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

आरईसी लिमिटेड | REC Limited
(Formerly 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: +91-11-4309 1500 | Fax: +91-11-2436 0644 | Website: www.recindia.com
CIN : L40101DL1969GOI005095 | GST No.: 07AAACR4512R1Z3

स्वच्छ भारत
एक कदम स्वच्छता की ओर

SEC-1/187(2)/2021/228 **Dated: May 28, 2021**

Listing Department, National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla 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 annual audited financial results (standalone and consolidated) of the Company for the quarter & year ended March 31, 2021.

Dear Sir(s),

In continuation of our letter dated May 20, 2021 on the subject cited above and in pursuance of Regulation 30 read with Schedule III of SEBI (LODR) Regulations, 2015, we are submitting herewith the annual audited financial results (standalone and consolidated) of the Company along with Auditors' Report thereon, with unmodified opinion, for the financial year ended March 31, 2021. The annual audited financial results have been reviewed by the Audit Committee and approved & taken on record by the Board of Directors of the company in their respective meetings held on May 28, 2021.

The disclosure of related party transactions on a consolidated basis in terms of Regulation 23(9) of SEBI (LODR) Regulations, 2015 is enclosed herewith. Further, in terms of SEBI circular dated May 20, 2020, the impact of COVID-19 pandemic on the Company is also enclosed with the said financial results.

This is for your kind information and dissemination.

Thanking you,

Yours faithfully,

(J.S. Amitabh)
Executive Director & Company Secretary

Encl: as above

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

O P Bagla & Co. LLP
Chartered Accountants
B-225, 5th Floor,
Okhla Industrial Area Phase-I
New Delhi- 110020.

Independent Auditor's Report on Quarterly and Year to date Standalone Financial Results of REC Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

Opinion

We have audited the accompanying standalone quarterly and year to date financial results of **REC Limited** (the company) for the quarter and year to date ended 31st March 2021 attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us these standalone financial results:

i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information for the quarter ended and year to date ended 31st March 2021.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Results* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Companies Act, 2013 and the Rules

O.P. BAGLA & CO. LLP
FRN: 000018N/N500091
New Delhi
Chartered Accountants

thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

1. We draw attention to Note No. 3 to the financial results regarding, the provision of impairment allowance in respect of its loan assets and Letters of Comfort. In this regard, we have relied upon the basis of determination of impairment allowance as mentioned above, in so far as it relates to technical aspects/parameters considered by independent agency and management judgement for ascertaining impairment allowance as management overlay.
2. We draw attention to Note No. 17 of the financial results regarding the impact of COVID-19 pandemic on the Company. Management is of the view that there are no reasons to believe that the pandemic will have any significant impact on the ability of the company to continue as a going concern. Nevertheless, the impact in sight of evolvement of pandemic in future period is uncertain and could impact the impairment allowance in future years.

Our opinion is not modified in respect of these matters.

Management's Responsibilities for the Standalone Financial Results

These quarterly financial results as well as the year to date standalone financial results have been prepared on the basis of the interim financial statements. The Company's management and Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of

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accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The management and Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Name : S. Murthy
Designation : Partner
Membership Number : 072290
UDIN :21072290AAAADC1461

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

O.P. BAGLA & CO. LLP. 000018N/N500091 New Delhi Chartered Accountants

Name – Atul Aggarwal
Designation: Partner
Membership Number: 092656
UDIN : 21092656AAAACO3045

Place : New Delhi
Date : 28th May 2021

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

O P Bagla & Co. LLP
Chartered Accountants
B-225, 5th Floor,
Okhla Industrial Area Phase-I
New Delhi- 110020.

Independent Auditors' Report on Year to Date Consolidated Results of REC Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

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

Opinion

We have audited the accompanying consolidated annual financial results of **REC Limited** (hereinafter referred to as the 'Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), its jointly controlled entities for the year ended 31st March 2021 attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial statements /financial results/ financial information of the subsidiary and jointly controlled entities, the aforesaid consolidated financial results:

(i) include the annual financial results of the following entities

Subsidiary:

REC Power Distribution Company Limited

Joint Venture:

Energy Efficiency Services Limited, using equity method

(ii) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

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(iii) give a true and fair view in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of net profit and other comprehensive income and other financial information of the Group for the year ended 31st March 2021.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("Act"). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Results* section of our report. We are independent of the Group, its jointly controlled entities in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

1. We draw attention to Note No. 3 to the financial results regarding, the provision of impairment allowance in respect of its loan assets and Letters of Comfort. In this regard, we have relied upon the basis of determination of impairment allowance as mentioned above, in so far as it relates to technical aspects/parameters considered by independent agency and management judgement for ascertaining impairment allowance as management overlay.

2. We draw attention to Note No. 17 of the financial results regarding the impact of COVID-19 pandemic on the Company. Management is of the view that there are no reasons to believe that the pandemic will have any significant impact on the ability of the company to continue as a going concern. Nevertheless, the impact in sight of evolvement of pandemic in future period is uncertain and could impact the impairment allowance in future years.

Our opinion is not modified in respect of these matters.

Board of Directors' Responsibilities for the Consolidated Financial Results

These Consolidated financial results have been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group including its jointly controlled entities in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associates and jointly controlled entities and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial results, the respective company's management and Board of Directors of the companies included in the Group and of its jointly controlled entities are responsible for assessing the ability of the Group and its jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective company's management and Board of Directors of the companies included in the Group and of its jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its jointly controlled entities.

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Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and jointly controlled entities to continue as a going concern. If we conclude that a

material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its jointly controlled entities to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its jointly controlled entities to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

NEW DELHI CHARTERED ACCOUNTANTS

P.P. BAGLA & CO. LLP FRN: 000018N/N500091 New Delhi Chartered Accountants

Other Matters

(a) We did not audit the financial statements of the subsidiary included in the consolidated financial results, whose financial statements reflect total assets of ₹ 662.79 crores as at 31st March 2021, total revenue of ₹ 70.04 crores and ₹ 184.69 crores, total net profit/(loss) after tax of ₹ 3.76 crores and ₹ 25.62 crores, total comprehensive income/ (loss) of ₹ 3.76 crores and ₹ 25.62 crores for the quarter ended 31st March 2021 and for the period from 1st April 2020 to 31st March 2021 respectively, and cash flows (net) of ₹ -0.93 crores for the period from 1st April 2020 to 31st March 2021 as considered in the respective audited financial statements of the entities included in the Group, which have been audited by their respective independent auditors. The independent auditors' reports on financial statements of these entities have been furnished to us and our opinion, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

(b) The consolidated audited financial results also include the Group's share of net profit after tax of ₹ 4.45 crores and ₹. -1.97 crores and total comprehensive income of ₹ 4.40 crores and ₹ -0.73 crores for the quarter and year ended 31st March 2021 respectively, as considered in the consolidated audited financial results, in respect of one joint venture based on their interim financial information which have not been reviewed/audited by their auditors. These interim financial results/ information are certified by the Management. According to the information and explanations given to us by the Management, these interim financial information are not material to the Group.

Our opinion on the consolidated Financial Results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the Financial Results/financial information certified by the Board of Directors.

S.K. MEHTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

S.P. BAGLA & CO. LLP FRN. 000018N/N500009 New Delhi Chartered Accountants

The Financial Results include the results for the quarter ended 31st March 2021 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

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

Name – Gaurav Mittal
Designation: Partner
Membership Number: 099387
UDIN: 21099387AAAADZ9780

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

Name – Atul Aggarwal
Designation: Partner
Membership Number: 092656
UDIN : 21092656AAAACP4723

Place : New Delhi
Date : 28th May 2021

REC Limited

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

Statement of Audited Standalone Financial Results for the year ended 31-03-2021

(₹ in Crores)

S. No.		Particulars	Quarter Ended			Year Ended	
			31-03-2021 (Audited)	31-12-2020 (Unaudited)	31-03-2020 (Audited)	31-03-2021 (Audited)	31-03-2020 (Audited)
1		**Income**					
	A	**Interest income**					
	(i)	Interest income on loan assets	8,746.21	8,824.91	7,691.16	34,302.76	29,422.33
	(ii)	Other interest income	100.25	71.30	64.47	381.02	240.74
		Sub-total (A) - Interest Income	**8,846.46**	**8,896.21**	**7,755.63**	**34,683.78**	**29,663.07**
	B	**Other Operating Income**					
	(i)	Dividend income	22.28	-	73.78	36.40	89.04
	(ii)	Fees and commission income	32.47	25.66	9.99	95.38	38.95
	(iii)	Net gain/ (loss) on fair value changes	244.40	120.26	(117.97)	572.33	(25.85)
		Sub-total (B) - Other Operating Income	**299.15**	**145.92**	**(34.20)**	**704.11**	**102.14**
	C	**Total Revenue from Operations (A+B)**	**9,145.61**	**9,042.13**	**7,721.43**	**35,387.89**	**29,765.21**
	D	Other Income	4.23	4.89	55.28	22.55	63.92
		Total income (C+D)	**9,149.84**	**9,047.02**	**7,776.71**	**35,410.44**	**29,829.13**
2		**Expenses**					
	A	Finance costs	5,438.14	5,445.97	4,941.80	21,489.08	18,997.05
	B	Net translation/ transaction exchange loss/ (gain)	213.29	(22.55)	1,332.75	330.26	2,357.90
	C	Fees and commission expense	1.03	0.33	10.49	9.95	25.44
	D	Impairment on financial instruments	697.64	729.96	538.46	2,419.62	889.56
	E	Employee benefits expenses	34.62	42.64	42.11	144.84	175.79
	F	Depreciation and amortization	2.65	2.24	3.15	9.53	10.00
	G	Corporate social responsibility expenses	36.19	21.18	176.37	144.32	258.40
	H	Other expenses	30.51	17.20	33.35	106.71	131.70
		Total expenses (A to H)	**6,454.07**	**6,236.97**	**7,078.48**	**24,654.31**	**22,845.84**
3		**Profit before tax (1-2)**	**2,695.77**	**2,810.05**	**698.23**	**10,756.13**	**6,983.29**
4		**Tax expense**					
	A	**Current tax**					
		- Current year	622.41	682.53	290.80	2,683.62	1,552.99
		- Earlier years	89.55	-	(1.23)	223.28	62.88
	B	**Deferred tax**	(85.82)	(135.41)	(27.05)	(512.55)	481.26
		Total tax expense (A+B)	**626.14**	**547.12**	**262.52**	**2,394.35**	**2,097.13**
5		**Net profit for the period (3-4)**	**2,069.63**	**2,262.93**	**435.71**	**8,361.78**	**4,886.16**
6		**Other comprehensive Income/(Loss)**					
	(i)	**Items that will not be reclassified to profit or loss**					
	(a)	Re-measurement gains/(losses) on defined benefit plans	(11.36)	0.28	(10.83)	(14.26)	(2.87)
	(b)	Changes in fair value of FVOCI equity instruments	30.02	47.99	(88.89)	166.53	(129.20)
	(c)	Income tax relating to these items					
		- Re-measurement gains/(losses) on defined benefit plans	2.86	(0.07)	2.72	3.59	0.72
		- Changes in fair value of FVOCI equity instruments	(1.54)	0.48	(0.40)	(6.01)	12.39
		Sub-total ((i)	**19.98**	**48.68**	**(97.40)**	**149.85**	**(118.96)**
	(ii)	**Items that will be reclassified to profit or loss**					
	(a)	Effective Portion of Cash Flow Hedges	92.61	23.84	(302.12)	80.81	(302.12)
	(b)	Cost of hedging reserve	(115.83)	154.17	(273.61)	329.00	(273.61)
	(c)	Income tax relating to these items					
		-Effective Portion of Cash Flow Hedges	(23.31)	(6.00)	76.04	(20.34)	76.04
		- Cost of hedging reserve	29.16	(38.81)	68.86	(82.80)	68.86
		Sub-total ((ii)	**(17.37)**	**133.20**	**(430.83)**	**306.67**	**(430.83)**
		Other comprehensive Income/(Loss) for the period (i+ii)	2.61	**181.88**	**(528.23)**	**456.52**	**(549.79)**
7		**Total comprehensive income for the period (5+6)**	**2,072.24**	**2,444.81**	**(92.52)**	**8,818.30**	**4,336.37**
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		**Other equity (as per audited balance sheet as at 31st March)**				40,893.05	33,101.64
10		**Basic & Diluted earnings per equity share of ₹ 10 each (in ₹) (not annualised)**					
	A	For continuing operations	**10.48**	**11.46**	**2.21**	**42.34**	**24.74**
	B	For continuing and discontinued operations	**10.48**	**11.46**	**2.21**	**42.34**	**24.74**

See accompanying notes to the financial results.

Statement of Audited Consolidated Financial Results for the year ended 31-03-2021

(₹ in Crores)

S. No.	Particulars	Quarter Ended			Year Ended	
		31-03-2021 (Audited)	31-12-2020 (Unaudited)	31-03-2020 (Audited)	31-03-2021 (Audited)	31-03-2020 (Audited)
1	**Income**					
A	**Interest Income**					
(i)	Interest income on loan assets	8,746.21	8,824.91	7,691.16	34,302.76	29,422.33
(ii)	Other interest income	105.27	72.09	66.62	390.59	249.45
	Sub-total (A) - Interest Income	**8,851.48**	**8,897.00**	**7,757.78**	**34,693.35**	**29,671.78**
B	**Other Operating Income**					
(i)	Dividend income	22.28	-	23.78	27.97	36.94
(ii)	Fees and commission income	32.47	25.66	9.99	95.38	38.95
(iii)	Net gain/ (loss) on fair value changes	244.40	120.26	(117.97)	572.33	(25.85)
(iv)	Sale of services	60.83	41.65	49.93	163.65	182.11
	Sub-total (B) - Other Operating Income	**359.98**	**187.57**	**(34.27)**	**859.33**	**232.15**
C	**Total Revenue from Operations (A+B)**	**9,211.46**	**9,084.57**	**7,723.51**	**35,552.68**	**29,903.93**
D	Other Income	4.30	4.89	62.08	22.72	77.27
	Total income (C+D)	**9,215.76**	**9,089.46**	**7,785.59**	**35,575.40**	**29,981.20**
2	**Expenses**					
A	Finance costs	5,440.72	5,444.88	4,940.22	21,489.05	18,991.30
B	Net translation/ transaction exchange loss/ (gain)	213.29	(22.55)	1,332.75	330.26	2,357.90
C	Fees and commission expense	1.03	0.33	10.49	9.95	25.44
D	Impairment on financial instruments	719.46	730.31	556.56	2,445.94	919.49
E	Cost of services rendered	30.82	27.92	23.04	88.51	71.61
F	Employee benefits expenses	39.72	47.37	45.89	163.62	193.15
G	Depreciation and amortization	2.87	2.55	3.56	10.86	11.77
H	Corporate social responsibility expenses	35.88	22.45	176.42	146.27	259.29
I	Other expenses	32.04	18.27	34.21	109.38	130.41
	Total Expenses (A to I)	**6,515.83**	**6,271.53**	**7,123.14**	**24,793.84**	**22,960.36**
3	**Share of Profit/ (loss) of Joint Venture accounted for using equity method**	4.45	(10.94)	1.78	(1.97)	9.14
4	**Profit before Tax (1-2+3)**	**2,704.38**	**2,806.99**	**664.23**	**10,779.59**	**7,029.98**
5	**Tax Expense**					
A	**Current Tax**					
	- Current Year	626.63	685.94	295.19	2,698.02	1,579.79
	- Earlier Years	89.23	(0.01)	1.16	222.95	65.27
B	**Deferred Tax**	(89.32)	(136.90)	(106.11)	(519.62)	412.65
	Total Tax Expense (A+B)	**626.54**	**549.03**	**190.24**	**2,401.35**	**2,057.71**
6	**Net profit for the period (4-5)**	**2,077.84**	**2,257.96**	**473.99**	**8,378.24**	**4,972.27**
7	**Other comprehensive Income/(Loss)**					
(i)	**Items that will not be reclassified to profit or loss**					
(a)	Re-measurement gains/(losses) on defined benefit plans	(11.36)	0.28	(10.83)	(14.26)	(2.87)
(b)	Changes in fair value of FVOCI equity instruments	30.02	47.99	(88.89)	166.53	(129.20)
(c)	Share of Profit of Joint Venture accounted for using equity method	(0.07)	0.02	(0.02)	(0.05)	(0.12)
(d)	Income tax relating to these items					
	- Re-measurement gains/(losses) on defined benefit plans	2.86	(0.07)	2.72	3.59	0.72
	- Changes in fair value of FVOCI equity instruments	(1.54)	0.48	(0.40)	(6.01)	12.39
	Sub-total (i)	**19.91**	**48.70**	**(97.42)**	**149.80**	**(119.08)**
(ii)	**Items that will be reclassified to profit or loss**					
(a)	Effective Portion of Cash Flow Hedges	92.61	23.84	(302.12)	80.81	(302.12)
(b)	Cost of hedging reserve	(115.83)	154.17	(273.61)	329.00	(273.61)
(c)	Share of other comprehensive income/ (loss) of joint venture accounted for using equity method	-	1.29	(0.80)	1.29	(3.94)
(d)	Income tax relating to these items					
	-Effective Portion of Cash Flow Hedges	(23.31)	(6.00)	76.04	(20.34)	76.04
	- Cost of hedging reserve	29.16	(38.81)	68.86	(82.80)	68.86
	Sub-total (ii)	**(17.37)**	**134.49**	**(431.63)**	**307.96**	**(434.77)**
	Other comprehensive income/(loss) for the period (i + ii)	**2.54**	**183.19**	**(529.05)**	**457.76**	**(553.85)**
8	**Total comprehensive Income for the period (6+7)**	**2,080.38**	**2,441.15**	**(55.06)**	**8,836.00**	**4,418.42**
9	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
10	Other Equity (as per audited balance sheet as at 31st March)				41,230.61	33,421.51
11	**Basic & Diluted earnings per equity share of ₹ 10 each (in ₹) (not annualised)**					
A	For continuing operations	**10.53**	**11.44**	**2.40**	**42.42**	**25.18**
B	For continuing and discontinued operations	**10.53**	**11.44**	**2.40**	**42.42**	**25.18**

See accompanying notes to the financial results.

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आरईसी लिमिटेड REC LIMITED

Statement of Assets and Liabilities

(₹ in Crores)

S. No.	Particulars	Standalone		Consolidated	
		As at 31-03-2021 (Audited)	As at 31-03-2020 (Audited)	As at 31-03-2021 (Audited)	As at 31-03-2020 (Audited)
	ASSETS				
(1)	**Financial Assets**				
(a)	Cash and cash equivalents	1,140.49	1,678.03	1,179.24	1,717.71
(b)	Bank balances other than (a) above	1,929.06	2,021.96	2,223.58	2,257.45
(c)	Trade receivables	-	-	140.07	109.07
(d)	Derivative financial instruments	2,311.22	3,318.85	2,311.22	3,318.85
(e)	Loans	3,65,261.49	3,12,083.50	3,65,261.49	3,12,083.50
(f)	Investments	1,909.77	2,313.21	1,723.68	2,127.11
(g)	Other financial assets	24,399.21	22,081.59	24,419.88	22,101.32
	Total - Financial Assets (1)	**3,96,951.24**	**3,43,497.14**	**3,97,259.16**	**3,43,715.01**
(2)	**Non-Financial Assets**				
(a)	Current tax assets (net)	160.07	392.66	168.92	409.94
(b)	Deferred tax assets (net)	2,437.71	2,034.32	2,461.03	2,050.57
(c)	Investment Property	0.01	0.01	0.01	0.01
(d)	Property, Plant & Equipment	260.12	153.00	260.70	156.97
(e)	Capital Work-in-Progress	335.67	287.62	335.67	287.62
(f)	Intangible Assets Under Development	0.77	0.77	0.77	0.77
(g)	Other Intangible Assets	6.10	8.80	6.15	8.82
(h)	Other non-financial assets	81.50	113.27	102.67	132.37
(i)	Investments accounted for using equity method	-	-	257.74	258.47
	Total - Non-Financial Assets (2)	**3,281.95**	**2,990.45**	**3,593.66**	**3,305.54**
(3)	**Assets classified as held for sale**	-	-	14.05	9.53
	Total ASSETS (1+2+3)	**4,00,233.19**	**3,46,487.59**	**4,00,866.87**	**3,47,030.08**
	LIABILITIES AND EQUITY				
	LIABILITIES				
(1)	**Financial liabilities**				
(a)	Derivative financial instruments	846.31	1,325.73	846.31	1,325.73
(b)	Trade payables				
	(I) Trade payables				
	(i) total outstanding dues of MSMEs	-	-	0.01	0.15
	(ii) total outstanding dues of creditors other than MSMEs	-	-	61.50	46.00
(c)	Debt securities	2,37,328.06	2,19,977.22	2,37,269.11	2,19,918.25
(d)	Borrowings (other than debt securities)	85,507.36	61,543.61	85,507.36	61,550.66
(e)	Subordinated liabilities	6,946.89	4,819.65	6,946.89	4,819.65
(f)	Other financial liabilities	25,943.11	23,562.70	26,222.35	23,782.21
	Total - Financial Liabilities (1)	**3,56,571.73**	**3,11,228.91**	**3,56,853.53**	**3,11,442.65**
(2)	**Non-Financial Liabilities**				
(a)	Current tax liabilities (net)	10.62	-	14.40	-
(b)	Provisions	103.96	106.51	104.68	107.09
(c)	Other non-financial liabilities	120.51	75.61	130.25	83.23
	Total - Non-Financial Liabilities (2)	**235.09**	**182.12**	**249.33**	**190.32**
(3)	**Liabilities directly associated with assets classified as held for sale**	-	-	0.08	0.68
(4)	**EQUITY**				
(a)	Equity Share Capital	1,974.92	1,974.92	1,974.92	1,974.92
(b)	Instruments Entirely Equity In Nature	558.40	-	558.40	-
(c)	Other equity	40,893.05	33,101.64	41,230.61	33,421.51
	Total - Equity (4)	**43,426.37**	**35,076.56**	**43,763.93**	**35,396.43**
	Total - LIABILITIES AND EQUITY (1+2+3+4)	**4,00,233.19**	**3,46,487.59**	**4,00,866.87**	**3,47,030.08**

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आरईसी लिमिटेड REC LIMITED

Statement of Cash Flows for the year ended 31st March 2021

(₹ in Crores)

S. No.	Particulars	Standalone		Consolidated	
		Year ended		Year ended	
		31-03-2021 (Audited)	31-03-2020 (Audited)	31-03-2021 (Audited)	31-03-2020 (Audited)
A.	**Cash Flow from Operating Activities :**				
	Net Profit before tax	10,756.13	6,983.29	10,779.59	7,029.98
	Adjustments for:				
1.	Loss on Derecognition of Property, Plant and Equipment (net)	4.03	1.69	4.69	1.69
2.	Depreciation & Amortization	9.53	10.00	10.86	11.78
3.	Impairment losses on Financial Instruments	2,419.62	889.56	2,445.94	919.48
4.	Adjustments towards Effective Interest Rate in respect of Loans	32.61	53.02	32.61	53.02
5.	Adjustments towards Effective Interest Rate in respect of Borrowings	152.19	62.31	152.19	62.31
6.	Fair Value Changes in Derivatives	(545.92)	47.72	(545.92)	47.72
7.	Fair Value Changes in FVTPL Instruments	(2.43)	(6.40)	(2.43)	(6.40)
8.	Interest on Commercial Paper	35.32	463.66	35.32	463.66
9.	Interest Accrued on Zero Coupon Bonds	81.78	105.29	81.78	105.29
10.	Loss/ (Gain) on Exchange Rate fluctuation	526.71	2,342.27	526.71	2,342.27
11.	Loss/ (Gain) on sale of invetsments	-	-	-	(3.16)
12.	Provision made for Interest on Advance Income Tax	22.71	-	22.71	-
13.	Share of Profit/Loss of Joint Venture accounted for using equity method	-	-	1.97	(9.14)
	Operating profit before Changes in Operating Assets & Liabilities	**13,492.28**	**10,952.41**	**13,546.02**	**11,018.50**
	Inflow / (Outflow) on account of :				
1.	Loan Assets	(56,522.42)	(41,664.59)	(56,522.42)	(41,664.59)
2.	Derivatives	711.20	(407.70)	711.20	(407.70)
3.	Other Operating Assets	(1,706.71)	(5,372.97)	(1,827.24)	(5,112.80)
4.	Operating Liabilities	3,187.83	5,776.56	3,264.58	5,485.70
	Cash flow from Operations	**(40,837.82)**	**(30,716.29)**	**(40,827.86)**	**(30,680.89)**
1.	Income Tax Paid (including TDS)	(2,694.33)	(1,748.64)	(2,696.20)	(1,777.35)
2.	Income Tax refund	11.73	16.67	11.73	16.67
	Net Cash Flow from Operating Activities	**(43,520.42)**	**(32,448.26)**	**(43,512.33)**	**(32,441.57)**
B.	**Cash Flow from Investing Activities**				
1.	Sale of Property, Plant & Equipment	0.16	0.11	0.35	0.11
2.	Investment in Property, Plant & Equipment (incl. CWIP & Capital Advances)	(73.18)	(97.09)	(73.30)	(97.51)
3.	Investment in Intangible Assets (including intangible assets under development & Capital Advances)	(0.90)	(2.75)	(0.95)	(2.75)
4.	Finance Costs Capitalised	(22.04)	(15.79)	(22.04)	(15.79)
5.	Investment in Equity Shares of Joint Ventures (EESL)	-	(71.60)	-	(71.60)
6.	Sale of Equity Shares of Indian Energy Exchange Limited	249.92	4.23	249.92	4.23
7.	Sale/(Investment) of/in shares of associate companies (Net)	-	-	(0.40)	0.30
8.	Redemption of Debt Securities (net of investment)	1,357.65	47.16	1,357.65	50.31
9.	Redemption/ (Investment) in Government Securities (net)	(647.78)	-	(647.78)	-
10.	Maturity/(Investment) of Corporate and Term deposits	-	-	(2.93)	(18.31)
11.	Realisation of investments accounted for using equity method	-	-	-	2.10
	Net Cash Flow from Investing Activities	**863.83**	**(135.73)**	**860.52**	**(148.91)**
C.	**Cash Flow from Financing Activities**				
1.	Issue/ (Redemption) of Rupee Debt Securities (Net)	15,499.66	21,280.39	15,499.66	21,293.39
2.	Issue/ (Redemption) of Commercial Paper (net)	(2,925.00)	(5,270.30)	(2,925.00)	(5,270.30)
3.	Raising/ (Repayments) of Rupee Term Loans/ WCDL from Govt./ Banks/ FIs (net)	26,275.47	7,899.65	26,270.47	7,904.65
4.	Raising/ (Repayments) of Foreign Currency Debt Securities and Borrowings (net)	2,884.39	12,617.57	2,884.39	12,617.57
5.	Raising/ (Redemption) of Subordinated Liabilities (net)	1,999.50	-	1,999.50	-
6.	Issue of Perpetual Debt Instruments entirely equity in nature	558.40	-	558.40	-
7.	Issue Expenses on Perpetual Debt Instruments entirely equity in nature	(0.94)	-	(0.94)	-
8.	Payment of Dividend on Equity Shares	(2,172.41)	(2,172.41)	(2,172.41)	(2,172.41)
9.	Payment of Corporate Dividend Tax	-	(435.78)	-	(446.06)
10.	Repayment towards Lease Liability	(0.02)	(0.04)	(0.73)	(0.64)
	Net Cash flow from Financing Activities	**42,119.05**	**33,919.08**	**42,113.34**	**33,926.20**
	Net Increase/Decrease in Cash & Cash Equivalents	**(537.54)**	**1,335.09**	**(538.47)**	**1,335.72**
	Cash & Cash Equivalents as at the beginning of the period	**1,678.03**	**342.94**	**1,717.71**	**381.99**
	Cash & Cash Equivalents as at the end of the period	**1,140.49**	**1,678.03**	**1,179.24**	**1,717.71**

Notes to the financial results:

1. The above financial results of the Company were reviewed by the Audit Committee and approved and taken on record by the Board of Directors at the meetings held on 28th May, 2021. These results have been audited by the Statutory Auditors of the Company.

2. The audited accounts of the subsidiary company, RECPDCL (consolidated) and unaudited standalone accounts of the joint venture (Energy Efficiency Services Limited) have been consolidated in accordance with the Indian Accounting Standard 110 'Consolidated Financial Statements', Indian Accounting Standard 111 'Joint Arrangements' and Indian Accounting Standard 28 'Investments in Associates and Joint Ventures'.

3. Provisioning on loan assets is made based on ECL (Expected Credit Loss) methodology approved by the Board of Directors of the Company and based upon the report provided by an independent agency appointed by the Company. This is further enhanced by management overlays in certain accounts wherever necessary considering the risk involved in the account and also on account of aligning the provisions with the lead lender.

   Details of impairment loss allowance maintained in respect of loan assets are as under:

(₹ in Crores)

S. No.	Particulars	As at 31.03.2021			As at 31.03.2020		
		Stage 1 & 2	Stage 3	Total	Stage 1 & 2	Stage 3	Total
1.	Loan assets	3,59,161.22	18,256.93	3,77,418.15	3,01,169.13	21,255.55	3,22,424.68
2.	Impairment loss allowance (net of movements)	1,414.80	11,791.31	13,206.11	1,443.91	10,552.13	11,996.04
	Provisioning Coverage (%) (2/1)	0.39%	64.59%	3.50%	0.48%	49.64%	3.72%

4. Interest income on credit-impaired loan assets is not being recognised as a matter of prudence, pending the outcome of resolutions of such assets.

5. 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. Ratings assigned to the Company by Credit Rating Agencies:

Particulars	Credit Rating
Domestic Long-term Borrowings	CRISIL AAA, ICRA AAA, CARE AAA, IND AAA
Domestic Long Term Principal Protected Market Linked Debentures	CRISIL PP-MLD AAAr, ICRA PP-MLD AAA
Domestic Perpetual Bonds	CRISIL AAA, CARE AA+;
Domestic Short term Borowings	CRISIL A1+, ICRA A1+, CARE A1+, IND A1+
International Long-term Issuer Rating	BBB- (Fitch), Baa3 (Moody's)

7. The Company paid interim dividend of ₹ 5.00 per equity share (on face value of ₹ 10/- each) in the month of March 2021. The total interim dividend for the financial year 2020-21 is ₹ 11.00 per equity share (on face value of Rs. 10/- each).

8. During the year, Company has issued Perpetual Debt Instruments amounting to ₹ 558.40 crores which have been classified as equity since these instruments are perpetual with no maturity; callable only at the option of the Company after 10 years and payment of Coupons are at the discretion of the Company.

9. Details of previous due dates for the payment of interest/ repayment of principal along with next due date for the payment of interest/ principal in respect of listed non-convertible debt securities have beeen annexed herewith this statement as **Annexure-A** in terms of the requirements of Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

10. The Company has not issued any redeemable preference shares till date.

11. The additional information as required under Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as below:

S. No.	Particulars	Unit	As at 31.03.2021
(i)	Net Worth	₹ in Crores	43,426.37
(ii)	Debenture Redemption Reserve	₹ in Crores	-
(iii)	Debt-Equity Ratio	times	7.40

12. For all the secured bonds issued by the Company and outstanding as at 31st March 2021, 100% security cover has been maintained by way of mortgage on certain immovable properties and/or charge on the receivables of the Company.

13. The Company is a 'Large Corporate' in terms of the 'Framework for Fund raising by issuance of Debt Securities by Large Entities' laid under the SEBI Circular No. SEBI/HO/DDHS/CIR/P/2018/144 dated 26th November 2018. Necessary disclosure as required in the said framework regarding issuance of debt securities is annexed as **Annexure-B**.

14. The Company raises funds in different currencies through a mix of term loans from banks/ financial institutions/ Govt. agencies and bonds of different tenors through private placement of debt securities. The amounts raised during the period have been utilized for the stated objects in the offer document/ information memorandum. Further, there has been no default as on 31st March, 2021 in the repayment of debt securities, borrowings and subordinated liabilities and the Company has met all its debt servicing obligations, whether principal or interest, during the period.

15. Disclosures in respect of Liquidity Risk Management in accordance with RBI Guidelines dated 4th November 2019 are annexed at **Annexure-C**.

16. In accordance with the RBI Circular No. RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated 7th April 2021 and the methodology for calculation of interest on interest based on guidance issued by Indian Banks' Association, Company has put in place a Board approved policy to refund / adjust interest on interest charged to borrowers during the moratorium period, i.e. 1st March 2020 to 31st August 2020. Company has estimated the aggregate amount to be refunded/adjusted and thus has made a provision in the financial statements for the year ended 31st March 2021. Accordingly, interest income for the quarter and year ended 31st March 2021 is lower by ₹ 129.25 crores.

17. The Covid-19 situation has been under close watch by the Company to take prompt actions for continuity of business operations in an optimised manner. An update on the impact of Covid-19 outbreak on the business operations of the Company is annexed as **Annexure-D**.

18. The disclosure in respect of related party transactions on Standalone and Consolidated basis for the period ended 31st March 2021 have beeen annexed herewith this statement as **Annexure-E**.

19. The Balance Sheet, Statement of Profit & Loss, Statement of Changes in Equity (SOCIE), Statement of Cash Flows and summarized Notes to Accounts, including Significant Accounting Policies on Standalone basis and Consolidated basis for the year ended 31st March 2021 have been annexed herewith this statement at **Annexure-F** and **Annexure-G** respectively.

20. The figures for the quarter ended 31st March 2021 and 31st March 2020 have been derived by deducting the year to date figures for the period ended 31st December 2020 and 31st December 2019 from the audited figures for the year ended 31st March 2021 and 31st March 2020 respectively.

21. Previous period/ years' figures have been regrouped/ reclassfied, wherever necessary, in order to make them comparable.

For REC Limited

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

Place: New Delhi
Date: 28th May 2021

Annexure-A

Previous due dates for the payment of interest/ repayment of principal along with next due date for the payment of interest/ principal

(₹ in Crores)

S.No.	ISIN No.	Bond Type	Bond Series	Amount Outstanding	Rate of Interest	Previous Due Date of Interest/ Principal Repayment	Whether the Same has been Paid or Not	Next Due Date for Interest Payment	Amount	Next Due Date for Principal Payment	Amount
1	INE020B08427	Institutional Bonds	94	1,250.00	8.75%	8-Jun-20	PAID	8-Jun-21	1.09	9-Jun-25	1,250.00
2	INE020B08443	Institutional Bonds	95-II	1,800.00	8.75%	13-Jul-20	PAID	12-Jul-21	1.58	14-Jul-25	1,800.00
3	INE020B08567	Institutional Bonds	100	1,500.00	9.63%	15-Jul-20	PAID	15-Jul-21	16.44	15-Jul-21	1,500.00
4	INE020B08591	Institutional Bonds	101-III	3,171.80	9.48%	10-Aug-20	PAID	10-Aug-21	34.72	10-Aug-21	3,171.80
5	INE020B08641	Institutional Bonds	105	3,922.20	9.75%	11-Nov-20	PAID	11-Nov-21	43.05	11-Nov-21	3,922.20
6	INE020B08740	Institutional Bonds	107	2,378.20	9.35%	15-Jun-20	PAID	15-Jun-21	2.22	15-Jun-22	2,378.20
7	INE020B08807	Institutional Bonds	111-II	2,211.20	9.02%	19-Nov-20	PAID	19-Nov-21	1.99	19-Nov-22	2,211.20
8	INE020B08831	Institutional Bonds	114	4,300.00	8.82%	13-Apr-20	PAID	12-Apr-21	3.79	12-Apr-23	4,300.00
9	INE020B08849	Institutional Bonds	115	2,500.00	8.06%	1-Jun-20	PAID	31-May-21	2.02	31-May-23	2,500.00
10	INE020B071W2	Institutional Bonds	123-I	1,515.00	9.40%	17-Jul-20	PAID	17-Jul-21	16.57	17-Jul-21	1,515.00
11	INE020B071Z5	Institutional Bonds	123-III-10yrs	1,955.00	9.34%	25-Aug-20	PAID	25-Aug-21	1.83	23-Aug-24	1,955.00
12	INE020B08872	Institutional Bonds	127	1,550.00	8.44%	15-May-20	PAID	15-May-21	1.31	4-Dec-21	1,550.00
13	INE020B08880	Institutional Bonds	128	2,250.00	8.57%	15-May-20	PAID	15-May-21	1.93	21-Dec-24	2,250.00
14	INE020B08898	Institutional Bonds	129	1,925.00	8.23%	15-May-20	PAID	15-May-21	1.58	23-Jan-25	1,925.00
15	INE020B08906	Institutional Bonds	130	2,325.00	8.27%	15-May-20	PAID	15-May-21	1.92	6-Feb-25	2,325.00
16	INE020B08914	Institutional Bonds	131	2,285.00	8.35%	23-Feb-21	PAID	23-Feb-22	1.91	21-Feb-25	2,285.00
17	INE020B08922	Institutional Bonds	132	700.00	8.27%	15-May-20	PAID	15-May-21	0.58	9-Mar-22	700.00
18	INE020B08930	Institutional Bonds	133	2,396.00	8.30%	15-Dec-20	PAID	15-Dec-21	1.99	10-Apr-25	2,396.00
19	INE020B08963	Institutional Bonds	136	2,585.00	8.11%	31-Oct-20	PAID	1-Nov-21	2.10	7-Oct-25	2,585.00
20	INE020B08997	Institutional Bonds	139	2,500.00	7.24%	31-Oct-20	PAID	21-Oct-21	26.76	21-Oct-21	2,500.00
21	INE020B08AA3	Institutional Bonds	140	2,100.00	7.52%	1-Dec-20	PAID	30-Nov-21	1.57	7-Nov-26	2,100.00
22	INE020B08AB1	Institutional Bonds	141	1,020.00	7.14%	31-Dec-20	PAID	9-Dec-21	10.88	9-Dec-21	1,020.00
23	INE020B08AC9	Institutional Bonds	142	3,000.00	7.54%	31-Dec-20	PAID	31-Dec-21	2.26	30-Dec-26	3,000.00
24	INE020B08AF2	Institutional Bonds	145	625.00	7.46%	1-Mar-21	PAID	28-Feb-22	6.72	28-Feb-22	625.00
25	INE020B08AH8	Institutional Bonds	147	2,745.00	7.95%	30-Mar-21	PAID	30-Mar-22	2.18	12-Mar-27	2,745.00
26	INE020B08AK2	Institutional Bonds	150	2,670.00	7.03%	7-Sep-20	PAID	7-Sep-21	1.88	7-Sep-22	2,670.00
27	INE020B08AM8	Institutional Bonds	152	1,225.00	7.09%	17-Oct-20	PAID	18-Oct-21	0.87	17-Oct-22	1,225.00
28	INE020B08AO4	Institutional Bonds	154	600.00	7.18%	21-May-20	PAID	21-May-21	6.43	21-May-21	600.00
29	INE020B08AP1	Institutional Bonds	155	1,912.00	7.45%	1-Dec-20	PAID	30-Nov-21	1.42	30-Nov-22	1,912.00
30	INE020B08AQ9	Institutional Bonds	156	3,533.00	7.70%	14-Dec-20	PAID	13-Dec-21	2.72	10-Dec-27	3,533.00
31	INE020B08AR7	Institutional Bonds	157	1,055.00	7.60%	17-Apr-20	PAID	17-Apr-21	11.35	17-Apr-21	1,055.00
32	INE020B08AT3	Institutional Bonds	159	950.00	7.99%	23-Feb-21	PAID	23-Feb-22	0.76	23-Feb-23	950.00
33	INE020B08AW7	Institutional Bonds	161-B	800.00	7.73%	15-Jun-20	PAID	15-Jun-21	8.62	15-Jun-21	800.00
34	INE020B08BA1	Institutional Bonds	162	2,500.00	8.55%	10-Aug-20	PAID	9-Aug-21	2.14	9-Aug-28	2,500.00
35	INE020B08BB9	Institutional Bonds	163	2,500.00	8.63%	27-Aug-20	PAID	27-Aug-21	2.16	25-Aug-28	2,500.00
36	INE020B08BD5	Institutional Bonds	165	2,171.00	8.83%	22-Jan-21	PAID	21-Jan-22	23.62	21-Jan-22	2,171.00
37	INE020B08BF0	Institutional Bonds	167	2,571.80	8.45%	22-Mar-21	PAID	22-Sep-21	1.10	22-Mar-22	2,571.80
38	INE020B08BG8	Institutional Bonds	168	2,552.40	8.56%	30-Nov-20	PAID	29-May-21	1.08	29-Nov-28	2,552.40
39	INE020B08BH6	Institutional Bonds	169	2,554.00	8.37%	7-Dec-20	PAID	7-Jun-21	1.07	7-Dec-28	2,554.00
40	INE020B08BM6	Institutional Bonds	173	2,500.00	8.35%	15-Mar-21	PAID	11-Mar-22	27.08	11-Mar-22	2,500.00
41	INE020B08BN4	Institutional Bonds	174	2,720.00	8.15%	18-Jun-20	PAID	18-Jun-21	29.42	18-Jun-21	2,720.00
42	INE020B08BP9	Institutional Bonds	175	2,151.20	8.97%	29-Mar-21	PAID	28-Mar-22	1.93	28-Mar-29	2,151.20

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O P BAGLA & CO. LLP FRN: 000017N/N500091 New Delhi Chartered Accountants

(₹ in Crores)

S.No.	ISIN No.	Bond Type	Bond Series	Amount Outstanding	Rate of Interest	Previous Due Date of Interest/ Principal Repayment	Whether the Same has been Paid or Not	Next Due Date for Interest Payment	Amount	Next Due Date for Principal Payment	Amount
43	INE020B08BQ7	Institutional Bonds	176	1,600.70	8.85%	16-Apr-20	PAID	16-Apr-21	1.42	16-Apr-29	1,600.70
44	INE020B08BR5	Institutional Bonds	177	1,245.00	8.50%	21-Dec-20	PAID	20-Dec-21	13.51	20-Dec-21	1,245.00
45	INE020B08BS3	Institutional Bonds	178	1,097.00	8.80%	14-May-20	PAID	14-May-21	0.97	14-May-29	1,097.00
46	INE020B08BT1	Institutional Bonds	179	1,000.00	8.15%	10-Jun-20	PAID	10-Jun-21	0.82	10-Jun-22	1,000.00
47	INE020B08BV7	Institutional Bonds	180-A	1,018.00	8.10%	25-Jun-20	PAID	25-Jun-21	0.82	25-Jun-24	1,018.00
48	INE020B08BU9	Institutional Bonds	180-B	2,070.90	8.30%	25-Jun-20	PAID	25-Jun-21	1.72	25-Jun-29	2,070.90
49	INE020B08BW5	Institutional Bonds	182	5,063.00	8.18%	24-Aug-20	PAID	23-Aug-21	4.14	22-Aug-34	5,063.00
50	INE020B08BX3	Institutional Bonds	183	3,028.00	8.29%	16-Sep-20	PAID	16-Sep-21	2.51	16-Sep-34	3,028.00
51	INE020B08DD1	Institutional Bonds	184-A (Partly paid up)	580.40	8.25%	28-Sep-20	PAID	27-Sep-21	0.48	26-Sep-29	580.40
52	INE020B08CA9	Institutional Bonds	184-B (B)	300.00	7.55%	28-Sep-20	PAID	24-Sep-21	3.23	24-Sep-21	300.00
53	INE020B08CB7	Zero Coupon Bonds	184-B (C)	300.00	7.55%	28-Sep-20	PAID	27-Sep-21	0.23	26-Sep-22	300.00
54	INE020B08CC5	Zero Coupon Bonds	184-B (D)	300.00	7.55%	28-Sep-20	PAID	27-Sep-21	0.23	26-Sep-23	300.00
55	INE020B08CD3	Institutional Bonds	185	2,769.00	7.09%	14-Dec-20	PAID	13-Dec-21	1.96	13-Dec-22	2,769.00
56	INE020B08CE1	Institutional Bonds	186-A	2,500.00	6.90%	30-Jun-20	PAID	30-Jun-21	1.73	30-Jun-22	2,500.00
57	INE020B08CF8	Institutional Bonds	186-B	1,500.00	7.40%	26-Nov-20	PAID	26-Nov-21	1.11	26-Nov-24	1,500.00
58	INE020B08CG6	Institutional Bonds	187	2,090.00	7.24%	31-Dec-20	PAID	31-Dec-21	1.51	31-Dec-22	2,090.00
59	INE020B08CH4	Institutional Bonds	188-A	1,400.00	7.12%	31-Mar-21	PAID	31-Mar-22	1.00	31-Mar-23	1,400.00
60	INE020B08CI2	Institutional Bonds	188-B	1,100.00	7.89%	31-Mar-21	PAID	31-Mar-22	0.87	31-Mar-30	1,100.00
61	INE020B08CJ0	Institutional Bonds	189	3,054.90	7.92%	31-Mar-21	PAID	31-Mar-22	2.42	31-Mar-30	3,054.90
62	INE020B08CK8	Institutional Bonds	190-A	2,500.00	6.88%	1-Mar-21	PAID	28-Feb-22	1.72	20-Mar-25	2,500.00
63	INE020B08CL6	Institutional Bonds	190-B	2,489.40	6.32%	1-Mar-21	PAID	31-Dec-21	26.21	31-Dec-21	2,489.40
64	INE020B08CN2	Institutional Bonds	191-A	1,100.00	6.80%	1-Mar-21	PAID	28-Feb-22	0.75	30-Jun-23	1,100.00
65	INE020B08CM4	Institutional Bonds	191-B	1,100.00	6.99%	1-Mar-21	PAID	28-Feb-22	0.77	30-Sep-24	1,100.00
66	INE020B08CP7	Institutional Bonds	192	2,382.00	7.50%	1-Mar-21	PAID	28-Feb-22	1.79	28-Feb-30	2,382.00
67	INE020B08CQ5	Institutional Bonds	193	1,115.00	6.99%	1-Mar-21	PAID	31-Dec-21	11.80	31-Dec-21	1,115.00
68	INE020B08CT9	Institutional Bonds	195	2,985.00	6.92%	NA	NA	22-Apr-21	2.07	22-Apr-23	2,985.00
69	INE020B08CU7	Institutional Bonds	197	3,740.00	7.55%	NA	NA	11-May-21	2.82	11-May-30	3,740.00
70	INE020B08CV5	Institutional Bonds	198A	2,596.00	6.60%	22-Mar-21	PAID	21-Mar-22	27.67	21-Mar-22	2,596.00
71	INE020B08CW3	Institutional Bonds	198B	1,569.00	7.79%	NA	NA	21-May-21	1.22	21-May-30	1,569.00
72	INE020B08CX1	Institutional Bonds	199	1,999.50	7.96%	NA	NA	15-Jun-21	1.62	15-Jun-30	1,999.50
73	INE020B08CY9	Institutional Bonds	200 PP-MLD	500.00	5.36%	NA	NA	NA	NA	30-Jun-23	500.00
74	INE020B08CZ6	Institutional Bonds	201A	900.00	5.90%	NA	NA	31-Jul-21	0.53	31-Mar-25	900.00
75	INE020B08DA7	Institutional Bonds	201B	1,300.00	6.90%	NA	NA	31-Jul-21	0.90	31-Mar-31	1,300.00
76	INE020B08DB5	Institutional Bonds	202A	3,500.00	7.25%	NA	NA	30-Sep-21	2.77	30-Sep-30	3,500.00
77	INE020B08DC3	Institutional Bonds	202B	2,474.00	5.69%	NA	NA	30-Sep-21	1.53	30-Sep-23	2,474.00
78	INE020B08DE9	Institutional Bonds	203A	5,000.00	6.80%	NA	NA	20-Dec-21	3.88	20-Dec-30	5,000.00
79	INE020B08DF6	Institutional Bonds	203B	2,777.00	5.85%	NA	NA	20-Dec-21	1.86	20-Dec-25	2,777.00
80	INE020B08DG4	Institutional Bonds	204A	2,500.00	6.90%	1-Feb-21	PAID	31-Jan-22	1.73	31-Jan-31	2,500.00
81	INE020B08DH2	Institutional Bonds	204B	2,082.00	5.81%	NA	NA	31-Dec-21	1.26	31-Dec-25	2,082.00
82	INE020B08DJ8	Institutional Bonds	205A	2,135.00	4.99%	NA	NA	31-Jan-22	1.12	31-Jan-24	2,135.00
83	INE020B08DK6	Institutional Bonds	205B	2,000.00	5.94%	NA	NA	31-Jan-22	1.25	31-Jan-26	2,000.00
84	INE020B08DM2	Institutional Bonds	207	4,589.90	7.02%	NA	NA	31-Jan-22	3.25	31-Jan-36	4,589.90
85	INE020B08DO8	Institutional Bonds	208	3,613.80	7.40%	NA	NA	15-Mar-22	2.70	15-Mar-36	3,613.80
86	INE020B08DP5	Institutional Bonds	209	1,550.00	5.79%	NA	NA	21-Mar-22	0.90	20-Mar-24	1,550.00

(₹ in Crores)

S.No.	ISIN No.	Bond Type	Bond Series	Amount Outstanding	Rate of Interest	Previous Due Date of Interest/ Principal Repayment	Whether the Same has been Paid or Not	Next Due Date for Interest Payment	Amount	Next Due Date for Principal Payment	Amount
87	INE020B07GG9	Tax Free Bonds	2011-12	702.61	7.93%	1-Jul-20	PAID	1-Jul-21	55.72	28-Mar-22	702.61
88	INE020B07GG9	Tax Free Bonds	2011-12	137.06	8.13%	1-Jul-20	PAID	1-Jul-21	11.14	28-Mar-22	137.06
89	INE020B07GH7	Tax Free Bonds	2011-12	1,970.83	8.12%	1-Jul-20	PAID	1-Jul-21	160.03	29-Mar-27	1,970.83
90	INE020B07GH7	Tax Free Bonds	2011-12	189.49	8.32%	1-Jul-20	PAID	1-Jul-21	15.77	29-Mar-27	189.49
91	INE020B07HM5	Tax Free Bonds	Private Placement-2013-14	209.00	8.01%	29-Aug-20	PAID	29-Aug-21	16.74	29-Aug-23	209.00
92	INE020B07HN3	Tax Free Bonds	Private Placement-2013-14	1,141.00	8.46%	29-Aug-20	PAID	29-Aug-21	96.53	29-Aug-28	1,141.00
93	INE020B07HU8	Tax Free Bonds	Private Placement-2013-14	105.00	8.18%	11-Oct-20	PAID	11-Oct-21	8.59	11-Oct-23	105.00
94	INE020B07HV6	Tax Free Bonds	Private Placement-2013-14	45.00	8.54%	11-Oct-20	PAID	11-Oct-21	3.84	11-Oct-28	45.00
95	INE020B07GU0	Tax Free Bonds	Private Placement-2012-13	255.00	7.21%	21-Nov-20	PAID	22-Nov-21	18.39	21-Nov-22	255.00
96	INE020B07GV8	Tax Free Bonds	Private Placement-2012-13	245.00	7.38%	21-Nov-20	PAID	22-Nov-21	18.08	22-Nov-27	245.00
97	INE020B07GW6	Tax Free Bonds	2012-13	814.04	7.22%	2-Dec-20	PAID	1-Dec-21	58.77	19-Dec-22	814.04
98	INE020B07GW6	Tax Free Bonds	2012-13	351.27	7.72%	2-Dec-20	PAID	1-Dec-21	27.12	19-Dec-22	351.27
99	INE020B07GX4	Tax Free Bonds	2012-13	462.41	7.38%	2-Dec-20	PAID	1-Dec-21	34.13	20-Dec-27	462.41
100	INE020B07GX4	Tax Free Bonds	2012-13	389.63	7.88%	2-Dec-20	PAID	1-Dec-21	30.70	20-Dec-27	389.63
101	INE020B07GY2	Tax Free Bonds	2012-13	52.47	6.88%	2-Dec-20	PAID	1-Dec-21	3.61	27-Mar-23	52.47
102	INE020B07GY2	Tax Free Bonds	2012-13	28.89	7.38%	2-Dec-20	PAID	1-Dec-21	2.13	27-Mar-23	28.89
103	INE020B07GZ9	Tax Free Bonds	2012-13	11.24	7.04%	2-Dec-20	PAID	1-Dec-21	0.79	27-Mar-28	11.24
104	INE020B07GZ9	Tax Free Bonds	2012-13	38.47	7.54%	2-Dec-20	PAID	1-Dec-21	2.90	27-Mar-28	38.47
105	INE020B07HQ1	Tax Free Bonds	2013-14	245.54	8.01%	2-Dec-20	PAID	1-Dec-21	19.67	25-Sep-23	245.54
106	INE020B07HR4	Tax Free Bonds	2013-14	28.61	8.01%	2-Dec-20	PAID	1-Dec-21	2.29	25-Sep-23	28.61
107	INE020B07HR4	Tax Free Bonds	2013-14	300.91	8.26%	2-Dec-20	PAID	1-Dec-21	24.85	25-Sep-23	300.91
108	INE020B07HP8	Tax Free Bonds	2013-14	1,638.78	8.46%	2-Dec-20	PAID	1-Dec-21	138.64	25-Sep-28	1,638.78
109	INE020B07HS2	Tax Free Bonds	2013-14	169.75	8.46%	2-Dec-20	PAID	1-Dec-21	14.36	25-Sep-28	169.75
110	INE020B07HS2	Tax Free Bonds	2013-14	1,001.73	8.71%	2-Dec-20	PAID	1-Dec-21	87.25	25-Sep-28	1,001.73
111	INE020B07HQ6	Tax Free Bonds	2013-14	13.66	8.37%	2-Dec-20	PAID	1-Dec-21	1.14	26-Sep-33	13.66
112	INE020B07HT0	Tax Free Bonds	2013-14	3.63	8.37%	2-Dec-20	PAID	1-Dec-21	0.30	26-Sep-33	3.63
113	INE020B07HT0	Tax Free Bonds	2013-14	38.01	8.62%	2-Dec-20	PAID	1-Dec-21	3.28	26-Sep-33	38.01
114	INE020B07IC4	Tax Free Bonds	2013-14	289.25	8.19%	2-Dec-20	PAID	1-Dec-21	23.69	22-Mar-24	289.25
115	INE020B07IF7	Tax Free Bonds	2013-14	5.39	8.19%	2-Dec-20	PAID	1-Dec-21	0.44	22-Mar-24	5.39
116	INE020B07IF7	Tax Free Bonds	2013-14	124.67	8.44%	2-Dec-20	PAID	1-Dec-21	10.52	22-Mar-24	124.67
117	INE020B07ID2	Tax Free Bonds	2013-14	237.88	8.63%	2-Dec-20	PAID	1-Dec-21	20.53	23-Mar-29	237.88
118	INE020B07IG5	Tax Free Bonds	2013-14	23.19	8.63%	2-Dec-20	PAID	1-Dec-21	2.00	23-Mar-29	23.19
119	INE020B07IG5	Tax Free Bonds	2013-14	269.35	8.88%	2-Dec-20	PAID	1-Dec-21	23.92	23-Mar-29	269.35
120	INE020B07IE0	Tax Free Bonds	2013-14	24.63	8.61%	2-Dec-20	PAID	1-Dec-21	2.12	24-Mar-34	24.63
121	INE020B07IH3	Tax Free Bonds	2013-14	4.67	8.61%	2-Dec-20	PAID	1-Dec-21	0.40	24-Mar-34	4.67
122	INE020B07IH3	Tax Free Bonds	2013-14	80.36	8.86%	2-Dec-20	PAID	1-Dec-21	7.12	24-Mar-34	80.36
123	INE020B07J07	Tax Free Bonds	Private Placement-2015-16	300.00	7.17%	2-Dec-20	PAID	1-Dec-21	21.51	23-Jul-25	300.00
124	INE020B07JP4	Tax Free Bonds	2015-16	51.25	6.89%	2-Dec-20	PAID	1-Dec-21	3.53	5-Nov-25	51.25
125	INE020B07JQ2	Tax Free Bonds	2015-16	0.85	6.89%	2-Dec-20	PAID	1-Dec-21	0.06	5-Nov-25	0.85
126	INE020B07JQ2	Tax Free Bonds	2015-16	53.83	7.14%	2-Dec-20	PAID	1-Dec-21	3.84	5-Nov-25	53.83
127	INE020B07JR0	Tax Free Bonds	2015-16	133.64	7.09%	2-Dec-20	PAID	1-Dec-21	9.48	5-Nov-30	133.64
128	INE020B07JS8	Tax Free Bonds	2015-16	0.28	7.09%	2-Dec-20	PAID	1-Dec-21	0.02	5-Nov-30	0.28
129	INE020B07JS8	Tax Free Bonds	2015-16	38.99	7.34%	2-Dec-20	PAID	1-Dec-21	2.86	5-Nov-30	38.99
130	INE020B07JT6	Tax Free Bonds	2015-16	235.11	7.18%	2-Dec-20	PAID	1-Dec-21	16.88	5-Nov-35	235.11
131	INE020B07JU4	Tax Free Bonds	2015-16	46.18	7.18%	2-Dec-20	PAID	1-Dec-21	3.32	5-Nov-35	46.18
132	INE020B07JU4	Tax Free Bonds	2015-16	139.86	7.43%	2-Dec-20	PAID	1-Dec-21	10.39	5-Nov-35	139.86

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O P BAGLA & CO LLP FRN: 000018N/N500091 New Delhi Chartered Accountants

(₹ in Crores)

S.No.	ISIN No.	Bond Type	Bond Series	Amount Outstanding	Rate of Interest	Previous Due Date of Interest/ Principal Repayment	Whether the Same has been Paid or Not	Next Due Date for Interest Payment	Amount	Next Due Date for Principal Payment	Amount
133	INE020B08716	Infrastructure Bonds	REC Infrastructure Bonds 2011-12 : Option-VI : 10 Years with Annual Int. Option (Without Buyback Option)	1.38	895.00%	15-Feb-21	Paid	15-Feb-22	0.12	15-Feb-22	1.38
134	INE020B08732	Infrastructure Bonds	REC Infrastructure Bonds 2011-12 : Option-VIII : 15 Years with Annual Int. Option (Without Buyback Option)	1.13	915.00%	15-Feb-21	Paid	15-Feb-22	0.10	15-Feb-27	1.13
135	INE020B08708	Infrastructure Bonds	REC Infrastructure Bonds 2011-12 : Option-V : 10 Years with Cumulative Int. Option (Without Buyback Option)	5.73	895.00%	15-Feb-21	Cumulative	15-Feb-22	1.02	15-Feb-22^	5.73
136	INE020B08724	Infrastructure Bonds	REC Infrastructure Bonds 2011-12 : Option-VII : 15 Years with Cumulative Int. Option (Without Buyback Option)	2.83	915.00%	15-Feb-21	Cumulative	15-Feb-22	0.52	15-Feb-27^	2.83

^ Cumulative Interest till date of redemption will also be paid in addition to principal amount.
Note - REC Infrastructure Bonds are listed on NSE Only.

Annexure B

Disclosures to be made by Large Corporate entities as required by SEBI

The Company is a 'Large Corporate' in terms of the 'Framework for Fund raising by issuance of Debt Securities by Large Entities' laid under the SEBI Circular No. SEBI/HO/DDHS/CIR/P/2018/144 dated 26th November 2018. Disclosure required under the said circular regarding details of incremental borrowings during the year is as below:

	Particulars	Details
(i)	Name of the company	REC Limited
(ii)	CIN	L40101DL1969GOI005095
(iii)	Outstanding borrowing of company as on 31st March 2021 (₹ in Crores) *	258117.38
(iv)	Highest Credit Rating during the previous FY along with name of the Credit Rating Agency	ICRA AAA., CRISIL AAA, CARE AAA, IRRPL AAA
(v)	Securities listed	Yes
(vi)	Name of Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	Bombay Stock Exchange
(vii)	Report filed for Financial Year	2020-21
(viii)	**Details of the borrowings**	(₹ in Crores)
	Particulars	**Amount**
(a)	Incremental borrowing done in the financial year	74,517.66
(b)	Mandatory borrowing to be done through issuance of debt securities (25% of a)	18,629.41
(c)	Actual borrowings done through debt securities in FY	53,413.50
(d)	Shortfall in the mandatory borrowing through debt securities, if any (b-c)	-
(e)	Reasons for shortfall, if any, in mandatory borrowings through debt securities	N.A

** Borrowings as mentioned in (iii) above include all outstanding borrowings with original maturity of more than 1 year, but do not include external commercial borrowings as per the SEBI Circular.*

Annexure C

Additional Disclosures in accordance with RBI Circular on liquidity risk management

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

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

Particulars	As at 31-03-2021	As at 31-03-2020
Number of significant counterparties *	20	14
Amount (₹ in Crores)	1,82,250.87	1,25,850.36
% of Total Liabilities	51.08%	40.41%

(ii) **Top 10 borrowings**

	Particulars	As at 31-03-2021		As at 31-03-2020	
		Amount (₹ in Crore)	% of Total borrowings	Amount (₹ in Crore)	% of Total borrowings
1	Term Loan from State Bank of India	10,839.90	3.36%	7,299.92	2.61%
2	Term Loan from Govt. of India- National Small Savings Fund (NSSF)	10,000.00	3.10%	10,000.00	3.57%
3	54EC- Series XII (2018-19)	6,651.77	2.06%	6,651.77	2.37%
4	54EC- Series XIII (2019-20)	6,157.72	1.91%	5,759.14	2.06%
5	Term Loan from India Infrastructure Finance Company Ltd. (IIFCL)	5,800.00	1.80%	-	0.00%
6	Foreign Currency Bonds- US $700 Mn Bonds	5,145.33	1.60%	5,277.01	1.88%
7	Institutional Bonds- 182nd Series	5,063.00	1.57%	5,063.00	1.81%
8	Institutional Bonds- 203rd A Series	5,000.00	1.55%	-	0.00%
9	Foreign Currency Bonds- US $650 Mn Bonds	4,777.81	1.48%	4,900.08	1.75%
10	Term Loan from HDFC Bank	4,650.00	1.44%	-	0.00%
11	Institutional Bonds- 114th Series	-	0.00%	4,300.00	1.54%
12	54EC- Series XI (2017-18)	-	0.00%	9,565.23	3.41%
13	Institutional Bonds- 105th Series	-	0.00%	3,922.20	1.40%
	Total	64,085.53	19.87%	62,738.35	22.40%

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

	Name of significant instrument/ product *	As at 31-03-2021		As at 31-03-2020	
		Amount (₹ in Crore)	% of Total Liabilities	Amount (₹ in Crore)	% of Total Liabilities
1	**Debt Securities**				
	Institutional Bonds	1,73,338.60	48.58%	1,52,132.20	48.85%
	Foreign Currency Bonds	26,461.71	7.42%	22,615.78	7.26%
	54EC Capital Gain Tax Exemption Bonds	18,121.59	5.08%	22,376.33	7.19%
	Tax Free Bonds	12,648.41	3.54%	12,648.41	4.06%
	Sub-Total (1)	**2,30,570.31**	**64.62%**	**2,09,772.72**	**67.36%**
2	**Borrowings (Other than Debt Securities)**				
	Term Loans from Banks	29,938.58	8.39%	18,899.78	6.07%
	Foreign Currency Borrowings	21,024.72	5.89%	21,762.71	6.99%
	Loans repayable on demand from Banks	10,186.52	2.85%	-	-
	Term Loans from Govt. of India	10,000.00	2.80%	10,000.00	3.21%
	Term Loans from Financial Institutions	5,800.00	1.63%	-	-
	FCNR (B) Loans	5,329.10	1.49%	6,973.20	2.24%
	Sub-Total (2)	**82,278.92**	**23.06%**	**57,635.69**	**18.51%**
3	**Subordinated Liabilities**	**6,650.70**	**1.86%**	**4,651.20**	**1.49%**
	Total (1+2+3)	**3,19,499.93**	**89.54%**	**2,72,059.61**	**87.36%**

(iv) **Stock Ratios:**

Particulars	As at 31-03-2021				As at 31-03-2020			
	Amount (₹ in Crores)	% of Public Funds	% of Total Liabilities	% of Total Assets	Amount (₹ in Crores)	% of Public Funds	% of Total Liabilities	% of Total Assets
Commercial Papers	-	-	-	-	2,925.00	1.04%	0.94%	0.84%
Non-Convertible debentures having maturity of less than one year	-	-	-	-	-	-	-	-
Other Short-Term liabilities	20,511.10	6.36%	5.75%	5.12%	10,551.34	3.77%	3.39%	3.05%

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

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(iv) Liquidity Coverage Ratio Disclosure

RBI, vide its Liquidity Framework dated 04 Nov, 2019 has stipulated maintaining of Liquidity Coverage Ratio (LCR) by Non-Deposit taking NBFCs with asset size of more than ₹ 10,000 Crores w.e.f. 01 Dec, 2020. These guidelines of RBI aims to ensure that Company has an adequate stock of unencumbered High-Quality Liquid Assets (HQLA) that can be converted into cash easily and immediately to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario.

The LCR is represented by:

$$\frac{\text{The Stock of High-Quality Liquid Assets}}{\text{Total Net Cash Outflows over the next 30 calendar days}}$$

where,

(i) Total net cash outflows is defined as the total expected cash outflows minus total expected cash inflows for the next 30 calendar days, where the cash flows are assigned a predefined stress percentage, as prescribed by RBI.

(ii) High Quality Liquid Assets (HQLA) means liquid assets that can be readily sold or immediately converted into cash at little or no loss of value or used as collateral to obtain funds in a range of stress scenarios.

The LCR requirement is binding on NBFCs from December 1, 2020 with the minimum HQLAs to be held being 50% of the LCR, progressively reaching up to the required level of 100% by December 1, 2024.

The Company from December 1, 2021 is maintaining the LCR @ 50% on monthly observations till February 28, 2021 and on every day basis thereafter (though RBI has prescribed LCR on every day basis from April 01, 2021 only).

At Present, HQLA investments are held in INR in the form of Government Securities(G-Sec)/ State Development Loans (SDLs) Securities and AAA/AA Corporate Bonds and auto swap balance with banks.

Composition of HQLA:

Out of the Stock of HQLA, the Government Securities is the highest proportion of HQLA followed by AAA/AA Corporate bonds and auto swap balances. The position of HQLA holding as on 31 March 2021 is as follows:

HQLA Items	% of Overall
Assets without Haircut	82%
- Cash and Cash Equivalents	23%
- G-Sec and SDLs	59%
Assets with 15% Haircut	18%
- Corporate Bonds	18%
Assets with 50% Haircut	-
Total	100%

Liquidity Coverage Ratio Disclosure

(₹ in Crores)

Particulars	Quarter ended 31-03-2021		Quarter ended 31-12-2020	
	Total Unweighted Value (average)*	Total Weighted Value (average)*	Total Unweighted Value (average)*	Total Weighted Value (average)*
High Quality Liquid Assets				
Total High Quality Liquid Assets (HQLA)	2,151.50	2,120.54	2,249.00	2,221.13
- AA/AAA Corporate Bonds	206.39	175.43	185.81	157.94
- G-SEC Bonds	483.29	483.29	345.69	345.69
- Banks Autoswap	1,461.82	1,461.82	1,717.50	1,717.50
Cash Outflows				
Other contractual funding obligations	11,720.66	13,478.76	10,418.50	11,981.28
Other contingent funding obligations	2,193.98	2,523.08	1,970.25	2,265.78
Total Cash Outflows	13,914.64	16,001.84	12,388.75	14,247.06
Cash Inflows				
Inflows from fully performing exposures	7,480.10	5,610.08	6,789.11	5,091.83
Other cash inflows	11,807.52	8,855.64	6,290.00	4,717.50
Total Cash Inflows (restricted to 75% of Outflows on every observation day)	19,287.63	11,760.86	13,079.11	9,809.33
Total Adjusted Value				
Total HQLA		2,120.54		2,221.13
Total Net Cash Outflows		4,240.98		4,437.73
LIQUIDITY COVERAGE RATIO (%)		50.00%		50.05%

** For average, the observations as on 31.01.2021, 28.02.2021 and daily observation during March 2021 has been considered.*

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S.K. MITTAL & CO. NEW DELHI CHARTERED ACCOUNTANTS

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Annexure-D

Impact of COVID-19 Pandemic on the Company

India is currently grappling with the second wave of COVID-19 pandemic with significant increase in the number of cases in India. The resultant lockdowns are less restrictive for economic activity and are concentrated in the most-hit states. Global waves suggest impact on manufacturing activity is less devastating as vaccination rollout gathers pace.

Liquidity Buffers with the Company

Company has not experienced any significant impact on its liquidity position owing to strong credit profile and access to diversified sources of borrowings. The Company has put in place adequate liquidity buffers in the form of Working Capital/ Term Loan limits from various banks apart from High Quality Liquid Assets.

Covid-19 Relief Package for the Power Sector

The Govt. of India, as a part of its Covid-19 relief package, had announced liquidity injection to the State Discoms in the form of State Govt. guaranteed loans through REC and PFC (Power Finance Corporation Ltd.) to clear the outstanding dues of Power Generation and Transmission Companies. As on 15th May 2021, the Company has already sanctioned and disbursed ₹ 67,083 crores and ₹ 40,766 crores respectively to the discoms as part of this liquidity package.

The Company believes that with the pickup in global vaccination and gradual decrease in the Covid cases, the business and commercial activity is poised for resurgence, leading to increase in power demand and generation. Considering REC's comfortable liquidity position and access to diverse sources of funds, there are no reasons to believe that the current crisis will have any significant impact on the Company's ability to maintain its operations, including the going concern assessment. However, the impact will continue to be dependent on future developments, which are uncertain, including, among other things, any new information concerning the severity of the Covid-19 pandemic and any further action by the Govt. or the Company to contain its spread or mitigate its impact.

Annexure E

Transactions with the related parties during the year ended 31st March 2021:

(₹ in Crores)

Particulars	Standalone	Consolidated
Power Finance Corporation Ltd.		
Dividend Paid	1,143.44	1,143.44
Directors' Sitting Fee	0.10	0.10
Loan Repayable on Demand raised	3,000.00	3,000.00
Finance Cost	0.49	0.49
REC PDCL		
Apportionment of Employee Benefit and Other Expenses	8.96	-
Dividend Income	8.43	-
Finance Costs - Interest Paid	0.85	-
Other Expenses	7.98	-
REC TPCL*		
Apportionment of Employee Benefit and Other Expenses	4.42	-
Finance Costs - Interest Paid	3.71	-
Post-employment Benefits Plan Trusts		
Contributions made by the Company during the year	1.50	1.50
Finance Costs - Interest Paid	0.74	0.74
Post-employment Benefits Plan Trusts of Ultimate Holding Company		
Finance Costs - Interest Paid	0.38	0.38
Key Managerial Personnel		
Finance Cost	0.01	0.01
Employee Benefits Expense - Managerial Remuneration	3.21	3.21
REC Foundation		
Payment towards Corporate Social Responsibility (CSR) Expenses	90.00	90.00

** During the year, the Ministry of Corporate Affairs vide its order dated February 5, 2021 has accorded its approval to the scheme of amalgamation of REC Transmission Projects Company Limited (RECTPCL) ("Transferor Company") with REC Power Distribution Company Limited (RECPDCL) ("Transferee Company") with appointed date as April 1, 2020. Accordingly, related party transactions with RECTPCL have been presented till the effective date i.e., 5th February, 2021*

Annexure-F

REC Limited

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

Balance Sheet as at 31st March 2021

(₹ in Crores)

S. No.	Particulars	Note No.	As at 31-03-2021	As at 31-03-2020
	ASSETS			
(1)	**Financial Assets**			
(a)	Cash and cash equivalents	6	1,140.49	1,678.03
(b)	Bank balances other than (a) above	7	1,929.06	2,021.96
(c)	Derivative financial instruments	8	2,311.22	3,318.85
(d)	Loans	9	3,65,261.49	3,12,083.50
(e)	Investments	10	1,909.77	2,313.21
(f)	Other financial assets	11	24,399.21	22,081.59
	Total - Financial Assets (1)		**3,96,951.24**	**3,43,497.14**
(2)	**Non-Financial Assets**			
(a)	Current tax assets (net)	12	160.07	392.66
(b)	Deferred tax assets (net)	13	2,437.71	2,034.32
(c)	Investment Property	14	0.01	0.01
(d)	Property, Plant & Equipment	15	260.12	153.00
(e)	Capital Work-in-Progress	15	335.67	287.62
(f)	Intangible Assets Under Development	15	0.77	0.77
(g)	Other Intangible Assets	15	6.10	8.80
(h)	Other non-financial assets	16	81.50	113.27
	Total - Non-Financial Assets (2)		**3,281.95**	**2,990.45**
	Total ASSETS (1+2)		**4,00,233.19**	**3,46,487.59**
	LIABILITIES AND EQUITY			
	LIABILITIES			
(1)	**Financial Liabilities**			
(a)	Derivative financial instruments	8	846.31	1,325.73
(b)	Debt Securities	17	2,37,328.06	2,19,977.22
(c)	Borrowings (other than debt securities)	18	85,507.36	61,543.61
(d)	Subordinated Liabilities	19	6,946.89	4,819.65
(e)	Other financial liabilities	20	25,943.11	23,562.70
	Total - Financial Liabilities (1)		**3,56,571.73**	**3,11,228.91**
(2)	**Non-Financial Liabilities**			
(a)	Current tax liabilities (net)	21	10.62	-
(a)	Provisions	22	103.96	106.51
(b)	Other non-financial liabilities	23	120.51	75.61
	Total - Non-Financial Liabilities (2)		**235.09**	**182.12**
(3)	**EQUITY**			
(a)	Equity Share Capital	24	1,974.92	1,974.92
(b)	Instruments Entirely Equity In Nature	25	558.40	-
(c)	Other equity	26	40,893.05	33,101.64
	Total - Equity (3)		**43,426.37**	**35,076.56**
	Total - LIABILITIES AND EQUITY (1+2+3)		**4,00,233.19**	**3,46,487.59**
	Company Overview and Significant Accounting Policies	1 to 5		

NEW DELHI CHARTERED ACCOUNTANTS

आर ईसी लिमिटेड REC LIMITED

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REC Limited

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

Statement of Profit and Loss for the year ended 31st March 2021

(₹ in Crores)

S. No.	Particulars	Note No.	Year ended 31-03-2021	Year ended 31-03-2020
	Revenue from Operations			
(i)	Interest Income	27	34,683.78	29,663.07
(ii)	Dividend Income	28	36.40	89.04
(iii)	Fees and Commission Income	29	95.38	38.95
(iv)	Net gain/ (loss) on fair value changes	34	572.33	(25.85)
I.	**Total Revenue from Operations (i to iv)**		**35,387.89**	**29,765.21**
II.	Other Income	30	22.55	63.92
III.	**Total Income (I+II)**		**35,410.44**	**29,829.13**
	Expenses			
(i)	Finance Costs	31	21,489.08	18,997.05
(ii)	Net translation/ transaction exchange loss	32	330.26	2,357.90
(iii)	Fees and commission Expense	33	9.95	25.44
(iv)	Impairment on financial instruments	35	2,419.62	889.56
(v)	Employee Benefits Expenses	36	144.84	175.79
(vi)	Depreciation and amortization	37	9.53	10.00
(vii)	Corporate Social Responsibility Expenses	38	144.32	258.40
(viii)	Other Expenses	39	106.71	131.70
IV.	**Total Expenses (i to viii)**		**24,654.31**	**22,845.84**
V.	**Profit before Tax (III-IV)**		**10,756.13**	**6,983.29**
VI.	**Tax Expense**	40		
(i)	Current tax		2,906.90	1,615.87
(ii)	Deferred Tax		(512.55)	481.26
	Total Tax Expense (i+ii)		**2,394.35**	**2,097.13**
VII.	**Profit for the year**		**8,361.78**	**4,886.16**
	Other comprehensive Income/(Loss)			
(i)	**Items that will not be reclassified to profit or loss**			
(a)	Re-measurement gains/(losses) on defined benefit plans		(14.26)	(2.87)
(b)	Changes in Fair Value of FVOCI Equity Instruments		166.53	(129.20)
(c)	Income tax relating to these items			
	- Re-measurement gains/(losses) on defined benefit plans		3.59	0.72
	- Changes in Fair Value of FVOCI Equity Instruments		(6.01)	12.39
	Sub-Total (i)		**149.85**	**(118.96)**
(ii)	**Items that will be reclassified to profit or loss**			
(a)	Effective Portion of Cash Flow Hedges		80.81	(302.12)
(b)	Cost of hedging reserve		329.00	(273.61)
(c)	Income tax relating to these items			
	-Effective Portion of Cash Flow Hedges		(20.34)	76.04
	- Cost of hedging reserve		(82.80)	68.86
	Sub-Total (ii)		**306.67**	**(430.83)**
VIII.	**Other comprehensive Income/(Loss) for the year (i+ii)**		**456.52**	**(549.79)**
IX.	**Total comprehensive Income for the year (VII+VIII)**		**8,818.30**	**4,336.37**
X.	**Basic & Diluted Earnings per Equity Share of ₹ 10 each (in ₹)**	41		
(1)	For continuing operations		**42.34**	**24.74**
(2)	For continuing and discontinued operations		**42.34**	**24.74**
	Company Overview and Significant Accounting Policies	1-5		

REC Limited

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

Statement of Changes in Equity for the year ended 31st March 2021

(₹ in Crores)

A Equity share capital

Particulars	As at 31-03-2021	As at 31-03-2020
Opening Balance	1,974.92	1,974.92
Changes in equity share capital during the year	-	-
Closing Balance	1,974.92	1,974.92

(₹ in Crores)

B Instruments entirely equity in nature

Particulars	As at 31-03-2021	As at 31-03-2020
Opening Balance	-	-
Changes in instruments entirely equity in nature during the year	558.40	-
Closing Balance	558.40	-

(₹ in Crores)

C Other Equity

Particulars	Reserves & Surplus									FVOCI-Equity Instruments	Effective Portion of Cash Flow Hedges	Costs of Hedging reserve	Total
	Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961	Reserve for Bad and doubtful debts u/s 36(1)(viia) of the Income Tax Act, 1961	Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	Debenture Redemption Reserve	Securities Premium Account	Foreign Currency Monetary Item Translation Difference Account	General Reserve	Impairment Reserve	Retained Earnings				
Balance as at 31st March 2019	15,136.78	3,034.72	1,153.00	1,318.13	2,236.54	(764.82)	5,177.40	-	4,899.39	136.88	-	-	32,328.02
Profit for the year									4,886.16				4,886.16
Remeasurement of Defined Benefit Plans (net of taxes)									(2.15)				(2.15)
Recognition through Other Comprehensive Income (net of taxes)									-	(116.81)	(226.08)	(204.75)	(547.64)
Total Comprehensive Income	-	-	-	-	-	-	-	-	4,884.01	(116.81)	(226.08)	(204.75)	4,336.37
Other adjustments													-
Transferred to/ (from) Retained Earnings	1,522.32	336.52	978.00	49.15			-	793.29	(3,679.28)				-
Transferred to General Reserve		(378.41)		(1,367.28)			1,745.69		-				-
Reclassification of gain/ (loss) on sale/ extinguishment of FVOCI equity instrument									(86.19)	86.19			
Foreign Currency Translation gain/ (loss) on long term monetary items during the year						(1,630.51)							(1,630.51)
Amortisation during the year						675.95							675.95
Total- Other adjustments	1,522.32	(41.89)	978.00	(1,318.13)	-	(954.56)	1,745.69	793.29	(3,765.47)	86.19	-	-	(954.56)
Dividends									(2,172.41)				(2,172.41)
Dividend Distribution Tax									(435.78)				(435.78)
Total- Transaction with owners	-	-	-	-	-	-	-	-	(2,608.19)	-	-	-	(2,608.19)
Balance as at 31st March 2020	16,659.10	2,992.83	2,131.00	-	2,236.54	(1,719.38)	6,923.09	793.29	3,409.74	106.26	(226.08)	(204.75)	33,101.64

(₹ in Crores)

Particulars	Reserves & Surplus									FVOCI-Equity Instruments	Cash Flow Hedging reserve	Costs of Hedging reserve	Total
	Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961	Reserve for Bad and doubtful debts u/s 36(1)(viia) of the Income Tax Act, 1961	Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	Debenture Redemption Reserve	Securities Premium Account	Foreign Currency Monetary Item Translation Difference Account	General Reserve	Impairment Reserve	Retained Earnings				
Balance as at 31st March 2020	16,659.10	2,992.83	2,131.00	-	2,236.54	(1,719.38)	6,923.09	793.29	3,409.74	106.26	(226.08)	(204.75)	33,101.64
Profit for the year									8,361.78				8,361.78
Remeasurement of Defined Benefit Plans (net of taxes)									(10.67)				(10.67)
Recognition through Other Comprehensive Income (net of taxes)								-	-	160.52	60.47	246.20	467.19
Total Comprehensive Income	-	-	-	-	-	-	-	-	8,351.11	160.52	60.47	246.20	8,818.30
Other adjustments													-
Transferred to/ (from) Retained Earnings	2,563.13	288.13	1,673.00	-			981.10	-	(5,505.36)				-
Transferred to General Reserve	-	(1,152.55)		-			1,945.84	(793.29)	-				-
Reclassification of gain/ (loss) on sale/ extinguishment of FVOCI equity instrument									242.71	(242.71)			
Foreign Currency Translation gain/ (loss) on long term monetary items during the year						437.65							437.65
Amortisation during the year						708.57							708.57
Issue expenses on Perpetual Debt Instruments (net of taxes)									(0.70)				(0.70)
Total- Other adjustments	2,563.13	(864.42)	1,673.00	-	-	1,146.22	2,926.94	(793.29)	(5,263.35)	(242.71)	-	-	1,145.52
Dividends									(2,172.41)				(2,172.41)
Total- Transaction with owners	-	-	-	-	-	-	-	-	(2,172.41)	-	-	-	(2,172.41)
Balance as at 31st March 2021	19,222.23	2,128.41	3,804.00	-	2,236.54	(573.16)	9,850.03	-	4,325.09	24.07	(165.61)	41.45	40,893.05

REC Limited

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

Statement of Cash Flows for the year ended 31st March 2021

(₹ in Crores)

Particulars	Year ended 31-03-2021		Year ended 31-03-2020	
A. Cash Flow from Operating Activities :				
Net Profit before Tax	**10,756.13**		**6,983.29**	
Adjustments for:				
1. Loss on derecognition of Property, Plant and Equipment (net)	4.03		1.69	
2. Depreciation & Amortization	9.53		10.00	
3. Impairment losses on Financial Instruments	2,419.62		889.56	
4. Adjustments towards Effective Interest Rate in respect of Loans	32.61		53.02	
5. Adjustments towards Effective Interest Rate in respect of Borrowings	152.19		62.31	
6. Fair Value Changes in Derivatives	(545.92)		47.72	
7. Fair Value Changes in FVTPL Instruments	(2.43)		(6.40)	
8. Interest on Commercial Paper	35.32		463.66	
9. Interest Accrued on Zero Coupon Bonds	81.78		105.29	
10. Loss/ (Gain) on Exchange Rate fluctuation	526.71		2,342.27	
11. Provision made for Interest on Advance Income Tax	22.71		-	
Operating profit before Changes in Operating Assets & Liabilities	**13,492.28**		**10,952.41**	
Inflow / (Outflow) on account of :				
1. Loan Assets	(56,522.42)		(41,664.59)	
2. Derivatives	711.20		(407.70)	
3. Other Operating Assets	(1,706.71)		(5,372.97)	
4. Operating Liabilities	3,187.83		5,776.56	
Cash flow from Operations	**(40,837.82)**		**(30,716.29)**	
1. Income Tax Paid (including TDS)	(2,694.33)		(1,748.64)	
2. Income Tax refund	11.73		16.67	
Net Cash Flow from Operating Activities		**(43,520.42)**		**(32,448.26)**
B. Cash Flow from Investing Activities				
1. Sale of Property, Plant & Equipment	0.16		0.11	
2. Investment in Property, Plant & Equipment (incl. CWIP & Capital Advances)	(73.18)		(97.09)	
3. Investment in Intangible Assets (including intangible assets under development & Capital Advances)	(0.90)		(2.75)	
4. Finance Costs Capitalised	(22.04)		(15.79)	
5. Investment in Equity Shares of Joint Venture (EESL)	-		(71.60)	
6. Sale of Equity Shares of Indian Energy Exchange Limited	249.92		4.23	
7. Redemption/ (Investment) in Debt Securities (net)	1,357.65		47.16	
8. Redemption/ (Investment) in Government Securities (net)	(647.78)		-	
Net Cash Flow from Investing Activities		**863.83**		**(135.73)**
C. Cash Flow from Financing Activities				
1. Issue/ (Redemption) of Rupee Debt Securities (Net)	15,499.66		21,280.39	
2. Issue/ (Redemption) of Commercial Paper (net)	(2,925.00)		(5,270.30)	
3. Raising/ (Repayments) of Rupee Term Loans/ WCDL from Govt./ Banks/ FIs (net)	26,275.47		7,899.65	
4. Raising/ (Repayments) of Foreign Currency Debt Securities and Borrowings (net)	2,884.39		12,617.57	
5. Raising/ (Redemption) of Subordinated Liabilities (net)	1,999.50		-	
6. Issue of Perpetual Debt Instruments entirely equity in nature	558.40		-	
7. Issue Expenses on Perpetual Debt Instruments entirely equity in nature	(0.94)		-	
8. Payment of Dividend on Equity Shares	(2,172.41)		(2,172.41)	
9. Payment of Corporate Dividend Tax	-		(435.78)	
10. Repayment towards Lease Liability	(0.02)		(0.04)	
11.. Repayment towards Lease Liability Interest amount				
Net Cash flow from Financing Activities		**42,119.05**		**33,919.08**
Net Increase/Decrease in Cash & Cash Equivalents		**(537.54)**		**1,335.09**
Cash & Cash Equivalents as at the beginning of the year		**1,678.03**		**342.94**
Cash & Cash Equivalents as at the end of the year		**1,140.49**		**1,678.03**

During the year, the Company has received Dividend of ₹ 36.40 crores (previous year ₹ 89.04 crores). Further, during the year, the Company has paid an amount of ₹ 147.78 crores (previous year ₹ 258.40 crores) towards Corporate Social Responsibility.

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

(₹ in Crores)

Particulars	As at 31-03-2021	As at 31-03-2020
- Cash in Hand (including postage & imprest)	0.12	0.06
- Balances with Banks	237.93	1,173.41
- Short-term Deposits with Scheduled Banks	902.44	504.56
Total Cash & Cash Equivalents	**1,140.49**	**1,678.03**

Reconciliation of liabilities arising from financing activities

(₹ in Crores)

Particulars	Opening Balance	Cash Flows during the year (net)	Movement in Interest Accrued *	Other Adjustments		Closing Balance
				Exchange Differences	EIR Adjustments	
Year ended 31-03-2021						
Rupee Debt Securities	1,95,022.98	15,499.66	657.68	-	87.34	**2,11,267.66**
Commercial Paper	2,889.68	(2,925.00)	-	-	35.32	**-**
Rupee Term Loans/ WCDL	32,978.45	26,275.47	27.44	-	-	**59,281.36**
Foreign Currency Debt Securities & other Borrowings	50,629.65	2,884.39	16.81	(1,392.24)	147.74	**52,286.35**
Subordinated Liabilities	4,819.65	1,999.50	128.90	-	(1.16)	**6,946.89**
Total	**2,86,340.41**	**43,734.02**	**830.83**	**(1,392.24)**	**269.24**	**3,29,782.26**
Year ended 31-03-2020						
Rupee Debt Securities	**1,72,971.40**	21,280.39	729.47	-	41.72	**1,95,022.98**
Commercial Paper	**7,696.32**	(5,270.30)	-	-	463.66	**2,889.68**
Rupee Term Loans/ WCDL	**24,884.25**	7,899.65	194.55	-	-	**32,978.45**
Foreign Currency Debt Securities & other Borrowings	**33,950.25**	12,617.57	73.78	3,930.12	57.93	**50,629.65**
Subordinated Liabilities	**4,818.76**	-	0.61	-	0.28	**4,819.65**
Total	**2,44,320.98**	**36,527.31**	**998.41**	**3,930.12**	**563.59**	**2,86,340.41**

** Movement in Interest Accrued has been considered in 'Operating Liabilities' as Cash Flow from Operating Activities.*

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

Notes to Accounts

1. Company Overview

REC Limited ("REC" or the "Company") was incorporated in the year 1969. The Company is domiciled in India and is limited by shares, having its registered office and principal place of business at Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003, India. The books of accounts and financial statements are maintained at Plot no. I-4, Sector-29, Gurugram, Haryana, in addition to the registered office of the Company. The Company has offices spread across the country, mainly in the State Capitals and one training center at Hyderabad.

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

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

The shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited. Further, various debt securities of the Company are also listed on the Stock Exchanges

2. Statement of Compliance and Basis of Preparation

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

The financial statements for the period ended 31st March 2021 were authorized and approved for issue by the Board of Directors on 28th May 2021.

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

3. Significant Accounting Policies

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

3.1 Basis of Preparation and Measurement

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

Functional and presentation currency

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

3.2 Income recognition

Interest income

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

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

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

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

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

Income from Government schemes

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

Dividend income

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

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

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

Other services

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

आरईसी लिमिटेड REC LIMITED

O P BAGLA & CO LLP FRN: 000018N/N500091 New Delhi Chartered Accountants

3.3 Borrowing costs

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

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

3.4 Earnings per share

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

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

3.5 Foreign Currency Translation

Foreign currency transactions and balances

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

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

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

3.6 Intangible assets

Recognition and initial measurement

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

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

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

Intangible Assets under Development

Expenditure incurred which are eligible for capitalization under intangible assets is carried as 'Intangible assets under development' till they are ready for their intended use. Advances paid for the acquisition/ development of intangible assets which are outstanding at the balance sheet date are classified under 'Capital Advances'.

Derecognition of Intangible Assets

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

3.7 Property, Plant and Equipment (PPE)

Recognition and initial measurement

Land

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

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

Other Tangible assets

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

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

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

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

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

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

De-recognition

An item of PPE and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-

recognition of an item of PPE is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

Capital Work-in-Progress

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

3.8 Investment property

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

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

Subsequent measurement (depreciation and useful lives)

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

De-recognition

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

3.9 Financial Instruments

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

Initial recognition and measurement

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

Classification and subsequent measurement of financial assets

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

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

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

Amortized cost

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

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

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

Modification of cash flows

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

Financial assets at FVTPL

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

Embedded derivatives

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to

a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, foreign exchange rate, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract.

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

Financial assets at FVOCI

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

De-recognition of financial assets

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

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

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

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

Classification and subsequent measurement of financial liabilities

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

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or canceled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a

new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Hedge accounting

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

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

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

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

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

3.10 Impairment of financial assets

Loan assets

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

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

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

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

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

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

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

Financial assets other than Loans

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

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

Write-offs

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

3.11 Cash and cash equivalents

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

3.12 Dividend and Other Payments to holders of Instruments classified as Equity

Proposed dividends and interim dividends payable to the shareholders are recognized as changes in equity in the period in which they are approved by the shareholders and the Board of Directors respectively. Liability for the payments to the holders of instruments classified as equity are recognized in the period when such payments are authorized for payment by the Company.

3.13 Material prior period errors

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

3.14 Prepaid Expenses

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

3.15 Taxation

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

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

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

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

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

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

3.16 Employee benefits

Short-term employee benefits

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

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

Defined contribution plan

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

Defined benefit plan

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

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

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

Other long-term employee benefits:

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

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

Loan to employees at concessional rate

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

3.17 Provisions, Contingent Liabilities, and Contingent Assets

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

associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

A contingent liability is disclosed for:

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

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

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

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

3.18 Fair value measurement

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

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

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

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

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

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

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

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

- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

3.19 Offsetting of financial instruments

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

3.20 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and the sale is highly probable. A sale is considered as highly probable when such assets have been decided to be sold by the Company; are available for immediate sale in their present condition; are being actively marketed for sale at a price and the sale has been agreed or is expected to be concluded within one year of the date of classification. Such non-current assets are measured at lower of carrying amount or fair value less selling costs.

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

4. Implementation of New/ Modified Standards

During the year, the Ministry of Corporate Affairs (MCA) has issued amendments to certain Ind AS. The Company has analysed the impact of these amendments which is not material to the Company, except for the amendment to **Ind AS 107 and Ind AS 109 with respect to Interest rate benchmark reform.** It aims to modify some specific hedge accounting requirements to provide relief from the potential effects of uncertainty caused by the interest rate benchmark (IBOR) reform. Further details on Interest Rate Benchmark Reform and its impact on the Company are available in the financial statements.

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

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

Significant management judgments

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

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

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

Significant estimates

Impact of Covid-19 Outbreak - The Company has considered the possible impacts of COVID-19 in preparation of these financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition and impact on effectiveness of its hedges. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these standalone financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements owing to the nature and duration of COVID-19. The extent to which the Covid-19 pandemic will impact the Company will depend on future developments, which are uncertain, including, among other things, any new information concerning the severity of the Covid-19 pandemic and any further action by the Govt. or the Company to contain its spread or mitigate its impact.

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

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

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

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

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

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

6 Cash and Cash Equivalents

(₹ in Crores)

Particulars	As at 31-03-2021	As at 31-03-2020
- Cash in Hand (including postage & imprest)	0.12	0.06
- Balances with Banks		
- in current accounts	237.93	1,173.41
- deposits with original maturity less than 3 months	902.44	504.56
Total (Cash & Cash Equivalents)	**1,140.49**	**1,678.03**

7 Bank Balances (other than Cash and Cash Equivalents)

(₹ in Crores)

Particulars	As at 31-03-2021	As at 31-03-2020
- Earmarked Balances with Banks		
- For unpaid dividends	5.79	4.75
- For govt. funds for onward disbursement as grant	1,065.84	1,616.49
- Earmarked Term Deposits		
- Deposits in Compliance of Court Order	0.56	0.53
- Term Deposit held as Margin Money against Bank Guarantee	0.25	-
- Balances with banks not available for use pending allotment of securities	856.62	400.19
Total (Other Bank Balances)	**1,929.06**	**2,021.96**

- Term Deposits held as margin money against Bank Guarantee for more than 12 months	0.25	-

8 **Derivative Financial Instruments**

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

Part I

(₹ in Crores)

	Particulars	As at 31-03-2021			As at 31-03-2020		
		Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
(i)	**Currency Derivatives**						
	- Spot and forwards	-	-	-	565.39	27.62	-
	- Currency swaps	2,854.54	43.07	121.08	3,094.32	432.94	-
	- Others						
	- Call Spread	4,263.27	271.36	-	6,068.56	504.12	-
	- Seagull Options	20,482.08	1,657.19	43.25	22,321.22	2,212.46	-
	Sub-total (i)	**27,599.89**	**1,971.62**	**164.33**	**32,049.49**	**3,177.14**	**-**
(ii)	**Interest Rate Derivatives**						
	- Forward Rate Agreements and Interest Rate Swaps	25,035.68	339.60	403.65	29,056.52	141.71	586.06
	Sub-total (ii)	**25,035.68**	**339.60**	**403.65**	**29,056.52**	**141.71**	**586.06**
(iii)	**Other derivatives**						
	- Reverse cross currency swaps	4,547.00	-	278.33	4,347.00	-	739.67
	Total - Derivative Financial Instruments (i + ii+iii)	**57,182.57**	**2,311.22**	**846.31**	**65,453.01**	**3,318.85**	**1,325.73**

Part II

Included in Part I are derivatives held for hedging and risk management purposes as below:

(₹ in Crores)

	Particulars	As at 31-03-2021			As at 31-03-2020		
		Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
(i)	**Cash Flow Hedging**						
	- Currency Derivatives						
	- Currency Swaps	2,756.43	23.86	121.08	8,638.68	2.32	303.14
	- Others						
	- Call Spread	1,837.62	77.74	-	1,884.65	97.16	-
	- Seagull Options	20,482.08	1,657.19	43.25	11,348.70	1,662.20	-
	- Interest Rate Derivatives						
	- Forward Rate Agreements and Interest Rate Swaps	13,055.84	-	318.18	9,498.62	5.24	134.45
	Sub-total (i)	**38,131.97**	**1,758.79**	**482.51**	**31,370.65**	**1,766.92**	**437.59**
(ii)	Undesignated Derivatives	19,050.60	552.43	363.80	34,082.36	1,551.93	888.14
	Total - Derivative Financial Instruments (i+ii)	**57,182.57**	**2,311.22**	**846.31**	**65,453.01**	**3,318.85**	**1,325.73**

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

आरईसी लिमिटेड ★ REC LIMITED ★

O P BAGLA & CO LLP ★ FRN : 000018N/N500009 ★ New Delhi ★ Chartered Accountants

9 **Loans**

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

(₹ in Crores)

	Particulars	As at 31-03-2021		As at 31-03-2020	
		Principal O/s	Amortised Cost	Principal O/s	Amortised Cost
(A)	**Loans**				
(i)	Term Loans	3,77,041.98	3,78,090.36	3,21,526.76	3,23,177.53
(ii)	Working Capital Loans	376.17	377.24	897.92	902.01
	Total (A) - Gross Loans	**3,77,418.15**	**3,78,467.60**	**3,22,424.68**	**3,24,079.54**
	Less: Impairment loss allowance	(13,206.11)	(13,206.11)	(11,996.04)	(11,996.04)
	Total (A) - Net Loans	**3,64,212.04**	**3,65,261.49**	**3,10,428.64**	**3,12,083.50**
(B)	**Security Details**				
(i)	Secured by tangible assets	2,56,744.52	2,57,329.46	2,44,034.67	2,45,113.22
(ii)	Secured by intangible assets	-	-	-	-
(iii)	Covered by Bank/ Govt. Guarantees	1,01,071.53	1,01,456.48	58,166.76	58,684.29
(iv)	Unsecured	19,602.10	19,681.67	20,223.25	20,282.03
	Total (B) - Gross Loans	**3,77,418.15**	**3,78,467.60**	**3,22,424.68**	**3,24,079.54**
	Less: Impairment loss allowance	(13,206.11)	(13,206.11)	(11,996.04)	(11,996.04)
	Total (B) - Net Loans	**3,64,212.04**	**3,65,261.49**	**3,10,428.64**	**3,12,083.50**
(C)(I)	**Loans in India**				
(i)	Public Sector	3,38,810.31	3,39,877.44	2,84,644.05	2,86,210.40
(ii)	Private Sector	38,607.84	38,590.16	37,780.63	37,869.14
	Total (C)(I) - Gross Loans	**3,77,418.15**	**3,78,467.60**	**3,22,424.68**	**3,24,079.54**
	Less: Impairment loss allowance	(13,206.11)	(13,206.11)	(11,996.04)	(11,996.04)
	Total (C)(I) - Net Loans	**3,64,212.04**	**3,65,261.49**	**3,10,428.64**	**3,12,083.50**
(C)(II)	**Loans outside India**	-	-	-	-
	Less: Impairment loss allowance	-	-	-	-
	Total (C)(II) - Net Loans	-	-	-	-
	Total (C)(I) and (C)(II)	**3,64,212.04**	**3,65,261.49**	**3,10,428.64**	**3,12,083.50**

10 **Investments**

(₹ in Crores)

Particulars	Amortised Cost	At fair value			Sub-total	Others (At Cost)	Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss			
	(1)	(2)	(3)	(4)	(5=1+2+3+4)	(6)	(7)
As at 31st March, 2021							
Govt. Securities	649.08	-	-	-	649.08	-	649.08
Debt Securities	376.62	-	143.06	-	519.68	-	519.68
Equity Instruments	-	430.13	23.60		453.73	218.20	671.93
Preference Shares	26.09	-	42.99	-	69.08	-	69.08
Others	-	-	-		-	-	-
Total - Gross (A)	1,051.79	430.13	209.65	-	1,691.57	218.20	1,909.77
Investments outside India	-	-	-	-	-	-	-
Investments in India	1,051.79	430.13	209.65	-	1,691.57	218.20	1,909.77
Total - Gross (B)	1,051.79	430.13	209.65	-	1,691.57	218.20	1,909.77
Total Investments	1,051.79	430.13	209.65	-	1,691.57	218.20	1,909.77
Less: impairment loss allowance (C)	-	-	-	-	-	-	-
Total - Net (D=A-C)	1,051.79	430.13	209.65	-	1,691.57	218.20	1,909.77
As at 31st March, 2020							
Govt. Securities	-	-	-	-	-	-	-
Debt Securities	-	-	1,500.62	-	1,500.62	-	1,500.62
Equity Instruments	-	507.43	12.50		519.93	218.20	738.13
Preference Shares	22.93	-	45.41	-	68.34	-	68.34
Others	-	6.12	-	-	6.12	-	6.12
Total - Gross (A)	22.93	513.55	1,558.53	-	2,095.01	218.20	2,313.21
Investments outside India	-	-	-	-	-	-	-
Investments in India	22.93	513.55	1,558.53	-	2,095.01	218.20	2,313.21
Total - Gross (B)	22.93	513.55	1,558.53	-	2,095.01	218.20	2,313.21
Total Investments	22.93	513.55	1,558.53	-	2,095.01	218.20	2,313.21
Less: impairment loss allowance (C)	-	-	-	-	-	-	-
Total - Net (D=A-C)	22.93	513.55	1,558.53	-	2,095.01	218.20	2,313.21

10.1 **Details of investments**

(₹ in Crores)

Particulars	Investment measured at	As at 31-03-2021		As at 31-03-2020	
		Number	Amount	Number	Amount
Government Securities					
- 5.77% GSEC 2030	Amortised Cost	50,00,000	49.95	-	-
- 7.17% GSEC 2028	Amortised Cost	50,00,000	54.64	-	-
- 7.27% GSEC 2026	Amortised Cost	50,00,000	55.98	-	-
- 5.22% GSEC 2025	Amortised Cost	50,00,000	50.99	-	-
- 6.95% Tamil Nadu SDL 2031	Amortised Cost	25,00,000	25.02	-	-
- 6.48% Karnataka SDL 2031	Amortised Cost	40,00,000	41.26	-	-
- 6.85% Rajasthan SDL 2031	Amortised Cost	30,00,000	29.95	-	-
- 6.60% Himachal Pradesh SDL 2030	Amortised Cost	50,00,000	51.28	-	-
- 6.60% Uttar Pradesh SDL 2030	Amortised Cost	20,00,000	19.74	-	-
- 8.44% Jharkhand SDL 2029	Amortised Cost	30,00,000	32.53	-	-
- 7.29% Karnataka SDL 2039	Amortised Cost	1,00,00,000	100.97	-	-
- 8.35% Kerala SDL 2029	Amortised Cost	10,00,000	10.86	-	-
- 8.60% Gujarat SDL 2028	Amortised Cost	20,00,000	22.70	-	-
- 8.57% Rajasthan SDL 2028	Amortised Cost	10,00,000	11.02	-	-
- 6.20% Rajasthan SDL 2027	Amortised Cost	20,00,000	20.36	-	-
- 7.20% Maharashtra SDL 2027	Amortised Cost	20,00,000	21.53	-	-
- 7.24% Karnataka SDL 2037	Amortised Cost	50,00,000	50.30	-	-
Sub-total - Government Securities			649.08		-
Debt Securities					
- 7.05% Bonds of Mahanagar Telephone Nigam Limited	Amortised Cost	850	88.18	-	-
- 6.65% Bonds of Food Corporation of India	Amortised Cost	200	20.62	-	-
- 7.19% Bonds of THDC India Limited	Amortised Cost	250	26.33	-	-
- 8.69% Bonds of Damodar Valley Corporation	Amortised Cost	200	21.88	-	-
- 7.30% Bonds of Power Grid Corporation of India Limited	Amortised Cost	200	22.65	-	-
- 5.78% Bonds of Chennai Petroleum Corporation Limited	Amortised Cost	150	15.63	-	-
- 6.11% Bonds of Bharat Petroleum Corporation Limited	Amortised Cost	100	10.52	-	-
- 7.30% Bonds of NMDC Limited	Amortised Cost	200	21.71	-	-
- 11.15% Perpetual Bonds of Indian Bank	Fair value through profit or loss	-	-	5,000	500.31
- 11.25% Perpetual Bonds of Bank of Baroda	Fair value through profit or loss	-	-	5,000	500.00
- 11.25% Perpetual Bonds of Syndicate Bank	Fair value through profit or loss	-	-	5,000	500.31
- 3% Optionally convertible debentures- Series A of Essar Power Transmission Co. Ltd.	Fair value through profit or loss	22,85,25,079	99.33	-	-
- 3% Optionally convertible debentures- Series B of Essar Power Transmission Co. Ltd.	Fair value through profit or loss	10,06,12,911	43.73	-	-
- Optionally convertible debentures- Series C of Essar Power Transmission Co. Ltd.	Fair value through profit or loss	1,86,35,162	-	-	-
- 0% Non- Convertible Debentures (NCDs) of Ferro Alloys Corporation Limited	Amortised Cost	2,52,91,783	149.10	-	-
- 0.01% Optionally convertible Debentures (OCD) Series A of R.K.M PowerGen Private Ltd.	Fair value through profit or loss	21,38,03,170	-	-	-
- 0.01% Optionally convertible Debentures (OCD) Series B of R.K.M PowerGen Private Ltd.	Fair value through profit or loss	63,03,032	-	-	-
- 0.01% Optionally convertible Debentures (OCD) Series Ai of R.K.M PowerGen Private Ltd.	Fair value through profit or loss	1,04,74,150	-	-	-
Sub-total - Debt Securities			519.68		1,500.62

Particulars	Investment measured at	As at 31-03-2021		As at 31-03-2020	
		Number	Amount	Number	Amount
Equity Instruments					
- NHPC Ltd.	Fair value through other comprehensive income	17,53,02,206	428.61	17,53,02,206	349.73
- Indian Energy Exchange Ltd.	Fair value through other comprehensive income	-	-	1,22,71,211	157.01
- HUDCO Ltd.	Fair value through other comprehensive income	3,47,429	1.52	3,47,429	0.69
- Universal Commodity Exchange Ltd.	Fair value through other comprehensive income	1,60,00,000	-	1,60,00,000	-
- Rattan India Power Ltd.	Fair value through profit or loss	9,25,68,105	23.60	9,25,68,105	12.50
- R.K.M PowerGen Private Ltd.	Fair value through profit or loss	18,17,90,667	-		-
Sub-total - Equity Instruments			453.73		519.93
Subsidiaries					
- REC Power Distribution Company Ltd.	Others (At Cost)	85,500	0.10	50,000	0.05
- REC Transmission Projects Company Ltd.	Others (At Cost)	-	-	50,000	0.05
Sub-total - Subsidiaries			0.10		0.10
Joint Ventures					
- Energy Efficiency Services Ltd.	Others (At Cost)	21,81,00,000	218.10	21,81,00,000	218.10
Sub-total - Joint Ventures			218.10		218.10
Preference Shares (PS)					
- Redeemable PS of Rattan India Power Ltd.	Amortised cost	2,87,20,978	26.09	2,87,20,978	22.93
- Optionally Convertible PS of Rattan India Power Ltd.	Fair value through profit or loss	4,33,03,616	42.99	4,33,03,616	45.41
Sub-total - Preference Shares			69.08		68.34
Others					
- Units of 'Small is Beautiful' Venture Capital Fund	Fair value through other comprehensive income	61,52,200	-	61,52,200	6.12
Sub-total - Others		61,52,200	-		6.12
Total Investments			1,909.77		2,313.21

11 **Other financial assets**

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

(₹ in Crores)

	Particulars	As at 31-03-2021	As at 31-03-2020
(A)	**Loans to Employees**	39.94	34.61
(B)	**Advances to Employees**	0.41	0.30
(C)	**Loans & Advances to Subsidiaries**	4.16	3.99
(D)	**Security Deposits**	1.23	1.29
(E)	**Recoverable from Govt. of India**		
	- Towards GoI Fully Serviced Bonds	24,314.48	21,931.30
(F)	**Other amounts recoverable**	127.03	140.95
	Less: Impairment Loss allowance	(88.04)	(30.85)
	Other Amounts Recoverable (Net)	**38.99**	**110.10**
	Total (A to F)	**24,399.21**	**22,081.59**

12 **Current tax assets (net)**

(₹ in Crores)

Particulars	As at 31-03-2021	As at 31-03-2020
Advance Income-tax & TDS	227.47	1,811.17
Provision for Income Tax	(72.35)	(1,552.27)
Sub-Total	**155.12**	**258.90**
Tax Deposited on income tax demands under contest	5.20	201.05
Provision for income tax for demand under contest	(0.25)	(67.29)
Sub-Total	**4.95**	**133.76**
Current tax assets (Net)	**160.07**	**392.66**

13 **Deferred tax assets (net)**

(₹ in Crores)

Particulars	As at 31-03-2021	As at 31-03-2020
Deferred Tax Assets (Net)	**2,437.71**	**2,034.32**

14 Investment Property

(₹ in Crores)

Particulars	Opening Balance	Additions during the year	Sales/ adjustment during the year	Closing Balance
As at 31st March 2021	0.01	-	-	0.01
As at 31st March 2020	0.01	-	-	0.01

15 Property, Plant & Equipment and Intangible Assets

(₹ in Crores)

Particulars	Property, Plant & Equipment								Capital Work-in-Progress	Intangible Assets under Development	Other Intangible Assets
	Freehold Land	Right-of-Use Land	Buildings	Furniture & Fixtures	EDP Equipments	Office Equipments	Vehicles	Total	Immovable Property	Computer Software	Computer Software
Gross carrying value											
As at 31.03.2019	110.39	1.59	31.74	10.65	19.92	18.50	0.40	193.19	196.94	1.59	17.25
Additions	-	-	-	1.80	2.53	3.21	-	7.54	74.89	-	3.57
Borrowings Cost Capitalised									15.79		
Disposals	-	-	-	0.83	2.20	1.74	-	4.77	-	0.82	7.20
As at 31.03.2020	110.39	1.59	31.74	11.62	20.25	19.97	0.40	195.96	287.62	0.77	13.62
Additions	-	-	98.66	9.65	4.71	5.10	-	118.12	131.70	-	0.02
Borrowings Cost Capitalised								-	22.04		
Disposals/ Adjustments	-	-	-	0.72	3.28	7.97	-	11.97	105.69	-	-
As at 31.03.2021	110.39	1.59	130.40	20.55	21.68	17.10	0.40	302.11	335.67	0.77	13.64
Accumulated depreciation/ amortisation											
As at 31.03.2019	-	0.31	8.58	6.32	13.37	10.33	0.30	39.21	-	-	8.74
Charge for the year	-	0.01	0.48	0.68	2.90	2.63	0.02	6.72	-	-	3.28
Adjustment for disposals	-	-	-	0.34	1.89	0.74	-	2.97	-	-	7.20
As at 31.03.2020	-	0.32	9.06	6.66	14.38	12.22	0.32	42.96	-	-	4.82
Charge for the year	-	0.03	0.75	0.94	2.69	2.38	0.02	6.81	-	-	2.72
Adjustment for disposals	-	-	-	0.20	2.60	4.98	-	7.78	-	-	-
As at 31.03.2021	-	0.35	9.81	7.40	14.47	9.62	0.34	41.99	-	-	7.54
Net block as at 31.03.2020	110.39	1.27	22.68	4.96	5.87	7.75	0.08	153.00	287.62	0.77	8.80
Net block as at 31.03.2021	110.39	1.24	120.59	13.15	7.21	7.48	0.06	260.12	335.67	0.77	6.10

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16 Other non-financial assets

(₹ in Crores)

	Particulars	As at 31-03-2021	As at 31-03-2020
	Unsecured, considered good		
(A)	Capital Advances	8.84	50.38
(B)	Other Advances	3.34	5.12
(C)	Balances with Govt. Authorities	47.47	44.37
(D)	Pre-Spent Corporate Social Responsibility (CSR) Expenses	3.45	-
(E)	Prepaid Expenses	4.29	0.17
(F)	Deferred Employee Cost	14.09	13.21
(G)	Other Assets	0.02	0.02
	Total (A to G)	**81.50**	**113.27**

17 **Debt Securities**

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

(₹ in Crores)

	Particulars	As at 31.03.2021		As at 31.03.2020	
		Face Value	Amortised Cost	Face Value	Amortised Cost
(A)	**Secured Long-Term Debt Securities**				
(i)	Institutional Bonds	3,470.00	3,679.52	3,470.00	3,679.51
(ii)	54EC Capital Gain Tax Exemption Bonds	17,264.97	17,901.65	21,976.14	22,781.73
(iii)	Tax Free Bonds	12,648.41	13,090.89	12,648.41	13,088.03
(iv)	Bond Application Money	856.62	854.71	400.19	399.41
	Sub-total (A)	**34,240.00**	**35,526.77**	**38,494.74**	**39,948.68**
(B)	**Unsecured Long-Term Debt Securities**				
(i)	Institutional Bonds	1,69,868.60	1,75,719.53	1,48,662.20	1,53,685.20
(ii)	Infrastructure Bonds	11.07	21.36	16.46	25.19
(iii)	Zero Coupon Bonds	-	-	1,364.85	1,363.91
(iv)	Foreign Currency Bonds	26,461.71	26,060.40	22,615.78	22,064.56
	Sub-total (B)	**1,96,341.38**	**2,01,801.29**	**1,72,659.29**	**1,77,138.86**
(C)	**Unsecured Short-Term Debt Securities**				
(i)	Commercial Paper	-	-	2,925.00	2,889.68
	Sub-total (C)	-	-	**2,925.00**	**2,889.68**
	Total - Debt Securities (A+B+C)	**2,30,581.38**	**2,37,328.06**	**2,14,079.03**	**2,19,977.22**
	Debt Securities issued in/ outside India				
(i)	Debt Securities in India	2,04,119.67	2,11,267.66	1,91,463.25	1,97,912.66
(ii)	Debt Securities outside India	26,461.71	26,060.40	22,615.78	22,064.56
	Total - Debt Securities	**2,30,581.38**	**2,37,328.06**	**2,14,079.03**	**2,19,977.22**

18 **Borrowings (Other than Debt Securities)**

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

(₹ in Crores)

	Particulars	As at 31.03.2021		As at 31.03.2020	
		Principal O/s	Amortised Cost	Principal O/s	Amortised Cost
(A)	**Unsecured Long-Term Borrowings**				
(i)	Term Loans from Banks	29,938.58	29,953.76	18,899.78	18,900.72
(ii)	Term Loans from Financial Institutions	5,800.00	5,800.00	1,000.00	1,000.00
(iii)	Foreign Currency Borrowings	21,024.72	20,890.94	21,762.71	21,579.29
(iv)	FCNR (B) Loans	-	-	1,017.71	1,020.89
(v)	Term Loans from Govt. of India	10,000.00	10,325.12	10,000.00	10,326.81
(vi)	Lease Liability	0.05	0.05	0.07	0.07
	Sub-total (A)	**66,763.35**	**66,969.87**	**52,680.27**	**52,827.78**
(B)	**Unsecured Short-Term Borrowings**				
(i)	FCNR (B) Loans	5,329.10	5,335.01	5,955.49	5,964.91
(ii)	Short Term Loans/ Loans repayable on demand from Banks	10,186.52	10,201.99	2,749.86	2,750.92
(iii)	Loans repayable on demand from Holding Company	3,000.00	3,000.49	-	-
	Sub-total (B)	**18,515.62**	**18,537.49**	**8,705.35**	**8,715.83**
	Total - Borrowings (other than Debt Securities) (A to B)	**85,278.97**	**85,507.36**	**61,385.62**	**61,543.61**
	Borrowings (other than Debt Securities) in/ outside India				
(i)	Borrowings in India	64,254.25	64,616.42	39,622.91	39,964.32
(ii)	Borrowings outside India	21,024.72	20,890.94	21,762.71	21,579.29
	Total - Borrowings (other than Debt Securities)	**85,278.97**	**85,507.36**	**61,385.62**	**61,543.61**

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19 Subordinated Liabilities

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

(₹ in Crores)

	Particulars	As at 31.03.2021		As at 31.03.2020	
		Face Value	Amortised Cost	Face Value	Amortised Cost
(i)	**199th Series - Subordinate Tier-II Bonds -** 7.96% Redeemable at par on 15.06.2030	1,999.50	2,127.54	-	-
(ii)	**175th Series - Subordinate Tier-II Bonds -** 8.97% Redeemable at par on 28.03.2029	2,151.20	2,151.45	2,151.20	2,151.86
(iii)	**115th Series - Subordinate Tier-II Bonds -** 8.06% Redeemable at par on 31.05.2023	2,500.00	2,667.90	2,500.00	2,667.79
	Total - Subordinated Liabilities	**6,650.70**	**6,946.89**	**4,651.20**	**4,819.65**
	Subordinated Liabilities in/ outside India				
(i)	Borrowings in India	6,650.70	6,946.89	4,651.20	4,819.65
(ii)	Borrowings outside India	-	-	-	-
	Total - Subordinated Liabilities	**6,650.70**	**6,946.89**	**4,651.20**	**4,819.65**

20 Other Financial Liabilities

(₹ in Crores)

	Particulars	As at 31-03-2021	As at 31-03-2020
(A)	**Unpaid Dividends**	5.79	4.75
(B)	**Bond Application Money refundable and interest accrued thereon**	0.01	-
(C)	**Unpaid Principal & Interest on Bonds**		
	- Matured Bonds & Interest Accrued thereon	49.77	39.13
	- Interest on Bonds	18.95	17.97
	Sub-total (C)	**68.72**	**57.10**
(D)	**Funds Received from Govt. of India for Disbursement as Subsidy/ Grant (cumulative)**	89,640.91	85,006.38
	Add: Interest on such funds (net of refund)	2.63	7.75
	Less: Disbursed to Beneficiaries (cumulative)	(88,575.58)	(83,395.51)
	Undisbursed Funds to be disbursed as Subsidy/ Grant	**1,067.96**	**1,618.62**
(E)	**Payables towards Bonds Fully serviced by Govt. of India**	24,314.43	21,792.32
(F)	Payable towards funded staff benefits	9.00	0.38
(G)	Other Liabilities	477.20	89.53
	Total (A to G)	**25,943.11**	**23,562.70**

21 Current tax liabilities (net)

(₹ in Crores)

Particulars	As at 31-03-2021	As at 31-03-2020
Provision for Income Tax	2,702.52	-
Less: Advance Income-tax & TDS	(2,691.90)	-
Current tax liabilities (Net)	**10.62**	-

22 Provisions

(₹ in Crores)

	Particulars	As at 31-03-2021	As at 31-03-2020
	Provisions for		
(A)	**Employee Benefits**		
	Earned Leave Liability	18.00	15.95
	Medical Leave Liability	20.91	21.87
	Settlement Allowance	1.89	1.60
	Economic Rehabilitation Scheme	4.13	4.25
	Long Service Award	2.02	1.89
	Incentive	47.92	52.57
	Sub-total (A)	**94.87**	**98.13**
(B)	**Others**		
	Expected Credit Loss on Letters of Comfort	9.09	8.38
	Sub-total (B)	**9.09**	**8.38**
	Total (A+B)	**103.96**	**106.51**

23 Other Non-financial Liabilities

(₹ in Crores)

	Particulars	As at 31-03-2021	As at 31-03-2020
(A)	Sundry Liabilities Account (Interest Capitalisation)	5.07	6.57
(B)	Unbilled Liability towards Capital Account	28.53	-
(C)	Unamortised Fee on Undisbursed Loans	68.64	46.15
(D)	Advance received from Govt. towards Govt. Schemes	0.75	3.90
(E)	Statutory Dues	17.52	18.99
	Total (A to E)	**120.51**	**75.61**

24 Equity Share Capital

(₹ in Crores)

Particulars	As at 31.03.2021		As at 31.03.2020	
	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**

25 Instruments entirely equity in nature

(₹ in Crores)

Particulars	As at 31.03.2021		As at 31.03.2020	
	Number	Amount	Number	Amount
Fully paid up Perpetual Debts Instrument entirely equity in nature of ₹ 10 lakhs each	5,584	558.40	-	-
Total	**5,584**	**558.40**	-	-

26 Other Equity

(₹ in Crores)

	Particulars	As at 31.03.2021	As at 31.03.2020
(A)	**Other Reserves**		
(i)	Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961	19,222.23	16,659.10
(ii)	Reserve for Bad and doubtful debts u/s 36(1)(viia) of the Income Tax Act, 1961	2,128.41	2,992.83
(iii)	Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	3,804.00	2,131.00
(iv)	Securities Premium	2,236.54	2,236.54
(v)	Foreign Currency Monetary Item Translation Difference Account	(573.16)	(1,719.38)
(vi)	General Reserve	9,850.03	6,923.09
(vii)	Impairment Reserve	-	793.29
(B)	**Retained Earnings**	4,325.09	3,409.74
(C)	**Other Comprehensive Income (OCI)**		
	- Equity Instruments through Other Comprehensive Income	24.07	106.26
	- Effective Portion of Cash Flow Hedges	(165.61)	(226.08)
	- Cost of Hedging reserve	41.45	(204.75)
	Total - Other Equity	**40,893.05**	**33,101.64**

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

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27 Interest Income

(₹ in Crores)

	Particulars	Year ended 31-03-2021			Year ended 31-03-2020		
		On Financial Assets measured at Fair Value through OCI	On Financial Assets measured at Amortised Cost	On Financial Assets measured at Fair Value through Profit or Loss	On Financial Assets measured at Fair Value through OCI	On Financial Assets measured at Amortised Cost	On Financial Assets measured at Fair Value through Profit or Loss
(A)	**Interest on Loan Assets**						
(i)	Long term financing	-	34,232.84	-	-	29,245.18	-
	Less: Rebate for timely payments/completion etc	-	(0.06)	-	-	(0.08)	-
	Long term financing (net)	-	34,232.78	-	-	29,245.10	-
(ii)	Short term financing	-	69.98	-	-	177.23	-
	Sub-total (A)	-	**34,302.76**	-	-	**29,422.33**	-
(B)	**Interest Income from Investments**						
(i)	Interest from CP/ ICD	-	-	-	-	0.21	-
(ii)	Interest from Govt. Securities	-	7.16	-	-	1.89	-
(iii)	Interest from Long Term Investments	-	15.98	195.30	-	0.76	169.75
(iv)	Interest from Short Term Investments	-	3.90	-	-	-	-
	Sub-total (B)	-	**27.04**	**195.30**	-	**2.86**	**169.75**
(C)	**Interest on Deposits with Banks**						
(i)	Interest from Deposits	-	154.41	-	-	61.23	-
	Sub-total (C)	-	**154.41**	-	-	**61.23**	-
(D)	**Other Interest Income**						
(i)	Interest from Staff Advances	-	3.70	-	-	4.45	-
(ii)	Interest from Subsidiary Companies	-	-	-	-	0.04	-
(iii)	Interest on Mobilisation Advance	-	0.56	-	-	2.39	-
(iv)	Unwinding of Discount of Security Deposits		0.01		-	0.02	-
	Sub-total (D)	-	**4.27**	-	-	**6.90**	-
	Total - Interest Income (A to D)	-	**34,488.48**	**195.30**	-	**29,493.32**	**169.75**

28 Dividend Income

(₹ in Crores)

Particulars	Year ended 31-03-2021	Year ended 31-03-2020
- Dividend from Subsidiary Companies	8.43	50.00
- Dividend from Other Investments	27.97	39.04
Total - Dividend Income	**36.40**	**89.04**

29 Fees and Commission Income

(₹ in Crores)

Particulars	Year ended 31-03-2021	Year ended 31-03-2020
Fees based Income	26.57	6.68
Prepayment Premium	35.14	12.75
Fee for Implementation of Govt. Schemes	33.67	19.52
Total - Fees and Commission Income	**95.38**	**38.95**

30 Other Income

(₹ in Crores)

Particulars	Year ended 31-03-2021	Year ended 31-03-2020
Fees from Training Courses	2.77	6.38
Interest from Income Tax Refund	0.94	1.68
Miscellaneous Income	18.84	55.86
Total - Other Income	**22.55**	**63.92**

31 Finance Costs

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

(₹ in Crores)

	Particulars	Year ended 31-03-2021	Year ended 31-03-2020
(i)	**Interest on Borrowings**		
	- Loans from Govt. of India	820.81	612.97
	- Loans from Banks/ Financial Institutions	2,090.94	1,725.04
	- External Commercial Borrowings	643.83	917.26
	- Lease Liability	0.01	0.01
	Sub-Total (i)	**3,555.59**	**3,255.28**
(ii)	**Interest on Debt Securities**		
	- Domestic Debt Securities	15,423.20	13,930.38
	- Foreign Currency Debt Securities	1,183.12	854.73
	- Commercial Paper	35.32	463.66
	Sub-Total (ii)	**16,641.64**	**15,248.77**
(iii)	**Interest on Subordinated Liabilities**		
	- Subordinate Bonds	394.15	395.36
	Sub-Total (iii)	**394.15**	**395.36**
(iv)	**Other Interest Expense**		
	- Swap Premium	894.62	108.83
	- Interest on Advance Income Tax	22.71	-
	- Interest on liability towards employee benefits	2.32	4.60
	- Modification gain/ loss on borrowings	0.09	-
	Sub-Total (iv)	**919.74**	**113.43**
	Total - Finance Costs	**21,511.12**	**19,012.84**
	Less: Finance Costs Capitalised	(22.04)	(15.79)
	Total - Finance Costs (Net)	**21,489.08**	**18,997.05**

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आरईसी लिमिटेड REC LIMITED
O P BAGLA & CO LLP FRN: 000018N/N500097 New Delhi Chartered Accountants

32 Net translation/ transaction exchange loss/ (gain)

(₹ in Crores)

Particulars	Year ended 31-03-2021	Year ended 31-03-2020
Net translation/ transaction exchange loss/ (gain)	330.26	2,357.90
Total	**330.26**	**2,357.90**

The figures above include amortisation of net translation/ transaction exchange loss/ (gain) on Long Term Foreign Currency Monetary Items recognised in the financial statements before 1st April 2018 amounting to ₹ 708.57 crores (Previous year ₹ 675.95 crores).

33 Fees and commission expense

(₹ in Crores)

	Particulars	Year ended 31-03-2021	Year ended 31-03-2020
(i)	Guarantee Fee	-	13.29
(ii)	Listing and Trusteeship Fee	0.78	1.51
(iii)	Agency Fees	3.01	1.66
(iv)	Credit Rating Expenses	3.33	3.05
(v)	Other Finance Charges	2.83	5.93
	Total (i to v)	**9.95**	**25.44**

34 Net Gain/ (loss) on Fair Value Changes

(₹ in Crores)

	Particulars	Year ended 31-03-2021	Year ended 31-03-2020
(A)	**Net gain/ (loss) on financial instruments at Fair Value through profit or loss**	-	-
(i)	**On trading Portfolio**		
(ii)	**Others**	545.92	(47.72)
	- Changes in fair value of Derivatives	2.43	6.40
	- Changes in fair value of Long Term Investments	23.98	15.47
	- Changes in fair value of Short-term MF investments	**572.33**	**(25.85)**
	Sub-total (ii)	**572.33**	**(25.85)**
	Total (A)		
	Breakup of Fair Value Changes	1,077.91	(60.07)
	- Realised	(505.58)	34.22
	- Unrealised	**572.33**	**(25.85)**
	Total Net Gain/ (loss) on Fair Value Changes		

Fair value changes in this schedule are other than those arising on account of accrued interest income/ expense and represents changes in fair value of derivatives designated as economic hedges not designated under hedge accounting and ineffective hedge

35 Impairment on financial instruments

(₹ in Crores)

	Particulars	Year ended 31-03-2021		Year ended 31-03-2020	
		On financial instruments measured at FVOCI	On financial instruments measured at Amortised Cost	On financial instruments measured at FVOCI	On financial instruments measured at Amortised Cost
(i)	- Loans *	-	2,363.33	-	884.91
(ii)	- Others	-	56.29	-	4.65
	Total (i+ii)	-	**2,419.62**	-	**889.56**

** includes ₹ 0.71 crores (Previous year ₹ 8.38 crores) towards impairment allowance on Letters of Comfort.*

36 Employee Benefits Expense

(₹ in Crores)

Particulars	Year ended 31-03-2021	Year ended 31-03-2020
- Salaries and Allowances	101.66	129.00
- Contribution to Provident Fund and Other Funds	13.61	15.19
- Expenses towards Post Employment Benefits	4.87	5.07
- Rent towards Residential Accomodation for Employees	2.19	1.58
- Staff Welfare Expenses	22.51	24.95
Total	**144.84**	**175.79**

37 Depreciation and amortization

(₹ in Crores)

Particulars	Year ended 31-03-2021	Year ended 31-03-2020
- Depreciation on Property, Plant & Equipment	6.81	6.72
- Amortization on Intangible Assets	2.72	3.28
Total	**9.53**	**10.00**

38 Corporate Social Responsibility Expenses

(₹ in Crores)

Particulars	Year ended 31-03-2021	Year ended 31-03-2020
- Direct Expenditure	139.78	253.64
- Overheads	4.54	4.76
Total	**144.32**	**258.40**

39 **Other Expenses**

(₹ in Crores)

Particulars	Year ended 31-03-2021	Year ended 31-03-2020
- Travelling and Conveyance	8.00	13.69
- Publicity & Promotion Expenses	4.90	5.73
- Repairs and Maintenance	11.50	11.42
- Rent, taxes and energy costs	13.15	12.97
- Insurance Charges	0.10	0.13
- Communication costs	2.23	3.24
- Printing & stationery	0.86	2.70
- Director's sitting fees	0.10	0.19
- Auditors' fees and expenses	1.43	1.52
- Legal & Professional Charges	9.86	11.81
- Net Loss on Disposal of Property, Plant & Equipment	4.03	1.69
- Govt. Scheme Monitoring Expenses	25.18	22.17
- Miscellaneous Expenses	25.37	44.44
Total	**106.71**	**131.70**

40 **Tax Expense**

(₹ in Crores)

Particulars	Year ended 31-03-2021	Year ended 31-03-2020
- Current tax expense	2,683.62	1,552.99
- Current tax expense/ (benefit) pertaining to earlier years	223.28	62.88
Sub-total - Current Tax	**2,906.90**	**1,615.87**
- Deferred tax expense/ (credit)	(512.55)	481.26
Total	**2,394.35**	**2,097.13**

41 **Earnings per Share**

Particulars	Year ended 31-03-2021	Year ended 31-03-2020
Numerator		
Profit for the year from continuing operations as per Statement of Profit and Loss (₹ in Crores)	8,361.78	4,886.16
Profit for the year from continuing and discontinued operations as per Statement of Profit and Loss (₹ in Crores)	8,361.78	4,886.16
Denominator		
Weighted average Number of equity shares	1,97,49,18,000	1,97,49,18,000
Basic & Diluted Earnings per Share (in ₹ for an equity share of ₹ 10 each) (for continuing operations)	42.34	24.74
Basic & Diluted Earnings per Share (in ₹ for an equity share of ₹ 10 each) (for continuing and discontinued operations)	42.34	24.74

Annexure-G

REC Limited

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

Consolidated Balance Sheet as at 31st March 2021

(₹ in Crores)

S. No.	Particulars	Note No.	As at 31-03-2021	As at 31-03-2020
	ASSETS			
(1)	**Financial Assets**			
(a)	Cash and cash equivalents	6	1,179.24	1,717.71
(b)	Bank balances other than (a) above	7	2,223.58	2,257.45
(c)	Trade receivables	8	140.07	109.07
(d)	Derivative financial instruments	9	2,311.22	3,318.85
(e)	Loans	10	3,65,261.49	3,12,083.50
(f)	Investments	11	1,723.68	2,127.11
(g)	Other financial assets	12	24,419.88	22,101.32
	Total - Financial Assets (1)		**3,97,259.16**	**3,43,715.01**
(2)	**Non-Financial Assets**			
(a)	Current tax assets (net)	13	168.92	409.94
(b)	Deferred tax assets (net)	14	2,461.03	2,050.57
(c)	Investment Property	15	0.01	0.01
(d)	Property, Plant & Equipment	16	260.70	156.97
(e)	Capital Work-in-Progress	16	335.67	287.62
(f)	Intangible Assets Under Development	16	0.77	0.77
(g)	Other Intangible Assets	16	6.15	8.82
(h)	Other non-financial assets	17	102.67	132.37
(i)	Investments accounted for using equity method	11	257.74	258.47
	Total - Non-Financial Assets (2)		**3,593.66**	**3,305.54**
(3)	**Assets classified as held for sale**	18	**14.05**	**9.53**
	Total ASSETS (1+2+3)		**4,00,866.87**	**3,47,030.08**
	LIABILITIES AND EQUITY			
	LIABILITIES			
(1)	**Financial Liabilities**			
(a)	Derivative financial instruments	9	846.31	1,325.73
(b)	Trade Payables			
	(i) total outstanding dues of MSMEs	19	0.01	0.15
	(ii) total outstanding dues of creditors other than MSMEs	19	61.50	46.00
(c)	Debt Securities	20	2,37,269.11	2,19,918.25
(d)	Borrowings (other than debt securities)	21	85,507.36	61,550.66
(e)	Subordinated Liabilities	22	6,946.89	4,819.65
(f)	Other financial liabilities	23	26,222.35	23,782.21
	Total - Financial Liabilities (1)		**3,56,853.53**	**3,11,442.65**
(2)	**Non-Financial Liabilities**			
(a)	Current tax liabilities (net)	24	14.40	-
(b)	Provisions	25	104.68	107.09
(c)	Other non-financial liabilities	26	130.25	83.23
	Total - Non-Financial Liabilities (2)		**249.33**	**190.32**
(3)	**Liabilities directly associated with assets classified as held for sale**	18	**0.08**	**0.68**
(4)	**EQUITY**			
(a)	Equity Share Capital	27	1,974.92	1,974.92
(b)	Instruments Entirely Equity In Nature	28	558.40	-
(c)	Other equity	29	41,230.61	33,421.51
	Total - Equity (4)		**43,763.93**	**35,396.43**
	Total - LIABILITIES AND EQUITY (1+2+3+4)		**4,00,866.87**	**3,47,030.08**
	Company Overview and Significant Accounting Policies	1 to 5		

आरईसी लिमिटेड REC LIMITED

O P BAGLA & CO LLP FRN: 000018N/N500091 New Delhi Chartered Accountants

REC Limited

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

Consolidated Statement of Profit and Loss for the year ended 31st March 2021

(₹ in Crores)

S. No.	Particulars	Note No.	Year ended 31-03-2021	Year ended 31-03-2020
	Revenue from Operations			
(i)	Interest Income	30	34,693.35	29,671.78
(ii)	Dividend Income	31	27.97	36.94
(iii)	Fees and Commission Income	32	95.38	38.95
(iv)	Net gain/ (loss) on fair value changes	38	572.33	(25.85)
(v)	Sale of services	33	163.65	182.11
I.	**Total Revenue from Operations (i to v)**		**35,552.68**	**29,903.93**
II.	Other Income	34	22.72	77.27
III.	**Total Income (I+II)**		**35,575.40**	**29,981.20**
	Expenses			
(i)	Finance Costs	35	21,489.05	18,991.30
(ii)	Net translation/ transaction exchange loss	36	330.26	2,357.90
(iii)	Fees and commission Expense	37	9.95	25.44
(iv)	Impairment on financial instruments	39	2445.94	919.49
(v)	Cost of services rendered	40	88.51	71.61
(vi)	Employee Benefits Expenses	41	163.62	193.15
(vii)	Depreciation and amortization	42	10.86	11.77
(viii)	Corporate Social Responsibility Expenses	43	146.27	259.29
(ix)	Other Expenses	44	109.38	130.41
IV.	**Total Expenses (i to ix)**		**24,793.84**	**22,960.36**
V.	**Profit before Tax (III-IV)**		**10,781.56**	**7,020.84**
V.	**Share of Profit/Loss of Joint Venture accounted for using equity method**		(1.97)	9.14
VI.	**Profit before Tax (III-IV+V)**		**10,779.59**	**7,029.98**
VII.	**Tax Expense**	45		
(i)	Current tax		2,920.97	1,645.06
(ii)	Deferred Tax		(519.62)	412.65
	Total Tax Expense (i+ii)		**2,401.35**	**2,057.71**
VIII.	**Profit for the period**		**8,378.24**	**4,972.27**
IX.	**Other comprehensive Income/(Loss)**			
(i)	**Items that will not be reclassified to profit or loss**			
(a)	Re-measurement gains/(losses) on defined benefit plans		(14.26)	(2.87)
(b)	Changes in Fair Value of FVOCI Equity Instruments		166.53	(129.20)
(c)	Share of Other Comprehensive Income/ (loss) of Joint Venture accounted for using equity method		(0.05)	(0.12)
(d)	Income tax relating to these items			
	- Re-measurement gains/(losses) on defined benefit plans		3.59	0.72
	- Changes in Fair Value of FVOCI Equity Instruments		(6.01)	12.39
	Sub-Total (i)		**149.80**	**(119.08)**
(ii)	**Items that will be reclassified to profit or loss**			
(a)	Effective Portion of Cash Flow Hedges		80.81	(302.12)
(b)	Cost of hedging reserve		329.00	(273.61)
(c)	Share of Other Comprehensive Income/ (loss) of Joint Venture accounted for using equity method		1.29	(3.94)
(d)	Income tax relating to these items			
	-Effective Portion of Cash Flow Hedges		(20.34)	76.04
	- Cost of hedging reserve		(82.80)	68.86
	Sub-Total (ii)		**307.96**	(434.77)
	Other comprehensive Income/(Loss) for the period (i+ii)		**457.76**	**(553.85)**
X.	**Total comprehensive Income for the period (VIII+IX)**		**8,836.00**	**4,418.42**
XI.	**Basic & Diluted Earnings per Equity Share of ₹ 10 each (in ₹)**	46		
(1)	For continuing operations		**42.42**	**25.18**
(2)	For continuing and discontinued operations		**42.42**	**25.18**
	Company Overview and Significant Accounting Policies	1 to 5		

REC Limited

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

Consolidated Statement of Changes in Equity for the period ended 31st March 2021

(₹ in Crores)

A Equity share capital

Particulars	As at 31-03-2021	As at 31-03-2020
Opening Balance	1,974.92	1,974.92
Changes in equity share capital during the year		-
Closing Balance	1,974.92	1,974.92

(₹ in Crores)

B Instruments entirely equity in nature

Particulars	As at 31-03-2021	As at 31-03-2020
Opening Balance	-	-
Changes in instruments entirely equity in nature during the year	536.40	-
Closing Balance	536.40	-

(₹ in Crores)

C Other Equity

Particulars	Reserves & Surplus										Share of Other Comprehensive Income/ (loss) of Joint Venture accounted for using equity method	FVOCI- Equity Instruments	Effective Portion of Cash Flow Hedges	Costs of Hedging reserve	Total
	Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961	Reserve for Bad and doubtful debts u/s 36(1)(viia) of the Income Tax Act, 1961	Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	Debenture Redemption Reserve	Securities Premium Account	Capital Reserve	Foreign Currency Monetary Item Translation Difference Account	General Reserve	Impairment Reserve	Retained Earnings					
Balance as at 31st March 2019	15,136.78	3,034.72	1,153.00	1,318.13	2,236.54	-	(764.82)	5,230.54	-	5,088.19	1.46	136.88	-	-	32,571.42
Profit for the period	-	-	-	-	-	-	-	-	-	4,972.27	-	-	-	-	4,972.27
Remeasurement of Defined Benefit Plans	-	-	-	-	-	-	-	-	-	(2.15)	-	-	-	-	(2.15)
Recognition through Other Comprehensive Income (net of taxes)	-	-	-	-	-	-	-	-	-	(0.12)	(3.94)	(116.81)	(226.08)	(204.75)	(551.70)
Total Comprehensive Income	-	-	-	-	-	-	-	-	-	**4,970.00**	**(3.94)**	**(116.81)**	**(226.08)**	**(204.75)**	**4,418.42**
Other adjustments															
Transferred to/ (from) Retained Earnings	1,522.32	336.52	978.00	49.15	-	-	-	-	793.29	(3,679.28)	-	-	-	-	-
Transferred to General Reserve	-	(378.41)	-	(1,367.28)	-	-	-	1,745.69	-	-	-	-	-	-	-
Reclassification of gain/ (loss) on sale/ extinguishment of FVOCI equity instrument	-	-	-	-	-	-	-	-	-	(86.19)	-	86.19	-	-	-
Foreign Currency Translation Loss on long term monetary items during the period	-	-	-	-	-	-	(1,630.51)	-	-		-		-	-	(1,630.51)
Gain on increase in share in EESL	-	-	-	-	-	4.70	-	-	-	-	-	-	-	-	4.70
Amortisation during the period	-	-	-	-	-	-	675.95	-	-	-	-	-	-	-	675.95
Coupon expenses on Perpetual Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issue expenses on Perpetual Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total- Other adjustments	1,522.32	(41.89)	978.00	(1,318.13)	-	4.70	(954.56)	1,745.69	793.29	(3,765.47)	-	86.19	-	-	(949.86)
Dividends	-	-	-	-	-	-	-	-	-	(2,172.41)	-	-	-	-	(2,172.41)
Dividend Distribution Tax	-	-	-	-	-	-	-	-	-	(446.06)	-	-	-	-	(446.06)
Total- Transaction with owners	-	-	-	-	-	-	-	-	-	(2,618.47)	-	-	-	-	(2,618.47)
Balance as at 31st March 2020	16,659.10	2,992.83	2,131.00	-	2,236.54	4.70	(1,719.38)	6,976.23	793.29	3,674.25	(2.48)	106.26	(226.08)	(204.75)	33,421.51

(₹ in Crores)

Particulars	Reserves & Surplus										Share of Other Comprehensive Income/ (loss) of Joint Venture accounted for using equity method	FVOCI-Equity Instruments	Effective Portion of Cash Flow Hedges	Costs of Hedging reserve	Total
	Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961	Reserve for Bad and doubtful debts u/s 36(1)(viia) of the Income	Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	Debenture Redemption Reserve	Securities Premium Account	Capital Reserve	Foreign Currency Monetary Item Translation Difference	General Reserve	Impairment Reserve	Retained Earnings					
Balance as at 31st March 2020	16,659.10	2,992.83	2,131.00	-	2,236.54	4.70	(1,719.38)	6,976.23	793.29	3,674.25	(2.48)	106.26	(226.08)	(204.75)	33,421.51
Profit for the period	-	-	-	-	-	-	-	-	-	8,378.24	-	-	-	-	8,378.24
Remeasurement of Defined Benefit Plans	-	-	-	-	-	-	-	-	-	(10.67)	-	-	-	-	(10.67)
Recognition through Other Comprehensive Income (net of taxes)	-	-	-	-	-	-	-	-	-	(0.05)	1.29	160.52	60.47	246.20	468.43
Total Comprehensive Income	-	-	-	-	-	-	-	-	-	8,367.52	1.29	160.52	60.47	246.20	8,836.00
Transferred to/ (from) Retained Earnings	2,563.13	288.13	1,673.00	-	-	-	-	981.10	-	(5,505.36)	-	-	-	-	-
Transferred to/ (from) General Reserve	-	(1,152.55)	-	-	-	-	-	1,945.83	(793.29)	-	-	-	-	-	(0.01)
Reclassification of gain/ (loss) on sale/ extinguishment of FVOCI equity instrument	-	-	-	-	-	-	-	-	-	242.71	-	(242.71)	-	-	-
Foreign Currency Translation Loss on long term monetary items during the period	-	-	-	-	-	-	437.65	-	-	-	-	-	-	-	437.65
Amortisation during the period	-	-	-	-	-	-	708.57	-	-	-	-	-	-	-	708.57
Issue expenses on Perpetual Debt Instruments	-	-	-	-	-	-	-	-	-	(0.70)	-	-	-	-	(0.70)
Total- Other adjustments	2,563.13	(864.42)	1,673.00	-	-	-	1,146.22	2,926.93	(793.29)	(5,263.35)	-	(242.71)	-	-	1,145.51
Dividends	-	-	-	-	-	-	-	-	-	(2,172.41)	-	-	-	-	(2,172.41)
Dividend Distribution Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total- Transaction with owners	-	-	-	-	-	-	-	-	-	(2,172.41)	-	-	-	-	(2,172.41)
Balance as at 31st March 2021	19,222.23	2,128.41	3,804.00	-	2,236.54	4.70	(573.16)	9,903.16	-	4,406.01	(1.19)	24.07	(165.61)	41.45	41,230.61

REC Limited

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

Consolidated Statement of Cash Flows for the year ended 31st March 2021

(₹ in Crores)

PARTICULARS	Year ended 31-03-2021		Year ended 31-03-2020	
A. Cash Flow from Operating Activities :				
Net Profit before Tax	10,779.59		7,029.98	
Adjustments for:				
1. Loss on derecognition of Property, Plant and Equipment (net)	4.69		1.69	
2. Depreciation & Amortization	10.86		11.78	
3. Impairment losses on Financial Instruments	2,445.94		919.48	
4. Adjustments towards Effective Interest Rate in respect of Loans	32.61		53.02	
5. Adjustments towards Effective Interest Rate in respect of Borrowings	152.19		62.31	
6. Fair Value Changes in Derivatives	(545.92)		47.72	
7. Fair Value Changes in FVTPL Instruments	(2.43)		(6.40)	
8. Interest on Commercial Paper	35.32		463.66	
9. Interest Accrued on Zero Coupon Bonds	81.78		105.29	
10. Loss/ (Gain) on Exchange Rate fluctuation	526.71		2,342.27	
11. Loss/ (Gain) on sale of invetsments	-		(3.16)	
12. Provision made for Interest on Advance Income Tax	22.71		-	
13. Share of Profit/Loss of Joint Venture accounted for using equity method	1.97		(9.14)	
Operating profit before Changes in Operating Assets & Liabilities	13,546.02		11,018.50	
Inflow / (Outflow) on account of :				
1. Loan Assets	(56,522.42)		(41,664.59)	
2. Derivatives	711.20		(407.70)	
3. Other Operating Assets	(1,827.24)		(5,112.80)	
4. Operating Liabilities	3,264.58		5,485.70	
Cash flow from Operations	(40,827.86)		(30,680.89)	
1. Income Tax Paid (including TDS)	(2,696.20)		(1,777.35)	
2. Income Tax refund	11.73		16.67	
Net Cash Flow from Operating Activities		(43,512.33)		(32,441.57)
B. Cash Flow from Investing Activities				
1. Sale of Property, Plant & Equipment	0.35		0.11	
2. Investment in Property, Plant & Equipment (incl. CWIP & Capital Advances)	(73.30)		(97.51)	
3. Investment in Intangible Assets (including intangible assets under development)	(0.95)		(2.75)	
4. Finance Costs Capitalised	(22.04)		(15.79)	
5. Investment in Equity Shares of Joint Venture (EESL)	-		(71.60)	
6. Sale of Equity Shares of Indian Energy Exchange Limited	249.92		4.23	
7. Sale/(Investment) of/in shares of associate companies (Net)	(0.40)		0.30	
8. Redemption/ (Investment) in Debt Securities (net)	1,357.65		50.31	
9. Redemption/ (Investment) in Government Securities (net)	(647.78)		-	
10. Maturity/(Investment) of/in Corporate and Term deposits	(2.93)		(18.31)	
11. Realisation of investments accounted for using equity method	-		2.10	
Net Cash Flow from Investing Activities		860.52		(148.91)
C. Cash Flow from Financing Activities				
1. Issue/ (Redemption) of Rupee Debt Securities (Net)	15,499.66		21,293.39	
2. Issue/ (Redemption) of Commercial Paper (net)	(2,925.00)		(5,270.30)	
3. Raising/ (Repayments) of Rupee Term Loans/ WCDL from Govt./ Banks/ FIs (net)	26,270.47		7,904.65	
4. Raising/ (Repayments) of Foreign Currency Debt Securities and Borrowings (net)	2,884.39		12,617.57	
5. Raising/ (Redemption) of Subordinated Liabilities (net)	1,999.50		-	
6. Issue of Perpetual Debt Instruments entirely equity in nature	558.40		-	
7. Issue Expenses on Perpetual Debt Instruments entirely equity in nature	(0.94)		-	
8. Payment of Dividend on Equity Shares	(2,172.41)		(2,172.41)	
9. Payment of Corporate Dividend Tax	-		(446.06)	
10. Repayment towards Lease Liability	(0.73)		(0.64)	
Net Cash flow from Financing Activities		42,113.34		33,926.20
Net Increase/Decrease in Cash & Cash Equivalents		(538.47)		1,335.72
Cash & Cash Equivalents as at the beginning of the year		1,717.71		381.99
Cash & Cash Equivalents as at the end of the year		1,179.24		1,717.71

During the year, the Group has received Dividend of ₹ 27.97 crores (previous year ₹ 36.94 crores). Further, during the year, the Company has paid an amount of ₹ 150.31 crores (previous year ₹ 259.29 crores) towards Corporate Social Responsibility.

S.K. MITTAL & CO. NEW DELHI CHARTERED ACCOUNTANTS

आरईसी लिमिटेड REC LIMITED

O P BAGLA & CO. LLP FRN: 000018N New Delhi Chartered Accountants

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

(₹ in Crores)

PARTICULARS	Year ended 31-03-2021	Year ended 31-03-2020
- Cash in Hand (including postage & imprest)	0.12	0.06
- Balances with Banks	247.82	1,195.40
- Short-term Deposits with Scheduled Banks	931.30	522.25
Total Cash & Cash Equivalents	**1,179.24**	**1,717.71**

Reconciliation of liabilities arising from financing activities

(₹ in Crores)

Particulars	Opening Balance	Cash Flows during the period (net)	Movements in Interest Accrued *	Other Adjustments		Closing Balance
				Exchange Differences	EIR Adjustments	
Year ended 31-03-2021						
Rupee Debt Securities	**1,94,964.01**	15,499.66	657.70	-	87.34	**2,11,208.71**
Commercial Paper	**2,889.68**	(2,925.00)	-	-	35.32	-
Rupee Term Loans/ WCDL	**32,983.45**	26,270.47	27.44	-	-	**59,281.36**
Foreign Currency Debt Securities & other Borrowings	**50,629.65**	2,884.39	16.81	(1,392.24)	147.74	**52,286.35**
Subordinated Liabilities	**4,819.65**	1,999.50	128.90	-	(1.16)	**6,946.89**
Total	**2,86,286.44**	**43,729.02**	**830.85**	**(1,392.24)**	**269.24**	**3,29,723.31**
Year ended 31-03-2020						
Rupee Debt Securities	**1,72,899.12**	21,293.39	729.78	-	41.72	**1,94,964.01**
Commercial Paper	**7,696.32**	(5,270.30)	-	-	463.66	**2,889.68**
Rupee Term Loans/ WCDL	**24,884.25**	7,904.65	194.55	-	-	**32,983.45**
Foreign Currency Debt Securities & Bonds	**33,950.25**	12,617.57	73.78	3,930.12	57.93	**50,629.65**
Subordinated Liabilities	**4,818.76**	-	0.61	-	0.28	**4,819.65**
Total	**2,44,248.70**	**36,545.31**	**998.72**	**3,930.12**	**563.59**	**2,86,286.44**

**** Movement in Interest Accrued has been considered in 'Operating Liabilities' as Cash Flow from Operating Activities.***

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

Notes to Accounts

1. **Company Overview**

REC Limited ("REC" or the "Company" or the "holding company") was incorporated in the year 1969. The Company is domiciled in India and is limited by shares, having its registered office and principal place of business at Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003, India. The books of accounts and financial statements are maintained at Plot no. I-4, Sector-29, Gurugram, Haryana, in addition to the registered office of the Company. The Company has offices spread across the country, mainly in the State Capitals and one training centre at Hyderabad.

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

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

The shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited. Further, various debt securities of the Company are also listed on the Stock Exchanges.

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

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

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

The consolidated financial statements for the period ended 31st March 2021 were authorized and approved for issue by the Board of Directors on 28th May 2021.

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

3. **Significant Accounting Policies**

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

3.1 Basis of consolidation

Subsidiary

Subsidiary is the entity controlled by the Group. The Group controls an entity when it has power over the investee, is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiary are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. The Group combines the financial statements of the holding company and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses.

Equity accounted investees

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

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

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

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

Transactions eliminated on consolidation

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

3.3 Basis of Preparation and Measurement

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

Functional and presentation currency

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

3.4 Income recognition

Interest income

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

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

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

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

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

Income from Government schemes

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

Dividend income

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

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

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

Other services

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

Revenue from sale of services

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

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

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

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

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

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

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

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

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

3.5 Borrowing costs

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

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

3.6 Earnings per share

S.K. MITTAL & CO. NEW DELHI CHARTERED ACCOUNTANTS

आर ई सी लिमिटेड REC LIMITED

O.P. BAGLA & CO. LLP FRN: 000018N/N500009 New Delhi Chartered Accountants

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

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

3.7 Foreign Currency Translation

Foreign currency transactions and balances

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

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

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

3.8 Intangible assets

Recognition and initial measurement

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

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

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

Intangible Assets under Development

Expenditure incurred which are eligible for capitalization under intangible assets is carried as 'Intangible assets under development' till they are ready for their intended use. Advances paid for the acquisition/ development of intangible assets which are outstanding at the balance sheet date are classified under 'Capital Advances'.

Derecognition of Intangible Assets

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

3.9 Property, Plant and Equipment (PPE)

Recognition and initial measurement

Land

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

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

Other Tangible assets

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

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

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

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

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

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

De-recognition

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

Capital Work-in-Progress

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

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

3.10 Lease accounting:

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

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

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

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

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

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

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

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

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

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

3.11 Investment property

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

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

Subsequent measurement (depreciation and useful lives)

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

De-recognition

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

3.12 Financial Instruments

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

Initial recognition and measurement

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

Classification and subsequent measurement of financial assets

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

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

All financial assets except for those at FVTPL or equity instruments at FVOCI are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a

financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied to each category of financial assets, which are described below.

Amortized cost

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

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

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

Modification of cash flows

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

Financial assets at FVTPL

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

Embedded derivatives

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

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

Financial assets at FVOCI

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

De-recognition of financial assets

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

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

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

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

Classification and subsequent measurement of financial liabilities

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

Derecognition of financial liabilities

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

Hedge accounting

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

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

All derivative financial instruments designated under hedge accounting are recognised initially at fair value and reported subsequently at fair value at each reporting date. To the extent that the hedge is

effective, changes in the fair value of derivatives designated as hedging instruments in cash flow hedges are recognised in other comprehensive income and included within the cash flow hedge reserve in equity. Any ineffectiveness in the hedge relationship is recognised immediately in profit or loss.

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

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

3.13 Impairment of financial assets

Loan assets

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

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

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

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

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

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

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

Financial assets other than Loans

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

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

Write-offs

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

3.14 Assets/ Disposal Groups held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and the sale is highly probable. A sale is considered as highly probable when such assets have been decided to be sold by the Group; are available for immediate sale in their present condition; are being actively marketed for sale at a price and the sale has been agreed or is expected to be concluded within one year of the date of classification. Such non-current assets are measured at lower of carrying amount or fair value less selling costs.

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

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

3.15 Cash and cash equivalents

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

3.16 Dividend and Other Payments to holders of Instruments classified as Equity

Proposed dividends and interim dividends payable to the shareholders are recognized as changes in equity in the period in which they are approved by the shareholders' meeting and the Board of Directors respectively. Liability for the payments to the holders of instruments classified as equity are recognized in the period when such payments are authorized for payment by the Group.

3.17 Material prior period errors

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

3.18 Prepaid Expenses

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

3.19 Taxation

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

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

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

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

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

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

3.20 Employee benefits

Short-term employee benefits

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

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

Defined contribution plan

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

defined contribution plans are charged to the profit or loss in the period to which the contributions relate.

Defined benefit plan

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

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

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

Other long-term employee benefits:

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

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

Loan to employees at concessional rate

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

3.21 Provisions, Contingent Liabilities, and Contingent Assets

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

A contingent liability is disclosed for:

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

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

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

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

3.22 Fair value measurement

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

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

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

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

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

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

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

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

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

3.23 Offsetting of financial instruments

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

4. Implementation of New/ Modified Standards

During the year, the Ministry of Corporate Affairs (MCA) has issued amendments to certain Ind AS. The Group has analysed the impact of these amendments which is not material to the Group, except for certain amendments as mentioned below:

Amendment to Ind AS 107 and Ind AS 109 with respect to Interest rate benchmark reform

It aims to modify some specific hedge accounting requirements to provide relief from the potential effects of uncertainty caused by the interest rate benchmark (IBOR) reform. Further details on Interest Rate Benchmark Reform and its impact on the Group are available in the financial statements.

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

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

Significant management judgments

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

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

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

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

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

Significant estimates

Impact of Covid-19 Outbreak - The Group has considered the possible impacts of COVID-19 in preparation of these financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition and impact on effectiveness of its hedges. The Group has carried out this assessment based on available internal and external sources of information upto the date of approval of these consolidated financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the consolidated financial statements may differ from that estimated as at the date of approval of these consolidated financial statements owing to the nature and duration of COVID-19. The extent to which the Covid-19 pandemic will impact the Group will depend on future developments, which are uncertain, including, among other things, any new information concerning the severity of the Covid-19 pandemic and any further action by the Government or the Group to contain its spread or mitigate its impact.

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

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

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

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

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

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

6 **Cash and cash equivalents**

(₹ in Crores)

Particulars	As at 31-03-2021	As at 31-03-2020
- Cash in Hand (including postage & imprest)	0.12	0.06
- Balances with Banks		
- in current accounts	247.82	1,195.40
- deposits with original maturity less than 3 months	931.30	522.25
Total (Cash & Cash Equivalents)	**1,179.24**	**1,717.71**

7 **Bank Balances (other than Cash and Cash Equivalents)**

(₹ in Crores)

Particulars	As at 31-03-2021	As at 31-03-2020
- Earmarked Balances with Banks		
- For unpaid dividends	5.79	4.75
- For govt. funds for onward disbursement as grant	1,323.55	1,817.72
- Earmarked Term Deposits		
- For govt. funds for further disbursement	-	32.98
- Deposits in Compliance of Court Order	0.56	0.53
- Term Deposit held as Margin Money against Bank Guarantee	0.25	-
- Balances with banks not available for use pending allotment of securities	856.62	400.19
-Other Term deposits	36.81	1.28
Total (Other Bank Balances)	**2,223.58**	**2,257.45**
- Term Deposits with remaining maturity more than 3 months but less than 12 months	70.02	33.90
- Term Deposits with original maturity more than 12 months	0.97	0.36

8 **Trade Receivables**

(₹ in Crores)

	Particulars	As at 31-03-2021	As at 31-03-2020
(A)	Unsecured, Considered good	124.45	86.27
	Less: Allowance for Expected Credit Loss	(19.12)	(13.66)
		105.33	**72.61**
(B)	Trade receivables which have significant increse in credit risk	55.32	52.01
	Less: Allowance for Expected Credit Loss	(20.58)	(15.55)
		34.74	**36.46**
(C)	Credit impaired receivables	46.80	33.60
	Less: Allowance for Expected Credit Loss	(46.80)	(33.60)
		-	-
	Total Trade Receivables (A+B+C)	**140.07**	**109.07**

9 Derivative Financial Instruments

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

Part I

(₹ in Crores)

	Particulars	As at 31-03-2021			As at 31-03-2020		
		Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
(i)	**Currency Derivatives**						
	- Spot and forwards	-	-	-	565.39	27.62	-
	- Currency swaps	2,854.54	43.07	121.08	3,094.32	432.94	-
	- Others						
	- Call Spread	4,263.27	271.36	-	6,068.56	504.12	-
	- Seagull Options	20,482.08	1,657.19	43.25	22,321.22	2,212.46	-
	Sub-total (i)	**27,599.89**	**1,971.62**	**164.33**	**32,049.49**	**3,177.14**	**-**
(ii)	**Interest Rate Derivatives**						
	- Forward Rate Agreements and Interest Rate Swaps	25,035.68	339.60	403.65	29,056.52	141.71	586.06
	Sub-total (ii)	**25,035.68**	**339.60**	**403.65**	**29,056.52**	**141.71**	**586.06**
(iii)	**Other derivatives**						
	- Reverse cross currency swaps	4,547.00	-	278.33	4,347.00	-	739.67
	Total - Derivative Financial Instruments (i + ii+iii)	**57,182.57**	**2,311.22**	**846.31**	**65,453.01**	**3,318.85**	**1,325.73**

Part II

Included in Part I are derivatives held for hedging and risk management purposes as below:

(₹ in Crores)

	Particulars	As at 31-03-2021			As at 31-03-2020		
		Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
(i)	**Cash Flow Hedging**						
	- Currency Derivatives						
	- Currency Swaps	2,756.43	23.86	121.08	8,638.68	2.32	303.14
	- Others						
	- Call Spread	1,837.62	77.74	-	1,884.65	97.16	-
	- Seagull Options	20,482.08	1,657.19	43.25	11,348.70	1,662.20	-
	- Interest Rate Derivatives						
	- Forward Rate Agreements and Interest Rate Swaps	13,055.84	-	318.18	9,498.62	5.24	134.45
	Sub-total (i)	**38,131.97**	**1,758.79**	**482.51**	**31,370.65**	**1,766.92**	**437.59**
(ii)	Undesignated Derivatives	19,050.60	552.43	363.80	34,082.36	1,551.93	888.14
	Total - Derivative Financial Instruments (i+ii)	**57,182.57**	**2,311.22**	**846.31**	**65,453.01**	**3,318.85**	**1,325.73**

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

10 Loans

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

(₹ in Crores)

	Particulars	As at 31-03-2021		As at 31-03-2020	
		Principal O/s	Amortised Cost	Principal O/s	Amortised Cost
(A)	**Loans**				
(i)	Term Loans	3,77,041.98	3,78,090.36	3,21,526.76	3,23,177.53
(ii)	Working Capital Loans	376.17	377.24	897.92	902.01
	Total (A) - Gross Loans	**3,77,418.15**	**3,78,467.60**	**3,22,424.68**	**3,24,079.54**
	Less: Impairment loss allowance	(13,206.11)	(13,206.11)	(11,996.04)	(11,996.04)
	Total (A) - Net Loans	**3,64,212.04**	**3,65,261.49**	**3,10,428.64**	**3,12,083.50**
(B)	**Security Details**				
(i)	Secured by tangible assets	2,56,744.52	2,57,329.46	2,44,034.67	2,45,113.22
(ii)	Secured by intangible assets	-	-	-	-
(iii)	Covered by Bank/ Govt. Guarantees	1,01,071.53	1,01,456.48	58,166.76	58,684.29
(iv)	Unsecured	19,602.10	19,681.67	20,223.25	20,282.03
	Total (B) - Gross Loans	**3,77,418.15**	**3,78,467.60**	**3,22,424.68**	**3,24,079.54**
	Less: Impairment loss allowance	(13,206.11)	(13,206.11)	(11,996.04)	(11,996.04)
	Total (B) - Net Loans	**3,64,212.04**	**3,65,261.49**	**3,10,428.64**	**3,12,083.50**
(C)(I)	**Loans in India**				
(i)	Public Sector	3,38,810.31	3,39,877.44	2,84,644.05	2,86,210.40
(ii)	Private Sector	38,607.84	38,590.16	37,780.63	37,869.14
	Total (C)(I) - Gross Loans	**3,77,418.15**	**3,78,467.60**	**3,22,424.68**	**3,24,079.54**
	Less: Impairment loss allowance	(13,206.11)	(13,206.11)	(11,996.04)	(11,996.04)
	Total (C)(I) - Net Loans	**3,64,212.04**	**3,65,261.49**	**3,10,428.64**	**3,12,083.50**
(C)(II)	**Loans outside India**	-	-	-	-
	Less: Impairment loss allowance	-	-	-	-
	Total (C)(II) - Net Loans	-	-	-	-
	Total (C)(I) and (C)(II)	**3,64,212.04**	**3,65,261.49**	**3,10,428.64**	**3,12,083.50**

11 **Investments**

(A) **Investments**

(₹ in Crores)

Particulars	Amortised Cost	At fair value			Sub-total	Others (At Cost)	Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss			
	(1)	(2)	(3)	(4)	(5= 1+2+3+4)	(6)	(7)
As at 31st March, 2021							
Govt. Securities	649.08	-	-	-	649.08	-	649.08
Debt Securities	408.73	-	143.06	-	551.79	-	551.79
Equity Instruments	-	430.13	23.60	-	453.73	-	453.73
Preference Shares	26.09	-	42.99	-	69.08	-	69.08
Others	-	-	-	-	-	-	-
Total - Gross (A)	1,083.90	430.13	209.65	-	1,723.68	-	1,723.68
Investments outside India	-	-	-	-	-	-	-
Investments in India	1,083.90	430.13	209.65	-	1,723.68	-	1,723.68
Total - Gross (B)	1,083.90	430.13	209.65	-	1,723.68	-	1,723.68
Total Investments	1,083.90	430.13	209.65	-	1,723.68	-	1,723.68
Less: impairment loss allowance (C)	-	-	-	-	-	-	-
Total - Net (D=A-C)	1,083.90	430.13	209.65	-	1,723.68	-	1,723.68
As at 31st March, 2020							
Govt. Securities	-	-	-	-	-	-	-
Debt Securities	32.10	-	1,500.62	-	1,532.72	-	1,532.72
Equity Instruments	-	507.43	12.50	-	519.93	-	519.93
Preference Shares	22.93	-	45.41	-	68.34	-	68.34
Others	-	6.12	-	-	6.12	-	6.12
Total - Gross (A)	55.03	513.55	1,558.53	-	2,127.11	-	2,127.11
Investments outside India	-	-	-	-	-	-	-
Investments in India	55.03	513.55	1,558.53	-	2,127.11	-	2,127.11
Total - Gross (B)	55.03	513.55	1,558.53	-	2,127.11	-	2,127.11
Total Investments	55.03	513.55	1,558.53	-	2,127.11	-	2,127.11
Less: impairment loss allowance (C)	-	-	-	-	-	-	-
Total - Net (D=A-C)	55.03	513.55	1,558.53	-	2,127.11	-	2,127.11

(B) **Investments accounted for using equity method**

(₹ in Crores)

(i) Particulars	As at 31-03-2021	As at 31-03-2020
Investment in Joint Ventures		
- Energy Efficiency Services Ltd.	257.74	258.47
(21,81,00,000 Equity shares of ₹ 10 each)		
Total	257.74	258.47

11.1 **Details of investments**

(₹ in Crores)

(A) Particulars	Investment measured at	As at 31-03-2021		As at 31-03-2020	
		Number	Amount	Number	Amount
Government Securities					
- 5.22% GSEC 2025	Amortised Cost	50,00,000	50.99	-	-
- 7.27% GSEC 2026	Amortised Cost	50,00,000	55.98	-	-
- 7.17% GSEC 2028	Amortised Cost	50,00,000	54.64	-	-
- 5.77% GSEC 2030	Amortised Cost	50,00,000	49.95	-	-
- 6.20% Rajasthan SDL 2027	Amortised Cost	20,00,000	20.36	-	-
- 7.20% Maharashtra SDL 2027	Amortised Cost	20,00,000	21.53	-	-
- 6.60% Himachal Pradesh SDL 2030	Amortised Cost	50,00,000	51.28	-	-
- 6.48% Karnataka SDL 2031	Amortised Cost	40,00,000	41.26	-	-
- 7.29% Karnataka SDL 2039	Amortised Cost	1,00,00,000	100.97	-	-
- 7.24% Karnataka SDL 2037	Amortised Cost	50,00,000	50.30	-	-
- 8.44% Jharkhand SDL 2029	Amortised Cost	30,00,000	32.53	-	-
- 8.57% Rajasthan SDL 2028	Amortised Cost	10,00,000	11.02	-	-
- 6.95% Tamil Nadu SDL 2031	Amortised Cost	25,00,000	25.02	-	-
- 6.60% Uttar Pradesh SDL 2030	Amortised Cost	20,00,000	19.74	-	-
- 6.85% Rajasthan SDL 2031	Amortised Cost	30,00,000	29.95	-	-
- 8.35% Kerala SDL 2029	Amortised Cost	10,00,000	10.86	-	-
- 8.60% Gujarat SDL 2028	Amortised Cost	20,00,000	22.70	-	-
Sub-total - Government Securities			649.08		-
Debt Securities					
- 5.78% Bonds of Chennai Petroleum Corporation Limited	Amortised Cost	150	15.63	-	-
- 6.11% Bonds of Bharat Petroleum Corporation Limited	Amortised Cost	100	10.52	-	-
- 7.30% Bonds of NMDC Limited	Amortised Cost	200	21.71	-	-
- 7.30% Bonds of Power Grid Corporation of India Limited	Amortised Cost	200	22.65	-	-
- 8.69% Bonds of Damodar Valley Corporation	Amortised Cost	200	21.88	-	-
- 7.05% Bonds of Mahanagar Telephone Nigam Limited	Amortised Cost	850	88.18	-	-
- 6.65% Bonds of Food Corporation of India	Amortised Cost	200	20.62	-	-
- 7.19% Bonds of THDC India Limited	Amortised Cost	250	26.33	-	-
- 11.15% Perpetual Bonds of Indian Bank	Fair value through profit or loss	-	-	5,000	500.31
- 11.25% Perpetual Bonds of Bank of Baroda	Fair value through profit or loss	-	-	5,000	500.00
- 11.25% Perpetual Bonds of Syndicate Bank	Fair value through profit or loss	-	-	5,000	500.31

(₹ in Crores)

Particulars	Investment measured at	As at 31-03-2021		As at 31-03-2020	
		Number	Amount	Number	Amount
- 7.39% Tax Free 15 years Secured Redeemable Non Convertible Bonds of Housing and Urban Development Corporation(HUDCO)	Amortised Cost	86,798	8.81	86,798	8.81
- 7.35% Tax Free Bonds of National Highway Authority of India Ltd. (NHAI)	Amortised Cost	42,855	4.60	42,855	4.60
- 7.39% Tax Free of National Highway Authority of India Ltd. (NHAI)	Amortised Cost	35,463	3.67	35,463	3.67
- 7.49% Tax Free Bonds of Indian Renewable Energy Development Agency (IREDA)	Amortised Cost	61,308	6.22	61,308	6.22
- 7.35% Tax Free Bonds of Indian Railway Finance Corporation (IRFC)	Amortised Cost	22,338	2.31	22,338	2.31
- 7.35% Tax Free Bonds of National Bank for Agriculture and Rural Development (NABARD)	Amortised Cost	14,028	1.41	14,028	1.40
- 8.76% Tax Free Bonds of Housing and Urban Development Corporation (HUDCO)	Amortised Cost	50,000	5.09	50,000	5.09
- 3% Optionally convertible debentures- Series A of Essar Power Transmission Co. Ltd.	Fair value through profit or loss	22,85,25,079	99.33	-	-
- 3% Optionally convertible debentures- Series B of Essar Power Transmission Co. Ltd.	Fair value through profit or loss	10,06,12,911	43.73	-	-
- Optionally convertible debentures- Series C of Essar Power Transmission Co. Ltd.	Fair value through profit or loss	1,86,35,162	-	-	-
- 0% Non- Convertible Debentures (NCDs) of Ferro Alloys Corporation Limited	Amortised Cost	2,52,91,783	149.10	-	-
- 0.01% Optionally convertible Debentures (OCD) Series A of R.K.M PowerGen Private Ltd.	Fair value through profit or loss	21,38,03,170	-	-	-
- 0.01% Optionally convertible Debentures (OCD) Series B of R.K.M PowerGen Private Ltd.	Fair value through profit or loss	63,03,032	-	-	-
- 0.01% Optionally convertible Debentures (OCD) Series Ai of R.K.M PowerGen Private Ltd.	Fair value through profit or loss	1,04,74,150	-	-	-
Sub-total - Debt Securities			**551.79**		**1,532.72**
Equity Instruments					
- NHPC Ltd.	Fair value through other comprehensive income	17,53,02,206	428.61	17,53,02,206	349.73
- Indian Energy Exchange Ltd.	Fair value through other comprehensive income	-	-	1,22,71,211	157.01
- HUDCO Ltd.	Fair value through other comprehensive income	3,47,429	1.52	3,47,429	0.69
- Universal Commodity Exchange Ltd.	Fair value through other comprehensive income	1,60,00,000	-	1,60,00,000	-
- Rattan India Power Ltd.	Fair value through profit or loss	9,25,68,105	23.60	9,25,68,105	12.50
- R.K.M PowerGen Private Ltd.	Fair value through profit or loss	18,17,90,667	-	-	-
Sub-total - Equity Instruments			**453.73**		**519.93**
Preference Shares (PS)					
- Redeemable PS of Rattan India Power Ltd.	Amortised cost	2,87,20,978	26.09	2,87,20,978	22.93
- Optionally Convertible PS of Rattan India Power Ltd.	Fair value through profit or loss	4,33,03,616	42.99	4,33,03,616	45.41
Sub-total - Preference Shares			**69.08**		**68.34**
Others					
- Units of 'Small is Beautiful' Venture Capital Fund	Fair value through other comprehensive income	61,52,200	-	61,52,200	6.12
Sub-total - Others			-		6.12
Total Investments			**1,723.68**		**2,127.11**

12 Other financial assets

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

(₹ in Crores)

	Particulars	As at 31-03-2021	As at 31-03-2020
(A)	**Loans to Employees**	39.94	34.61
(B)	**Advances to Employees**	0.41	0.30
(C)	**Loans & Advances to Subsidiaries**	-	-
(D)	**Security Deposits**	1.45	1.88
(E)	**Recoverable from Govt. of India**	-	-
	- Towards GoI Fully Serviced Bonds	24,314.48	21,931.30
(F)	**Other Amounts Recoverable**	152.13	164.08
	Less: Impairment loss allowance	(88.53)	(30.85)
	Other Amounts Recoverable (Net)	**63.60**	**133.23**
	Total (A to F)	**24,419.88**	**22,101.32**

13 Current tax assets (net)

(₹ in Crores)

Particulars	As at 31-03-2021	As at 31-03-2020
Advance Income-tax & TDS	236.26	1,889.71
Less: Provision for Income Tax	(72.35)	(1,613.59)
Sub-Total (1)	**163.91**	**276.12**
Tax Deposited on income tax demands under contest	5.26	201.11
Provision for income tax for demand under contest	(0.25)	(67.29)
Sub-Total (2)	**5.01**	**133.82**
Current tax assets (Net)	**168.92**	**409.94**

14 Deferred tax assets (net)

(₹ in Crores)

Particulars	As at 31-03-2021	As at 31-03-2020
Deferred Tax Assets (Net)	**2,461.03**	**2,050.57**

15 **Investment Property**

(₹ in Crores)

Particulars	Opening Balance	Additions during the year	Sales/ adjustment during the year	Closing Balance
As at 31.03.2021	0.01	-	-	0.01
As at 31.03.2020	0.01	-	-	0.01

16 **Property, Plant & Equipment and Intangible Assets**

(₹ in Crores)

Particulars	Property, Plant & Equipment										Capital Work-in-Progress	Intangible Assets under Development	Other Intangible Assets
	Freehold Land	Right-of-Use Land	Buildings	Right-of-Use Building	Furniture & Fixtures	EDP Equipments	Office Equipments	Vehicles	Leasehold Improvements	Total	Immovable Property	Computer Software	Computer Software
Gross carrying value													
As at 31.03.2019	110.39	1.59	31.74	-	10.99	22.45	19.90	0.40	2.48	199.94	196.94	1.59	17.38
Additions	-	-	-	2.65	1.84	2.84	3.30	-	-	10.63	74.89	-	3.57
Borrowings Cost Capitalised	-	-	-	-	-	-	-	-	-	-	15.79	-	-
Disposals	-	-	-	-	0.84	2.35	2.22	-	-	5.41	-	0.82	7.21
As at 31.03.2020	110.39	1.59	31.74	2.65	11.99	22.94	20.98	0.40	2.48	205.16	287.62	0.77	13.74
Additions	-	-	98.66	0.24	9.65	4.80	5.12	-	-	118.47	131.70	-	0.07
Borrowings Cost Capitalised	-	-	-	-	-	-	-	-	-	-	22.04	-	-
Disposals/ Adjustments	-	-	-	2.89	0.75	3.41	8.24	-	2.48	17.77	105.69	-	0.01
As at 31.03.2021	110.39	1.59	130.40	-	20.89	24.33	17.86	0.40	-	305.86	335.67	0.77	13.80
Accumulated depreciation/ amortisation													
As at 31.03.2019	-	0.31	8.58	-	6.53	15.35	11.34	0.30	0.90	43.31	-	-	8.83
Charge for the year	-	0.01	0.48	0.77	0.73	3.25	2.78	0.02	0.44	8.48	-	-	3.30
Adjustment for disposals	-	-	-	-	0.35	2.04	1.21	-	-	3.60	-	-	7.21
As at 31.03.2020	-	0.32	9.06	0.77	6.91	16.56	12.91	0.32	1.34	48.19	-	-	4.92
Charge for the year	-	0.03	0.75	0.54	0.99	2.93	2.50	0.02	0.36	8.12	-	-	2.74
Adjustment for disposals	-	-	-	1.31	0.22	2.72	5.20	-	1.70	11.15	-	-	0.01
As at 31.03.2021	-	0.35	9.81	-	7.68	16.77	10.21	0.34	-	45.16	-	-	7.65
Net block as at 31.03.2020	110.39	1.27	22.68	1.88	5.08	6.38	8.07	0.08	1.14	156.97	287.62	0.77	8.82
Net block as at 31.03.2021	110.39	1.24	120.59	-	13.21	7.56	7.65	0.06	-	260.70	335.67	0.77	6.15

17 Other non-financial assets

(₹ in Crores)

	Particulars	As at 31-03-2021	As at 31-03-2020
	Unsecured, considered good		
(A)	Capital Advances	8.84	50.38
(B)	Other Advances	3.34	5.75
(C)	Balances with Govt. Authorities	68.06	59.58
(D)	Pre-Spent Corporate Social Responsibility (CSR) Expenses	4.03	-
(E)	Prepaid Expenses	4.29	0.22
(F)	Deferred Employee Cost	14.09	13.21
(G)	Deferred Expenses	-	3.19
(H)	Other Assets	0.02	0.04
	Total (A to H)	**102.67**	**132.37**

18 Disposal Group

(₹ in Crores)

	Particulars	As at 31-03-2021	As at 31-03-2020
	Assets classified as held for sale		
(A)	Investment in associates	0.60	0.20
(B)	Loans to associates	13.45	9.33
	Total (A+B)	**14.05**	**9.53**
	Liabilities directly associated with assets classified as held for sale		
(C)	Payable to associates	0.08	0.68
	Total (C)	**0.08**	**0.68**
	Disposal group -Net assets (A+B-C)	**13.97**	**8.85**

19 Trade Payables

(₹ in Crores)

Particulars	As at 31-03-2021	As at 31-03-2020
Trade Payables		
Total outstanding dues of MSMEs	0.01	0.15
Total outstanding dues of creditors other than MSMEs	61.50	46.00
Total	**61.51**	**46.15**

20 Debt Securities

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

(₹ in Crores)

	Particulars	As at 31-03-2021		As at 31-03-2020	
		Face Value	Amortised Cost	Face Value	Amortised Cost
(A)	**Secured Long-Term Debt Securities**				
(i)	Institutional Bonds	3,470.00	3,679.52	3,470.00	3,679.51
(ii)	54EC Capital Gain Tax Exemption Bonds	17,264.97	17,901.65	21,976.14	22,781.73
(iii)	Tax Free Bonds	12,602.97	13,044.23	12,602.97	13,041.35
(iv)	Bond Application Money	856.62	854.71	400.19	399.41
	Sub-total (A)	34,194.56	35,480.11	38,449.30	39,902.00
(B)	**Unsecured Long-Term Debt Securities**				
(i)	Institutional Bonds	1,69,856.60	1,75,707.24	1,48,650.20	1,53,672.91
(ii)	Infrastructure Bonds	11.07	21.36	16.46	25.19
(iii)	Zero Coupon Bonds	-	-	1,364.85	1,363.91
(iv)	Foreign Currency Bonds	26,461.71	26,060.40	22,615.78	22,064.56
	Sub-total (B)	1,96,329.38	2,01,789.00	1,72,647.29	1,77,126.57
(C)	**Unsecured Short-Term Debt Securities**				
(i)	Commercial Paper	-	-	2,925.00	2,889.68
	Sub-total (C)	-	-	2,925.00	2,889.68
	Total - Debt Securities (A+B+C)	2,30,523.94	2,37,269.11	2,14,021.59	2,19,918.25
	Debt Securities issued in/ outside India				
(i)	Debt Securities in India	2,04,062.23	2,11,208.71	1,91,405.81	1,97,853.69
(ii)	Debt Securities outside India	26,461.71	26,060.40	22,615.78	22,064.56
	Total - Debt Securities	2,30,523.94	2,37,269.11	2,14,021.59	2,19,918.25

21 Borrowings (Other than Debt Securities)

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

(₹ in Crores)

	Particulars	As at 31-03-2021		As at 31-03-2020	
		Principal O/s	Amortised Cost	Principal O/s	Amortised Cost
(A)	**Unsecured Long-Term Borrowings**				
(i)	Term Loans from Banks	29,938.58	29,953.76	18,899.78	18,900.72
(ii)	Term Loans from Financial Institutions	5,800.00	5,800.00	1,000.00	1,000.00
(iii)	Foreign Currency Borrowings	21,024.72	20,890.94	21,762.71	21,579.29
(iv)	FCNR (B) Loans	-	-	1,017.71	1,020.89
(v)	Term Loans from Govt. of India	10,000.00	10,325.12	10,000.00	10,326.81
(vi)	Lease Liability	0.05	0.05	2.12	2.12
	Sub-total (A)	66,763.35	66,969.87	52,682.32	52,829.83
(B)	**Unsecured Short-Term Borrowings**				
(i)	FCNR (B) Loans	5,329.10	5,335.01	5,955.49	5,964.91
(ii)	Short Term Loans/ Loans repayable on demand from Banks	10,186.52	10,201.99	2,754.86	2,755.92
(iii)	Loans repayable on demand from Holding Company	3,000.00	3,000.49	-	-
	Sub-total (B)	18,515.62	18,537.49	8,710.35	8,720.83
	Total - Borrowings (other than Debt Securities) (A to B)	85,278.97	85,507.36	61,392.67	61,550.66
	Borrowings (other than Debt Securities) in/ outside India				
(i)	Borrowings in India	64,254.25	64,616.42	39,629.96	39,971.37
(ii)	Borrowings outside India	21,024.72	20,890.94	21,762.71	21,579.29
	Total - Borrowings (other than Debt Securities)	85,278.97	85,507.36	61,392.67	61,550.66

22 Subordinated Liabilities

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

(₹ in Crores)

	Particulars	As at 31-03-2021		As at 31-03-2020	
		Face Value	Amortised Cost	Face Value	Amortised Cost
(i)	**199th Series - Subordinate Tier-II Bonds -** 7.96% Redeemable at par on 15.06.2030	1,999.50	2,127.54	-	-
(ii)	**175th Series - Subordinate Tier-II Bonds -** 8.97% Redeemable at par on 28.03.2029	2,151.20	2,151.45	2,151.20	2,151.86
(iii)	**115th Series - Subordinate Tier-II Bonds -** 8.06% Redeemable at par on 31.05.2023	2,500.00	2,667.90	2,500.00	2,667.79
	Total - Subordinated Liabilities	-	-	-	-
	Subordinated Liabilities in/ outside India	6,650.70	6,946.89	4,651.20	4,819.65
(i)	Borrowings in India	-	-	-	-
(ii)	Borrowings outside India	6,650.70	6,946.89	4,651.20	4,819.65
	Total - Subordinated Liabilities				

23 Other Financial Liabilities

(₹ in Crores)

	Particulars	As at 31-03-2021	As at 31-03-2020
(A)	**Unpaid Dividends**	5.79	4.75
(B)	**Unpaid Principal & Interest on Bonds**		
	- Matured Bonds & Interest Accrued thereon	49.77	39.13
	- Interest on Bonds	18.95	17.97
	Sub-total (B)	**68.72**	**57.10**
(C)	**Funds Received from Govt. of India for Disbursement as Subsidy/ Grant (cumulative)**	91,399.15	85,431.74
	Add: Interest on such funds (net of refund)	28.96	31.96
	Less: Disbursed to Beneficiaries (cumulative)	(90,099.92)	(83,642.93)
	Undisbursed Funds to be disbursed as Subsidy/ Grant	**1,328.19**	**1,820.77**
(D)	**Payables towards Bonds Fully serviced by Govt. of India**	24,314.43	21,792.32
(E)	Payable towards funded staff benefits	9.00	0.38
(F)	Other Liabilities	496.21	106.89
	Total (A to F)	**26,222.35**	**23,782.21**

24 Current tax liabilities (net)

(₹ in Crores)

Particulars	As at 31-03-2021	As at 31-03-2020
Provision for Income Tax	2,691.90	-
Less: Advance Income-tax & TDS	(2,677.50)	-
Current tax liabilities (Net)	**14.40**	-

25 Provisions

(₹ in Crores)

	Particulars	As at 31-03-2021	As at 31-03-2020
	Provisions for		
(A)	**Employee Benefits**		
	Earned Leave Liability	18.57	16.22
	Medical Leave Liability	20.91	21.87
	Settlement Allowance	1.89	1.60
	Economic Rehabilitation Scheme	4.13	4.25
	Long Service Award	2.02	1.89
	Incentive	47.92	52.57
	Loyalty Bonus	0.15	0.31
	Sub-total (A)	**95.59**	**98.71**
(B)	**Others**		
	Expected Credit Loss on Letters of Comfort	9.09	8.38
	Unspent Corporate Social Responsibility (CSR) Account	-	-
	Sub-total (B)	**9.09**	**8.38**
	Total (A+B)	**104.68**	**107.09**

26 Other Non-Financial Liabilities

(₹ in Crores)

	Particulars	As at 31-03-2021	As at 31-03-2020
(A)	Income Received in Advance	0.01	0.15
(B)	Sundry Liabilities Account (Interest Capitalisation)	5.07	6.57
(C)	Unbilled Liability towards Capital Account	28.53	-
(D)	Unamortised Fee on Undisbursed Loans	68.64	46.15
(E)	Advance received from Govt. towards Govt. Schemes	1.17	4.14
(F)	Statutory Dues	26.82	24.74
(G)	Other Liabilities	0.01	1.48
	Total (A to G)	**130.25**	**83.23**

27 **Equity Share Capital**

(₹ in Crores)

Particulars	As at 31-03-2021		As at 31-03-2020		
	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**

28 Instruments entirely equity in nature

(₹ in Crores)

Particulars	As at 31-03-2021		As at 31-03-2020		
	Number	Amount	Number		Amount
Fully paid up Perpetual Debts Instrument entirely equity in nature of ₹ 10 lakhs each	5,584	558.40	-		-
Total	**5,584**	**558.40**	-		-

29 **Other Equity**

(₹ in Crores)

	Particulars	As at 31-03-2021	As at 31-03-2020
(A)	**Other Reserves**		
(i)	Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961	19,222.23	16,659.10
(ii)	Reserve for Bad and doubtful debts u/s 36(1)(viia) of the Income Tax Act, 1961	2,128.41	2,992.83
(iii)	Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	3,804.00	2,131.00
(iv)	Securities Premium	2,236.54	2,236.54
(v)	Foreign Currency Monetary Item Translation Difference Account	(573.16)	(1,719.38)
(vi)	Capital Reserve	4.70	4.70
(vii)	General Reserve	9,903.16	6,976.23
(viii)	Impairment Reserve	-	793.29
(B)	**Retained Earnings**	4,606.01	3,674.25
(C)	**Other Comprehensive Income (OCI)**		
	- Share of Other Comprehensive Income/ (loss) of Joint Venture accounted for using equity method	(1.19)	(2.48)
	- Equity Instruments through Other Comprehensive Income	24.07	106.26
	- Effective Portion of Cash Flow Hedges	(165.61)	(226.08)
	- Cost of Hedging reserve	41.45	(204.75)
	Total - Other Equity (A+B+C)	**41,230.61**	**33,421.51**

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

30 **Interest Income**

(₹ in Crores)

	Particulars	Year ended 31.03.2021			Year ended 31.03.2020		
		On Financial Assets measured at Fair Value through OCI	On Financial Assets measured at Amortised Cost	On Financial Assets measured at Fair Value through Profit or Loss	On Financial Assets measured at Fair Value through OCI	On Financial Assets measured at Amortised Cost	On Financial Assets measured at Fair Value through Profit or Loss
(A)	**Interest on Loan Assets**						
(i)	Long term financing	-	34,232.84	-	-	29,245.18	-
	Less: Rebate for timely payments/completion etc	-	(0.06)	-	-	(0.08)	-
	Long term financing (net)	-	34,232.78	-	-	29,245.10	-
(ii)	Short term financing	-	69.98	-	-	177.23	-
	Sub-total (A)	-	**34,302.76**	-	-	**29,422.33**	-
(B)	**Interest Income from Investments**						
(i)	Interest from CP/ ICD	-	-	-	-	0.21	-
(ii)	Interest from Govt. Securities	-	7.16	-	-	1.89	-
(iii)	Interest from Long Term Investments	-	18.34	195.30	-	3.14	169.75
(iv)	Interest from Short Term Investments	-	3.90	-	-	-	-
	Sub-total (B)	-	**29.40**	**195.30**	-	**5.24**	**169.75**
(C)	**Interest on Deposits with Banks**						
(i)	Interest from Deposits	-	161.44	-	-	66.27	-
	Sub-total (C)	-	**161.44**	-	-	**66.27**	-
(D)	**Other Interest Income**						
(i)	Interest from Staff Advances	-	3.70	-	-	4.45	-
(ii)	Interest on Mobilisation Advance	-	0.56	-	-	2.39	-
(iii)	Unwinding of Discount of Security Deposits	-	0.03	-	-	0.08	-
(iv)	Interest from SPVs	-	0.16	-	-	1.27	-
	Sub-total (D)	-	**4.45**	-	-	**8.19**	-
	Total - Interest Income (A to D)	-	**34,498.05**	**195.30**	-	**29,502.03**	**169.75**

31 **Dividend Income**

(₹ in Crores)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
- Dividend from Long-Term Investments	27.97	36.94
Total - Dividend Income	**27.97**	**36.94**

32 **Fees and Commission Income**

(₹ in Crores)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Fees based Income	26.57	6.68
Prepayment Premium	35.14	12.75
Fee for Implementation of Govt. Schemes	33.67	19.52
Total - Fees and Commission Income	**95.38**	**38.95**

33 **Sale of services**

(₹ in Crores)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Consultancy Engineering Services	156.98	166.80
Execution of IT Implementation projects	1.56	7.68
Income from REC - UE Village Project	5.01	7.63
Documentation fees	0.10	-
Total	**163.65**	**182.11**

34 **Other Income**

(₹ in Crores)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Fees from Training Courses	2.77	6.38
Interest from Income Tax Refund	1.00	2.85
Miscellaneous Income	18.95	64.88
Total - Other Income	**22.72**	**77.27**

35 Finance Costs

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

(₹ in Crores)

	Particulars	Year ended 31.03.2021	Year ended 31.03.2020
(i)	**Interest on Borrowings**		
	- Loans from Govt. of India	820.81	612.97
	- Loans from Banks/ Financial Institutions	2,091.00	1,725.10
	- External Commercial Borrowings	643.83	917.26
	- Lease Liability	0.11	0.29
	Sub-Total (i)	**3,555.75**	**3,255.62**
(ii)	**Interest on Debt Securities**		
	- Domestic Debt Securities	15,418.64	13,923.95
	- Foreign Currency Debt Securities	1,183.12	854.73
	- Commercial Paper	35.32	463.66
	Sub-Total (ii)	**16,637.08**	**15,242.34**
(iii)	**Interest on Subordinated Liabilities**		
	- Subordinate Bonds	394.15	395.36
	Sub-Total (iii)	**394.15**	**395.36**
(iv)	**Other Interest Expense**		
	- Swap Premium	894.62	108.83
	- Interest on Income Tax	22.71	0.21
	- Interest on liability towards employee benefits	2.32	4.60
	- Miscellaneous interest expense	4.37	0.13
	Sub-Total (iv)	**924.11**	**113.77**
	Total - Finance Costs	**21,511.09**	**19,007.09**
	Less: Finance Costs Capitalised	(22.04)	(15.79)
	Total - Finance Costs (Net)	**21,489.05**	**18,991.30**

36 Net translation/ transaction exchange loss/ (gain)

(₹ in Crores)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Net translation/ transaction exchange loss/ (gain)	330.26	2,357.90
Total	**330.26**	**2,357.90**

The figures above include amortisation of net translation/ transaction exchange loss/ (gain) on Long Term Foreign Currency Monetary Items recognised in the financial statements before 1st April 2018 amounting to ₹ 708.57 crores (Previous year ₹ 675.95 crores).

37 Fees and commission expense

(₹ in Crores)

	Particulars	Year ended 31.03.2021	Year ended 31.03.2020
(i)	Guarantee Fee	-	13.29
(ii)	Listing and Trusteeship Fee	0.78	1.51
(iii)	Agency Fees	3.01	1.66
(iv)	Credit Rating Expenses	3.33	3.05
(v)	Other Finance Charges	2.83	5.93
	Total (i to v)	**9.95**	**25.44**

38 Net Gain/ (loss) on Fair Value Changes

(₹ in Crores)

	Particulars	Year ended 31.03.2021	Year ended 31.03.2020
(A)	**Net gain/ (loss) on financial instruments at Fair Value through profit or loss**		
(i)	**On trading Portfolio**	-	-
(ii)	**Others**		
	- Changes in fair value of Derivatives	545.92	(47.72)
	- Changes in fair value of Long Term Investments	2.43	6.40
	- Changes in fair value of Short-term MF investments	23.98	15.47
	Sub-total (ii)	**572.33**	**(25.85)**
	Total (A)	**572.33**	**(25.85)**
	Breakup of Fair Value Changes		
	- Realised	1,077.91	(60.07)
	- Unrealised	(505.58)	34.22
	Total Net Gain/ (loss) on Fair Value Changes	**572.33**	**(25.85)**

Fair value changes in this schedule are other than those arising on account of accrued interest income/ expense and represents changes in fair value of derivatives designated as economic hedges not designated under hedge accounting and ineffective hedge

39 Impairment on financial instruments

(₹ in Crores)

	Particulars	Year ended 31.03.2021		Year ended 31.03.2020	
		On financial instruments measured at FVOCI	On financial instruments measured at Amortised Cost	On financial instruments measured at FVOCI	On financial instruments measured at Amortised Cost
(i)	- Loans *	-	2,363.33	-	884.91
(ii)	- Others	-	82.61	-	34.58
	Total (i+ii)	-	**2,445.94**	-	**919.49**

** includes ₹ 0.71 crores (Previous year ₹ 8.38 crores) towards impairment allowance on Letters of Comfort.*

40 Cost of services rendered

(₹ in Crores)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Project Expenses	88.51	71.61
Total	**88.51**	**71.61**

41 Employee Benefits Expense

(₹ in Crores)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
- Salaries and Allowances	119.67	145.83
- Contribution to Provident Fund and Other Funds	13.96	15.49
- Expenses towards Post Employment Benefits	4.87	5.07
- Rent towards Residential Accomodation for Employees	2.19	1.58
- Staff Welfare Expenses	22.93	25.18
Total	**163.62**	**193.15**

42 Depreciation and amortization

(₹ in Crores)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
- Depreciation on Property, Plant & Equipment	8.12	8.48
- Amortization on Intangible Assets	2.74	3.29
Total	**10.86**	**11.77**

43 Corporate Social Responsibility Expenses

(₹ in Crores)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
- Direct Expenditure	141.73	254.53
- Overheads	4.54	4.76
Total	**146.27**	**259.29**

44 Other Expenses

(₹ in Crores)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
- Travelling and Conveyance	9.56	15.80
- Publicity & Promotion Expenses	5.86	6.03
- Repairs and Maintenance	12.61	12.38
- Rent, taxes and energy costs	16.87	15.12
- Insurance Charges	0.10	0.13
- Communication costs	2.35	3.42
- Printing & stationery	0.99	2.92
- Director's sitting fees	0.10	0.19
- Auditors' fees and expenses	1.52	1.62
- Legal & Professional Charges	11.28	12.21
- Net Loss on Disposal of Property, Plant & Equipment	4.03	1.69
- Monitoring Expenses	17.20	12.49
- Miscellaneous Expenses	26.91	46.41
Total	**109.38**	**130.41**

45 Tax Expense

(₹ in Crores)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
- Current tax expense	2,698.02	1,579.79
- Current tax expense/ (benefit) pertaining to earlier years	222.95	65.27
Sub-total - Current Tax	**2,920.97**	**1,645.06**
- Deferred tax expense/ (credit)	(519.62)	412.65
Total	**2,401.35**	**2,057.71**

46 Earnings per Share

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Numerator		
Profit for the year from continuing operations as per Statement of Profit and Loss (₹ in Crores)	8,378.24	4,972.27
Profit for the year from continuing and discontinued operations as per Statement of Profit and Loss (₹ in Crores)	8,378.24	4,972.27
Denominator		
Weighted average Number of equity shares	1,97,49,18,000	1,97,49,18,000
Basic & Diluted Earnings per Share (in ₹ for an equity share of ₹ 10 each) (for continuing operations)	42.42	25.18
Basic & Diluted Earnings per Share (in ₹ for an equity share of ₹ 10 each) (for continuing and discontinued operations)	42.42	25.18