



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. 1-4,
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)/2022/581

Dated: February 4, 2022

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.
Scrip Code—RECLTD	Scrip Code—532955

Sub: Submission of unaudited financial results (standalone & consolidated) of REC for the quarter & nine months ended December 31, 2021 and declaration of 3rd interim dividend for the financial year 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 February 4, 2022, *inter-alia* approved the following:-

1. Unaudited financial results (standalone & consolidated) of the Company for the quarter and nine months ended December 31, 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 February 4, 2022. 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 3rd interim dividend @ ₹6/- (Rupees Six only) per equity share of ₹10/- each for the financial year 2021-22. Further, the record date for the said interim dividend is **Wednesday, February 16, 2022** and the said interim dividend shall be paid/dispatched on **Thursday, March 3, 2022**, 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 Wednesday, February 16, 2022 in respect of shares held in electronic form; and (b) as members in the register of members on Wednesday, February 16, 2022 in respect of physical shares.

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.

Regional Offices: Bengaluru, Bhopal, Bhubaneswar, Chennai, Dehradun, Guwahati, Hyderabad, Jaipur, Jammu, Kolkata, Lucknow, Mumbai, Panchkula, Patna, Raipur, Ranchi, Shimla, Thiruvananthapuram & Vijaywada

State Offices : Vadodara

Training Centre : REC Institute of Power Management & Training (RECIPMT), Hyderabad

Statement of Unaudited Standalone Financial Results for the period ended 31-12-2021

(₹ in Crores)

S. No.	Particulars	Quarter Ended			Period Ended		Year Ended
		31-12-2021 (Unaudited)	30-09-2021 (Unaudited)	31-12-2020 (Unaudited)	31-12-2021 (Unaudited)	31-12-2020 (Unaudited)	31-03-2021 (Audited)
1	Income						
A	Interest income						
(i)	Interest income on loan assets	9,653.51	9,671.18	8,824.91	28,716.65	25,556.55	34,302.76
(ii)	Other interest income	56.44	52.83	71.30	154.54	280.77	381.02
	Sub-total (A) - Interest Income	9,709.95	9,724.01	8,896.21	28,871.19	25,837.32	34,683.78
B	Other Operating Income						
(i)	Dividend income	-	16.62	-	16.62	14.12	36.40
(ii)	Fees and commission income	50.43	173.45	25.66	374.00	62.91	95.38
(iii)	Net gain/ (loss) on fair value changes	246.51	125.06	120.26	290.58	327.93	572.33
	Sub-total (B) - Other Operating Income	296.94	315.13	145.92	681.20	404.96	704.11
C	Total Revenue from Operations (A+B)	10,006.89	10,039.14	9,042.13	29,552.39	26,242.28	35,387.89
D	Other Income	32.05	39.68	4.89	76.49	18.32	22.55
	Total income (C+D)	10,038.94	10,078.82	9,047.02	29,628.88	26,260.60	35,410.44
2	Expenses						
A	Finance costs	5,548.72	5,562.55	5,445.97	16,699.83	16,050.94	21,489.08
B	Net translation/ transaction exchange loss/ (gain)	114.79	(78.20)	(22.55)	327.87	116.97	330.26
C	Fees and commission expense	3.27	0.95	0.33	12.31	8.92	9.95
D	Impairment on financial instruments	819.02	1,118.51	729.96	2,718.97	1,721.98	2,419.62
E	Employee benefits expenses	40.91	42.52	42.64	122.79	110.22	144.84
F	Depreciation and amortization	5.07	4.65	2.24	12.53	6.88	9.53
G	Corporate social responsibility expenses	23.31	16.36	21.18	60.60	108.13	144.32
H	Other expenses	32.15	29.46	17.20	82.20	76.20	106.71
	Total expenses (A to H)	6,587.24	6,696.80	6,236.97	20,037.10	18,200.24	24,654.31
3	Profit before tax (1-2)	3,451.70	3,382.02	2,810.05	9,591.78	8,060.36	10,756.13
4	Tax expense						
A	Current tax						
-	Current year	784.47	832.61	682.53	2,377.84	2,061.21	2,683.62
-	Earlier years	-	-	-	-	133.73	223.28
B	Deferred tax	(105.42)	(189.38)	(135.41)	(544.10)	(426.73)	(512.55)
	Total tax expense (A+B)	679.05	643.23	547.12	1,833.74	1,768.21	2,394.35
5	Net profit for the period (3-4)	2,772.65	2,738.79	2,262.93	7,758.04	6,292.15	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	2.16	(1.59)	0.28	0.51	(2.90)	(14.26)
(b)	Changes in fair value of FVOCI equity instruments	(17.78)	21.45	47.99	39.99	136.51	166.53
(c)	Income tax relating to these items						
-	Re-measurement gains/(losses) on defined benefit plans	(0.55)	0.41	(0.07)	(0.13)	0.73	3.59
-	Changes in fair value of FVOCI equity instruments	(0.88)	(0.03)	0.48	(0.88)	(4.47)	(6.01)
	Sub-total (i)	(17.05)	20.24	48.68	39.49	129.87	149.85
(ii)	Items that will be reclassified to profit or loss						
(a)	Effective Portion of Cash Flow Hedges	153.25	(3.21)	23.84	147.94	(11.80)	80.81
(b)	Cost of hedging reserve	79.50	(39.73)	154.17	72.59	444.83	329.00
(c)	Income tax relating to these items						
-	Effective Portion of Cash Flow Hedges	(38.57)	0.81	(6.00)	(37.23)	2.97	(20.34)
-	Cost of hedging reserve	(20.01)	10.00	(38.81)	(18.27)	(111.96)	(82.80)
	Sub-total (ii)	174.17	(32.13)	133.20	165.03	324.04	306.67
	Other comprehensive Income/(Loss) for the period (i+ii)	157.12	(11.89)	181.88	204.52	453.91	456.52
7	Total comprehensive income for the period (5+6)	2,929.77	2,726.90	2,444.81	7,962.56	6,746.06	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 ₹) (not annualised)						
A	For continuing operations	14.04	13.87	11.46	39.28	31.86	42.34
B	For continuing and discontinued operations	14.04	13.87	11.46	39.28	31.86	42.34

See accompanying notes to the financial results.



Statement of Unaudited Consolidated Financial Results for the period ended 31-12-2021

(₹ in Crores)

S. No.	Particulars	Quarter Ended			Period Ended		Year Ended
		31-12-2021 (Unaudited)	30-09-2021 (Unaudited)	31-12-2020 (Unaudited)	31-12-2021 (Unaudited)	31-12-2020 (Unaudited)	31-03-2021 (Audited)
1	Income						
A	Interest Income						
(i)	Interest income on loan assets	9,653.51	9,671.18	8,824.91	28,716.65	25,556.55	34,302.76
(ii)	Other interest income	58.50	55.10	72.09	160.86	285.32	390.59
	Sub-total (A) - Interest Income	9,712.01	9,726.28	8,897.00	28,877.51	25,841.87	34,693.35
B	Other Operating Income						
(i)	Dividend income	-	1.72	-	1.72	5.69	27.97
(ii)	Fees and commission income	50.43	173.45	25.66	374.00	62.91	95.38
(iii)	Net gain/ (loss) on fair value changes	246.51	125.05	120.26	290.58	327.93	572.33
(iv)	Sale of services	28.10	21.51	41.65	91.88	102.82	163.65
	Sub-total (B) - Other Operating Income	325.04	321.74	187.57	758.18	499.35	859.33
C	Total Revenue from Operations (A+B)	10,037.05	10,048.02	9,084.57	29,635.69	26,341.22	35,552.68
D	Other Income	33.37	8.51	4.89	50.25	18.42	22.72
	Total income (C+D)	10,070.42	10,056.53	9,089.46	29,685.94	26,359.64	35,575.40
2	Expenses						
A	Finance costs	5,547.87	5,562.05	5,444.88	16,697.88	16,048.33	21,489.05
B	Net translation/ transaction exchange loss/ (gain)	114.79	(78.20)	(22.55)	327.87	116.97	330.26
C	Fees and commission expense	3.27	0.95	0.33	12.31	8.92	9.95
D	Impairment on financial instruments	815.02	1,111.70	730.31	2,708.16	1,726.48	2,445.94
E	Cost of services rendered	18.91	15.40	27.92	49.60	57.69	88.51
F	Employee benefits expenses	46.04	47.20	47.37	137.21	123.90	163.62
G	Depreciation and amortization	5.14	4.72	2.55	12.75	7.99	10.86
H	Corporate social responsibility expenses	23.65	16.46	22.45	61.46	110.39	146.27
I	Other expenses	44.13	28.65	18.27	93.67	77.34	109.38
	Total Expenses (A to I)	6,618.82	6,708.93	6,271.53	20,100.91	18,278.01	24,793.84
3	Share of Profit/ (loss) of Joint Venture accounted for using equity method	-	(12.86)	(10.94)	(11.81)	(6.42)	(1.97)
4	Profit before Tax (1-2+3)	3,451.60	3,334.74	2,806.99	9,573.22	8,075.21	10,779.59
5	Tax Expense						
A	Current Tax						
-	Current Year	785.78	832.29	685.94	2,387.34	2,071.39	2,698.02
-	Earlier Years	-	-	(0.01)	-	133.72	222.95
B	Deferred Tax	(107.62)	(189.82)	(136.90)	(548.49)	(430.30)	(519.62)
	Total Tax Expense (A+B)	678.16	642.47	549.03	1,838.85	1,774.81	2,401.35
6	Net profit for the period (4-5)	2,773.44	2,692.27	2,257.96	7,734.37	6,300.40	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	2.16	(1.59)	0.28	0.51	(2.90)	(14.26)
(b)	Changes in fair value of FVOCI equity instruments	(17.78)	21.45	47.99	39.99	136.51	166.53
(c)	Share of Profit of Joint Venture accounted for using equity method	-	-	0.02	(0.02)	0.02	(0.05)
(d)	Income tax relating to these items						
-	Re-measurement gains/(losses) on defined benefit plans	(0.55)	0.41	(0.07)	(0.13)	0.73	3.59
-	Changes in fair value of FVOCI equity instruments	(0.88)	(0.03)	0.48	(0.88)	(4.47)	(6.01)
	Sub-total (i)	(17.05)	20.24	48.70	39.47	129.89	149.80
(ii)	Items that will be reclassified to profit or loss						
(a)	Effective Portion of Cash Flow Hedges	153.25	(3.21)	23.84	147.94	(11.80)	80.81
(b)	Cost of hedging reserve	79.50	(39.73)	154.17	72.59	444.83	329.00
(c)	Share of other comprehensive income/ (loss) of joint venture accounted for using equity method	-	1.19	1.29	1.19	1.29	1.29
(d)	Income tax relating to these items						
-	Effective Portion of Cash Flow Hedges	(38.57)	0.81	(6.00)	(37.23)	2.97	(20.34)
-	Cost of hedging reserve	(20.01)	10.00	(38.81)	(18.27)	(111.96)	(82.80)
	Sub-total (ii)	174.17	(30.94)	134.49	166.22	325.33	307.96
	Other comprehensive income/(loss) for the period (i + ii)	157.12	(10.70)	183.19	205.69	455.22	457.76
8	Total comprehensive Income for the period (6+7)	2,930.56	2,681.57	2,441.15	7,940.06	6,755.62	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	14.04	13.63	11.44	39.16	31.90	42.42
B	For continuing and discontinued operations	14.04	13.63	11.44	39.16	31.90	42.42

See accompanying notes to the financial results.



24/2/21

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 4th February, 2022. 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) has been consolidated in accordance with the Indian Accounting Standard 110 'Consolidated Financial Statements'.
- 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.

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

S. No.	Particulars	As at 31.12.2021			As at 31.03.2021		
		Stage 1 & 2	Stage 3	Total	Stage 1 & 2	Stage 3	Total
1.	Loan assets	3,69,044.94	19,715.15	3,88,760.09	3,59,161.22	18,256.93	3,77,418.15
2.	Impairment loss allowance (net of movements)	2,882.48	12,957.27	15,839.75	1,414.80	11,791.31	13,206.11
	Provisioning Coverage (%) (2/1)	0.78%	65.72%	4.07%	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 ₹ 6/- per equity share (on face value of ₹ 10/- each) and 16th February, 2022 has been fixed as Record Date for payment of Interim Dividend. The total Interim Dividend for the financial year 2021-22 is ₹ 10.50 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, the secured non-convertible debt securities issued by the Company and outstanding as at 31st December, 2021 are fully secured (1.16 times) by way of mortgage on certain immovable properties and/or charge on the receivables of the Company, in terms of respective offer document/ information memorandum and/ or Debenture Trust Deed. Further, asset cover for total non-convertible debt securities issued by the Company is 1.14 times as at 31st December 2021.
- 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 31st December, 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, concern relating to COVID-19 has once again resurfaced in view of the spread of omicron. Considering the nature of infections being milder, the curbs imposed by local/state governments are lesser disruptive than earlier waves. With increase in the pace of vaccination, expectation of sharp recovery in demand is expected as in earlier waves. Company's strong credit profile, liquidity access and available contingency buffers provides no reasons to believe that the current crisis will have any significant impact on its operations, including the going concern assessment. However, the impact will continue to be dependent, among other things, on future developments about discovery of coronavirus variants, which is uncertain.
- Previous period/ years' figures have been regrouped/ reclassified, wherever necessary, in order to make them comparable.

Place: Gurugram
Date: 4th February 2022

For REC Limited

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



Disclosure in compliance with Regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter and nine months ended 31st December, 2021 on standalone basis:

S. No.	Particulars	Unit	As at/ For the quarter ended 31.12.2021	As at/ For the period ended 31.12.2021
1	Debt Equity Ratio ¹	times		6.49
2	Outstanding Redeemable preference shares	₹ in Crores		Nil
3	Debenture Redemption Reserve	₹ in Crores		Nil
4	Net Worth ²	₹ in Crores		50,257.56
5	Total debts to total assets ³	times		0.80
6	Operating Margin ⁴	%	34.17	32.20
7	Net profit Margin ⁵	%	27.62	26.18
8	Sector specific equivalent ratios			
(a)	CRAR ⁶	%		23.22
(b)	Gross Credit Impaired Assets Ratio ⁷	%		5.07
(c)	Net Credit Impaired Assets Ratio ⁸	%		1.74

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 Total debts to total assets = Total Debt / Total Assets.
- 4 Operating Margin = Net Operating Profit Before Tax / Total Revenue from Operation.
- 5 Net profit Margin = Net Profit after Tax / Total Income.
- 6 CRAR = Adjusted Net worth/ Risk weighted assets, calculated as per applicable RBI guidelines.
- 7 Gross Credit Impaired Asset Ratio = Gross Credit Impaired Assets / Gross Loan Assets.
- 8 Net Credit Impaired Asset Ratio = Net Credit Impaired Assets / Gross Loan Assets.
- 9 Debt Service Coverage Ratio, Interest Service Coverage Ratio, Current Ratio, Current Liability Ratio, Long Term Debt to Working Capital, Debtors Turnover, Inventory Turnover and Bad Debts to Accounts Receivable Ratio is not applicable to the company.

