

SEC-1/187(2)/2018/13

Dated: February 8, 2019

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

Sub: Submission of Un-audited Standalone Financial Results of the Company for the third quarter and nine months ended December 31, 2018.

Dear Sir(s),

In continuation of our letter dated January 22, 2019 on the subject cited above and in pursuance of Regulation 30 read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Un-audited Standalone Financial Results of the Company for the third quarter and nine months ended December 31, 2018 in the prescribed format, which have been reviewed by the Audit Committee and approved & taken on record by the Board of Directors of the Company in the Meetings held on February 8, 2019.

The Un-audited Standalone Financial Results have been subjected to Limited Review by the Statutory Auditors of the Company and a copy of the Limited Review Report is enclosed herewith for your reference and record.

Thanking you,

Yours faithfully,


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

Encl: As above

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.

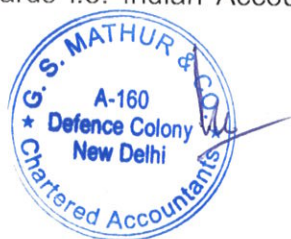
Independent Auditors' Review Report

The Board of Directors,
REC Limited
(Formerly 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 REC Limited (Formerly Rural Electrification Corporation Limited) (the "Company") for the period ended 31st December 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. 008744C



S.C.Choudhary

Partner

M.No. 082023



For A.R. & Co.

Chartered Accountants

Firm Regn No. 002744C



Priyanshu Jain

Partner

M.No. 530262



Place :Mumbai

Date : 8thFebruary 2019

Statement of Unaudited Standalone Financial Results for the Period Ended 31-12-2018

(₹ in Crores)

Sl. No.	Particulars	Quarter Ended			Period Ended	
		31-12-2018 (Unaudited)	30-09-2018 (Unaudited)	31-12-2017 (Unaudited)	31-12-2018 (Unaudited)	31-12-2017 (Unaudited)
1	A Interest Income	6,623.95	6,061.64	5,543.55	18,418.39	16,558.33
	B Other Operating Income					
	(i) Dividend Income	2.40	54.24	-	56.64	40.93
	(ii) Fees and Commission Income	93.53	124.64	15.28	222.29	182.83
	(iii) Net translation/ transaction exchange gain	532.36	-	72.77	-	2.00
	(iv) Net gain on fair value changes	-	1,045.65	-	413.50	-
	Sub-total (B) - Other Operating Income	628.29	1,224.53	88.05	692.43	225.76
	C Revenue from Operations (A+B)	7,252.24	7,286.17	5,631.60	19,110.82	16,784.09
	D Other Income	5.24	13.00	5.66	19.78	8.12
	Total Revenue (C+D)	7,257.48	7,299.17	5,637.26	19,130.60	16,792.21
2	Expenses					
	A Finance Costs					
	(i) Interest Expense	4,081.65	3,778.93	3,289.43	11,480.41	9,718.66
	(ii) Fees and commission Expense	7.75	4.47	1.90	20.44	12.65
	Sub-total (A) - Finance Costs	4,089.40	3,783.40	3,291.33	11,500.85	9,731.31
	B Net translation/ transaction exchange loss	-	782.51	-	582.87	-
	C Net loss on fair value changes	1,212.70	-	656.29	-	844.00
	D Impairment on financial instruments	26.39	64.32	94.64	222.55	1,075.26
	E Employee Benefits Expense	41.31	26.73	46.85	111.22	136.17
	F Depreciation, amortization and impairment	1.96	1.59	1.41	5.14	4.02
	G Corporate Social Responsibility Expenses	25.04	12.00	8.80	84.51	24.01
	H Other Expenses	30.77	103.17	31.92	157.26	76.26
	Total Expenses (A to H)	5,427.57	4,773.72	4,131.24	12,664.40	11,891.03
3	Profit before Tax (1-2)	1,829.91	2,525.45	1,506.02	6,466.20	4,901.18
4	Tax Expense					
	A Current Tax	806.41	301.97	596.26	1,452.52	1,746.24
	B Deferred Tax	(251.06)	459.15	(187.01)	506.09	(425.55)
	Total Tax Expense (A+B)	555.35	761.12	409.25	1,958.61	1,320.69
5	Net profit for the period (3-4)	1,274.56	1,764.33	1,096.77	4,507.59	3,580.49
6	Other comprehensive Income/(Loss)					
	A Items that will not be reclassified to profit or loss					
	- Re-measurement gains/(losses) on defined benefit plans	-	7.46	-	7.46	(4.02)
	- Changes in fair value of investments	68.84	(22.64)	98.03	(25.24)	101.06
	B Income tax relating to these items	(1.59)	(0.99)	-	(3.41)	1.39
	Other comprehensive Income/(Loss) for the period (A+B)	67.25	(16.17)	98.03	(21.19)	98.43
7	Total comprehensive Income for the period (5+6)	1,341.81	1,748.16	1,194.80	4,486.40	3,678.92
8	Paid up Equity Share Capital (Face Value ₹10 per share)	1,974.92	1,974.92	1,974.92	1,974.92	1,974.92
9	Earnings per Share (EPS) (of ₹10 each) (not annualised) (in ₹)					
	A Basic	6.45	8.93	5.55	22.82	18.13
	B Diluted	6.45	8.93	5.55	22.82	18.13

See accompanying notes to the financial results.



Notes:

1. 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 31st December 2018. Corresponding figures have been regrouped/ reclassified 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.

2. The above financial results were reviewed by the Audit Committee at the meeting held on 8th February 2019 and approved and taken on record by the Board of Directors at the meeting held on 8th February 2019. These have been subjected to limited review by the Statutory Auditors of the Company.
3. 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 period ended 31st December 2017 under the previous GAAP and Ind-AS is as under:

		(₹ in Crores)	
S. No.	Particulars	Q3 FY18	9M FY18
A	Net Profit for the period as reported under the previous GAAP	1,296.41	3,812.21
B	Add/ (Less) - Ind-AS Adjustments		
(i)	Adjustment on account of Expected Credit Loss	110.67	(236.58)
(ii)	Adjustment on account of MTM accounting for derivatives	(456.39)	(426.02)
(iii)	Adjustment on account of effective interest rate on financial liabilities and financial assets	(22.98)	(47.51)
(iv)	Changes in Fair Value of Investments through Other Comprehensive Income (OCI)	-	19.61
(v)	Re-measurement gains/(losses) on defined benefit plans through OCI	-	4.02
(vi)	Other Misc. adjustments	(0.06)	0.59
(vii)	Tax impact	169.12	454.17
C	Net Profit as per Ind AS (A+B)	1,096.77	3,580.49
D	Other Comprehensive Income (net of tax)	98.03	98.43
E	Total Comprehensive Income (net of tax) as per Ind AS (C+D)	1,194.80	3,678.92

4. 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 31st December 2018
1.	Credit-impaired loan assets	20,386.95
2.	Impairment Allowance Maintained	9,720.92
	Impairment Allowance Coverage (%) (2/1)	47.68%

5. 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'.
6. 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.
7. Interest income on credit-impaired loan assets is not being recognised as a matter of prudence, pending the outcome of resolutions of stressed assets.
8. The President of India, acting through Ministry of Power, Govt. of India, has divested 10,14,70,139 equity shares held in the Company, representing 5.14% of the paid-up share capital of the Company under CPSE ETF Further Fund Offer 3 (FFO 3) in the month of December 2018. Accordingly, as on date, Govt. of India holds 52.85% of the paid up share capital of the Company.
9. The Cabinet Committee on Economic Affairs (CCEA) has given its 'In Principle' approval for strategic sale of the Government of India's existing 52.63% shareholding in the Company to Power Finance Corporation Ltd. (PFC) on 6th December 2018.
10. For all the secured bonds issued by the Company and outstanding as at 31st December 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: Mumbai

Date: 8th February 2019

For REC Limited


P.V. Ramesh

Chairman & Managing Director
DIN - 02836069

