



आर ई सी लिमिटेड | REC Limited

(Formerly Rural Electrification Corporation Limited)

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

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

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CIN : L40101DL1969GOI005095 | GST No.: 07AAACR4512R1Z3



SEC-1/187(2)/2020/258

Dated: August 7, 2020

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, Phiroze Jeejeebhoy Towers Dalal Street, Fort, Mumbai – 400 001.
Scrip Code—RECLTD	Scrip Code—532955

Sub: Outcome of Board Meeting - submission of unaudited Financial Results (Standalone & Consolidated) for the first quarter ended June 30, 2020 and approval for raising of funds through Private Placement.

Dear Sir(s),

I. In continuation of our letter dated July 29, 2020 on the subject cited above and in pursuance of Regulation 30 read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Unaudited Financial Results (Standalone & Consolidated) of the Company for the first quarter ended June 30, 2020 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 August 7, 2020.

The said Financial Results have been subjected to Limited Review by M/s. O.P. Bagla & Co. LLP and M/s. S.K. Mittal & Co., Chartered Accountants and a copy of the Limited Review Report is enclosed herewith for your reference and record.

II. Further, it is informed that the Board of Directors of REC Limited in the said meeting also approved the proposal of raising of funds through issue of unsecured/secured non-convertible bonds/debentures through Private Placement, upto an amount of ₹85,000 crore, in one or more tranches, subject to approval of shareholders in this regard in the ensuing Annual General Meeting. The funds will actually be raised, from time to time, during a period of one year from the date of passing of resolution by the shareholders in the ensuing Annual General Meeting, with the approval of Competent Authority as per powers delegated in this regard, by the Board of Directors of the Company.

Thanking you,

Yours faithfully,

(J.S. Amitabh)

Executive Director & Company Secretary

Encl: As above

Regional Offices : Bangalore, Bhopal, Bhubaneswar, Chennai, Guwahati, Hyderabad, Imphal, Jaipur, Jammu, Kolkata, Lucknow, Mumbai, Panchkula, Patna, Raipur, Ranchi, Thiruvananthapuram & Vijayawada

State Offices : Dehradun, Itanagar, Shillong, Shimla, Vadodara & Varanasi

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

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 ENDED 30th JUNE 2020

The Board of Directors,
REC Limited
(Formerly Rural Electrification Corporation Limited)
Core-4, SCOPE Complex,
7, Lodi Road,
New Delhi – 110003

1. We have reviewed the accompanying statement of standalone unaudited financial results of **REC Limited (Formerly Rural Electrification Corporation Limited)** ("the Company") for the quarter ended 30th June 2020 ("the Statement") being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. 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.
3. We conducted our review of the 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.
4. 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 recognition and measurement principles laid down in the Indian



Accounting Standards specified under Section 133 of the Act, as amended, read with relevant rules issued there under and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Other Matters

5. The unaudited standalone financial results of the Company for the quarter ended 30th June 2019 were reviewed by the Statutory Auditors of the Company, both of whom were predecessor audit firms, and they had expressed an unmodified opinion vide their reports dated 6th August 2019 on such financial results.
6. Refer Note 3 to the Statement. The company has continued to provide the Expected Credit Loss (ECL) in respect of its loan assets and undisbursed Letters of Comfort based on the report provided by the credit rating agency appointed by the company in this regard. The basis of determination of ECL, which we have relied upon, is arrived at by the agency, considering the parameters which involve certain technicalities and professional expertise.
7. Refer Note No. 9 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.

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: 20072290AAAABR6202

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



Name - Atul Aggarwal
Designation: Partner
Membership Number: 092656
UDIN : 20092656AAA AFJ6657

Place : New Delhi
Date : 7th August 2020

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 ENDED 30th JUNE 2020

The Board of Directors,
REC Limited
(Formerly Rural Electrification Corporation Limited)
Core-IV, SCOPE Complex,
7, Lodi Road,
New Delhi – 110003

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of REC Limited (Formerly Rural Electrification Corporation Limited) ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of the net profit after tax and total comprehensive income of its joint venture for the quarter ended 30th June 2020 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the 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. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.



5. The Statement includes the results of the following entities:

List of Subsidiaries:

- i) REC Power Distribution Company Limited
- ii) REC Transmission Projects Company Limited

List of Joint Venture:

- i) Energy Efficiency Services Limited, using equity method

6. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Indian Accounting Standards as specified under Section 133 of the Act, as amended, read with relevant rules issued there under and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Other Matters

7. The consolidated financial information of the Company for the quarter ended 30th June 2019 included in this Statement, were audited by the Statutory auditors of the Company, both of whom were predecessor audit firms, and they had expressed an unmodified opinion on consolidated financial statements vide their report dated 6th August 2019.
8. We did not review the interim financial results of two subsidiaries included in the consolidated unaudited financial results, whose interim financial results reflect total revenue of Rs. 28.51 crores, total net profit after tax of Rs. 3.07 crores and total comprehensive income of Rs. 3.07 crores for the quarter ended 30th June 2020, as considered in the consolidated unaudited financial results. These interim financial results have been reviewed by other auditors whose reports have 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 these subsidiaries is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.
9. The consolidated unaudited financial results also includes the Group's share of net profit after tax of Rs. 2.28 crores and total comprehensive income of Rs. 2.28 crores for the quarter ended 30th June 2020, as considered in the consolidated unaudited financial results, in respect of one joint venture based on their interim financial information which have not been reviewed/audited by their auditors. These interim financial results/ information are certified by the Management. According to the information and explanations given to us by the Management, these interim financial information are not material to the Group.
10. Refer Note 3 to the Statement. The company has continued to provide the Expected Credit Loss (ECL) in respect of its loan assets and undisbursed Letters of Comfort based on the report provided by the credit rating agency appointed by the company in this regard. The basis of determination of ECL, which we have relied upon, is arrived at by the agency, considering the parameters which involve certain technicalities and professional expertise.



11. Refer Note No. 9 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.

Our opinion on the Statement 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:20072290AAAABS1176



M/s O.P. Bagla & Co. LLP.
Chartered Accountants
ICAI Firm Registration No. : 000018N/N500091

Name: Atul Aggarwal
Designation: Partner
Membership Number: 092656
UDIN:20092656AAAFAFK8916



Place : New Delhi
Date : 7th August 2020

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

Statement of Unaudited Standalone Financial Results for the period ended 30-06-2020

(₹ in Crores)

S. No.	Particulars	Quarter Ended			Year Ended
		30-06-20 (Unaudited)	31-03-2020 (Audited)	30-06-19 (Unaudited)	31-03-2020 (Audited)
1	Income				
A	Interest income				
(i)	Interest income on loan assets	7,986.57	7,691.16	6,919.27	29,422.33
(ii)	Other interest income	116.70	64.47	52.68	240.74
	Sub-total (A) - Interest Income	8,103.27	7,755.63	6,971.95	29,663.07
B	Other Operating Income				
(i)	Dividend income	-	73.78	-	89.04
(ii)	Fees and commission income	5.79	9.99	14.24	38.95
(iii)	Net gain/(loss) on fair value changes	311.71	(117.97)	(190.58)	(25.85)
	Sub-total (B) - Other Operating Income	317.50	(34.20)	(176.34)	102.14
C	Total Revenue from Operations (A+B)	8,420.77	7,721.43	6,795.61	29,765.21
D	Other Income	1.35	55.28	3.00	63.92
	Total income (C+D)	8,422.12	7,776.71	6,798.61	29,829.13
2	Expenses				
A	Finance costs	5,193.02	4,941.80	4,572.57	18,997.05
B	Net translation/ transaction exchange loss/ (gain)	403.59	1,332.75	42.07	2,357.90
C	Fees and commission expense	6.86	10.49	6.80	25.44
D	Impairment on financial instruments	198.62	538.46	(27.50)	889.56
E	Employee benefits expenses	30.74	42.11	49.86	175.79
F	Depreciation and amortization	2.38	3.15	2.09	10.00
G	Corporate social responsibility expenses	75.61	176.37	24.81	258.40
H	Other expenses	34.25	33.35	25.91	131.70
	Total expenses (A to H)	5,945.07	7,078.48	4,696.61	22,845.84
3	Profit before tax (1-2)	2,477.05	698.23	2,102.00	6,983.29
4	Tax expense				
A	Current tax				
-	Current year	595.44	290.80	582.78	1,552.99
-	Earlier years	133.73	(1.23)	10.30	62.88
B	Deferred tax	(91.13)	(27.05)	7.58	481.26
	Total tax expense (A+B)	638.04	262.52	600.66	2,097.13
5	Net profit for the period (3-4)	1,839.01	435.71	1,501.34	4,886.16
6	Other comprehensive Income/(Loss)				
(i)	Items that will not be reclassified to profit or loss				
(a)	Re-measurement gains/(losses) on defined benefit plans	-	(10.83)	-	(2.87)
(b)	Changes in fair value of FVOCI equity instruments	64.95	(88.89)	(23.61)	(129.20)
(c)	Income tax relating to these items	-	-	-	-
-	Re-measurement gains/(losses) on defined benefit plans	-	2.72	-	0.72
-	Changes in fair value of FVOCI equity instruments	(2.82)	(0.40)	0.78	12.39
	Sub-total (i)	62.13	(97.40)	(22.83)	(118.96)
(ii)	Items that will be reclassified to profit or loss				
(a)	Effective Portion of Cash Flow Hedges	(39.08)	(302.12)	-	(302.12)
(b)	Cost of hedging reserve	170.54	(273.61)	-	(273.61)
(c)	Income tax relating to these items	-	-	-	-
-	Effective Portion of Cash Flow Hedges	9.83	76.04	-	76.04
-	Cost of hedging reserve	(42.92)	68.86	-	68.86
	Sub-total (ii)	98.37	(430.83)	-	(430.83)
	Other comprehensive Income/(Loss) for the period (i+ii)	160.50	(528.23)	(22.83)	(549.79)
7	Total comprehensive income for the period (5+6)	1,999.51	(92.52)	1,478.51	4,336.37
8	Paid up equity share capital (Face Value ₹10 per share)	-	1,974.92	1,974.92	1,974.92
9	Other equity (as per audited balance sheet as at 31st March)	-	-	-	33,101.64
10	Basic & Diluted earnings per equity share of ₹ 10 each (in ₹)				
A	For continuing operations	9.31	2.21	7.60	24.74
B	For continuing and discontinued operations	9.31	2.21	7.60	24.74

See accompanying notes to the financial results.



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Statement of Unaudited Consolidated Financial Results for the period ended 30-06-2020

(₹ in Crores)

S. No.	Particulars	Quarter Ended			Year Ended 31-03-2020 (Audited)
		30-06-20 (Unaudited)	31-03-2020 (Audited)	30-06-19 (Unaudited)	
1	Income				
A	Interest Income				
(i)	Interest income on loan assets	7,986.57	7,691.16	6,919.27	29,422.33
(ii)	Other interest income	118.66	66.62	54.98	249.45
	Sub-total (A) - Interest Income	8,105.23	7,757.78	6,974.25	29,671.78
B	Other Operating Income				
(i)	Dividend income	-	23.78	-	36.94
(ii)	Fees and commission income	5.79	9.99	14.24	38.95
(iii)	Net gain on fair value changes	311.71	(117.97)	(190.58)	(25.85)
(iv)	Sale of services	23.92	49.93	17.42	182.11
	Sub-total (B) - Other Operating Income	341.42	(34.27)	(158.92)	232.15
C	Total Revenue from Operations (A+B)	8,446.65	7,723.51	6,815.33	29,903.93
D	Other Income	1.43	62.08	4.26	77.27
	Total income (C+D)	8,448.08	7,785.59	6,819.59	29,981.20
2	Expenses				
A	Finance costs	5,192.58	4,940.22	4,571.31	18,991.30
B	Net translation/ transaction exchange loss/ (gain)	403.59	1,332.75	42.07	2,357.90
C	Fees and commission expense	6.86	10.49	6.80	25.44
D	Impairment on financial instruments	201.63	556.56	(28.05)	919.49
E	Cost of services rendered	14.80	23.04	14.79	71.61
F	Employee benefits expenses	35.01	45.89	54.37	193.15
G	Depreciation and amortization	2.80	3.56	2.53	11.77
H	Corporate social responsibility expenses	75.75	176.42	24.82	259.29
I	Other expenses	33.45	34.21	24.72	130.41
	Total Expenses (A to I)	5,966.47	7,123.14	4,713.36	22,960.36
3	Share of Profit of Joint Venture accounted for using equity method	2.28	1.78	6.35	9.14
4	Profit before Tax (1-2+3)	2,483.89	664.23	2,112.58	7,029.98
5	Tax Expense				
A	Current Tax				
-	Current Year	597.30	295.19	583.65	1,579.79
-	Earlier Years	133.73	1.16	10.30	65.27
B	Deferred Tax	(92.44)	(106.11)	9.63	412.65
	Total Tax Expense (A+B)	638.59	190.24	603.58	2,057.71
6	Net profit for the period (4-5)	1,845.30	473.99	1,509.00	4,972.27
7	Other comprehensive Income/(Loss)				
(i)	Items that will not be reclassified to profit or loss				
(a)	Re-measurement gains/(losses) on defined benefit plans	-	(10.83)	-	(2.87)
(b)	Changes in fair value of FVOCI equity instruments	64.95	(88.89)	(23.61)	(129.20)
(c)	Share of Profit of Joint Venture accounted for using equity method	-	(0.02)	-	(0.12)
(d)	Income tax relating to these items				
-	Re-measurement gains/(losses) on defined benefit plans	-	2.72	-	0.72
-	Changes in fair value of FVOCI equity instruments	(2.82)	(0.40)	0.78	12.39
	Sub-total (i)	62.13	(97.42)	(22.83)	(119.08)
(ii)	Items that will be reclassified to profit or loss				
(a)	Effective Portion of Cash Flow Hedges	(39.08)	(302.12)	-	(302.12)
(b)	Cost of hedging reserve	170.54	(273.61)	-	(273.61)
(c)	Share of other comprehensive income/ (loss) of joint venture accounted for using equity method	-	(0.80)	(3.13)	(3.94)
(D)	Income tax relating to these items				
-	Effective Portion of Cash Flow Hedges	9.83	76.04	-	76.04
-	Cost of hedging reserve	(42.92)	68.86	-	68.86
	Sub-total (ii)	98.37	(431.63)	(3.13)	(434.77)
	Other comprehensive income/(loss) for the period (i + ii)	160.50	(529.05)	(25.96)	(553.85)
8	Total comprehensive Income for the period (6+7)	2,005.80	(55.06)	1,483.04	4,418.42
9	Paid up Equity Share Capital (Face Value ₹10 per share)	1,974.92	1,974.92	1,974.92	1,974.92
10	Other Equity (as per audited balance sheet as at 31st March)				33,421.51
11	Basic & Diluted earnings per equity share of ₹ 10 each (in ₹) (not annualised)				
A	For continuing operations	9.34	2.40	7.64	25.18
B	For continuing and discontinued operations	9.34	2.40	7.64	25.18

See accompanying notes to the financial results.



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Notes:

1. The above financial results of the Company were reviewed by the Audit Committee and approved and taken on record by the Board of Directors at the meetings held on 7th August, 2020. These results have been reviewed by the Statutory Auditors of the Company.
2. The accounts of the subsidiary companies, REC Power Distribution Company Limited (standalone) and REC Transmission Projects Company Limited (consolidated) subjected to limited review and unaudited standalone accounts of joint venture (Energy Efficiency Services Limited) have been consolidated in accordance with the Indian Accounting Standard 110 'Consolidated Financial Statements', Indian Accounting Standard 111 'Joint Arrangements' and Indian Accounting Standard 28 'Investments in Associates and Joint Ventures'.
3. Details of impairment loss allowance maintained in respect of loan assets are as under:

(₹ in Crores)

S. No.	Particulars	As at 30.06.2020			As at
		Stage 1 & 2	Stage 3	Total	31.03.2020
1.	Loan assets	3,10,577.30	20,210.74	3,30,788.04	3,22,424.68
2.	Impairment loss allowance	1,436.74	10,689.87	12,126.61	11,996.04
	Impairment Allowance Coverage (%) (2/1)	0.46%	52.89%	3.67%	3.72%

Further, the Company has also maintained "Impairment Reserve" as required by RBI Notification No. DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13th March 2020 in respect of Implementation of Ind-AS in NBFC.

4. Interest income on credit-impaired loan assets is not being recognised as a matter of prudence, pending the outcome of resolutions of such assets.
5. The Company's main business is to provide finance to power sector. Accordingly, the company does not have more than one segment eligible for reporting in terms of Indian Accounting Standard (Ind AS) 108 'Operating Segments'.
6. For all the secured bonds issued by the Company and outstanding as at 30th June 2020, 100% security cover has been maintained by way of mortgage on certain immovable properties and/or charge on the receivables of the Company.
7. The Company raises funds in different currencies through a mix of term loans from banks/ financial institutions/ Govt. agencies and bonds of different tenors through private placement of debt securities. The amounts raised during the period have been utilized for the stated objects in the offer document/ information memorandum. Further, there has been no default as on 30th June, 2020 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.
8. Disclosures in respect of Liquidity Risk Management in accordance with RBI Guidelines dated 4th November 2019 are annexed at **Annexure-A**.
9. The Covid-19 outbreak was declared a global pandemic by the World Health Organisation (WHO) in March 2020. The situation has been under close watch by the Company to take prompt actions for continuity of business operations in an optimised manner. An update on the impact of Covid-19 outbreak on the business operations of the Company is annexed as **Annexure-B**.
10. The figures for the quarter ended 31st March 2020 have been derived by deducting the year to date figures for the period ended 31st December 2019 from the audited figures for the year ended 31st March 2020.
11. Previous period/ years' figures have been regrouped/ reclassified, wherever necessary, in order to make them comparable.

Place: New Delhi

Date: 7th August 2020



For REC Limited

Sanjeev Kumar Gupta
Sanjeev Kumar Gupta
 Chairman & Managing Director
 DIN - 03464342



Disclosures in accordance with RBI Circular on liquidity risk management

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

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

Particulars	As at 30.06.2020	As at 31.03.2020
Number of significant counterparties *	15	14
Amount (₹ in Crores)	1,34,617.08	1,25,850.36
% of Total Liabilities	41.02%	40.41%

(ii) Top 10 borrowings

Particulars	As at 30.06.2020		As at 31.03.2020	
	Amount (₹ in Crore)	% of Total borrowings	Amount (₹ in Crore)	% of Total borrowings
1 Term Loan from National Small Savings Fund (NSSF)	10,000.00	3.36%	10,000.00	3.57%
2 54EC- Series XI (2017-18)	8,057.68	2.71%	9,565.23	3.41%
3 54EC- Series XI (2018-19)	6,651.77	2.24%	6,651.77	2.37%
4 Term Loan from State Bank of India	6,299.92	2.12%	7,299.92	2.61%
5 54EC- Series XI (2019-20)	6,138.27	2.06%	5,759.14	2.06%
6 Foreign Currency Bonds- US \$700 Mn Bonds	5,286.89	1.78%	5,277.01	1.88%
7 Institutional Bonds- 182nd Series	5,063.00	1.70%	5,063.00	1.81%
8 Foreign Currency Bonds- US \$650 Mn Bonds	4,909.26	1.65%	4,900.08	1.75%
9 Institutional Bonds- 114th Series	4,300.00	1.45%	4,300.00	1.54%
10 Institutional Bonds- 105th Series	3,922.20	1.32%	3,922.20	1.40%
Total	60,628.99	20.38%	62,738.35	22.40%

(iii) Funding Concentration based on significant instrument/ product

Name of significant instrument/ product *	As at 30.06.2020		As at 31.03.2020	
	Amount (₹ in Crore)	% of Total Liabilities	Amount (₹ in Crore)	% of Total Liabilities
1 Debt Securities				
Institutional Bonds	1,60,547.20	48.92%	1,52,132.20	48.85%
Foreign Currency Bonds	26,434.46	8.05%	22,615.78	7.26%
54EC Capital Gain Tax Exemption Bonds	21,708.13	6.61%	22,376.33	7.19%
Tax Free Bonds	12,648.41	3.85%	12,648.41	4.06%
Sub-Total	2,21,338.20	67.44%	2,09,772.72	67.36%
2 Borrowings (Other than Debt Securities)				
Foreign Currency Borrowings	25,296.48	7.71%	21,762.71	6.99%
Term Loans from Banks	19,864.77	6.05%	18,899.78	6.07%
Term Loans from Govt. of India	10,000.00	3.05%	10,000.00	3.21%
FCNR (B) Loans	6,986.24	2.13%	6,973.20	2.24%
Loans repayable on demand from Banks	4,074.97	1.24%	-	-
Sub-Total	66,222.46	20.18%	57,635.69	18.51%
3 Subordinated Liabilities	6,650.70	2.03%	4,651.20	1.49%
Total (1+2+3)	2,94,211.36	89.64%	2,72,059.61	87.36%

(iv) Stock Ratios:

Particulars	As at 30.06.2020				As at 31.03.2020			
	Amount (₹ in Crores)	% of Public Funds	% of Total Liabilities	% of Total Assets	Amount (₹ in Crores)	% of Public Funds	% of Total Liabilities	% of Total Assets
Commercial Papers	-	0.00%	0.00%	0.00%	2,925.00	1.04%	0.94%	0.84%
Non-Convertible debentures having maturity of less than one year	-	-	-	-	-	-	-	-
Other Short-Term liabilities	11,304.03	3.80%	3.44%	3.09%	10,551.34	3.77%	3.39%	3.05%

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



Impact of Covid-19 Pandemic on the Company

The Covid-19 outbreak was declared a global pandemic by the World Health Organisation (WHO) in March 2020. While the lockdown situation caused significant disruptions across the Country, the economic and business activities are gradually unlocking. Amidst the current situation, the Company continues to leverage digital technology for review & monitoring, information-sharing and knowledge management to continue the business operations without any significant disruptions due to lockdown.

Moratorium to the Borrowers in line with RBI Guidelines

As per the data by the Ministry of Power, the slump in power consumption has narrowed down considerably during July 2020 to 2.6% at 113.48 billion units (BU) with the gradual unlocking of the economic activities. However, some challenges may arise from temporary disruptions in the cash flows for the borrower entities, leading to extended working capital cycles and deferment of capex plans.

To mitigate the burden of debt servicing brought about by disruptions of business activities, the Company granted moratorium of three months on payment of all amounts falling due between 1st March, 2020 and 31st May 2020 to the eligible borrowers, as allowed by RBI guidelines dated 27th March 2020 and 17th April 2020. Further, as allowed by RBI vide guidelines dated 23rd May 2020, the Company granted an additional 3-month moratorium on the amounts falling due between 1st June 2020 and 31st August 2020 to eligible borrowers. In pursuance of the moratorium policy, an amount of ₹ 10,138 crores falling due till 30th June 2020 (including the amount pertaining to the first moratorium period) has been deferred. For all such accounts where the moratorium is granted, the moratorium period has been excluded from the number of days past-due for asset classification.

Liquidity Buffers with the Company

In spite of the moratorium allowed to the borrowers, the Company has not experienced any significant impact on its liquidity position, cushioned by its access to diversified sources of borrowings across the geographies. However, as a matter of abundant caution in the uncertain environment, the Company has been maintaining higher levels of liquidity buffers to meet committed liabilities and expected disbursements. As on 30th June 2020, the amount of Cash & Cash equivalents available with the company, including short-term deposits and liquid mutual funds, is ₹ 10,394 crores, as against ₹ 1,678 crores as at 31st March 2020. Additionally, the Company has available limits of more than ₹ 8,000 crores towards long term loans and ₹ 9,000 crores towards Working Capital/ Short Term Loans from various banks.

Covid-19 Relief Package for the Power Sector

The Govt. of India, as a part of its Covid-19 relief package, had announced liquidity injection to the State discoms in the form of State Govt. guaranteed loans through REC and PFC (Power Finance Corporation Ltd.) to clear the outstanding dues of Power Generation and Transmission Companies. The Company has already sanctioned amounts of more than ₹ 30,000 crores till 31st July 2020 as part of this liquidity package to discoms.

Considering the relaxations allowed by the RBI, relief package for Power Sector by Govt. of India, REC's liquidity position and access to diverse sources of funds, the Company presently does not have any reasons to believe that the current crisis will have any significant impact on the Company's ability to maintain its operations, including its assessment of going concern. However, the impact will continue to be dependent on future developments, which are uncertain, including, among other things, any new information concerning the severity of the Covid-19 pandemic and any further action by the Govt. or the Company to contain its spread or mitigate its impact.



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