Allowance Coverage (%) (2/1)	47.41%

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 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.
8. 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.
9. 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.

Place: New Delhi
Date: 14th September 2018

For Rural Electrification Corporation Limited

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



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' 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 statement of unaudited standalone Ind-AS Financial Results of Rural Electrification Corporation Limited (the "Company") for the quarter ended 30th June 2018, being submitted by the Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This statement is 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 interim financial information 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 interim financial information is 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 accompanying statement of unaudited standalone Ind-AS financial results read with notes thereon, 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 in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th July 2016, 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


S.C. Choudhary
Partner
M.No. 082023



For A.R. & Co.

Chartered Accountants
Firm Regn No. 002744C


Anil Gaur
Partner
M.No. 017546



Place : New Delhi
Date : 14th September 2018