



REC Limited | आर ई सी लिमिटेड

(भारत सरकार का उद्यम) / (A Government of India Enterprise)
Regd. Office: Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi - 110003
Corporate Office: REC World Headquarters, Plot No. I-4, Near IFFCO Chowk Metro Station, Sector-29, Gurugram - 122001 (Haryana)
Tel: +91 124 444 1300 | Website: www.recindia.com
CIN : L40101DL1969GOI005095 | GST No.: 06AAACR4512R3Z3

SEC-1/187(2)/2021/ 437

Dated: October 29, 2021

लिस्टिंग विभाग, नेशनल स्टॉक एक्सचेंज ऑफ इंडिया लिमिटेड एक्सचेंज प्लाजा, बांद्रा कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई - ४०० ०५१	कॉर्पोरेट संबंध विभाग बीएसई लिमिटेड पहली मंजिल, फीरोज जीजीभोय टावर्स दलाल स्ट्रीट, फोर्ट, मुंबई - ४०० ००१
स्क्रिप कोड—RECLTD	स्क्रिप कोड—532955
Listing Department, National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051.	Corporate Relationship Department BSE Limited 1 st Floor, Phiroze Jeejeebhoy Towers Dalal Street Fort, Mumbai - 400 001.
Script Code—RECLTD	Script Code—532955

Sub: Submission of unaudited financial results (standalone & consolidated) of REC for quarter & half year ended September 30, 2021 and declaration of 2nd interim dividend for FY 2021-22.

Dear Sir/Madam,

In compliance with the provisions Regulation 30 read with Schedule III of SEBI (LODR) Regulations 2015, this is to inform that the Board of Directors of REC Limited in its meeting held on October 29, 2021, *inter-alia* approved the following:-

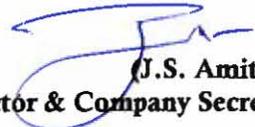
1. Unaudited financial results (standalone & consolidated) of the Company for the quarter and half year ended September 30, 2021, in the prescribed format, which have been reviewed by the Audit Committee and approved & taken on record by the Board of Directors of the Company in their meetings held on October 29, 2021. The said results have been subjected to Limited Review by the Statutory Auditors of the Company and a copy of the Limited Review Report is enclosed herewith.
2. Declaration of 2nd interim dividend @ ₹2.50/- (Rupees Two & FIFTY PAISE only) per equity share of ₹10/- each for the financial year 2021-22. Further, the record date for the said interim dividend is **Friday, November 12, 2021** and the said interim dividend shall be paid/dispatched on Thursday, November 25, 2021 to those shareholders whose names appear (a) as beneficial owners in the statement(s) furnished by the depository(ies) as on the close of business hours on Friday, November 12, 2021 in respect of shares held in electronic form; and (b) as members in the register of members on Friday, November 12, 2021 in respect of physical shares.

The disclosure of related party transactions on a consolidated basis in terms of Regulation 23(9) of SEBI (LODR) Regulations, 2015 is also 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 REVIEW REPORT ON THE STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER/HALF YEAR ENDED 30th SEPTEMBER 2021 PURSUANT TO REGULATION 33 AND REGULATION 52 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Board of Directors,
REC Limited
Core-4, SCOPE Complex,
7, Lodi Road,
New Delhi – 110003

We have reviewed the accompanying statement of unaudited standalone financial results ("the financial statement") of REC Limited for the quarter/half year ended 30th September 2021. This statement is the responsibility of the Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the financial statements based on our review.

This statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 'Interim Financial Reporting', prescribed under section 133 of the Companies Act, 2013, as amended ("the Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review of the financial statement in accordance with the Standard on Review Engagements (SRE) 2410 - "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance



with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Other Matters

1. Refer 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, in so far as it relates to technical aspects/parameters considered by independent agency appointed by the company and management judgement for ascertaining impairment allowance as management overlay.
2. Refer Note No. 10 to 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 on the Statement is not modified in respect of above matters.

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



Name - S. Murthy
Designation: Partner
Membership Number: 072290
UDIN: 21072290AAAAEH9072

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



Name - Atul Aggarwal
Designation: Partner
Membership Number: 092656
UDIN: 21092656AAAAFS5947

Place : Camp, Port Blair
Date : 29th October 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 AUDITOR'S REVIEW REPORT ON THE CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER/HALF YEAR ENDED 30th SEPTEMBER 2021 PURSUANT TO REGULATION 33 AND REGULATION 52 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

We have reviewed the accompanying statement of unaudited consolidated financial results ("the consolidated financial statement") of **REC Limited** ("the Parent") and its subsidiary (the Parent and its subsidiary together referred to as "the Group"), and its share of the net profit after tax and total comprehensive income of its joint venture (till date of cessation of significant influence) for the quarter ended 30th September 2021 ("the Statement"), for the quarter/half year ended 30th September 2021 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

The Statement includes the results of the following entities:

Subsidiary

REC Power Distribution Company Limited

Joint Venture

Energy Efficiency Services Limited, using equity method (till date of cessation of significant influence i.e. up to 1st September, 2021)

This statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 'Interim Financial Reporting', prescribed under section 133 of the Companies Act, 2013, as amended ("the Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review of the financial statement in accordance with the Standard on Review Engagements (SRE) 2410 - "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India.



This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above and based on the consideration of the review reports of other auditors referred below, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Other Matters

1. We did not review the interim financial results of the subsidiary included in the consolidated unaudited financial results, whose interim financial results reflect total assets of ₹ 612.27 crores as at 30th September 2021 and total revenue of ₹ 28.99 crores and ₹ 76.43 crores, total net profit after tax of ₹ 10.25 crores and ₹ 31.26 crores, total comprehensive income of ₹ 10.25 crores and ₹ 31.26 crores for the quarter and six months ended 30th September 2021 respectively, and cash flows (net) of ₹ 21.76 crores for the six months ended 30th September 2021, as considered in the consolidated unaudited financial results. The interim financial results have been reviewed by other auditor whose Report has been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of the subsidiary is based solely on the Report of the other auditor and the procedures performed by us.
2. The consolidated unaudited financial results also include the Group's share of net profit after tax of ₹ (12.86) crores and ₹ (11.81) crores and total comprehensive income of ₹ (11.67) crores and ₹ (10.64) crores for the period 1st July 2021 to 01st September, 2021 and year to date up to 01st September, 2021 (i.e. the date of cessation of significant influence) respectively, as considered in the consolidated unaudited financial results, in respect of the 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.
3. Refer 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, in so far as it relates to technical aspects/parameters considered by independent agency appointed by the company and management judgement for ascertaining impairment allowance as management overlay.



4. Refer Note No. 10 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 evolution of pandemic in future period is uncertain and could impact the impairment allowance in future years.

Our opinion on the statements is not modified in respect of the above matters.

M/s S.K. Mittal & Co.
Chartered Accountants

ICAI Firm Registration No.: 001135N



Name: S. Murthy

Designation: Partner

Membership Number: 072290

UDIN: 21072290AAAAEI8081

M/s O.P. Bagla & Co. LLP.

Chartered Accountants

ICAI Firm Registration No.: 000018N/N500091



Name: Atul Aggarwal

Designation: Partner

Membership Number: 092656

UDIN: 21092656AAAAFT1457

Place : Camp, Port Blair

Date : 29th October 2021

REC Limited

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

Statement of Unaudited Standalone Financial Results for the period ended 30-09-2021

(₹ in Crores)

S. No.	Particulars	Quarter Ended			Period Ended		Year Ended
		30-09-21 (Unaudited)	30-06-2021 (Unaudited)	30-09-2020 (Audited)	30-09-21 (Unaudited)	30-09-2020 (Audited)	31-03-2021 (Audited)
1	Income						
A	Interest income						
(i)	Interest income on loan assets	9,671.18	9,391.96	8,745.07	19,063.14	16,731.64	34,302.76
(ii)	Other interest income	52.83	45.27	92.77	98.10	209.47	381.02
	Sub-total (A) - Interest Income	9,724.01	9,437.23	8,837.84	19,161.24	16,941.11	34,683.78
B	Other Operating Income						
(i)	Dividend income	16.62	-	14.12	16.62	14.12	36.40
(ii)	Fees and commission income	173.45	150.12	31.46	323.57	37.25	95.38
(iii)	Net gain/ (loss) on fair value changes	125.06	(80.99)	(104.04)	44.07	207.67	572.33
	Sub-total (B) - Other Operating Income	315.13	69.13	(58.46)	384.26	259.04	704.11
C	Total Revenue from Operations (A+B)	10,039.14	9,506.36	8,779.38	19,545.50	17,200.15	35,387.89
D	Other Income	39.68	4.76	12.08	44.44	13.43	22.55
	Total income (C+D)	10,078.82	9,511.12	8,791.46	19,589.94	17,213.58	35,410.44
2	Expenses						
A	Finance costs	5,562.55	5,588.56	5,411.96	11,151.11	10,604.97	21,489.08
B	Net translation/ transaction exchange loss/ (gain)	(78.20)	291.28	(264.07)	213.08	139.52	330.26
C	Fees and commission expense	0.95	8.09	1.73	9.04	8.59	9.95
D	Impairment on financial instruments	1,118.51	781.44	793.40	1,899.95	992.02	2,419.62
E	Employee benefits expenses	42.52	39.36	36.84	81.88	67.58	144.84
F	Depreciation and amortization	4.65	2.81	2.26	7.46	4.64	9.53
G	Corporate social responsibility expenses	16.36	20.93	11.34	37.29	86.95	144.32
H	Other expenses	29.46	20.59	24.75	50.05	59.00	106.71
	Total expenses (A to H)	6,696.80	6,753.06	6,018.21	13,449.86	11,963.27	24,654.31
3	Profit before tax (1-2)	3,382.02	2,758.06	2,773.25	6,140.08	5,250.31	10,756.13
4	Tax expense						
A	Current tax						
-	Current year	832.61	760.76	783.24	1,593.37	1,378.68	2,683.62
-	Earlier years	-	-	-	-	133.73	223.28
B	Deferred tax	(189.38)	(249.30)	(200.19)	(438.68)	(291.32)	(512.55)
	Total tax expense (A+B)	643.23	511.46	583.05	1,154.69	1,221.09	2,394.35
5	Net profit for the period (3-4)	2,738.79	2,246.60	2,190.20	4,985.39	4,029.22	8,361.78
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	(1.59)	(0.06)	(3.18)	(1.65)	(3.18)	(14.26)
(b)	Changes in fair value of FVOCI equity instruments	21.45	36.32	23.57	57.77	88.52	166.53
(c)	Income tax relating to these items						
-	Re-measurement gains/(losses) on defined benefit plans	0.41	0.01	0.80	0.42	0.80	3.59
-	Changes in fair value of FVOCI equity instruments	(0.03)	0.03	(2.13)	-	(4.95)	(6.01)
	Sub-total (i)	20.24	36.30	19.06	56.54	81.19	149.85
(ii)	Items that will be reclassified to profit or loss						
(a)	Effective Portion of Cash Flow Hedges	(3.21)	(2.10)	3.44	(5.31)	(35.64)	80.81
(b)	Cost of hedging reserve	(39.73)	32.82	120.12	(6.91)	290.66	329.00
(c)	Income tax relating to these items						
-	Effective Portion of Cash Flow Hedges	0.81	0.53	(0.86)	1.34	8.97	(20.34)
-	Cost of hedging reserve	10.00	(8.26)	(30.23)	1.74	(73.15)	(82.80)
	Sub-total (ii)	(32.13)	22.99	92.47	(9.14)	190.84	306.67
	Other comprehensive Income/(Loss) for the period (i+ii)	(11.89)	59.29	111.53	47.40	272.03	456.52
7	Total comprehensive income for the period (5+6)	2,726.90	2,305.89	2,301.73	5,032.79	4,301.25	8,818.30
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	1,974.92
9	Other equity (as per audited balance sheet as at 31st March)						41,451.45
10	Basic & Diluted earnings per equity share of ₹ 10 each (in ₹)						
A	For continuing operations	13.87	11.38	11.09	25.24	20.40	42.34
B	For continuing and discontinued operations	13.87	11.38	11.09	25.24	20.40	42.34

See accompanying notes to the financial results.



Statement of Unaudited Consolidated Financial Results for the period ended 30-09-2021

(₹ in Crores)

S. No.	Particulars	Quarter Ended			Period Ended		Year Ended
		30-09-21 (Unaudited)	30-06-2021 (Unaudited)	30-09-2020 (Audited)	30-09-21 (Unaudited)	30-09-2020 (Audited)	31-03-2021 (Audited)
1	Income						
	A Interest Income						
	(i) Interest income on loan assets	9,671.18	9,391.96	8,745.07	19,063.14	16,731.64	34,302.76
	(ii) Other interest income	55.10	47.26	94.57	102.36	213.23	390.59
	Sub-total (A) - Interest Income	9,726.28	9,439.22	8,839.64	19,165.50	16,944.87	34,693.35
	B Other Operating Income						
	(i) Dividend income	1.72	-	5.69	1.72	5.69	27.97
	(ii) Fees and commission income	173.45	150.12	31.46	323.57	37.25	95.38
	(iii) Net gain/ (loss) on fair value changes	125.06	(80.99)	(104.04)	44.07	207.67	572.33
	(iv) Sale of services	21.51	42.27	37.25	63.78	61.17	163.65
	Sub-total (B) - Other Operating Income	321.74	111.40	(29.64)	433.14	311.78	859.33
	C Total Revenue from Operations (A+B)	10,048.02	9,550.62	8,810.00	19,598.64	17,256.65	35,552.68
	D Other Income	8.51	8.37	12.10	16.88	13.53	22.72
	Total income (C+D)	10,056.53	9,558.99	8,822.10	19,615.52	17,270.18	35,575.40
2	Expenses						
	A Finance costs	5,562.05	5,587.96	5,410.87	11,150.01	10,603.45	21,489.05
	B Net translation/ transaction exchange loss/ (gain)	(78.20)	291.28	(264.07)	213.08	139.52	330.26
	C Fees and commission expense	0.95	8.09	1.73	9.04	8.59	9.95
	D Impairment on financial instruments	1,111.70	781.44	794.54	1,893.14	996.17	2,445.94
	E Cost of services rendered	15.40	15.29	14.87	30.69	29.77	88.51
	F Employee benefits expenses	47.20	43.97	41.52	91.17	76.53	163.62
	G Depreciation and amortization	4.72	2.89	2.64	7.61	5.44	10.86
	H Corporate social responsibility expenses	16.46	21.35	12.19	37.81	87.94	146.27
	I Other expenses	28.65	20.89	25.72	49.54	59.07	109.38
	Total Expenses (A to I)	6,708.93	6,773.16	6,040.01	13,482.09	12,006.48	24,793.84
3	Share of Profit/ (loss) of Joint Venture accounted for using equity method	(12.86)	1.05	2.24	(11.81)	4.52	(1.97)
4	Profit before Tax (1-2+3)	3,334.74	2,786.88	2,784.33	6,121.62	5,268.22	10,779.59
5	Tax Expense						
	A Current Tax						
	- Current Year	832.29	769.27	788.15	1,601.56	1,385.45	2,698.02
	- Earlier Years	-	-	-	-	133.73	222.95
	B Deferred Tax	(189.82)	(251.05)	(200.96)	(440.87)	(293.40)	(519.62)
	Total Tax Expense (A+B)	642.47	518.22	587.19	1,160.69	1,225.78	2,401.35
6	Net profit for the period (4-5)	2,692.27	2,268.66	2,197.14	4,960.93	4,042.44	8,378.24
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	(1.59)	(0.06)	(3.18)	(1.65)	(3.18)	(14.26)
	(b) Changes in fair value of FVOCI equity instruments	21.45	36.32	23.57	57.77	88.52	166.53
	(c) Share of Profit of Joint Venture accounted for using equity method	-	(0.02)	-	(0.02)	-	(0.05)
	(d) Income tax relating to these items						
	- Re-measurement gains/(losses) on defined benefit plans	0.41	0.01	0.80	0.42	0.80	3.59
	- Changes in fair value of FVOCI equity instruments	(0.03)	0.03	(2.13)	-	(4.95)	(6.01)
	Sub-total (i)	20.24	36.28	19.06	56.52	81.19	149.80
	(ii) Items that will be reclassified to profit or loss						
	(a) Effective Portion of Cash Flow Hedges	(3.21)	(2.10)	3.44	(5.31)	(35.64)	80.81
	(b) Cost of hedging reserve	(39.73)	32.82	120.12	(6.91)	290.66	329.00
	(c) Share of other comprehensive income/ (loss) of joint venture accounted for using equity method	1.19	-	-	1.19	-	1.29
	(d) Income tax relating to these items						
	- Effective Portion of Cash Flow Hedges	0.81	0.53	(0.86)	1.34	8.97	(20.34)
	- Cost of hedging reserve	10.00	(8.26)	(30.23)	1.74	(73.15)	(82.80)
	Sub-total (ii)	(30.94)	22.99	92.47	(7.95)	190.84	307.96
	Other comprehensive income/(loss) for the period (i + ii)	(10.70)	59.27	111.53	48.57	272.03	457.76
8	Total comprehensive Income for the period (6+7)	2,681.57	2,327.93	2,308.67	5,009.50	4,314.47	8,836.00
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	1,974.92
10	Other Equity (as per audited balance sheet as at 31st March)						41,789.01
11	Basic & Diluted earnings per equity share of ₹ 10 each (in ₹)						
	(not annualised)						
	A For continuing operations	13.63	11.49	11.13	25.12	20.47	42.42
	B For continuing and discontinued operations	13.63	11.49	11.13	25.12	20.47	42.42

See accompanying notes to the financial results.



Statement of Assets and Liabilities

(₹ in Crores)

S. No.	Particulars	Standalone		Consolidated	
		As at	As at	As at	As at
		30-09-2021 (Unaudited)	31-03-2021 (Audited)	30-09-2021 (Unaudited)	31-03-2021 (Audited)
	ASSETS				
(1)	Financial Assets				
(a)	Cash and cash equivalents	5,748.37	1,140.49	5,808.88	1,179.24
(b)	Bank balances other than (a) above	936.45	1,929.06	1,182.69	2,223.58
(c)	Trade receivables	-	-	106.82	140.07
(d)	Derivative financial instruments	3,603.92	2,311.22	3,603.92	2,311.22
(e)	Loans	3,73,726.29	3,65,261.49	3,73,726.29	3,65,261.49
(f)	Investments	2,074.85	1,909.77	2,107.75	1,723.68
(g)	Other financial assets	24,486.37	24,399.21	24,506.40	24,419.88
	Total - Financial Assets (1)	4,10,576.25	3,96,951.24	4,11,042.75	3,97,259.16
(2)	Non-Financial Assets				
(a)	Current tax assets (net)	160.07	160.07	168.92	168.92
(b)	Deferred tax assets (net)	2,879.47	2,437.71	2,904.99	2,461.03
(c)	Investment Property	-	0.01	-	0.01
(d)	Property, Plant & Equipment	590.80	260.12	591.27	260.70
(e)	Capital Work-in-Progress	27.08	335.67	27.08	335.67
(f)	Intangible Assets Under Development	-	0.77	-	0.77
(g)	Other Intangible Assets	5.69	6.10	5.73	6.15
(h)	Other non-financial assets	52.96	81.50	75.09	102.67
(i)	Investments accounted for using equity method	-	-	-	257.74
	Total - Non-Financial Assets (2)	3,716.07	3,281.95	3,773.07	3,593.66
(3)	Assets classified as held for sale	2.03	-	15.83	14.05
	Total ASSETS (1+2+3)	4,14,294.35	4,00,233.19	4,14,831.65	4,00,866.87
	LIABILITIES AND EQUITY				
	LIABILITIES				
(1)	Financial liabilities				
(a)	Derivative financial instruments	948.49	846.31	948.49	846.31
(b)	Trade payables	-	-	-	0.01
	(i) total outstanding dues of MSMEs	-	-	34.92	61.50
	(ii) total outstanding dues of creditors other than MSMEs	-	-	-	-
(c)	Debt securities	2,36,309.33	2,37,328.06	2,36,248.25	2,37,269.11
(d)	Borrowings (other than debt securities)	96,798.61	85,507.36	96,798.61	85,507.36
(e)	Subordinated liabilities	6,861.49	6,946.89	6,861.49	6,946.89
(f)	Other financial liabilities	24,987.28	25,943.11	25,243.79	26,222.35
	Total - Financial Liabilities (1)	3,65,905.20	3,56,571.73	3,66,135.55	3,56,853.53
(2)	Non-Financial Liabilities				
(a)	Current tax liabilities (net)	399.62	10.62	402.96	14.40
(b)	Provisions	100.82	103.96	101.51	104.68
(c)	Other non-financial liabilities	122.09	120.51	125.63	130.25
	Total - Non-Financial Liabilities (2)	622.53	235.09	630.10	249.33
(3)	Liabilities directly associated with assets classified as held for sale	-	-	0.02	0.08
(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	558.40	558.40
(c)	Other equity	45,233.30	40,893.05	45,532.66	41,230.61
	Total - Equity (4)	47,766.62	43,426.37	48,065.98	43,763.93
	Total - LIABILITIES AND EQUITY (1+2+3+4)	4,14,294.35	4,00,233.19	4,14,831.65	4,00,866.87



Statement of Cash Flows for the period ended 30th September 2021

(₹ in Crores)

S. No.	Particulars	Standalone		Consolidated	
		Period ended		Period ended	
		30-09-21 (Unaudited)	30-09-2020 (Audited)	30-09-21 (Unaudited)	30-09-2020 (Audited)
A.	Cash Flow from Operating Activities :				
	Net Profit before tax	6,140.08	5,250.31	6,121.62	5,268.22
	Adjustments for:				
1.	Loss/ (Gain) on derecognition of Property, Plant and Equipment (net)	0.46	2.43	0.46	2.43
2.	Loss/ (Gain) on derecognition of Assets held for sale (net)	(1.71)	-	(1.71)	-
3.	Loss/ (Gain) on cessation of significant influence in Joint Venture (EESL)	(29.01)	-	-	-
4.	Depreciation & Amortization	7.46	4.64	7.61	5.44
5.	Impairment losses on Financial Instruments	1,899.95	992.02	1,893.14	996.17
6.	Adjustments towards Effective Interest Rate in respect of Loans	(9.73)	(9.16)	(9.73)	(9.16)
7.	Adjustments towards Effective Interest Rate in respect of Borrowings	16.14	88.32	16.14	88.32
8.	Fair Value Changes in Derivatives	(41.16)	(187.12)	(41.16)	(187.12)
9.	Fair Value Changes in FVTPL Instruments	(2.34)	(2.97)	(2.34)	(2.97)
10.	Interest on Commercial Paper	-	35.32	-	35.32
11.	Interest Accrued on Zero Coupon Bonds	-	55.70	-	55.70
12.	Loss/ (Gain) on Exchange Rate fluctuation	(1,173.41)	217.93	(1,173.41)	217.93
13.	Share of Profit/Loss of Joint Venture accounted for using equity method	-	-	11.81	(4.52)
	Operating profit before Changes in Operating Assets & Liabilities	6,806.73	6,447.42	6,822.43	6,465.76
	Inflow / (Outflow) on account of :				
1.	Loan Assets	(9,898.77)	(27,149.95)	(9,898.77)	(27,149.95)
2.	Derivatives	(795.09)	181.55	(795.09)	181.55
3.	Other Operating Assets	458.96	1,666.97	551.73	1,663.00
4.	Operating Liabilities	(1,293.96)	(306.84)	(1,364.48)	(331.71)
	Cash flow from Operations	(4,722.13)	(19,160.85)	(4,684.19)	(19,171.35)
1.	Income Tax Paid (including TDS)	(1,203.94)	(791.87)	(1,212.57)	(789.22)
2.	Income Tax refund	-	11.73	-	11.73
	Net Cash Flow from Operating Activities	(5,926.07)	(19,940.99)	(5,896.76)	(19,948.84)
B.	Cash Flow from Investing Activities				
1.	Sale of Property, Plant & Equipment	0.03	0.03	0.03	0.03
2.	Sale of assets held for sale	1.73	-	1.73	-
3.	Investment in Property, Plant & Equipment (incl. CWIP & Capital Advances)	(37.21)	(34.32)	(37.24)	(34.36)
4.	Investment in Intangible Assets (including intangible assets under development & Capital Advances)	(0.24)	(0.01)	(0.24)	(0.01)
5.	Finance Costs Capitalised	(5.39)	(10.54)	(5.39)	(10.54)
6.	Sale of Equity Shares of Indian Energy Exchange Limited	405.59	183.63	405.59	183.63
7.	Sale/(Investment) of/in shares of associate companies (Net)	-	-	0.10	(0.45)
8.	Redemption of Debt Securities (net of investment)	9.45	9.47	9.45	9.47
9.	Redemption/ (Investment) in Government Securities (net)	(465.82)	-	(465.82)	-
10.	Maturity/(Investment) of Corporate and Term deposits	-	-	(7.62)	(2.33)
	Net Cash Flow from Investing Activities	(91.86)	148.26	(99.41)	145.44
C.	Cash Flow from Financing Activities				
1.	Issue/ (Redemption) of Rupee Debt Securities (Net)	(4,267.83)	4,994.52	(4,267.83)	4,994.52
2.	Issue/ (Redemption) of Commercial Paper (net)	-	(2,925.00)	-	(2,925.00)
3.	Raising/ (Repayments) of Rupee Term Loans/ WCDL from Govt./ Banks/ FIs (net)	1,854.58	12,353.09	1,854.58	12,348.09
4.	Raising/ (Repayments) of Foreign Currency Debt Securities and Borrowings (net)	13,434.05	3,583.08	13,434.05	3,583.08
5.	Raising/ (Redemption) of Subordinated Liabilities (net)	-	1,999.50	-	1,999.50
6.	Payment of Dividend on Equity Shares	(394.98)	-	(394.98)	-
7.	Repayment towards Lease Liability	(0.01)	(0.01)	(0.01)	(0.40)
	Net Cash flow from Financing Activities	10,625.81	20,005.18	10,625.81	19,999.79
	Net Increase/Decrease in Cash & Cash Equivalents	4,607.88	212.45	4,629.64	196.39
	Cash & Cash Equivalents as at the beginning of the period	1,140.49	1,678.03	1,179.24	1,717.71
	Cash & Cash Equivalents as at the end of the period	5,748.37	1,890.48	5,808.88	1,914.09



Notes to the financial results:

- 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 meeting held on 29th October, 2021. These results have been subjected to limited review by the Statutory Auditors of the Company.
- The limited reviewed consolidated accounts of the subsidiary company REC Power Development and Consultancy Limited (formerly REC Power Distribution Company Limited) and unaudited standalone accounts of the Joint Venture (Energy Efficiency Services Limited, till date of cessation of significant influence i.e. 1st September 2021), 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'.
- a) 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, which also considers ratings by the Ministry of Power, as and when they are updated, for Distribution Companies (DISCOMs). 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.
b) As a matter of prudence, provision on Stage 1 & 2 loan assets have been enhanced to a minimum level of 0.40% from this quarter, resulting into an additional provision of Rs. 838.06 crores during the quarter.

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

S. No.	Particulars	As at 30.09.2021			As at 31.03.2021		
		Stage 1 & 2	Stage 3	Total	Stage 1 & 2	Stage 3	Total
		1.	Loan assets	3,69,066.39	18,211.08	3,87,277.47	3,59,161.22
2.	Impairment loss allowance (net of movements)	2,736.71	12,316.66	15,053.37	1,414.80	11,791.31	13,206.11
	Provisioning Coverage (%) (2/1)	0.74%	67.63%	3.89%	0.39%	64.59%	3.50%

- Interest income on credit-impaired loan assets is not being recognised as a matter of prudence, pending the outcome of resolutions of such assets.
- 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'.
- During the quarter, the Company has declared an interim dividend of ₹ 2.50/- per equity share (on face value of ₹ 10/- each) and 12th November, 2021 has been fixed as Record Date for payment of Interim Dividend. The total interim dividend for the Financial Year 2021-22 is ₹ 4.50/- per equity share (on face value of ₹ 10/- each).
- The additional information as required under Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed as **Annexure - A**.
- Pursuant to Regulation 54 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for all the secured non-convertible debt securities issued by the Company and outstanding as at 30th September, 2021, 100% security cover has been maintained by way of mortgage on certain immovable properties and/or charge on the receivables of the Company. Accordingly, the Company is maintaining an asset cover of 1x times or such higher i.e. 1.01 times as on 30th September 2021 in respect of secured non-convertible debt securities issued by the Company.
- 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, pursuant to Regulation 52(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, there has been no default as on 30th September, 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.
- During the quarter, India witnessed gradual decrease in the new COVID-19 cases with increase in the pace of vaccination, resulting in demand picking up to pre-covid levels. The Company has strong credit profile which coupled with high liquidity access and contingency buffers, provides no reasons to believe that the current crisis will have any significant impact on its 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, discovery of mutant coronavirus variants in the country.
- The disclosure in respect of related party transactions on Standalone and Consolidated basis for the period ended 30th September 2021 have been annexed herewith this statement as **Annexure-B**.
- 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 period ended 30th September 2021 have been annexed herewith this statement at **Annexure-C** and **Annexure-D** respectively.
- Previous period/ years' figures have been regrouped/ reclassified, wherever necessary, in order to make them comparable.

For REC Limited

29/10/21
(Sanjay Malhotra, IAS)
Chairman & Managing Director
DIN - 00992744

Place: Port Blair

Date: 29th October 2021



Annexure A

Disclosure in compliance with Regulation 52(4) of Securities and Exchange Board of India SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the half year ended 30th September, 2021 on standalone basis

S. No.	Particulars	Unit	As at/ For the period ended 30.09.2021
1	Debt Equity Ratio ¹	times	6.84
2	Debt service coverage ratio	times	Not Applicable
3	Interest service coverage ratio	times	Not Applicable
4	Outstanding Redeemable preference shares	₹ in Crores	Nil
5	Debenture Redemption Reserve	₹ in Crores	Nil
6	Net Worth ²	₹ in Crores	47,766.62
7	Current ratio ³	times	Not Applicable
8	Long term debt to working capital ³	times	Not Applicable
9	Bad debts to Accounts receivable ratio ³	times	Not Applicable
10	Current liability ratio ³	times	Not Applicable
11	Total debts to total assets ⁴	times	0.80
12	Debtors turnover ³	times	Not Applicable
13	Inventory turnover ³	times	Not Applicable
14	Operating Margin ⁵	%	31.19
15	Net profit Margin ⁶	%	25.45
16	Sector specific equivalent ratios		
(a)	CRAR ⁷	%	21.15
(b)	Gross Credit Impaired Assets Ratio ⁸	%	4.70
(c)	Net Credit Impaired Assets Ratio ⁹	%	1.52

Notes:

- 1 Debt/Equity Ratio = Net Debt / Net Worth (Net debt represents principal outstanding less cash and cash equivalents available.)
- 2 Net Worth is calculated as defined in section 2(57) of Companies Act, 2013.
- 3 The Companies is registered under the Reserve Bank of India Act, 1934 as Non-Banking Financial Company, hence these ratios are generally not applicable.
- 4 Total debts to total assets = Total Debt / Total Assets
- 5 Operating Margin = Net Operating Profit Before Tax / Total Revenue from Operation.
- 6 Net profit Margin = Net Profit after Tax / Total Income.
- 7 CRAR = Adjusted Net worth/ Risk weighted assets, calculated as per applicable RBI guidelines
- 8 Gross Credit Impaired Asset Ratio = Gross Credit Impaired Assets / Gross Loan Assets
- 9 Net Credit Impaired Asset Ratio = Net Credit Impaired Assets / Gross Loan Assets



Transactions with the related parties during the period ended 30th September 2021:

(₹ in Crores)

Particulars	Standalone	Consolidated
Power Finance Corporation Ltd.		
Dividend Paid	207.90	207.90
Directors' Sitting Fee	0.05	0.05
Finance Cost	14.47	14.47
REC PDCL		
Govt. funds disbursed	0.02	-
Apportionment of Employee Benefit and Other Expenses	9.36	-
Dividend Income	14.90	-
Finance Costs - Interest Paid	0.15	-
Other Expenses	4.66	-
Post-employment Benefits Plan Trusts		
Contributions made by the Company during the period	9.00	9.00
Finance Costs - Interest Paid	0.59	0.59
Post-employment Benefits Plan Trusts of Ultimate Holding Company		
Finance Costs - Interest Paid	0.11	0.11
Key Managerial Personnel		
Employee Benefits Expense - Managerial Remuneration	1.92	1.92
REC Foundation		
Payment towards Corporate Social Responsibility (CSR) Expenses	30.00	30.00



REC Limited

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

Balance Sheet as at 30th September 2021

(₹ in Crores)

S. No.	Particulars	Note No.	As at 30-09-2021	As at 31-03-2021
	ASSETS			
(1)	Financial Assets			
(a)	Cash and cash equivalents	6	5,748.37	1,140.49
(b)	Bank balances other than (a) above	7	936.45	1,929.06
(c)	Derivative financial instruments	8	3,603.92	2,311.22
(d)	Loans	9	3,73,726.29	3,65,261.49
(e)	Investments	10	2,074.85	1,909.77
(f)	Other financial assets	11	24,486.37	24,399.21
	Total - Financial Assets (1)		4,10,576.25	3,96,951.24
(2)	Non-Financial Assets			
(a)	Current tax assets (net)	12	160.07	160.07
(b)	Deferred tax assets (net)	13	2,879.47	2,437.71
(c)	Investment Property	14	-	0.01
(d)	Property, Plant & Equipment	15	590.80	260.12
(e)	Capital Work-in-Progress	15	27.08	335.67
(f)	Intangible Assets Under Development	15	-	0.77
(g)	Other Intangible Assets	15	5.69	6.10
(h)	Other non-financial assets	16	52.96	81.50
	Total - Non-Financial Assets (2)		3,716.07	3,281.95
(3)	Assets classified as held for sale	17	2.03	-
	Total ASSETS (1+2+3)		4,14,294.35	4,00,233.19
	LIABILITIES AND EQUITY			
	LIABILITIES			
(1)	Financial Liabilities			
(a)	Derivative financial instruments	8	948.49	846.31
(b)	Debt Securities	18	2,36,309.33	2,37,328.06
(c)	Borrowings (other than debt securities)	19	96,798.61	85,507.36
(d)	Subordinated Liabilities	20	6,861.49	6,946.89
(e)	Other financial liabilities	21	24,987.28	25,943.11
	Total - Financial Liabilities (1)		3,65,905.20	3,56,571.73
(2)	Non-Financial Liabilities			
(a)	Current tax liabilities (net)	22	399.62	10.62
(b)	Provisions	23	100.82	103.96
(c)	Other non-financial liabilities	24	122.09	120.51
	Total - Non-Financial Liabilities (2)		622.53	235.09
(3)	EQUITY			
(a)	Equity Share Capital	25	1,974.92	1,974.92
(b)	Instruments Entirely Equity In Nature	26	558.40	558.40
(c)	Other equity	27	45,233.30	40,893.05
	Total - Equity (3)		47,766.62	43,426.37
	Total - LIABILITIES AND EQUITY (1+2+3)		4,14,294.35	4,00,233.19
	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

Statement of Profit and Loss for the period ended 30th September 2021

(₹ in Crores)

S. No.	Particulars	Note No.	Period ended 30-09-2021	Period ended 30-09-2020
	Revenue from Operations			
(i)	Interest Income	28	19,161.24	16,941.11
(ii)	Dividend Income	29	16.62	14.12
(ii)	Fees and Commission Income	30	323.57	37.25
(iv)	Net gain/ (loss) on fair value changes	35	44.07	207.67
I.	Total Revenue from Operations (i to iv)		19,545.50	17,200.15
II.	Other Income	31	44.44	13.43
III.	Total Income (I+II)		19,589.94	17,213.58
	Expenses			
(i)	Finance Costs	32	11,151.11	10,604.97
(ii)	Net translation/ transaction exchange loss	33	213.08	139.52
(iii)	Fees and commission Expense	34	9.04	8.59
(iv)	Impairment on financial instruments	36	1,899.95	992.02
(v)	Employee Benefits Expenses	37	81.88	67.58
(vi)	Depreciation and amortization	38	7.46	4.64
(vii)	Corporate Social Responsibility Expenses	39	37.29	86.95
(viii)	Other Expenses	40	50.05	59.00
IV.	Total Expenses (i to viii)		13,449.86	11,963.27
V.	Profit before Tax (III-IV)		6,140.08	5,250.31
VI.	Tax Expense	41		
(i)	Current tax		1,593.37	1,512.41
(ii)	Deferred Tax		(438.68)	(291.32)
	Total Tax Expense (i+ii)		1,154.69	1,221.09
VII.	Profit for the period		4,985.39	4,029.22
	Other comprehensive Income/(Loss)			
(i)	Items that will not be reclassified to profit or loss			
(a)	Re-measurement gains/(losses) on defined benefit plans		(1.65)	(3.18)
(b)	Changes in Fair Value of FVOCI Equity Instruments		57.77	88.52
(c)	Income tax relating to these items			
	- Re-measurement gains/(losses) on defined benefit plans		0.42	0.80
	- Changes in Fair Value of FVOCI Equity Instruments		-	(4.95)
	Sub-Total (i)		56.54	81.19
(ii)	Items that will be reclassified to profit or loss			
(a)	Effective Portion of Cash Flow Hedges		(5.31)	(35.64)
(b)	Cost of hedging reserve		(6.91)	290.66
(c)	Income tax relating to these items			
	- Effective Portion of Cash Flow Hedges		1.34	8.97
	- Cost of hedging reserve		1.74	(73.15)
	Sub-Total (ii)		(9.14)	190.84
VIII.	Other comprehensive Income/(Loss) for the period (i+ii)		47.40	272.03
IX.	Total comprehensive Income for the period (VII+VIII)		5,032.79	4,301.25
X.	Basic & Diluted Earnings per Equity Share of ₹ 10 each (in ₹)	42		
(1)	For continuing operations		25.24	20.40
(2)	For continuing and discontinued operations		25.24	20.40



REC Limited

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

Statement of Changes in Equity for the period ended 30th September 2021

A Equity share capital

Particulars	As at 30-09-2021	As at 31-03-2021	(₹ in Crores)
Opening Balance	1,974.92		1,974.92
Changes in equity share capital during the period	-		-
Closing Balance	1,974.92		1,974.92

B Instruments entirely equity in nature

Particulars	As at 30-09-2021	As at 31-03-2021	(₹ in Crores)
Opening Balance	558.40		558.40
Changes in instruments entirely equity in nature during the period	-		-
Closing Balance	558.40		558.40

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)(viii) 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 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	(1,719.36)	6,923.09	793.29	3,409.74	106.26	(226.08)	(204.75)	33,101.64
Profit for the period	-	-	-	-	-	-	-	-	4,029.22	-	-	-	4,029.22
Remeasurement of Defined Benefit Plans (net of taxes)	-	-	-	-	-	-	-	-	(2.38)	-	-	-	(2.38)
Recognition through Other Comprehensive Income (net of taxes)	-	-	-	-	-	-	-	-	-	-	-	-	274.41
Total Comprehensive Income	-	-	-	-	-	-	-	-	4,026.84	83.57	(26.67)	217.51	274.41
Other adjustments	1,305.22	288.14 (247.11)	806.00	-	-	-	652.60 247.11	-	(3,051.96)	83.57	(26.67)	217.51	4,301.25
Transferred to/ (from) Retained Earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred to General Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of gain/ (loss) on sale/ extinguishment of FVOCI equity instrument (net of taxes)	-	-	-	-	-	-	-	-	-	(182.68)	-	-	-
Foreign Currency Translation gain/ (loss) on long term monetary items during the period	-	-	-	-	-	354.53	-	-	-	-	-	-	354.53
Amortisation during the period	-	-	-	-	-	-	-	-	-	-	-	-	-
Total- Other adjustments	1,305.22	41.03	806.00	-	-	881.66	899.71	-	(2,869.28)	(182.68)	-	-	527.13
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend Distribution Tax	-	-	-	-	-	-	-	-	-	-	-	-	-
Total- Transaction with owners	-	-	-	-	2,236.54	(837.72)	7,822.80	793.29	4,567.30	7.15	(252.75)	12.76	36,284.55
Balance as at 30th September 2020	17,964.32	3,033.86	2,937.00	-	2,236.54	(837.72)	7,822.80	793.29	4,567.30	7.15	(252.75)	12.76	36,284.55



Particulars	Reserves & Surplus										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)(vii) of the Income Tax Act, 1961	Reserve Fund u/s 45-1C of Reserve Bank of India Act, 1934	Debt Redemption Reserve	Securities Premium Account	Foreign Currency Monetary Item Translation Difference Account	General Reserve	Impairment Reserve	Retained Earnings	FVOCI-Equity Instruments		Cash Flow Hedging reserve	Costs of Hedging reserve
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	40,993.05
Profit for the period									4,985.39				4,985.39
Remeasurement of Defined Benefit Plans (net of taxes)									(1.23)				(1.23)
Recognition through Other Comprehensive Income (net of taxes)									-	57.77	(3.97)	(5.17)	48.63
Total Comprehensive Income	-	-	-	-	-	-	-	-	4,984.16	57.77	(3.97)	(5.17)	5,032.79
Other adjustments													
Transferred to/(from) Retained Earnings	1,553.84	-	997.09	-	-	-	-	(2,550.93)	-	-	-	-	-
Transferred to General Reserve	-	(39.05)	-	-	-	-	39.05	-	82.60	(82.60)	-	-	-
Reclassification of gain/ (loss) on sale/ extinguishment of FVOCI equity instrument (net of taxes)						(107.53)							(107.53)
Foreign Currency Translation gain/ (loss) on long term monetary items during the period						147.68							147.68
Amortisation during the period													
Issue expenses on Perpetual Debt Instruments (net of taxes)													
Total- Other adjustments	1,553.84	(39.05)	997.09	-	-	40.15	39.05	(2,468.33)	(82.60)	-	-	-	40.15
Dividends	-	-	-	-	-	-	-	(732.69)	-	-	-	-	(732.69)
Total- Transaction with owners	-	-	-	-	-	-	-	(732.69)	-	-	-	-	(732.69)
Balance as at 30th September 2021	20,776.07	2,089.36	4,801.09	-	2,236.54	(533.01)	9,889.08	-	6,108.23	(0.76)	(169.58)	36.28	45,233.30

(₹ in Crores)



REC Limited

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

Statement of Cash Flows for the period ended 30th September 2021

(₹ in Crores)

Particulars	Period ended 30-09-2021	Period ended 30-09-2020
A. Cash Flow from Operating Activities :		
Net Profit before Tax	6,140.08	5,250.31
Adjustments for:		
1. Loss/ (Gain) on derecognition of Property, Plant and Equipment (net)	0.46	2.43
2. Loss/ (Gain) on derecognition of Assets held for sale (net)	(1.71)	-
3. Loss/ (Gain) on cessation of significant influence in Joint Venture (EESL)	(29.01)	-
4. Depreciation & Amortization	7.46	4.64
5. Impairment losses on Financial Instruments	1,899.95	992.02
6. Adjustments towards Effective Interest Rate in respect of Loans	(9.73)	(9.16)
7. Adjustments towards Effective Interest Rate in respect of Borrowings	16.14	88.32
8. Fair Value Changes in Derivatives	(41.16)	(187.12)
9. Fair Value Changes in FVTPL Instruments	(2.34)	(2.97)
10. Interest on Commercial Paper	-	35.32
11. Interest Accrued on Zero Coupon Bonds	-	55.70
12. Loss/ (Gain) on Exchange Rate fluctuation	(1,173.41)	217.93
Operating profit before Changes in Operating Assets & Liabilities	6,806.73	6,447.42
Inflow / (Outflow) on account of :		
1. Loan Assets	(9,898.77)	(27,149.95)
2. Derivatives	(795.09)	181.55
3. Other Operating Assets	458.96	1,666.97
4. Operating Liabilities	(1,293.96)	(306.84)
Cash flow from Operations	(4,722.13)	(19,160.85)
1. Income Tax Paid (including TDS)	(1,203.94)	(791.87)
2. Income Tax refund	-	11.73
Net Cash Flow from Operating Activities	(5,926.07)	(19,940.99)
B. Cash Flow from Investing Activities		
1. Sale of Property, Plant & Equipment	0.03	0.03
2. Sale of assets held for sale	1.73	
3. Investment in Property, Plant & Equipment (incl. CWIP & Capital Advances)	(37.21)	(34.32)
4. Investment in Intangible Assets (including intangible assets under development & Capital Advances)	(0.24)	(0.01)
5. Finance Costs Capitalised	(5.39)	(10.54)
6. Sale of Equity Shares	405.59	183.63
7. Redemption/ (Investment) in Debt Securities (net)	9.45	9.47
8. Redemption/ (Investment) in Government Securities (net)	(465.82)	-
Net Cash Flow from Investing Activities	(91.86)	148.26
C. Cash Flow from Financing Activities		
1. Issue/ (Redemption) of Rupee Debt Securities (Net)	(4,267.83)	4,994.52
2. Issue/ (Redemption) of Commercial Paper (net)	-	(2,925.00)
3. Raising/ (Repayments) of Rupee Term Loans/ WCDL from Govt./ Banks/ FIs (net)	1,854.58	12,353.09
4. Raising/ (Repayments) of Foreign Currency Debt Securities and Borrowings (net)	13,434.05	3,583.08
5. Raising/ (Redemption) of Subordinated Liabilities (net)	-	1,999.50
6. Payment of Dividend on Equity Shares	(394.98)	-
7. Repayment towards Lease Liability	(0.01)	(0.01)
Net Cash flow from Financing Activities	10,625.81	20,005.18
Net Increase/Decrease in Cash & Cash Equivalents	4,607.88	212.45
Cash & Cash Equivalents as at the beginning of the period	1,140.49	1,678.03
Cash & Cash Equivalents as at the end of the period	5,748.37	1,890.48

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 30th September 2021 were authorized and approved for issue by the Board of Directors on 29th October 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.



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)

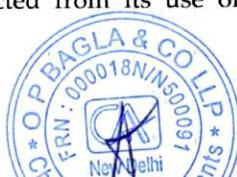
PPE are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on PPE is provided on the straight-line method over the useful life of the assets as prescribed under Part 'C' of Schedule II of the Companies Act, 2013.

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 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 through 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 30-09-2021	As at 31-03-2021
- Cash in Hand (including postage & imprest)	0.14	0.12
- Balances with Banks		
- in current accounts	371.56	237.93
- deposits with original maturity less than 3 months	3,782.12	902.44
- Short term Investment in Debt Mutual Funds	1,594.55	-
Total (Cash & Cash Equivalents)	5,748.37	1,140.49

7 Bank Balances (other than Cash and Cash Equivalents)

(₹ in Crores)

Particulars	As at 30-09-2021	As at 31-03-2021
- Earmarked Balances with Banks		
- For unpaid dividends	344.05	5.79
- For govt. funds for onward disbursement as grant	83.72	1,065.84
- Earmarked Term Deposits		
- Deposits in Compliance of Court Order	0.56	0.56
- Term Deposit held as Margin Money against Bank Guarantee	0.26	0.25
- Term Deposit- Debenture Redemption Reserves	128.62	-
- Balances with banks not available for use pending allotment of securities	379.24	856.62
Total (Other Bank Balances)	936.45	1,929.06



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 30-09-2021			As at 31-03-2021		
	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
(i) Currency Derivatives						
- Spot and forwards	-	-	-	-	-	-
- Currency swaps	2,837.39	28.35	44.78	2,854.54	43.07	121.08
- Others						
- Call Spread	4,306.80	274.30	-	4,263.27	271.36	-
- Seagull Options	33,668.90	2,957.65	-	20,482.08	1,657.19	43.25
Sub-total (i)	40,813.09	3,260.30	44.78	27,599.89	1,971.62	164.33
(ii) Interest Rate Derivatives						
- Forward Rate Agreements and Interest Rate Swaps	29,865.82	343.62	310.10	25,035.68	339.60	403.65
Sub-total (ii)	29,865.82	343.62	310.10	25,035.68	339.60	403.65
(iii) Other derivatives						
- Reverse cross currency swaps	4,747.00	-	593.61	4,547.00	-	278.33
Total - Derivative Financial Instruments (i + ii+iii)	75,425.91	3,603.92	948.49	57,182.57	2,311.22	846.31



Part II

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

(₹ in Crores)

Particulars	As at 30-09-2021		As at 31-03-2021			
	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
Cash Flow Hedging						
- Currency Derivatives						
- Currency Swaps	2,784.57	17.82	44.78	2,756.43	23.86	121.08
- Others						
- Call Spread	1,856.38	68.71	-	1,837.62	77.74	-
- Seagull Options	33,668.90	2,957.65	-	20,482.08	1,657.19	43.25
- Interest Rate Derivatives						
- Forward Rate Agreements and Interest Rate Swaps	15,635.98	-	258.87	13,055.84	-	318.18
Sub-total (i)	53,945.83	3,044.18	303.65	38,131.97	1,758.79	482.51
Undesignated Derivatives	21,480.08	559.74	644.84	19,050.60	552.43	363.80
Total - Derivative Financial Instruments (i+ii)	75,425.91	3,603.92	948.49	57,182.57	2,311.22	846.31

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.



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 30-09-2021		As at 31-03-2021	
	Principal O/s	Amortised Cost	Principal O/s	Amortised Cost
(A) Loans				
(i) Term Loans	3,83,788.30	3,85,277.76	3,77,041.98	3,78,090.36
(ii) Working Capital Loans	3,489.17	3,501.90	376.17	377.24
Total (A) - Gross Loans	3,87,277.47	3,88,779.66	3,77,418.15	3,78,467.60
Less: Impairment loss allowance	(15,053.37)	(15,053.37)	(13,206.11)	(13,206.11)
Total (A) - Net Loans	3,72,224.10	3,73,726.29	3,64,212.04	3,65,261.49
(B) Security Details				
(i) Secured by tangible assets	2,45,467.62	2,46,251.38	2,56,744.52	2,57,329.46
(ii) Secured by intangible assets	-	-	-	-
(iii) Covered by Bank/ Govt. Guarantees	1,18,579.77	1,19,204.30	1,01,071.53	1,01,456.48
(iv) Unsecured	23,230.08	23,323.98	19,602.10	19,681.67
Total (B) - Gross Loans	3,87,277.47	3,88,779.66	3,77,418.15	3,78,467.60
Less: Impairment loss allowance	(15,053.37)	(15,053.37)	(13,206.11)	(13,206.11)
Total (B) - Net Loans	3,72,224.10	3,73,726.29	3,64,212.04	3,65,261.49
(C)(I) Loans in India				
(i) Public Sector	3,49,697.95	3,51,152.32	3,38,810.31	3,39,877.44
(ii) Private Sector	37,579.52	37,627.34	38,607.84	38,590.16
Total (C)(I) - Gross Loans	3,87,277.47	3,88,779.66	3,77,418.15	3,78,467.60
Less: Impairment loss allowance	(15,053.37)	(15,053.37)	(13,206.11)	(13,206.11)
Total (C)(I) - Net Loans	3,72,224.10	3,73,726.29	3,64,212.04	3,65,261.49
(C)(II) Loans outside India	-	-	-	-
Less: Impairment loss allowance	-	-	-	-
Total (C)(II) - Net Loans	-	-	-	-
Total (C)(I) and (C)(II)	3,72,224.10	3,73,726.29	3,64,212.04	3,65,261.49



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 30th September, 2021							
Govt. Securities	1,122.09	-	-	-	1,122.09	-	1,122.09
Debt Securities	383.35	-	139.68	-	523.03	-	523.03
Equity Instruments	-	329.40	41.19	-	370.59	0.10	370.69
Preference Shares	27.84	-	31.20	-	59.04	-	59.04
Others	-	-	-	-	-	-	-
Total - Gross (A)	1,533.28	329.40	212.07	-	2,074.75	0.10	2,074.85
Investments outside India	-	-	-	-	-	-	-
Investments in India	1,533.28	329.40	212.07	-	2,074.75	0.10	2,074.85
Total - Gross (B)	1,533.28	329.40	212.07	-	2,074.75	0.10	2,074.85
Total Investments	1,533.28	329.40	212.07	-	2,074.75	0.10	2,074.85
Less: impairment loss allowance (C)	-	-	-	-	-	-	-
Total - Net (D=A-C)	1,533.28	329.40	212.07	-	2,074.75	0.10	2,074.85
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



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 30-09-2021	As at 31-03-2021
(A) Loans to Employees	40.10	39.94
(B) Advances to Employees	0.33	0.41
(C) Loans & Advances to Subsidiaries	4.23	4.16
(D) Security Deposits	1.43	1.23
(E) Recoverable from Govt. of India - Towards GoI Fully Serviced Bonds	24,318.37	24,314.48
(F) Other amounts recoverable	214.37	127.03
Less: Impairment Loss allowance	(92.46)	(88.04)
Other Amounts Recoverable (Net)	121.91	38.99
Total (A to F)	24,486.37	24,399.21

12 Current tax assets (net)

(₹ in Crores)

Particulars	As at 30-09-2021	As at 31-03-2021
Advance Income-tax & TDS	227.47	227.47
Provision for Income Tax	(72.35)	(72.35)
Sub-Total	155.12	155.12
Tax Deposited on income tax demands under contest	5.20	5.20
Provision for income tax for demand under contest	(0.25)	(0.25)
Sub-Total	4.95	4.95
Current tax assets (Net)	160.07	160.07

13 Deferred tax assets (net)

(₹ in Crores)

Particulars	As at 30-09-2021	As at 31-03-2021
Deferred Tax Assets (Net)	2,879.47	2,437.71



16 Other non-financial assets

(₹ in Crores)

Particulars	As at 30-09-2021	As at 31-03-2021
Unsecured, considered good		
(A) Capital Advances	8.07	8.84
(B) Other Advances	2.06	3.34
(C) Balances with Govt. Authorities	25.03	47.47
(D) Pre-Spent Corporate Social Responsibility (CSR) Expenses	-	3.45
(E) Prepaid Expenses	3.77	4.29
(F) Deferred Employee Cost	14.01	14.09
(G) Other Assets	0.02	0.02
Total (A to G)	52.96	81.50

17 Assets Classified as Held for Sale

(₹ in Crores)

Particulars	As at 30-09-2021	As at 31-03-2021
Assets Classified as Held for Sale-Building	2.03	-
Total	2.03	-



18 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 30.09.2021		As at 31.03.2021	
	Face Value	Amortised Cost	Face Value	Amortised Cost
(A) Secured Long-Term Debt Securities				
(i) Institutional Bonds	1,955.00	1,972.94	3,470.00	3,679.52
(ii) 54EC Capital Gain Tax Exemption Bonds	20,846.13	21,106.11	17,264.97	17,901.65
(iii) Tax Free Bonds	12,648.41	13,248.30	12,648.41	13,090.89
(iv) Bond Application Money	379.24	378.39	856.62	854.71
Sub-total (A)	35,828.78	36,705.74	34,240.00	35,526.77
(B) Unsecured Long-Term Debt Securities				
(i) Institutional Bonds	1,64,012.00	1,70,224.41	1,69,868.60	1,75,719.53
(ii) Infrastructure Bonds	11.07	22.31	11.07	21.36
(iii) Zero Coupon Bonds	-	-	-	-
(iv) Foreign Currency Bonds	29,702.05	29,356.87	26,461.71	26,060.40
Sub-total (B)	1,93,725.12	1,99,603.59	1,96,341.38	2,01,801.29
(C) Unsecured Short-Term Debt Securities				
(i) Commercial Paper	-	-	-	-
Sub-total (C)	-	-	-	-
Total - Debt Securities (A+B+C)	2,29,553.90	2,36,309.33	2,30,581.38	2,37,328.06
Debt Securities issued in/ outside India				
(i) Debt Securities in India	1,99,851.85	2,06,952.46	2,04,119.67	2,11,267.66
(ii) Debt Securities outside India	29,702.05	29,356.87	26,461.71	26,060.40
Total - Debt Securities	2,29,553.90	2,36,309.33	2,30,581.38	2,37,328.06

19 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)

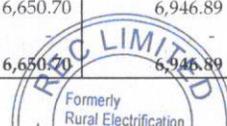
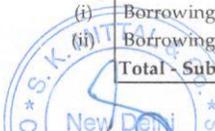
Particulars	As at 30.09.2021		As at 31.03.2021	
	Principal O/s	Amortised Cost	Principal O/s	Amortised Cost
(A) Unsecured Long-Term Borrowings				
(i) Term Loans from Banks	36,009.68	36,126.47	29,938.58	29,953.76
(ii) Term Loans from Financial Institutions	6,800.00	6,814.37	5,800.00	5,800.00
(iii) Foreign Currency Borrowings	26,055.46	25,892.57	21,024.72	20,890.94
(iv) FCNR (B) Loans	-	-	-	-
(v) Term Loans from Govt. of India	10,000.00	10,325.12	10,000.00	10,325.12
(vi) Lease Liability	0.04	0.04	0.05	0.05
Sub-total (A)	78,865.18	79,158.57	66,763.35	66,969.87
(B) Unsecured Short-Term Borrowings				
(i) FCNR (B) Loans	9,653.16	9,658.00	5,329.10	5,335.01
(ii) Short Term Loans/ Loans repayable on demand from Banks	7,970.00	7,982.04	10,186.52	10,201.99
(iii) Loans repayable on demand from Holding Company	-	-	3,000.00	3,000.49
Sub-total (B)	17,623.16	17,640.04	18,515.62	18,537.49
Total - Borrowings (other than Debt Securities) (A to B)	96,488.34	96,798.61	85,278.97	85,507.36
Borrowings (other than Debt Securities) in/ outside India				
(i) Borrowings in India	70,432.88	70,906.04	64,254.25	64,616.42
(ii) Borrowings outside India	26,055.46	25,892.57	21,024.72	20,890.94
Total - Borrowings (other than Debt Securities)	96,488.34	96,798.61	85,278.97	85,507.36

20 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 30.09.2021		As at 31.03.2021	
	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	2,045.18	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	2,248.78	2,151.20	2,151.45
(iii) 115th Series - Subordinate Tier-II Bonds - 8.06% Redeemable at par on 31.05.2023	2,500.00	2,567.53	2,500.00	2,667.90
Total - Subordinated Liabilities	6,650.70	6,861.49	6,650.70	6,946.89
Subordinated Liabilities in/ outside India				
(i) Borrowings in India	6,650.70	6,861.49	6,650.70	6,946.89
(ii) Borrowings outside India	-	-	-	-
Total - Subordinated Liabilities	6,650.70	6,861.49	6,650.70	6,946.89



21 Other Financial Liabilities

(₹ in Crores)

Particulars	As at 30-09-2021	As at 31-03-2021
(A) Unpaid Dividends	6.34	5.79
(B) Bond Application Money refundable and interest accrued thereon	-	0.01
(C) Unpaid Principal & Interest on Bonds		
- Matured Bonds & Interest Accrued thereon	43.72	49.77
- Interest on Bonds	17.80	18.95
Sub-total (C)	61.52	68.72
(D) Funds Received from Govt. of India for Disbursement as Subsidy/ Grant (cumulative)	90,144.36	89,640.91
Add: Interest on such funds (net of refund)	2.74	2.63
Less: Disbursed to Beneficiaries (cumulative)	(90,061.79)	(88,575.58)
Undisbursed Funds to be disbursed as Subsidy/ Grant	85.31	1,067.96
(E) Payables towards Bonds Fully serviced by Govt. of India	24,318.37	24,314.43
(F) Liability in respect of Dividend and Dividend Tax	337.71	-
(G) Payable towards funded staff benefits	1.65	9.00
(H) Other Liabilities	176.38	477.20
Total (A to H)	24,987.28	25,943.11

22 Current tax liabilities (net)

(₹ in Crores)

Particulars	As at 30-09-2021	As at 31-03-2021
Provision for Income Tax	4,295.47	2,702.52
Less: Advance Income-tax & TDS	(3,895.85)	(2,691.90)
Current tax liabilities (Net)	399.62	10.62

23 Provisions

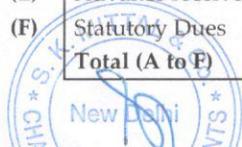
(₹ in Crores)

Particulars	As at 30-09-2021	As at 31-03-2021
(A) Provisions for Employee Benefits		
Earned Leave Liability	21.73	18.00
Medical Leave Liability	20.96	20.91
Settlement Allowance	1.81	1.89
Economic Rehabilitation Scheme	4.05	4.13
Long Service Award	1.96	2.02
Incentive	32.41	47.92
<i>Sub-total (A)</i>	82.92	94.87
(B) Others		
Expected Credit Loss on Letters of Comfort	17.90	9.09
<i>Sub-total (B)</i>	17.90	9.09
Total (A+B)	100.82	103.96

24 Other Non-financial Liabilities

(₹ in Crores)

Particulars	As at 30-09-2021	As at 31-03-2021
(A) Income Received in Advance	0.69	-
(B) Sundry Liabilities Account (Interest Capitalisation)	4.42	5.07
(C) Unbilled Liability towards Capital Account	15.83	28.53
(D) Unamortised Fee on Undisbursed Loans	66.95	68.64
(E) Advance received from Govt. towards Govt. Schemes	0.75	0.75
(F) Statutory Dues	33.45	17.52
Total (A to F)	122.09	120.51



25 Equity Share Capital

(₹ in Crores)

Particulars	As at 30.09.2021		As at 31.03.2021	
	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

26 Instruments entirely equity in nature

(₹ in Crores)

Particulars	As at 30.09.2021		As at 31.03.2021	
	Number	Amount	Number	Amount
Fully paid up Perpetual Debts Instrument entirely equity in nature of ₹ 10 lakhs each	5,584	558.40	5,584	558.40
Total	5,584	558.40	5,584	558.40

27 Other Equity

(₹ in Crores)

Particulars	As at 30.09.2021	As at 31.03.2021
(A) Other Reserves		
(i) Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961	20,776.07	19,222.23
(ii) Reserve for Bad and doubtful debts u/s 36(1)(viii) of the Income Tax Act, 1961	2,089.36	2,128.41
(iii) Reserve Fund u/s 45-1C of Reserve Bank of India Act, 1934	4,801.09	3,804.00
(iv) Securities Premium	2,236.54	2,236.54
(v) Foreign Currency Monetary Item Translation Difference Account	(533.01)	(573.16)
(vi) General Reserve	9,889.08	9,850.03
(vii) Impairment Reserve	-	-
(B) Retained Earnings	6,108.23	4,325.09
(C) Other Comprehensive Income (OCI)		
- Equity Instruments through Other Comprehensive Income	(0.76)	24.07
- Effective Portion of Cash Flow Hedges	(169.58)	(165.61)
- Cost of Hedging reserve	36.28	41.45
Total - Other Equity	45,233.30	40,893.05

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



28 Interest Income

(₹ in Crores)

Particulars	Period ended 30-09-2021			Period ended 30-09-2020		
	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	-	18,974.55	-	-	16,680.67	-
Less: Rebate for timely payments/completion etc	-	(0.03)	-	-	(0.03)	-
Long term financing (net)	-	18,974.52	-	-	16,680.64	-
(ii) Short term financing	-	88.62	-	-	51.00	-
Sub-total (A)	-	19,063.14	-	-	16,731.64	-
(B) Interest Income from Investments						
(i) Interest from CP/ ICD	-	-	-	-	-	-
(ii) Interest from Govt. Securities	-	28.84	-	-	-	-
(iii) Interest from Long Term Investments	-	20.26	13.87	-	1.53	98.28
Sub-total (B)	-	49.10	13.87	-	1.53	98.28
(C) Interest on Deposits with Banks						
(i) Interest from Deposits	-	32.97	-	-	107.44	-
Sub-total (C)	-	32.97	-	-	107.44	-
(D) Other Interest Income						
(i) Interest from Staff Advances	-	2.05	-	-	1.77	-
(ii) Interest on Mobilisation Advance	-	0.11	-	-	0.44	-
(iii) Unwinding of Discount of Security Deposits	-	-	-	-	0.01	-
Sub-total (D)	-	2.16	-	-	2.22	-
Total - Interest Income (A to D)	-	19,147.37	13.87	-	16,842.83	98.28

29 Dividend Income

(₹ in Crores)

Particulars	Period ended 30-09-2021	Period ended 30-09-2020
- Dividend from Subsidiary Companies	14.90	8.43
- Dividend from Other Investments	1.72	5.69
Total - Dividend Income	16.62	14.12

30 Fees and Commission Income

(₹ in Crores)

Particulars	Period ended 30-09-2021	Period ended 30-09-2020
Fees based Income	33.34	9.39
Prepayment Premium	275.00	0.03
Fee for Implementation of Govt. Schemes	15.23	27.83
Total - Fees and Commission Income	323.57	37.25

31 Other Income

(₹ in Crores)

Particulars	Period ended 30-09-2021	Period ended 30-09-2020
Fees from Training Courses	3.87	0.01
Gain on cessation of significant influence in Joint Venture	29.01	-
Miscellaneous Income	11.56	12.48
Total - Other Income	44.44	13.43



32 Finance Costs

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

(₹ in Crores)

Particulars	Period ended 30-09-2021	Period ended 30-09-2020
(i) Interest on Borrowings		
- Loans from Govt. of India	411.25	409.56
- Loans from Banks/ Financial Institutions	1,382.18	914.56
- External Commercial Borrowings	250.79	392.41
Sub-Total (i)	2,044.22	1,716.53
(ii) Interest on Debt Securities		
- Domestic Debt Securities	7,741.21	7,682.38
- Foreign Currency Debt Securities	622.89	595.17
- Commercial Paper	-	35.32
Sub-Total (ii)	8,364.10	8,312.87
(iii) Interest on Subordinated Liabilities		
- Subordinate Bonds	198.46	196.78
Sub-Total (iii)	198.46	196.78
(iv) Other Interest Expense		
- Swap Premium	548.00	388.19
- Interest on liability towards employee benefits	1.72	1.14
Sub-Total (iv)	549.72	389.33
Total - Finance Costs	11,156.50	10,615.51
Less: Finance Costs Capitalised	(5.39)	(10.54)
Total - Finance Costs (Net)	11,151.11	10,604.97

33 Net translation/ transaction exchange loss/ (gain)

(₹ in Crores)

Particulars	Period ended 30-09-2021	Period ended 30-09-2020
Net translation/ transaction exchange loss/ (gain)	213.08	139.52
Total	213.08	139.52

34 Fees and commission expense

(₹ in Crores)

Particulars	Period ended 30-09-2021	Period ended 30-09-2020
(i) Guarantee Fee	2.14	-
(ii) Listing and Trusteeship Fee	0.81	0.78
(iii) Other Finance Charges	5.12	7.01
Total (i to iii)	9.04	8.59

35 Net Gain/ (loss) on Fair Value Changes

(₹ in Crores)

Particulars	Period ended 30-09-2021	Period ended 30-09-2020
(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	41.16	187.12
- Changes in fair value of Long Term Investments	2.34	2.97
- Changes in fair value of Short-term MF investments	0.57	17.58
Sub-total (ii)	44.07	207.67
Total (A)	44.07	207.67

36 Impairment on financial instruments

(₹ in Crores)

Particulars	Period ended 30-09-2021		Period ended 30-09-2020	
	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 *	-	1,895.53	-	986.30
(ii) - Others	-	4.42	-	5.72
Total (i+ii)	-	1,899.95	-	992.02

* includes ₹ 8.82 crores (Previous year ₹ -3.9 crores) towards impairment allowance on Letters of Comfort.



37 Employee Benefits Expense

(₹ in Crores)

Particulars	Period ended 30-09-2021	Period ended 30-09-2020
- Salaries and Allowances	60.53	46.67
- Contribution to Provident Fund and Other Funds	4.91	7.35
- Expenses towards Post Employment Benefits	4.83	2.42
- Rent towards Residential Accomodation for Employees	1.56	0.96
- Staff Welfare Expenses	10.05	10.18
Total	81.88	67.58

38 Depreciation and amortization

(₹ in Crores)

Particulars	Period ended 30-09-2021	Period ended 30-09-2020
- Depreciation on Property, Plant & Equipment	6.04	3.28
- Amortization on Intangible Assets	1.42	1.36
Total	7.46	4.64

39 Corporate Social Responsibility Expenses

(₹ in Crores)

Particulars	Period ended 30-09-2021	Period ended 30-09-2020
- Direct Expenditure	34.74	84.86
- Overheads	2.55	2.09
Total	37.29	86.95

40 Other Expenses

(₹ in Crores)

Particulars	Period ended 30-09-2021	Period ended 30-09-2020
- Travelling and Conveyance	4.24	3.74
- Publicity & Promotion Expenses	0.59	2.73
- Repairs and Maintenance	6.50	5.91
- Rent, taxes and energy costs	3.71	6.42
- Insurance Charges	0.07	0.08
- Communication costs	1.14	1.05
- Printing & stationery	0.30	0.45
- Director's sitting fees	0.05	0.04
- Auditors' fees and expenses	0.50	0.43
- Legal & Professional Charges	5.91	5.20
- Net Loss on Disposal of Property, Plant & Equipment	0.46	2.43
- Govt. Scheme Monitoring Expenses	12.72	17.94
- Miscellaneous Expenses	13.86	12.58
Total	50.05	59.00

41 Tax Expense

(₹ in Crores)

Particulars	Period ended 30-09-2021	Period ended 30-09-2020
- Current tax expense	1,593.37	1,378.68
- Current tax expense/ (benefit) pertaining to earlier years	-	133.73
Sub-total - Current Tax	1,593.37	1,512.41
- Deferred tax expense/ (credit)	(438.68)	(291.32)
Total	1,154.69	1,221.09

42 Earnings per Share

Particulars	Period ended 30-09-2021	Period ended 30-09-2020
Numerator		
Profit for the year from continuing operations as per Statement of Profit and Loss (₹ in Crores)	4,985.39	4,029.22
Profit for the year from continuing and discontinued operations as per Statement of Profit and Loss (₹ in Crores)	4,985.39	4,029.22
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)	25.24	20.40
Basic & Diluted Earnings per Share (in ₹ for an equity share of ₹ 10 each) (for continuing and discontinued operations)	25.24	20.40



REC Limited

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

Consolidated Balance Sheet as at 30th September, 2021

(₹ in Crores)

S. No.	Particulars	Note No.	As at 30-09-2021	As at 31-03-2021
	ASSETS			
(1)	Financial Assets			
(a)	Cash and cash equivalents	6	5,808.88	1,179.24
(b)	Bank balances other than (a) above	7	1,182.69	2,223.58
(c)	Trade receivables	8	106.82	140.07
(d)	Derivative financial instruments	9	3,603.92	2,311.22
(e)	Loans	10	3,73,726.29	3,65,261.49
(f)	Investments	11	2,107.75	1,723.68
(g)	Other financial assets	12	24,506.40	24,419.88
	Total - Financial Assets (1)		4,11,042.75	3,97,259.16
(2)	Non-Financial Assets			
(a)	Current tax assets (net)	13	168.92	168.92
(b)	Deferred tax assets (net)	14	2,904.99	2,461.03
(c)	Investment Property	15	-	0.01
(d)	Property, Plant & Equipment	16	591.27	260.70
(e)	Capital Work-in-Progress	16	27.08	335.67
(f)	Intangible Assets Under Development	16	-	0.77
(g)	Other Intangible Assets	16	5.73	6.15
(h)	Other non-financial assets	17	75.09	102.67
(i)	Investments accounted for using equity method	11	-	257.74
	Total - Non-Financial Assets (2)		3,773.07	3,593.66
(3)	Assets classified as held for sale	18	15.83	14.05
	Total ASSETS (1+2+3)		4,14,831.65	4,00,866.87
	LIABILITIES AND EQUITY			
	LIABILITIES			
(1)	Financial Liabilities			
(a)	Derivative financial instruments	9	948.49	846.31
(b)	Trade Payables			
	(i) total outstanding dues of MSMEs	19	-	0.01
	(ii) total outstanding dues of creditors other than MSMEs	19	34.92	61.50
(c)	Debt Securities	20	2,36,248.25	2,37,269.11
(d)	Borrowings (other than debt securities)	21	96,798.61	85,507.36
(e)	Subordinated Liabilities	22	6,861.49	6,946.89
(f)	Other financial liabilities	23	25,243.79	26,222.35
	Total - Financial Liabilities (1)		3,66,135.55	3,56,853.53
(2)	Non-Financial Liabilities			
(a)	Current tax liabilities (net)	24	402.96	14.40
(b)	Provisions	25	101.51	104.68
(c)	Other non-financial liabilities	26	125.63	130.25
	Total - Non-Financial Liabilities (2)		630.10	249.33
(3)	Liabilities directly associated with assets classified as held for sale	18	0.02	0.08
(4)	EQUITY			
(a)	Equity Share Capital	27	1,974.92	1,974.92
(b)	Instruments Entirely Equity In Nature	28	558.40	558.40
(c)	Other equity	29	45,532.66	41,230.61
	Total - Equity (4)		48,065.98	43,763.93
	Total - LIABILITIES AND EQUITY (1+2+3+4)		4,14,831.65	4,00,866.87
	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 Profit and Loss for the period ended 30th September, 2021

(₹ in Crores)

S. No.	Particulars	Note No.	Period ended	Period ended
			30-09-2021	30-09-2020
	Revenue from Operations			
(i)	Interest Income	30	19,165.50	16,944.87
(ii)	Dividend Income	31	1.72	5.69
(iii)	Fees and Commission Income	32	323.57	37.25
(iv)	Net gain/ (loss) on fair value changes	38	44.07	207.67
(v)	Sale of services	33	63.78	61.17
I.	Total Revenue from Operations (i to v)		19,598.64	17,256.65
II.	Other Income	34	16.88	13.53
III.	Total Income (I+II)		19,615.52	17,270.18
	Expenses			
(i)	Finance Costs	35	11,150.01	10,603.45
(ii)	Net translation/ transaction exchange loss	36	213.08	139.52
(iii)	Fees and commission Expense	37	9.04	8.59
(iv)	Impairment on financial instruments	39	1893.14	996.17
(v)	Cost of services rendered	40	30.69	29.77
(vi)	Employee Benefits Expenses	41	91.17	76.53
(vii)	Depreciation and amortization	42	7.61	5.44
(viii)	Corporate Social Responsibility Expenses	43	37.81	87.94
(ix)	Other Expenses	44	49.54	59.07
IV.	Total Expenses (i to ix)		13,482.09	12,006.48
V.	Profit before Tax (III-IV)		6,133.43	5,263.70
VI.	Share of Profit/Loss of Joint Venture accounted for using equity method		(11.81)	4.52
VII.	Profit before Tax (III-IV+V)		6,121.62	5,268.22
VIII.	Tax Expense	45		
(i)	Current tax		1,601.56	1,519.18
(ii)	Deferred Tax		(440.87)	(293.40)
	Total Tax Expense (i+ii)		1,160.69	1,225.78
IX.	Profit for the period		4,960.93	4,042.44
X.	Other comprehensive Income/(Loss)			
(i)	Items that will not be reclassified to profit or loss			
(a)	Re-measurement gains/(losses) on defined benefit plans		(1.65)	(3.18)
(b)	Changes in Fair Value of FVOCI Equity Instruments		57.77	88.52
(c)	Share of Other Comprehensive Income/ (loss) of Joint Venture accounted for using equity method		(0.02)	-
(d)	Income tax relating to these items			
	- Re-measurement gains/(losses) on defined benefit plans		0.42	0.80
	- Changes in Fair Value of FVOCI Equity Instruments		-	(4.95)
	Sub-Total (i)		56.52	81.19
(ii)	Items that will be reclassified to profit or loss			
(a)	Effective Portion of Cash Flow Hedges		(5.31)	(35.64)
(b)	Cost of hedging reserve		(6.91)	290.66
(c)	Share of Other Comprehensive Income/ (loss) of Joint Venture accounted for using equity method		1.19	0.00
(d)	Income tax relating to these items			
	- Effective Portion of Cash Flow Hedges		1.34	8.97
	- Cost of hedging reserve		1.74	(73.15)
	Sub-Total (ii)		(7.95)	190.84
	Other comprehensive Income/(Loss) for the period (i+ii)		48.57	272.03
XI.	Total comprehensive Income for the period (IX+X)		5,009.50	4,314.47
XII.	Basic & Diluted Earnings per Equity Share of ₹ 10 each (in ₹)	46		
(1)	For continuing operations		25.12	20.47
(2)	For continuing and discontinued operations		25.12	20.47



(₹ 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)(vii) of the Income Tax Act, 1961	Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	Debt 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 2021	19,222.23	2,128.41	3,804.00	-	2,236.54	4.70	(573.16)	9,903.16	-	4,606.01	(1.19)	24.07	(165.61)	41.45	41,230.61
Profit for the period	-	-	-	-	-	-	-	-	-	4,960.93	-	-	-	-	4,960.93
Remeasurement of Defined Benefit Plans	-	-	-	-	-	-	-	-	-	(1.23)	-	-	-	-	(1.23)
Recognition through Other Comprehensive Income (net of taxes)	-	-	-	-	-	-	-	-	-	(0.02)	-	57.77	(3.97)	(5.17)	48.61
Reclassification of (gain)/ loss on cessation of significant influence	-	-	-	-	-	-	-	-	-	-	1.19	-	-	-	1.19
Total Comprehensive Income	-	-	-	-	-	-	-	-	-	4,959.68	1.19	57.77	(3.97)	(5.17)	5,009.50
Transferred to/ (from) Retained Earnings	1,553.84	-	997.09	-	-	-	-	-	-	(2,550.93)	-	-	-	-	-
Transferred to/ (from) General Reserve	-	(39.05)	-	-	-	-	-	39.05	-	-	-	-	-	-	-
Reclassification of gain/ (loss) on sale/ extinguishment of FVOCI equity instrument (net of taxes)	-	-	-	-	-	-	-	-	-	82.60	-	(82.60)	-	-	(0.01)
Foreign Currency Translation Loss on long term monetary items during the period	-	-	-	-	-	-	-	-	(107.53)	-	-	-	-	-	(107.53)
Amortisation during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total- Other adjustments	1,553.84	(39.05)	997.09	-	-	(0.01)	40.15	39.05	-	(2,468.33)	-	(82.60)	-	-	40.14
Dividends	-	-	-	-	-	-	-	-	-	(747.59)	-	-	-	-	(747.59)
Total- Transaction with owners	20,776.07	2,089.36	4,801.09	-	2,236.54	4.69	(533.01)	9,942.21	-	6,349.77	-	(0.76)	(169.58)	36.28	45,532.66
Balance as at 30th September 2021															



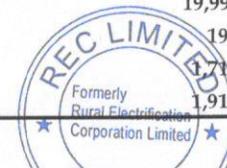
REC Limited

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

Consolidated Statement of Cash Flows for the period ended 30th September 2021

(₹ in Crores)

PARTICULARS	Period ended 30-09-2021	Period ended 30-09-2020
A. Cash Flow from Operating Activities :		
Net Profit before Tax	6,121.62	5,268.22
Adjustments for:		
1. Loss on derecognition of Property, Plant and Equipment (net)	0.46	2.43
2. Loss/ (Gain) on derecognition of Assets held for sale (net)	(1.71)	-
3. Depreciation & Amortization	7.61	5.44
4. Impairment losses on Financial Instruments	1,893.14	996.17
5. Adjustments towards Effective Interest Rate in respect of Loans	(9.73)	(9.16)
6. Adjustments towards Effective Interest Rate in respect of Borrowings	16.14	88.32
7. Fair Value Changes in Derivatives	(41.16)	(187.12)
8. Fair Value Changes in FVTPL Instruments	(2.34)	(2.97)
9. Interest on Commercial Paper	-	35.32
10. Interest Accrued on Zero Coupon Bonds	-	55.70
11. Loss/ (Gain) on Exchange Rate fluctuation	(1,173.41)	217.93
12. Share of Profit/Loss of Joint Venture accounted for using equity method	11.81	(4.52)
Operating profit before Changes in Operating Assets & Liabilities	6,822.43	6,465.76
Inflow / (Outflow) on account of :		
1. Loan Assets	(9,898.77)	(27,149.95)
2. Derivatives	(795.09)	181.55
3. Other Operating Assets	551.73	1,663.00
4. Operating Liabilities	(1,364.48)	(331.71)
Cash flow from Operations	(4,684.19)	(19,171.35)
1. Income Tax Paid (including TDS)	(1,212.57)	(789.22)
2. Income Tax refund	-	11.73
Net Cash Flow from Operating Activities	(5,896.76)	(19,948.84)
B. Cash Flow from Investing Activities		
1. Sale of Property, Plant & Equipment	0.03	0.03
2. Sale of assets held for sale	1.73	-
3. Investment in Property, Plant & Equipment (incl. CWIP & Capital Advances)	(37.24)	(34.36)
4. Investment in Intangible Assets (including intangible assets under development)	(0.24)	(0.01)
5. Finance Costs Capitalised	(5.39)	(10.54)
6. Sale of Equity Shares of Indian Energy Exchange Limited	405.59	183.63
7. Sale/(Investment) of/in shares of associate companies (Net)	0.10	(0.45)
8. Redemption/ (Investment) in Debt Securities (net)	9.45	9.47
9. Redemption/ (Investment) in Government Securities (net)	(465.82)	-
10. Maturity/(Investment) of/in Corporate and Term deposits	(7.62)	(2.33)
Net Cash Flow from Investing Activities	(99.41)	145.44
C. Cash Flow from Financing Activities		
1. Issue/ (Redemption) of Rupee Debt Securities (Net)	(4,267.83)	4,994.52
2. Issue/ (Redemption) of Commercial Paper (net)	-	(2,925.00)
3. Raising/ (Repayments) of Rupee Term Loans/ WCDL from Govt./ Banks/ FIs (net)	1,854.58	12,348.09
4. Raising/ (Repayments) of Foreign Currency Debt Securities and Borrowings (net)	13,434.05	3,583.08
5. Raising/ (Redemption) of Subordinated Liabilities (net)	-	1,999.50
6. Payment of Dividend on Equity Shares	(394.98)	-
7. Repayment towards Lease Liability	(0.01)	(0.40)
Net Cash flow from Financing Activities	10,625.81	19,999.79
Net Increase/Decrease in Cash & Cash Equivalents	4,629.64	196.39
Cash & Cash Equivalents as at the beginning of the period	1,179.24	1,717.71
Cash & Cash Equivalents as at the end of the period	5,808.88	1,914.09



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 30th September 2021 were authorized and approved for issue by the Board of Directors on 29th October, 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 there 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



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 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 through 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

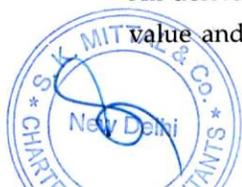
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such 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 30-09-2021	As at 31-03-2021
- Cash in Hand (including postage & imprest)	0.14	0.12
- Balances with Banks		
- in current accounts	379.36	247.82
- deposits with original maturity less than 3 months	3,834.83	931.30
- Short term Investment in Debt Mutual Funds	1,594.55	-
Total (Cash & Cash Equivalents)	5,808.88	1,179.24

7 Bank Balances (other than Cash and Cash Equivalents)

(₹ in Crores)

Particulars	As at 30-09-2021	As at 31-03-2021
- Earmarked Balances with Banks		
- For unpaid dividends	344.05	5.79
- For govt. funds for onward disbursement as grant	286.49	1,323.55
- Earmarked Term Deposits		
- Deposits in Compliance of Court Order	0.56	0.56
- Term Deposit held as Margin Money against Bank Guarantee	0.26	0.25
- Term Deposit- Debenture Redemption Reserves	128.62	-
- Balances with banks not available for use pending allotment of securities	379.24	856.62
- Other Term deposits	43.47	36.81
Total (Other Bank Balances)	1,182.69	2,223.58
- Term Deposits with remaining maturity more than 3 months but less than 12 months	84.28	70.02
- Term Deposits with original maturity more than 12 months	1.00	0.97

8 Trade Receivables

(₹ in Crores)

Particulars	As at 30-09-2021	As at 31-03-2021
(A) Unsecured, Considered good	88.30	124.45
Less: Allowance for Expected Credit Loss	(9.91)	(19.12)
	78.39	105.33
(B) Trade receivables which have significant increase in credit risk	50.29	55.32
Less: Allowance for Expected Credit Loss	(21.86)	(20.58)
	28.43	34.74
(C) Credit impaired receivables	47.93	46.80
Less: Allowance for Expected Credit Loss	(47.93)	(46.80)
	-	-
Total Trade Receivables (A+B+C)	106.82	140.07



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

Particulars	As at 30-09-2021				As at 31-03-2021		
	Notional Amounts	Fair Value -		Notional Amounts	Fair Value -		
		Assets	Liabilities		Assets	Liabilities	
(i) Currency Derivatives							
- Currency swaps	2,837.39	28.35	44.78	2,854.54	43.07	121.08	
- Others							
- Call Spread	4,306.80	274.30	-	4,263.27	271.36	-	
- Seagull Options	33,668.90	2,957.65	-	20,482.08	1,657.19	43.25	
Sub-total (i)	40,813.09	3,260.30	44.78	27,599.89	1,971.62	164.33	
(ii) Interest Rate Derivatives							
- Forward Rate Agreements and Interest Rate Swaps	29,865.82	343.62	310.10	25,035.68	339.60	403.65	
Sub-total (ii)	29,865.82	343.62	310.10	25,035.68	339.60	403.65	
(iii) Other derivatives							
- Reverse cross currency swaps	4,747.00	-	593.61	4,547.00	-	278.33	
Total - Derivative Financial Instruments (i + ii+iii)	75,425.91	3,603.92	948.49	57,182.57	2,311.22	846.31	

(₹ in Crores)



Part II

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

(₹ in Crores)

Particulars	As at 30-09-2021				As at 31-03-2021			
	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Fair Value - Assets	Fair Value - Liabilities
(i) Cash Flow Hedging								
- Currency Derivatives								
- Currency Swaps	2,784.57	17.82	44.78	2,756.43	23.86		23.86	121.08
- Others								
- Call Spread	1,856.38	68.71	-	1,837.62	77.74		77.74	-
- Seagull Options	33,668.90	2,957.65	-	20,482.08	1,657.19		1,657.19	43.25
- Interest Rate Derivatives								
- Forward Rate Agreements and Interest Rate Swaps	15,635.98	-	258.87	13,055.84	-		-	318.18
Sub-total (i)	53,945.83	3,044.18	303.65	38,131.97	1,758.79		1,758.79	482.51
(ii) Undesignated Derivatives								
- Undesignated Derivatives	21,480.08	559.74	644.84	19,050.60	552.43		552.43	363.80
Total - Derivative Financial Instruments (i+ii)	75,425.91	3,603.92	948.49	57,182.57	2,311.22		2,311.22	846.31

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 30-09-2021		As at 31-03-2021	
	Principal O/s	Amortised Cost	Principal O/s	Amortised Cost
(A) Loans				
(i) Term Loans	3,83,788.30	3,85,277.76	3,77,041.98	3,78,090.36
(ii) Working Capital Loans	3,489.17	3,501.90	376.17	377.24
Total (A) - Gross Loans	3,87,277.47	3,88,779.66	3,77,418.15	3,78,467.60
Less: Impairment loss allowance	(15,053.37)	(15,053.37)	(13,206.11)	(13,206.11)
Total (A) - Net Loans	3,72,224.10	3,73,726.29	3,64,212.04	3,65,261.49
(B) Security Details				
(i) Secured by tangible assets	2,45,467.62	2,46,251.38	2,56,744.52	2,57,329.46
(ii) Covered by Bank/ Govt. Guarantees	1,18,579.77	1,19,204.30	1,01,071.53	1,01,456.48
(iii) Unsecured	23,230.08	23,323.98	19,602.10	19,681.67
Total (B) - Gross Loans	3,87,277.47	3,88,779.66	3,77,418.15	3,78,467.60
Less: Impairment loss allowance	(15,053.37)	(15,053.37)	(13,206.11)	(13,206.11)
Total (B) - Net Loans	3,72,224.10	3,73,726.29	3,64,212.04	3,65,261.49
(C)(I) Loans in India				
(i) Public Sector	3,49,697.95	3,51,152.32	3,38,810.31	3,39,877.44
(ii) Private Sector	37,579.52	37,627.34	38,607.84	38,590.16
Total (C)(I) - Gross Loans	3,87,277.47	3,88,779.66	3,77,418.15	3,78,467.60
Less: Impairment loss allowance	(15,053.37)	(15,053.37)	(13,206.11)	(13,206.11)
Total (C)(I) - Net Loans	3,72,224.10	3,73,726.29	3,64,212.04	3,65,261.49
(C)(II) Loans outside India	-	-	-	-
Less: Impairment loss allowance	-	-	-	-
Total (C)(II) - Net Loans	-	-	-	-
Total (C)(I) and (C)(II)	3,72,224.10	3,73,726.29	3,64,212.04	3,65,261.49



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 30th September, 2021							
Govt. Securities	1,122.09	-	-	-	1,122.09	-	1,122.09
Debt Securities	416.35	-	139.68	-	556.03	-	556.03
Equity Instruments	-	329.40	41.19	-	370.59	-	370.59
Preference Shares	27.84	-	31.20	-	59.04	-	59.04
Total - Gross (A)	1,566.28	329.40	212.07	-	2,107.75	-	2,107.75
Investments in India	1,566.28	329.40	212.07	-	2,107.75	-	2,107.75
Total - Gross (B)	1,566.28	329.40	212.07	-	2,107.75	-	2,107.75
Total Investments	1,566.28	329.40	212.07	-	2,107.75	-	2,107.75
Less: impairment loss allowance (C)	-	-	-	-	-	-	-
Total - Net (D=A-C)	1,566.28	329.40	212.07	-	2,107.75	-	2,107.75

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
Total - Gross (A)	1,083.90	430.13	209.65	-	1,723.68	-	1,723.68
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

(B) Investments accounted for using equity method

₹ in Crores

Particulars	As at 30-09-2021	As at 31-03-2021
Investment in Joint Ventures		
- Energy Efficiency Services Ltd.	-	257.74
(21,81,00,000 Equity shares of ₹ 10 each)		
Total	-	257.74



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 30-09-2021	As at 31-03-2021
(A) Loans to Employees	40.10	39.94
(B) Advances to Employees	0.33	0.41
(C) Loans & Advances to Subsidiaries	(2.88)	-
(D) Security Deposits	1.46	1.45
(E) Recoverable from Govt. of India		
- Towards GoI Fully Serviced Bonds	24,318.37	24,314.48
(F) Other Amounts Recoverable	241.97	152.13
Less: Impairment loss allowance	(92.95)	(88.53)
Other Amounts Recoverable (Net)	149.02	63.60
Total (A to F)	24,506.40	24,419.88

13 Current tax assets (net)

(₹ in Crores)

Particulars	As at 30-09-2021	As at 31-03-2021
Advance Income-tax & TDS	236.26	236.26
Less: Provision for Income Tax	(72.35)	(72.35)
Sub-Total (1)	163.91	163.91
Tax Deposited on income tax demands under contest	5.26	5.26
Provision for income tax for demand under contest	(0.25)	(0.25)
Sub-Total (2)	5.01	5.01
Current tax assets (Net)	168.92	168.92

14 Deferred tax assets (net)

(₹ in Crores)

Particulars	As at 30-09-2021	As at 31-03-2021
Deferred Tax Assets (Net)	2,904.99	2,461.03



17 Other non-financial assets

(₹ in Crores)

Particulars	As at 30-09-2021	As at 31-03-2021
Unsecured, considered good		
(A) Capital Advances	8.07	8.84
(B) Other Advances	2.07	3.34
(C) Balances with Govt. Authorities	46.51	68.06
(D) Pre-Spent Corporate Social Responsibility (CSR) Expenses	0.58	4.03
(E) Prepaid Expenses	3.83	4.29
(F) Deferred Employee Cost	14.01	14.09
(G) Other Assets	0.02	0.02
Total (A to G)	75.09	102.67

18 Assets classified as held for sale

(₹ in Crores)

Particulars	As at 30-09-2021	As at 31-03-2021
(A) Disposal Group		
(i) Investment in associates	0.50	0.60
(ii) Loans to associates	13.30	13.45
Sub-Total (i+ii)	13.80	14.05
(B) Assets Classified as Held for Sale-Building	2.03	0.00
Total (B)	2.03	0.00
Grand Total (A+B)	15.83	14.05
Liabilities directly associated with assets classified as held for sale		
(C) Payable to associates	0.02	0.08
Total (C)	0.02	0.08
Net Assets held for sale (A+B-C)	15.81	13.97

19 Trade Payables

(₹ in Crores)

Particulars	As at 30-09-2021	As at 31-03-2021
Trade Payables		
Total outstanding dues of MSMEs	-	0.01
Total outstanding dues of creditors other than MSMEs	34.92	61.50
Total	34.92	61.51



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 30-09-2021		As at 31-03-2021	
	Face Value	Amortised Cost	Face Value	Amortised Cost
(A) Secured Long-Term Debt Securities				
(i) Institutional Bonds	1,955.00	1,972.94	3,470.00	3,679.52
(ii) 54EC Capital Gain Tax Exemption Bonds	20,846.13	21,106.11	17,264.97	17,901.65
(iii) Tax Free Bonds	12,602.97	13,199.80	12,602.97	13,044.23
(iv) Bond Application Money	379.24	378.39	856.62	854.71
Sub-total (A)	35,783.34	36,657.24	34,194.56	35,480.11
(B) Unsecured Long-Term Debt Securities				
(i) Institutional Bonds	1,64,000.00	1,70,211.83	1,69,856.60	1,75,707.24
(ii) Infrastructure Bonds	11.07	22.31	11.07	21.36
(iii) Foreign Currency Bonds	29,702.05	29,356.87	26,461.71	26,060.40
Sub-total (B)	1,93,713.12	1,99,591.01	1,96,329.38	2,01,789.00
(C) Unsecured Short-Term Debt Securities				
(i) Commercial Paper	-	-	-	-
Sub-total (C)	-	-	-	-
Total - Debt Securities (A+B+C)	2,29,496.46	2,36,248.25	2,30,523.94	2,37,269.11
Debt Securities issued in/ outside India				
(i) Debt Securities in India	1,99,794.41	2,06,891.38	2,04,062.23	2,11,208.71
(ii) Debt Securities outside India	29,702.05	29,356.87	26,461.71	26,060.40
Total - Debt Securities	2,29,496.46	2,36,248.25	2,30,523.94	2,37,269.11

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 30-09-2021		As at 31-03-2021	
	Principal O/s	Amortised Cost	Principal O/s	Amortised Cost
(A) Unsecured Long-Term Borrowings				
(i) Term Loans from Banks	36,009.68	36,126.47	29,938.58	29,953.76
(ii) Term Loans from Financial Institutions	6,800.00	6,814.37	5,800.00	5,800.00
(iii) Foreign Currency Borrowings	26,055.46	25,892.57	21,024.72	20,890.94
(iv) Term Loans from Govt. of India	10,000.00	10,325.12	10,000.00	10,325.12
(v) Lease Liability	0.04	0.04	0.05	0.05
Sub-total (A)	78,865.18	79,158.57	66,763.35	66,969.87
(B) Unsecured Short-Term Borrowings				
(i) FCNR (B) Loans	9,653.16	9,658.00	5,329.10	5,335.01
(ii) Short Term Loans/ Loans repayable on demand from Banks	7,970.00	7,982.04	10,186.52	10,201.99
(iii) Loans repayable on demand from Holding Company	-	-	3,000.00	3,000.49
Sub-total (B)	17,623.16	17,640.04	18,515.62	18,537.49
Total - Borrowings (other than Debt Securities) (A to B)	96,488.34	96,798.61	85,278.97	85,507.36
Borrowings (other than Debt Securities) in/ outside India				
(i) Borrowings in India	70,432.88	70,906.04	64,254.25	64,616.42
(ii) Borrowings outside India	26,055.46	25,892.57	21,024.72	20,890.94
Total - Borrowings (other than Debt Securities)	96,488.34	96,798.61	85,278.97	85,507.36

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 30-09-2021		As at 31-03-2021	
	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	2,045.18	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	2,248.78	2,151.20	2,151.45
(iii) 115th Series - Subordinate Tier-II Bonds - 8.06% Redeemable at par on 31.05.2023	2,500.00	2,567.53	2,500.00	2,667.90
Total - Subordinated Liabilities	6,650.70	6,861.49	6,650.70	6,946.89
Subordinated Liabilities in/ outside India				
(i) Borrowings in India	6,650.70	6,861.49	6,650.70	6,946.89
(ii) Borrowings outside India	-	-	-	-
Total - Subordinated Liabilities	6,650.70	6,861.49	6,650.70	6,946.89

23 Other Financial Liabilities

(₹ in Crores)

Particulars	As at 30-09-2021	As at 31-03-2021
(A) Unpaid Dividends	6.34	5.79
(B) Unpaid Principal & Interest on Bonds		
- Matured Bonds & Interest Accrued thereon	43.72	49.77
- Interest on Bonds	17.80	18.95
Sub-total (B)	61.52	68.72
(C) Funds Received from Govt. of India for Disbursement as Subsidy/ Grant (cumulative)	91,939.06	91,398.16
Add: Interest on such funds (net of refund)	32.03	28.96
Less: Disbursed to Beneficiaries (cumulative)	(91,686.65)	(90,098.93)
Undisbursed Funds to be disbursed as Subsidy/ Grant	284.44	1,328.19
(D) Payables towards Bonds Fully serviced by Govt. of India	24,318.37	24,314.43
(E) Liability in respect of Dividend and Dividend Tax	337.71	-
(F) Payable towards funded staff benefits	1.65	9.00
(G) Other Liabilities	233.76	496.21
Total (A to G)	25,243.79	26,222.35

24 Current tax liabilities (net)

(₹ in Crores)

Particulars	As at 30-09-2021	As at 31-03-2021
Provision for Income Tax	4,278.94	2,691.90
Less: Advance Income-tax & TDS	(3,875.98)	(2,677.50)
Current tax liabilities (Net)	402.96	14.40

25 Provisions

(₹ in Crores)

Particulars	As at 30-09-2021	As at 31-03-2021
(A) Provisions for Employee Benefits		
Earned Leave Liability	22.08	18.57
Medical Leave Liability	20.96	20.91
Settlement Allowance	1.81	1.89
Economic Rehabilitation Scheme	4.05	4.13
Long Service Award	1.96	2.02
Incentive	32.41	47.92
Loyalty Bonus	0.34	0.15
Sub-total (A)	83.61	95.59
(B) Others		
Expected Credit Loss on Letters of Comfort	17.90	9.09
Sub-total (B)	17.90	9.09
Total (A+B)	101.51	104.68

26 Other Non-Financial Liabilities

(₹ in Crores)

Particulars	As at 30-09-2021	As at 31-03-2021
(A) Income Received in Advance	0.71	0.01
(B) Sundry Liabilities Account (Interest Capitalisation)	4.42	5.07
(C) Unbilled Liability towards Capital Account	15.83	28.53
(D) Unamortised Fee on Undisbursed Loans	66.95	68.64
(E) Advance received from Govt. towards Govt. Schemes	1.09	1.17
(F) Statutory Dues	36.63	26.82
(G) Other Liabilities	-	0.01
Total (A to G)	125.63	130.25



27 Equity Share Capital

(₹ in Crores)

Particulars	As at 30-09-2021		As at 31-03-2021	
	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 30-09-2021		As at 31-03-2021	
	Number	Amount	Number	Amount
Fully paid up Perpetual Debts Instrument entirely equity in nature of ₹ 10 lakhs each	5,584	558.40	5,584	558.40
Total	5,584	558.40	5,584	558.40

29 Other Equity

(₹ in Crores)

Particulars	As at 30-09-2021	As at 31-03-2021
(A) Other Reserves		
(i) Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961	20,776.07	19,222.23
(ii) Reserve for Bad and doubtful debts u/s 36(1)(viiia) of the Income Tax Act, 1961	2,089.36	2,128.41
(iii) Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	4,801.09	3,804.00
(iv) Securities Premium	2,236.54	2,236.54
(v) Foreign Currency Monetary Item Translation Difference Account	(533.01)	(573.16)
(vi) Capital Reserve	4.69	4.70
(vii) General Reserve	9,942.21	9,903.16
(B) Retained Earnings	6,349.77	4,606.01
(C) Other Comprehensive Income (OCI)		
- Share of Other Comprehensive Income/ (loss) of Joint Venture accounted for using equity method	-	(1.19)
- Equity Instruments through Other Comprehensive Income	(0.76)	24.07
- Effective Portion of Cash Flow Hedges	(169.58)	(165.61)
- Cost of Hedging reserve	36.28	41.45
Total - Other Equity (A+B+C)	45,532.66	41,230.61



30 Interest Income

(₹ in Crores)

Particulars	Year ended 30.09.2021			Year ended 30.09.2020		
	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	-	18,974.55	-	-	16,680.67	-
Less: Rebate for timely payments/completion etc	-	(0.03)	-	-	(0.03)	-
Long term financing (net)	-	18,974.52	-	-	16,680.64	-
(ii) Short term financing	-	88.62	-	-	51.00	-
Sub-total (A)	-	19,063.14	-	-	16,731.64	-
(B) Interest Income from Investments						
(i) Interest from Govt. Securities	-	28.84	-	-	-	-
(ii) Interest from Long Term Investments	-	21.47	13.87	-	2.72	98.28
Sub-total (B)	-	50.31	13.87	-	2.72	98.28
(C) Interest on Deposits with Banks						
(i) Interest from Deposits	-	35.82	-	-	109.35	-
Sub-total (C)	-	35.82	-	-	109.35	-
(D) Other Interest Income						
(i) Interest from Staff Advances	-	2.05	-	-	1.77	-
(ii) Interest on Mobilisation Advance	-	0.11	-	-	0.44	-
(iii) Unwinding of Discount of Security Deposits	-	-	-	-	0.02	-
(iv) Interest from SPVs	-	0.20	-	-	0.65	-
Sub-total (D)	-	2.36	-	-	2.88	-
Total - Interest Income (A to D)	-	19,151.63	13.87	-	16,846.59	98.28

31 Dividend Income

(₹ in Crores)

Particulars	Year ended 30.09.2021	Year ended 30.09.2020
- Dividend from Long-Term Investments	1.72	5.69
Total - Dividend Income	1.72	5.69

32 Fees and Commission Income

(₹ in Crores)

Particulars	Year ended 30.09.2021	Year ended 30.09.2020
Fees based Income	33.34	9.39
Prepayment Premium	275.00	0.03
Fee for Implementation of Govt. Schemes	15.23	27.83
Total - Fees and Commission Income	323.57	37.25

33 Sale of services

(₹ in Crores)

Particulars	Year ended 30.09.2021	Year ended 30.09.2020
Consultancy Engineering Services	61.13	57.84
Execution of IT Implementation projects	-	0.70
Income from REC - UE Village Project	2.65	2.53
Documentation fees	-	0.10
Total	63.78	61.17

34 Other Income

(₹ in Crores)

Particulars	Year ended 30.09.2021	Year ended 30.09.2020
Fees from Training Courses	3.87	0.01
Interest from Income Tax Refund	0.01	0.94
Miscellaneous Income	13.00	12.58
Total - Other Income	16.88	13.53



35 Finance Costs

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

(₹ in Crores)

Particulars	Year ended 30.09.2021	Year ended 30.09.2020
(i) Interest on Borrowings		
- Loans from Govt. of India	411.25	409.56
- Loans from Banks/ Financial Institutions	1,382.18	914.62
- External Commercial Borrowings	250.79	392.41
- Lease Liability	-	0.09
Sub-Total (i)	2,044.22	1,716.68
(ii) Interest on Debt Securities		
- Domestic Debt Securities	7,738.93	7,680.10
- Foreign Currency Debt Securities	622.89	595.17
- Commercial Paper	-	35.32
Sub-Total (ii)	8,361.82	8,310.59
(iii) Interest on Subordinated Liabilities		
- Subordinate Bonds	198.46	196.78
Sub-Total (iii)	198.46	196.78
(iv) Other Interest Expense		
- Swap Premium	548.00	388.19
- Interest on liability towards employee benefits	1.72	1.14
- Miscellaneous interest expense	1.18	0.61
Sub-Total (iv)	550.90	389.94
Total - Finance Costs	11,155.40	10,613.99
Less: Finance Costs Capitalised	(5.39)	(10.54)
Total - Finance Costs (Net)	11,150.01	10,603.45

36 Net translation/ transaction exchange loss/ (gain)

(₹ in Crores)

Particulars	Year ended 30.09.2021	Year ended 30.09.2020
Net translation/ transaction exchange loss/ (gain)	213.08	139.52
Total	213.08	139.52

37 Fees and commission expense

(₹ in Crores)

Particulars	Year ended 30.09.2021	Year ended 30.09.2020
(i) Guarantee Fee	2.14	-
(i) Listing and Trusteeship Fee	0.81	0.78
(iii) Agency Fees	0.97	0.80
(iv) Other Finance Charges	5.12	7.01
Total (i to iv)	9.04	8.59

38 Net Gain/ (loss) on Fair Value Changes

(₹ in Crores)

Particulars	Year ended 30.09.2021	Year ended 30.09.2020
(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	41.16	187.12
- Changes in fair value of Long Term Investments	2.34	2.97
- Changes in fair value of Short-term MF investments	0.57	17.58
Sub-total (ii)	44.07	207.67
Total (A)	44.07	207.67
Breakup of Fair Value Changes		
- Realised	549.65	173.45
- Unrealised	(505.58)	34.22
Total Net Gain/ (loss) on Fair Value Changes	44.07	207.67

39 Impairment on financial instruments

(₹ in Crores)

Particulars	Year ended 30.09.2021		Year ended 30.09.2020	
	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 *	-	1,895.53	-	986.30
(ii) - Others	-	(2.39)	-	9.87
Total (i+ii)	-	1,893.14	-	996.17

* includes ₹ 8.82 crores (Previous year ₹ -3.9 crores) towards impairment allowance on Letters of Comfort.



40 Cost of services rendered

(₹ in Crores)

Particulars	Year ended 30.09.2021	Year ended 30.09.2020
Project Expenses	30.69	29.77
Total	30.69	29.77

41 Employee Benefits Expense

(₹ in Crores)

Particulars	Year ended 30.09.2021	Year ended 30.09.2020
- Salaries and Allowances	69.28	55.38
- Contribution to Provident Fund and Other Funds	5.06	7.46
- Expenses towards Post Employment Benefits	4.83	2.42
- Rent towards Residential Accomodation for Employees	1.56	0.96
- Staff Welfare Expenses	10.44	10.31
Total	91.17	76.53

42 Depreciation and amortization

(₹ in Crores)

Particulars	Year ended 30.09.2021	Year ended 30.09.2020
- Depreciation on Property, Plant & Equipment	6.18	4.07
- Amortization on Intangible Assets	1.43	1.37
Total	7.61	5.44

43 Corporate Social Responsibility Expenses

(₹ in Crores)

Particulars	Year ended 30.09.2021	Year ended 30.09.2020
- Direct Expenditure	35.26	85.85
- Overheads	2.55	2.09
Total	37.81	87.94

44 Other Expenses

(₹ in Crores)

Particulars	Year ended 30.09.2021	Year ended 30.09.2020
- Travelling and Conveyance	4.54	4.32
- Publicity & Promotion Expenses	0.71	2.98
- Repairs and Maintenance	9.52	6.39
- Rent, taxes and energy costs	3.44	7.62
- Insurance Charges	0.07	0.08
- Communication costs	1.16	1.11
- Printing & stationery	0.33	0.50
- Director's sitting fees	0.05	0.04
- Auditors' fees and expenses	0.51	0.48
- Legal & Professional Charges	6.68	5.61
- Net Loss on Disposal of Property, Plant & Equipment	0.46	2.43
- Monitoring Expenses	8.06	14.07
- Miscellaneous Expenses	14.01	13.44
Total	49.54	59.07

45 Tax Expense

(₹ in Crores)

Particulars	Year ended 30.09.2021	Year ended 30.09.2020
- Current tax expense	1,601.56	1,385.45
- Current tax expense/ (benefit) pertaining to earlier years	-	133.73
Sub-total - Current Tax	1,601.56	1,519.18
- Deferred tax expense/ (credit)	(440.87)	(293.40)
Total	1,160.69	1,225.78

46 Earnings per Share

Particulars	Year ended 30.09.2021	Year ended 30.09.2020
Numerator		
Profit for the year from continuing operations as per Statement of Profit and Loss (₹ in Crores)	4,960.93	4,042.44
Profit for the year from continuing and discontinued operations as per Statement of Profit and Loss (₹ in Crores)	4,960.93	4,042.44
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)	25.12	20.47
Basic & Diluted Earnings per Share (in ₹ for an equity share of ₹ 10 each) (for continuing and discontinued operations)	25.12	20.47

