

SEC-1/187(2)/2015/ 1644

Dated: November 9, 2015

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

Sub: Submission of Unaudited Standalone Financial Results of the Company for the quarter and half year ended September 30, 2015.

Dear Sir(s),

In continuation of our letter dated October 21, 2015, on the above cited subject and in pursuance of Listing Agreements, we are forwarding herewith the Un-audited Standalone Financial Results of the Company for the quarter and half year ended September 30, 2015, in the prescribed format, which have been reviewed by the Audit Committee and approved by the Board of Directors and taken on record in the Meetings held on Monday, November 9, 2015.

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

Thanking you,

Yours faithfully,


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

Encl: As above

Zonal Offices : Hyderabad, Kolkata, Mumbai, Panchkula & Lucknow
Project Offices : Bangalore, Bhopal, Bhubaneswar, Chennai, Guwahati, Jaipur, Jammu Patna, Ranchi, Shillong, Shimla, Thiruvananthapuram & Vadodara
Sub Offices : Dehradun, Raipur
Training Centre : Central Institute for Rural Electrification (CIRE), Hyderabad



PART I							
STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30.09.2015							
(₹ in Lakhs)							
		QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
		30.09.2015	30.06.2015	30.09.2014	30.09.2015	30.09.2014	31.03.2015
		(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Audited)	(Audited)
1	Income from Operations						
a	Interest Income	5,82,705	5,64,098	4,98,619	11,46,803	9,63,429	20,07,208
b	Other Operating Income	6,632	2,191	3,752	8,823	5,655	15,745
	Total Income from Operations	5,89,337	5,66,289	5,02,371	11,55,626	9,69,084	20,22,953
2	Expenses						
a	Finance Costs	3,51,662	3,30,636	2,95,447	6,82,298	5,70,676	11,84,461
b	Employee Benefits Expense	3,352	3,550	2,835	6,902	6,328	13,394
c	Corporate Social Responsibility Expenses	3,396	3,187	383	6,583	907	10,325
d	Other Expenses	1,467	1,384	1,919	2,851	3,549	6,949
e	Allowance for bad and doubtful debts	5,108	2,414	-	7,522	10,682	23,065
f	Contingent Allowance against Standard Loan Assets	(4,443)	3,271	1,797	(1,172)	3,234	12,054
g	Allowance against Restructured Standard Loans	4,912	13,965	-	18,377	-	45,177
h	Depreciation and amortisation expense	140	134	177	274	364	676
	Total Expenses	3,65,594	3,58,541	3,02,558	7,24,135	5,95,740	12,96,101
3	Profit from Operations before Other Income & Exceptional Items (1-2)	2,23,743	2,07,748	1,99,813	4,31,491	3,73,344	7,26,852
4	Other Income	3,136	4,674	4,256	7,810	8,213	15,852
5	Profit from Ordinary Activities before Exceptional Items (3+4)	2,26,879	2,12,422	2,04,069	4,39,301	3,81,557	7,42,704
6	Exceptional Items	-	-	-	-	-	-
7	Profit from Ordinary Activities before Tax (5+6)	2,26,879	2,12,422	2,04,069	4,39,301	3,81,557	7,42,704
8	Tax Expense						
	- Current Year	66,222	62,219	54,745	1,28,441	1,05,822	2,23,186
	- Deferred Tax Liability / (Asset)	(702)	2,345	(1,165)	1,643	(3,033)	(6,599)
	- Earlier Years / (Refund)	(560)	-	59	(560)	59	130
9	Net Profit from Ordinary Activities after Tax (7-8)	1,61,919	1,47,858	1,50,430	3,09,777	2,78,709	5,25,987
10	Extraordinary Items (net of tax expense)	-	-	-	-	-	-
11	Net Profit for the Period (9-10)	1,61,919	1,47,858	1,50,430	3,09,777	2,78,709	5,25,987
12	Paid up Equity Share Capital (Face Value ₹10 per share)	98,746	98,746	98,746	98,746	98,746	98,746
13	Reserves & Surplus (Excluding Revaluation Reserves) (as per audited balance sheet as at 31st March)						23,86,957
14	Earnings per Share (EPS) (before extraordinary items) (of ₹10 each) (not annualised) (in ₹)						
i	a Basic	16.40	14.97	15.23	31.37	28.22	53.27
	b Diluted	16.40	14.97	15.23	31.37	28.22	53.27
ii	Earnings per Share (EPS) (after extraordinary items) (of ₹10 each) (not annualised) (in ₹)						
a	Basic	16.40	14.97	15.23	31.37	28.22	53.27
b	Diluted	16.40	14.97	15.23	31.37	28.22	53.27

PART II							
SELECT INFORMATION FOR THE QUARTER ENDED 30.09.2015							
Sl. NO.	PARTICULARS	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
		30.09.2015	30.06.2015	30.09.2014	30.09.2015	30.09.2014	31.03.2015
A	PARTICULARS OF SHAREHOLDING						
1	Public shareholding						
	- Number of shares	38,86,91,320	38,86,91,320	33,92,90,782	38,86,91,320	33,92,90,782	33,92,90,782
	- Percentage of shareholding	39.36%	39.36%	34.36%	39.36%	34.36%	34.36%
2	Promoters and Promoter group Shareholding						
	a) Pledged/ Encumbered						
	- Number of shares	NIL	NIL	NIL	NIL	NIL	NIL
	- Percentage of shares (as a % of the total shareholding of Promoter and Promoter Group)	NIL	NIL	NIL	NIL	NIL	NIL
	- Percentage of shares (as a % of the total share capital of the Co.)	NIL	NIL	NIL	NIL	NIL	NIL
	b) Non-Encumbered shares						
	- Number of shares	59,87,67,680	59,87,67,680	64,81,68,218	59,87,67,680	64,81,68,218	64,81,68,218
	- Percentage of shares (as a % of the total shareholding of Promoter and Promoter Group)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	- Percentage of shares (as a % of the total share capital of the Co.)	60.64%	60.64%	65.64%	60.64%	65.64%	65.64%

[Handwritten Signature]



	PARTICULARS	QUARTER ENDED 30.09.2015	
		Equity Securities	Debt Securities
B	INVESTOR COMPLAINTS		
	Pending at the beginning of the quarter	0	0
	Received during the quarter	80	314
	Disposed off during the quarter	80	314
	Remaining unresolved at the end of the quarter	0	0

STATEMENT OF ASSETS AND LIABILITIES (STANDALONE)

(₹ in Lakhs)

	PARTICULARS	AS AT 30.09.2015	AS AT 31.03.2015
		(Un-audited)	(Audited)
A.	EQUITY AND LIABILITIES		
(1)	Shareholders' Funds		
	(a) Share Capital	98,746	98,746
	(b) Reserves and Surplus	26,91,874	23,86,957
	Sub-total (Shareholders' Funds)	27,90,620	24,85,703
(2)	Non-current Liabilities		
	(a) Long-term Borrowings	1,34,16,511	1,31,16,832
	(b) Deferred Tax Liabilities (Net)	12,375	10,732
	(c) Other Long-term Liabilities	4,298	3,616
	(d) Long-term Provisions	1,17,117	1,00,709
	Sub-total (Non-current Liabilities)	1,35,50,301	1,32,31,889
(3)	Current Liabilities		
	(a) Short-term Borrowings	3,43,300	73,400
	(b) Other current liabilities	32,32,645	24,81,140
	(c) Short-term Provisions	21,093	45,371
	Sub-total (Current Liabilities)	35,97,038	25,99,911
	Total (EQUITY AND LIABILITIES)	1,99,37,959	1,83,17,503
B.	ASSETS		
(1)	Non-current Assets		
	(a) Fixed assets	15,450	8,132
	(b) Non-current Investments	78,315	1,17,481
	(c) Long-term Loans & Advances	1,75,92,859	1,64,21,378
	(d) Other Non-current Assets	750	7,713
	Sub-total (Non-Current Assets)	1,76,87,374	1,65,54,704
(2)	Current Assets		
	(a) Current Investments	9,432	43,866
	(b) Cash & Bank Balances	2,48,228	52,290
	(c) Short-term Loans & Advances	76,146	1,10,024
	(d) Other Current Assets	19,16,779	15,56,619
	Sub-total (Current Assets)	22,50,585	17,62,799
	Total (ASSETS)	1,99,37,959	1,83,17,503

Notes:

- The above financial results for the quarter and half year ended 30th September, 2015 were reviewed by the Audit Committee at the meeting held on 9th November, 2015 and approved and taken on record by the Board of Directors at the meeting held on 9th November, 2015.
- These results have been subjected to limited review by the Joint Statutory Auditors of the Company.
- The company has opted for amortising the foreign exchange fluctuation loss/(gain) on the long term foreign currency monetary items over the balance period of such items. The amount remaining to be amortised in 'Foreign Currency Monetary Item Translation Difference Account' is ₹ 384.34 Crores. (As on 30.09.2014 ₹ 445.05 Crores)
- RBI, vide its letters dated 25th July, 2013 and 4th April, 2014, has conveyed to the Company to comply with the Prudential Norms of RBI by 31st March, 2016 and follow the instructions contained in RBI Circular dated January 23, 2014 issued vide Notification No. DNBS (PD) No. 271/ CGM (NSV)-2014 in respect of restructuring of assets. Later, RBI vide its letter dated 11th June, 2014 has allowed exemption to the Company from RBI restructuring norms till March 31, 2017 for Transmission & Distribution, Renovation & Modernisation and Life Extension projects and also the Hydro projects in Himalayan region or affected by natural disasters. Further, for new project loans to Generating Companies restructured w.e.f. 01.04.2015, the provisioning requirement would be 5% and for stock of loans as on 31.03.2015 of such projects, the provisioning shall commence with a provision of 2.75% w.e.f. 31.03.2015 and reaching 5% by 31.03.2018. Accordingly, during the quarter, an allowance has been made amounting to ₹ 49.12 crores on qualifying loans (comprising of loans to Public Sector ₹ 12,251.91 crores + loans to Private Sector ₹ 7,092.16 crores).

Signature



Further, in response to the Company's letter dated 21st September, 2015, RBI vide its letter No. DNBR.PD.CO.No. 582/03.10.001/2015-16 dated 5th October, 2015, has allowed the company to follow the REC's existing asset classification norms for NPA till 31st March, 2017 (i.e. overdues of more than 6 months instead of 5 months as prescribed in RBI Prudential Norms) for the existing loans of the Company i.e. loans sanctioned on or before 31st March, 2015.

5. Pending clarification from RBI, during the financial year 2014-15, 100% allowance had been created in the books of accounts for the FITL in respect of one of the borrowers for ₹ 86.42 crores. RBI, vide its letter No. DNBR.PD.CO.No. 123/03.10.001/2015-16 dated 17th July, 2015 has advised that FITL sanctioned to the said borrower will be exempted from provisions of RBI Restructuring Norms. Accordingly, the allowance of ₹ 86.42 crores has been reversed and accounted for in the financial results of the quarter and half year ended 30th September, 2015.
6. As at 30th September 2015, the dues of one of the borrowers were overdue for more than 6 months, thus, exceeding the time limit for classification of the borrower as 'Standard Asset'. However, the borrower has obtained an ad-interim order from Hon'ble High Court of Madras on 18th September, 2015 not to classify the account as NPA. In view of the same, the classification of the borrower has been retained as 'Standard Asset' pending final decision of the Court.
7. 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 Accounting Standard-17 'Segment Reporting'.
8. The Company paid the final dividend of ₹ 2.70 per equity share of ₹ 10/- each for the financial year ended 31st March, 2015 on 7th October, 2015. The total dividend paid for the financial year 2014-15 amounted to ₹ 10.70 per equity share of ₹ 10/- each.
9. During the quarter ended 30th June, 2015, the Company had revised the accounting policy for creating allowance against Standard Loan assets to align it with the revised provisioning requirements for Standard Loans as per RBI Notification dated 10th November, 2014. Accordingly, an incremental allowance over and above 0.25% already existing as on 31st March, 2015 has been created on standard assets as on that date so as to make it equal to 0.30% by the end of March, 2016 in a phased manner. Further, on incremental standard loan assets during the period ended 30th September, 2015, the allowance has been created @ 0.30% in full. Due to this change in accounting policy, profit before tax for the quarter and half year ended 30th September, 2015 is lower by ₹ 23.85 Crores and ₹ 46.16 Crores respectively.
10. Previous periods/year's figures have been regrouped/rearranged wherever necessary.

For Rural Electrification Corporation Limited


(Rajesh Sharma)

Chairman & Managing Director
DIN - 00973413

Place: New Delhi
Date: 9th November, 2015



Raj Har Gopal & Co.
Chartered Accountants
412, Ansal Bhawan
16, Kasturba Gandhi Marg,
New Delhi - 110001

A.R. & Co.
Chartered Accountants
A-403, Gayatri Apartments,
Plot No. 27, Sector 10, Dwarka
New Delhi - 110075.

Limited Review Report for the period ended 30th September, 2015

**The Board of Directors,
Rural Electrification Corporation Limited,
Core-IV, SCOPE Complex,
7, Lodi Road,
New Delhi – 110003.**

We have reviewed the accompanying statement of unaudited financial results of Rural Electrification Corporation Limited for the period ended 30th September, 2015 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* 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 provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Raj Har Gopal & Co.

Chartered Accountants
Firm Regn No. 002074N

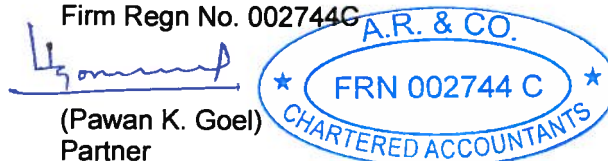
(Gopal Krishan)
Partner
M. No. 081085



For A.R. & Co.

Chartered Accountants
Firm Regn No. 002744C

(Pawan K. Goel)
Partner
M. No. 072209



Place : New Delhi
Date : 9th November, 2015