



## रूरल इलेक्ट्रीफिकेशन कारपोरेशन लिमिटेड Rural Electrification Corporation Limited

(भारत सरकार का उद्यम) / (A Government of India Enterprise)

Regd. Office: Core-4, SCOPE Complex, 7 Lodhi Road, New Delhi 110 003

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CIN : L40101DL1969GOI005095 Website: www.recindia.nic.in

SEC-1/187(2)/2015/1398

Dated: May 28, 2015

|                                                                                                                                                               |                                                                                                                                                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Listing Department,</b><br>National Stock Exchange of India Limited<br>Exchange Plaza, Bandra Kurla Complex,<br>Bandra (East),<br><b>Mumbai – 400 051.</b> | <b>Corporate Relationship Department</b><br>BSE Limited<br>1 <sup>st</sup> Floor, Phiroze Jeejeebhoy Towers<br>Dalal Street, Fort,<br><b>Mumbai – 400 001.</b> |
| <b>Scrip Code-- RECLTD</b>                                                                                                                                    | <b>Scrip Code—532955</b>                                                                                                                                       |

Dear Sirs,

**Sub: Submission of Annual Audited Financial Results (Standalone and Consolidated) of the Company for the Financial Year ended March 31, 2015 and recommendation of Final Dividend for the Financial Year 2014-15.**

In continuation to our letter dated May 7, 2015 on the subject cited above and in pursuance of Listing Agreement, we are forwarding herewith the Annual Audited Financial Results (Standalone and Consolidated) of the Company for the Financial Year ended March 31, 2015, in the prescribed format, which have been reviewed by the Audit Committee, approved and taken on record by the Board of Directors of the Company in the Meetings held on Thursday, May 28, 2015.

The Board of Directors of the Company in the above meeting held on May 28, 2015 has also recommended the Final Dividend of ₹ 2.70 (Rupees Two and Seventy Paise only) per share (on the face Value of ₹ 10/- each) for the Financial Year 2014-15, subject to approval of the Shareholders in the ensuing Annual General Meeting. This is in addition to the Interim Dividend of ₹ 8.00/- per share already declared & paid in the month of February, 2015 for the Financial Year 2014-15 thereby making total dividend for the Financial Year 2014-15 to ₹ 10.70 per share (on the face Value of Rs. 10 each). The Final Dividend of ₹ 2.70 per share, if declared at the ensuing Annual General Meeting (AGM), would be paid to the Shareholders within 30 days from the date of AGM.

Thanking you,

Yours faithfully,

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

Encl: a. a.

**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

**Rural Electrification Corporation Limited (A Govt. of India Enterprise)**  
**Registered Office - Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi - 110003, CIN: L40101DL1969GOI005095**

| (₹ in Lakhs)                                                                                      |                                                                                                     |                 |                 |                 |                  |                  |                  |                  |
|---------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|
| PART I                                                                                            |                                                                                                     |                 |                 |                 |                  |                  |                  |                  |
| STATEMENT OF STANDALONE/ CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31.03.2015 |                                                                                                     |                 |                 |                 |                  |                  |                  |                  |
| Sl. No.                                                                                           | Particulars                                                                                         | STANDALONE      |                 |                 |                  |                  | CONSOLIDATED     |                  |
|                                                                                                   |                                                                                                     | QUARTER ENDED   |                 |                 | YEAR ENDED       |                  | YEAR ENDED       |                  |
|                                                                                                   |                                                                                                     | 31.03.2015      | 31.12.2014      | 31.03.2014      | 31.03.2015       | 31.03.2014       | 31.03.2015       | 31.03.2014       |
|                                                                                                   |                                                                                                     | (Audited)       | (Un-audited)    | (Audited)       | (Audited)        | (Audited)        | (Audited)        | (Audited)        |
| 1                                                                                                 | <b>Income from Operations</b>                                                                       |                 |                 |                 |                  |                  |                  |                  |
| a                                                                                                 | Interest Income                                                                                     | 5,29,326        | 5,14,453        | 4,39,616        | 20,07,208        | 16,80,639        | 20,07,208        | 16,80,639        |
| b                                                                                                 | Other Operating Income                                                                              | 4,014           | 6,076           | 4,635           | 15,745           | 21,159           | 31,188           | 31,582           |
|                                                                                                   | <b>Total Income from Operations</b>                                                                 | <b>5,33,340</b> | <b>5,20,529</b> | <b>4,44,251</b> | <b>20,22,953</b> | <b>17,01,798</b> | <b>20,38,396</b> | <b>17,12,221</b> |
| 2                                                                                                 | <b>Expenses</b>                                                                                     |                 |                 |                 |                  |                  |                  |                  |
| a                                                                                                 | Finance Costs                                                                                       | 3,09,298        | 3,04,487        | 2,62,335        | 11,84,461        | 10,03,846        | 11,83,972        | 10,03,474        |
| b                                                                                                 | Employee Benefits Expense                                                                           | 3,833           | 2,692           | 1,968           | 13,394           | 12,991           | 13,893           | 13,454           |
| c                                                                                                 | Other Expenses                                                                                      | 10,586          | 2,267           | 5,091           | 17,274           | 10,508           | 20,608           | 12,585           |
| d                                                                                                 | Allowance for bad and doubtful debts                                                                | 12,177          | 206             | -               | 23,065           | 4,732            | 23,206           | 4,789            |
| e                                                                                                 | Contingent Allowance against Standard Loan Assets                                                   | 9,559           | (739)           | 14,746          | 12,054           | 26,470           | 12,054           | 26,470           |
| f                                                                                                 | Allowance against Restructured Standard Loans                                                       | 25,572          | 19,605          | -               | 45,177           | -                | 45,177           | -                |
| g                                                                                                 | Allowance for diminution in Investments                                                             | -               | -               | -               | -                | -                | 10               | -                |
| h                                                                                                 | Depreciation and amortisation expense                                                               | 147             | 165             | 104             | 676              | 421              | 832              | 451              |
|                                                                                                   | <b>Total Expenses</b>                                                                               | <b>3,71,172</b> | <b>3,28,683</b> | <b>2,84,244</b> | <b>12,96,101</b> | <b>10,58,968</b> | <b>12,99,752</b> | <b>10,61,223</b> |
| 3                                                                                                 | <b>Profit from Operations before Other Income &amp; Exceptional Items (1-2)</b>                     | <b>1,62,168</b> | <b>1,91,846</b> | <b>1,60,007</b> | <b>7,26,852</b>  | <b>6,42,830</b>  | <b>7,38,644</b>  | <b>6,50,998</b>  |
| 4                                                                                                 | Other Income                                                                                        | 3,736           | 3,903           | 4,749           | 15,852           | 10,282           | 16,590           | 10,673           |
| 5                                                                                                 | <b>Profit from Ordinary Activities before Exceptional Items (3+4)</b>                               | <b>1,65,904</b> | <b>1,95,749</b> | <b>1,64,756</b> | <b>7,42,704</b>  | <b>6,53,112</b>  | <b>7,55,234</b>  | <b>6,61,671</b>  |
| 6                                                                                                 | Exceptional Items                                                                                   | -               | -               | -               | -                | -                | -                | -                |
| 7                                                                                                 | <b>Profit from Ordinary Activities before Tax (5+6)</b>                                             | <b>1,65,904</b> | <b>1,95,749</b> | <b>1,64,756</b> | <b>7,42,704</b>  | <b>6,53,112</b>  | <b>7,55,234</b>  | <b>6,61,671</b>  |
| 8                                                                                                 | <b>Tax Expense</b>                                                                                  |                 |                 |                 |                  |                  |                  |                  |
|                                                                                                   | - Current Year                                                                                      | 59,875          | 57,527          | 53,673          | 2,23,186         | 1,70,466         | 2,27,391         | 1,73,326         |
|                                                                                                   | - Deferred Tax Liability / (Asset)                                                                  | (3,692)         | 180             | (8,111)         | (6,599)          | 12,872           | (6,676)          | 12,808           |
|                                                                                                   | - Earlier Years / (Refund)                                                                          | 71              | 59              | 30              | 130              | 1,404            | 77               | 1,412            |
| 9                                                                                                 | <b>Net Profit from Ordinary Activities after Tax (7-8)</b>                                          | <b>1,09,650</b> | <b>1,37,983</b> | <b>1,19,164</b> | <b>5,25,987</b>  | <b>4,68,370</b>  | <b>5,34,442</b>  | <b>4,74,125</b>  |
| 10                                                                                                | Extraordinary Items (net of tax expense)                                                            | -               | -               | -               | -                | -                | -                | -                |
| 11                                                                                                | <b>Net Profit for the Period (9-10)</b>                                                             | <b>1,09,650</b> | <b>1,37,983</b> | <b>1,19,164</b> | <b>5,25,987</b>  | <b>4,68,370</b>  | <b>5,34,442</b>  | <b>4,74,125</b>  |
| 12                                                                                                | Share of profit/(loss) from associates                                                              | -               | -               | -               | -                | -                | -                | -                |
| 13                                                                                                | Minority Interest                                                                                   | -               | -               | -               | -                | -                | -                | -                |
| 14                                                                                                | <b>Net Profit after taxes, minority interest and share of profit from associates(11+12+13)</b>      | <b>1,09,650</b> | <b>1,37,983</b> | <b>1,19,164</b> | <b>5,25,987</b>  | <b>4,68,370</b>  | <b>5,34,442</b>  | <b>4,74,125</b>  |
| 15                                                                                                | Paid up Equity Share Capital (Face Value ₹10 per share)                                             | 98,746          | 98,746          | 98,746          | 98,746           | 98,746           | 98,746           | 98,746           |
| 16                                                                                                | Reserves & Surplus (Excluding Revaluation Reserves) (as per audited balance sheet as at 31st March) |                 |                 |                 | 23,86,957        | 19,68,200        | 24,08,512        | 19,81,559        |
| 17                                                                                                | <b>Earnings per Share (EPS) (before extraordinary items) (of ₹10 each) (not annualised) (in ₹)</b>  |                 |                 |                 |                  |                  |                  |                  |
| i                                                                                                 |                                                                                                     |                 |                 |                 |                  |                  |                  |                  |
| a                                                                                                 | Basic                                                                                               | 11.10           | 13.97           | 12.07           | 53.27            | 47.43            | 54.12            | 48.01            |
| b                                                                                                 | Diluted                                                                                             | 11.10           | 13.97           | 12.07           | 53.27            | 47.43            | 54.12            | 48.01            |
| ii                                                                                                | <b>Earnings per Share (EPS) (after extraordinary items) (of ₹10 each) (not annualised) (in ₹)</b>   |                 |                 |                 |                  |                  |                  |                  |
| a                                                                                                 | Basic                                                                                               | 11.10           | 13.97           | 12.07           | 53.27            | 47.43            | 54.12            | 48.01            |
| b                                                                                                 | Diluted                                                                                             | 11.10           | 13.97           | 12.07           | 53.27            | 47.43            | 54.12            | 48.01            |

| PART II                                             |                                                                                          |               |              |              |              |              |
|-----------------------------------------------------|------------------------------------------------------------------------------------------|---------------|--------------|--------------|--------------|--------------|
| SELECT INFORMATION FOR THE QUARTER ENDED 31.03.2015 |                                                                                          |               |              |              |              |              |
| Sl. No.                                             | PARTICULARS                                                                              | QUARTER ENDED |              |              | YEAR ENDED   |              |
|                                                     |                                                                                          | 31.03.2015    | 31.12.2014   | 31.03.2014   | 31.03.2015   | 31.03.2014   |
| A                                                   | <b>PARTICULARS OF SHAREHOLDING</b>                                                       |               |              |              |              |              |
| 1                                                   | <b>Public shareholding</b>                                                               |               |              |              |              |              |
|                                                     | - Number of shares                                                                       | 33,92,90,782  | 33,92,90,782 | 33,92,90,782 | 33,92,90,782 | 33,92,90,782 |
|                                                     | - Percentage of shareholding                                                             | 34.36%        | 34.36%       | 34.36%       | 34.36%       | 34.36%       |
| 2                                                   | <b>Promoters and Promoter group Shareholding</b>                                         |               |              |              |              |              |
| a                                                   | <b>Pledged/ Encumbered</b>                                                               |               |              |              |              |              |
|                                                     | - Number of shares                                                                       | NIL           | NIL          | NIL          | NIL          | NIL          |
|                                                     | - Percentage of shares (as a % of the total shareholding of Promoter and Promoter Group) | NIL           | NIL          | NIL          | NIL          | NIL          |
|                                                     | - Percentage of shares (as a % of the total share capital of the Co.)                    | NIL           | NIL          | NIL          | NIL          | NIL          |
| b                                                   | <b>Non-Encumbered shares</b>                                                             |               |              |              |              |              |
|                                                     | - Number of shares                                                                       | 64,81,68,218  | 64,81,68,218 | 64,81,68,218 | 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%      |
|                                                     | - Percentage of shares (as a % of the total share capital of the Co.)                    | 65.64%        | 65.64%       | 65.64%       | 65.64%       | 65.64%       |

Pursuant to the Offer for Sale of 5% shareholding by Govt. of India through stock exchanges on 8th April, 2015 and an off-market transaction for the Central Public Enterprises Exchange Traded Fund (CPSE ETF) Loyalty Units on 10th April, 2015, the Promoter shareholding as on the date of signing of the financial results is 60.64% (59,87,67,680 shares).

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|             |                                                | QUARTER ENDED 31.03.2015 |                 |
|-------------|------------------------------------------------|--------------------------|-----------------|
| PARTICULARS |                                                | Equity Securities        | Debt Securities |
| <b>B</b>    | <b>INVESTOR COMPLAINTS</b>                     |                          |                 |
|             | Pending at the beginning of the quarter        | 0                        | 0               |
|             | Received during the quarter                    | 98                       | 679             |
|             | Disposed off during the quarter                | 97                       | 679             |
|             | Remaining unresolved at the end of the quarter | 1                        | 0               |

**STATEMENT OF ASSETS AND LIABILITIES**

(₹ in Lakhs)

| PARTICULARS                           | STANDALONE          |                     | CONSOLIDATED        |                     |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|
|                                       | AS AT<br>31.03.2015 | AS AT<br>31.03.2014 | AS AT<br>31.03.2015 | AS AT<br>31.03.2014 |
|                                       | (Audited)           | (Audited)           | (Audited)           | (Audited)           |
| <b>A. EQUITY AND LIABILITIES</b>      |                     |                     |                     |                     |
| (1) <b>Shareholders' Funds</b>        |                     |                     |                     |                     |
| (a) Share Capital                     | 98,746              | 98,746              | 98,746              | 98,746              |
| (b) Reserves and Surplus              | 23,86,957           | 19,68,200           | 24,08,512           | 19,81,559           |
| Sub-total (Shareholders' Funds)       | 24,85,703           | 20,66,946           | 25,07,258           | 20,80,305           |
| (2) <b>Non-current Liabilities</b>    |                     |                     |                     |                     |
| (a) Long-term Borrowings              | 1,31,16,832         | 1,10,16,230         | 1,31,12,326         | 1,10,09,530         |
| (b) Deferred Tax Liabilities (Net)    | 10,732              | 17,369              | 10,580              | 17,292              |
| (c) Other Long-term Liabilities       | 3,616               | 2,352               | 3,618               | 2,354               |
| (d) Long-term Provisions              | 1,00,709            | 44,224              | 1,00,739            | 44,232              |
| Sub-total (Non-current Liabilities)   | 1,32,31,889         | 1,10,80,175         | 1,32,27,263         | 1,10,73,408         |
| (3) <b>Current Liabilities</b>        |                     |                     |                     |                     |
| (a) Short-term Borrowings             | 73,400              | 2,54,000            | 73,400              | 2,54,000            |
| (b) Trade Payables                    | -                   | -                   | 2,881               | 607                 |
| (c) Other current liabilities         | 24,81,140           | 18,58,373           | 24,88,921           | 18,60,159           |
| (d) Short-term Provisions             | 45,371              | 25,796              | 45,871              | 25,945              |
| Sub-total (Current Liabilities)       | 25,99,911           | 21,38,169           | 26,11,073           | 21,40,711           |
| <b>Total (EQUITY AND LIABILITIES)</b> | <b>1,83,17,503</b>  | <b>1,52,85,290</b>  | <b>1,83,45,594</b>  | <b>1,52,94,424</b>  |
| <b>B. ASSETS</b>                      |                     |                     |                     |                     |
| (1) <b>Non-current Assets</b>         |                     |                     |                     |                     |
| (a) Fixed assets                      | 8,132               | 8,183               | 11,978              | 8,347               |
| (b) Non-current Investments           | 1,17,481            | 1,66,063            | 1,15,721            | 1,64,303            |
| (c) Long-term Loans & Advances        | 1,64,21,378         | 1,35,89,897         | 1,64,21,505         | 1,35,90,051         |
| (d) Other Non-current Assets          | 7,713               | 3,212               | 8,529               | 3,363               |
| Sub-total (Non-Current Assets)        | 1,65,54,704         | 1,37,67,355         | 1,65,57,733         | 1,37,66,064         |
| (2) <b>Current Assets</b>             |                     |                     |                     |                     |
| (a) Current Investments               | 43,866              | 4,716               | 43,881              | 4,741               |
| (b) Trade Receivables                 | -                   | -                   | 12,029              | 6,054               |
| (c) Cash & Bank Balances              | 52,290              | 1,19,294            | 64,571              | 1,23,429            |
| (d) Short-term Loans & Advances       | 1,10,024            | 38,158              | 1,10,085            | 38,211              |
| (e) Other Current Assets              | 15,56,619           | 13,55,767           | 15,57,295           | 13,55,925           |
| Sub-total (Current Assets)            | 17,62,799           | 15,17,935           | 17,87,861           | 15,28,360           |
| <b>Total (ASSETS)</b>                 | <b>1,83,17,503</b>  | <b>1,52,85,290</b>  | <b>1,83,45,594</b>  | <b>1,52,94,424</b>  |

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**Notes:**

1. The above financial results for the quarter/year ended 31st March, 2015 were reviewed by the Audit Committee at the meeting held on 28th May, 2015 and approved and taken on record by the Board of Directors at the meeting held on 28th May, 2015 and are subject to review by Comptroller and Auditor General of India u/s 143(6) of the Companies Act, 2013.
2. These results have been audited by the Joint Statutory Auditors of the Company.
3. 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 ₹ 335.46 Crores. (As on 31.03.2014 ₹ 532.65 Crores)

4. The audited accounts of the subsidiary companies (REC Transmission Projects Company Limited and REC Power Distribution Company Limited) and unaudited accounts of joint venture (Energy Efficiency Services Limited) have been consolidated in accordance with the Accounting Standard-21 'Consolidated Financial Statements' and Accounting Standard-27 'Financial Reporting of Interests in Joint Ventures'.

5. 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, the accounting policy on Provisioning against Loans has been amended to create provision @ 2.75% on stock of restructured loans. Thus, during the year, a provision has been made amounting to ₹ 451.77 crores on qualifying loans (comprising of loans to Public Sector ₹ 11,682.23 crores + loans to Private Sector ₹ 4,745.92 crores).

6. 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'.
7. The Company paid an interim dividend of ₹ 8/- per Equity Share (on face value of ₹ 10/- each) in the month of February, 2015. The Board of Directors has recommended final dividend of ₹ 2.70 per share (on face value of ₹ 10/- each) for the year 2014-15, subject to approval of the Shareholders in the ensuing Annual General Meeting. The total dividend (including interim dividend) for the financial year 2014-15 is ₹ 10.70 per share (on face value of ₹ 10/- each).
8. During the quarter ended 30th June, 2014, the Company had revised the accounting policy for depreciation of fixed assets in alignment with Schedule-II to the Companies Act, 2013 which has become applicable from 1st April, 2014. Due to this change in accounting policy, profit before tax for the quarter and year ended 31st March, 2015 is lower by ₹ 0.63 Crores and ₹ 2.89 Crores respectively. Further, an amount of ₹ 0.74 crores (net of tax ₹ 0.38 crores) had been adjusted in the retained earnings in respect of fixed assets, where the remaining useful life of such assets was Nil as at 1st April, 2014 in line with the provisions of the Schedule-II to the Companies Act, 2013.

Further, due to the change in accounting policy as referred to in Note 5 above, the profit before tax for the quarter and year ended 31st March, 2015 is lower by ₹ 238.41 crores and ₹ 410.70 crores respectively, after considering the existing provision on standard loan assets on these restructured loans.

Modifications have also been made in Significant Accounting Policies regarding Basis of Preparation of Financial Statements and Taxes in order to align them with the Companies Act, 2013. Further, modification has been made in Significant Accounting Policy regarding Investments to make it more clarificatory/ explicit. However, there is no financial impact of such modifications.

9. Previous periods/year's figures have been regrouped/rearranged wherever necessary. Figures of last quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the relevant financial year.

For Rural Electrification Corporation Limited



(Rajesh Sharma)

Chairman & Managing Director

DIN - 00973413

Place: New Delhi

Date: 28th May, 2015



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

**P.K. Chopra & Co.**  
Chartered Accountants  
N-Block, Bombay Life Building,  
2nd Floor, Connaught Place  
New Delhi-110001

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### **Independent Auditors' Report**

**To,**  
**The Board of Directors,**  
**Rural Electrification Corporation Limited**  
**New Delhi**

We have audited the consolidated financial results for the year ended 31<sup>st</sup> March, 2015, attached herewith, being submitted by the company pursuant to the requirement of clause 41 of the Listing Agreement 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. These consolidated financial results have been prepared from consolidated financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial results based on our audit of such consolidated financial statements, which have been prepared in accordance with Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and General Circular No. 15/2013 dated 13<sup>th</sup> September, 2013 and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of two subsidiaries (audited by other auditors) and one Joint Venture (unaudited, subject to audit) included in the consolidated financial results whose consolidated financial statements reflect total assets of ₹ 379.82 Crores (Previous year ₹ 191.39 Crores) as at 31<sup>st</sup> March, 2015 as well as the total revenue of



₹ 177.77 Crores (Previous year ₹ 118.73 Crores) for the year ended 31<sup>st</sup> March, 2015. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us (in case of subsidiaries) and unaudited financial statements certified by the management (in case of Joint Venture), and our opinion on the consolidated financial results, to the extent they have been derived from such financial statements is based solely on the report of such other auditors (in case of subsidiaries) and certification of management (in case of Joint Venture)..

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

- (i) include the financial results of the following entities :
  - a) REC Transmission Projects Company Limited (Ownership – 100%)
  - b) REC Power Distribution Company Limited (Ownership – 100%)
  - c) Energy Efficiency Services Limited (Ownership – 25%)
- (ii) have been presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and
- (iii) give a true and fair view of the consolidated net profit and other financial information for the year ended 31<sup>st</sup> March 2015.

Further, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the consolidated number of shares as well as percentage of shareholdings in respect of aggregate amount of consolidated public shareholdings, as furnished by the company in terms of clause 35 of the Listing Agreement and found the same to be correct.

**For Raj Har Gopal & Co.**

Chartered Accountants

Firm Regn No. 002074N

(Gopal Krishan)

Partner

M. No. 081085



**For P.K. Chopra & Co.**

Chartered Accountants

Firm Regn No. 006747N

(K.S. Ponnuswami)

Partner

M. No. 070276



Place : New Delhi

Date : 28th May, 2015

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

**P.K. Chopra & Co.**  
Chartered Accountants  
N-Block, Bombay Life Building,  
2nd Floor, Connaught Place  
New Delhi-110001

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### **Independent Auditors' Report**

To,  
The Board of Directors,  
Rural Electrification Corporation Limited  
New Delhi

We have audited the quarterly financial results of **Rural Electrification Corporation Limited** for the quarter ended **31<sup>st</sup> March, 2015** and the annual results for the year ended **31<sup>st</sup> March, 2015**, attached herewith, being submitted by the company pursuant to the requirement of clause 41 of the Listing Agreement 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. These quarterly financial results as well as the annual financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and General Circular No. 15/2013 dated 13<sup>th</sup> September, 2013 and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the annual results:



- (i) are presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and
- (ii) give a true and fair view of the net profit and other financial information for the quarter ended 31<sup>st</sup> March, 2015 as well as the annual results for the year ended 31<sup>st</sup> March, 2015.

Further, we also report that we have, on the basis of the books of accounts and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the company in terms of clause 35 of the Listing Agreement and found the same to be correct.

**For Raj Har Gopal & Co.**

Chartered Accountants

Firm Regn. No. 002074N

  
(Gopal Krishan)  
(Partner)  
(M. No. 081085)



**For P.K. Chopra & Co.**

Chartered Accountants

Firm Regn. No. 006747N

  
(K.S. Ponnuswami)  
(Partner)  
(M. No. 070276)



Place : New Delhi

Date : 28<sup>th</sup> May, 2015