

## NOTES TO ACCOUNTS

### 1. SHARE CAPITAL

(₹ in Crores)

Particulars	As at 31.03.2016		As at 31.03.2015	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised :</b>				
Equity shares of ₹ 10 each	1,200,000,000	1,200.00	1,200,000,000	1,200.00
<b>Issued, Subscribed and Paid up :</b>				
Fully paid up Equity shares of ₹ 10 each	987,459,000	987.46	987,459,000	987.46
<b>Total</b>	<b>987,459,000</b>	<b>987.46</b>	<b>987,459,000</b>	<b>987.46</b>

- 1.1 The holders of the equity shares of the Company are entitled to receive dividends as and when declared by the Company and enjoy proportionate voting rights in case any resolution is put to vote. Further, the shareholders have all such rights, as may be available to a shareholder of a listed public company, under the Companies Act, 1956 (to the extent applicable), Companies Act, 2013 and rules made thereunder (to the extent notified), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Memorandum of Association and Articles of Association of the Company.

### 1.2 Shareholders holding more than 5% of fully paid-up equity shares :

Name	As at 31.03.2016		As at 31.03.2015	
	No. of Shares	Percentage	No. of Shares	Percentage
The President of India	598,767,680	60.64%	648,168,218	65.64%
Life Insurance Corporation of India	86,490,414	8.76%	30,877,781	3.13%

### 2. RESERVES AND SURPLUS

(₹ in Crores)

Particulars	As at 31.03.2016		As at 31.03.2015	
<b>Capital Reserve</b>		<b>105.00</b>		<b>105.00</b>
<b>Securities Premium Account (Refer Note 2.1)</b>				
Balance as at the beginning of the year		3,223.72		3,223.72
Add: Additions during the year		0.28		-
<b>Balance as at the end of the year</b>		<b>3,224.00</b>		<b>3,223.72</b>
<b>Debenture Redemption Reserve (Refer Note 2.2)</b>				
Balance as at the beginning of the year		531.77		345.98
Add: Amount transferred from Surplus Account		196.59		185.79
<b>Balance as at the end of the year</b>		<b>728.36</b>		<b>531.77</b>
<b>Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961</b>				
Balance as at the beginning of the year		8,449.64		6,820.64
Add: Amount transferred from Surplus Account		1,900.00		1,629.00
<b>Balance as at the end of the year</b>		<b>10,349.64</b>		<b>8,449.64</b>
<b>Reserve for Bad and doubtful debts u/s 36(1)(viia) of the Income Tax Act, 1961</b>				
Balance as at the beginning of the year		1,621.97		1,268.97
Add: Amount transferred from Surplus Account		390.00		353.00
<b>Balance as at the end of the year</b>		<b>2,011.97</b>		<b>1,621.97</b>

## NOTES TO ACCOUNTS

(₹ in Crores)

Particulars	As at 31.03.2016		As at 31.03.2015	
<b>Foreign Currency Monetary Item Translation Difference Account (Refer Note 2.3)</b>				
Balance as at the beginning of the year		-335.46		-532.65
Add: Foreign Currency Translation Gain / Loss (-) on long term monetary items during the year		-503.08		-62.80
Amortisation during the year		666.13		259.99
<b>Balance as at the end of the year</b>		<b>-172.41</b>		<b>-335.46</b>
<b>General Reserve</b>				
Balance as at the beginning of the year		4,107.40		3,581.40
Add: Amount transferred from Surplus Account		570.00		526.00
<b>Balance as at the end of the year</b>		<b>4,677.40</b>		<b>4,107.40</b>
<b>Surplus Account</b>				
Balance as at the beginning of the year		6,165.53		4,868.94
Less: Transfer of Depreciation in accordance with provisions of Companies Act, 2013 (Refer Note 2.4)		-		0.74
Add: Profit during the year		5,627.66		5,259.87
<b>Less : Appropriations</b>				
- Transfer to Special Reserve u/s 36(1)(viii) of the Income Tax Act, 1961	1,900.00		1,629.00	
- Transfer to Reserve for Bad & Doubtful Debts u/s 36(1) (viiia) of the Income Tax Act, 1961	390.00		353.00	
- Dividend				
- Interim Dividend	1,184.95		789.97	
- Proposed Dividend (Final) (Refer Note 2.5)	503.60		266.61	
- Dividend Distribution Tax				
- Interim Dividend	239.19		157.89	
- Proposed Dividend (Final)	102.52		54.28	
- Transfer to Debenture Redemption Reserve	196.59		185.79	
- Transfer to General Reserve	570.00	5,086.85	526.00	3,962.54
<b>Balance as at the end of the year</b>		<b>6,706.34</b>		<b>6,165.53</b>
<b>Total Reserves and Surplus</b>		<b>27,630.30</b>		<b>23,869.57</b>

**2.1** Additions in Securities Premium Account for the year ended 31<sup>st</sup> March, 2016 represent the premium of ₹ 0.28 Crores (Previous year Nil) received on issue of Tax Free Bonds through private placement.

### **2.2 Debenture Redemption Reserve (DRR)**

In accordance with provisions of Section 71(4) of the Companies Act, 2013 as further clarified by the Companies (Share Capital and Debentures) Rules, 2014 issued by Ministry of Corporate Affairs, Govt. of India, the company creates Debenture Redemption Reserve (DRR) upto 25% of the value of debentures issued through public issue as per present SEBI (Issue and Listing of Debt Securities) Regulations, 2008 during the maturity period of such debentures, and no DRR is required in the case of privately placed debentures. Accordingly, during the year, the company has created DRR amounting to ₹ 196.59 Crores (Previous year ₹ 185.79 Crores).

### **2.3 Foreign Currency Monetary Item Translation Difference Account**

The company has opted towards an irrevocable option for amortising the foreign exchange fluctuation loss/gain on the long term foreign currency monetary items over the balance period of such items in accordance with Para 46A of Accounting Standard 11 'The Effects of Changes in Foreign Exchange Rates'. Amount remaining to be amortised in 'Foreign Currency Monetary Item Translation Difference Account' as at 31<sup>st</sup> March, 2016 is ₹ 172.41 Crores (Previous year ₹ 335.46 Crores).

## NOTES TO ACCOUNTS

### 2.4 Draw down from Reserves

No amount has been drawn from reserves during the financial year 2015-16. However, an amount of ₹ 0.74 crores (net of tax ₹ 0.38 crores) had been adjusted in the retained earnings during the financial year 2014-15 in respect of fixed assets, where the remaining useful life of such assets was Nil as at 1<sup>st</sup> April, 2014 in line with the provisions of the Schedule-II to the Companies Act, 2013.

### 2.5 Proposed Dividend

The final dividend proposed for the year is as follows :

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
On Equity Shares of ₹ 10 each		
- Amount of Dividend proposed (₹ in Crores)	503.60	266.61
- Rate of Dividend (%)	51.00%	27.00%
- Dividend per equity share (₹)	5.10	2.70

### 3. Long-Term Debt

Non-current portion of the long term debt has been classified as 'Long-term borrowings' and the current portion of the long term debt has been classified as "Current Maturities of Long-term debt" in Note-8 'Other Current Liabilities'.

(₹ in Crores)

Particulars	As at 31.03.2016		As at 31.03.2015	
	Non-Current	Current	Non-Current	Current
<b>(A) Secured Long-Term Debt</b>				
(a) Bonds				
- Institutional Bonds	27,591.90	7,854.80	35,446.70	2,992.80
- 54EC Capital Gain Tax Exemption Bonds	11,814.48	5,349.91	10,687.69	4,903.25
- Tax Free Bonds	12,648.41	-	11,648.41	-
(b) Term Loans				
- from Financial Institutions	750.00	350.00	1,100.00	350.00
<b>Total Secured Long-Term Debt (a+b)</b>	<b>52,804.79</b>	<b>13,554.71</b>	<b>58,882.80</b>	<b>8,246.05</b>
<b>(B) Unsecured Long-Term Debt</b>				
(a) Bonds				
- Institutional Bonds	66,184.40	7,055.80	57,714.20	-
- Infrastructure Bonds	34.90	207.49	162.98	213.34
- Zero Coupon Bonds	990.64	-	914.48	-
(b) Term Loans				
- from Banks	-	-	-	125.00
- from Govt. of India	-	-	-	3.07
(c) Other Loans & Advances				
- Foreign Currency Borrowings	18,774.70	3,149.02	13,493.86	10,534.34
<b>Total Unsecured Long-Term Debt (a+b+c)</b>	<b>85,984.64</b>	<b>10,412.31</b>	<b>72,285.52</b>	<b>10,875.75</b>
<b>Total Long-Term Debt (A+B)</b>	<b>138,789.43</b>	<b>23,967.02</b>	<b>131,168.32</b>	<b>19,121.80</b>
<b>Total Long-Term Debt (Non-Current + Current)</b>	<b>162,756.45</b>		<b>150,290.12</b>	

## NOTES TO ACCOUNTS

### 3.1 Details of Long-term Debt :

Details of secured long-term debt :

(Refer Note 3.3 for details of the security)

#### 3.1.1 Bonds

(₹ in Crores)

Particulars	As at 31.03.2016		As at 31.03.2015	
	Non-Current	Current	Non-Current	Current
<b>3.1.1.1 Institutional Bonds</b>				
<b>123-III B Series</b>	1,955.00	-	1,955.00	-
9.34% Redeemable at par on 23.08.2024				
<b>123-I Series</b>	1,515.00	-	1,515.00	-
9.40% Redeemable at par on 17.07.2021				
<b>92-II Series</b>	945.30	-	945.30	-
8.65% Redeemable at par on 22.01.2020				
<b>91-II Series</b>	995.90	-	995.90	-
8.80% Redeemable at par on 18.11.2019				
<b>90-C-II Series</b>	1,040.00	-	1,040.00	-
8.80% Redeemable at par on 07.10.2019				
<b>90-B-II Series</b>	868.20	-	868.20	-
8.72% Redeemable at par on 04.09.2019				
<b>90<sup>th</sup> Series</b>	2,000.00	-	2,000.00	-
8.80% Redeemable at par on 03.08.2019				
<b>122<sup>nd</sup> Series</b>	1,700.00	-	1,700.00	-
9.02% Redeemable at par on 18.06.2019				
<b>119<sup>th</sup> Series</b>	2,090.00	-	2,090.00	-
9.63% Redeemable at par on 05.02.2019				
<b>88<sup>th</sup> Series</b>	1,495.00	-	1,495.00	-
8.65% Redeemable at par on 15.01.2019				
<b>118<sup>th</sup> Series</b>	1,655.00	-	1,655.00	-
9.61% Redeemable at par on 03.01.2019				
<b>117<sup>th</sup> Series</b>	2,878.00	-	2,878.00	-
9.38% Redeemable at par on 06.11.2018				
<b>87-A-III Series</b>	61.80	-	61.80	-
11.15% Redeemable at par on 24.10.2018				
<b>116-II Series</b>	850.00	-	850.00	-
9.24% Redeemable at par on 17.10.2018				
<b>87-II Series</b>	657.40	-	657.40	-
10.85% Redeemable at par on 01.10.2018				
<b>86-B-III Series</b>	432.00	-	432.00	-
10.85% Redeemable at par on 14.08.2018				
<b>86-A Series</b>	500.00	-	500.00	-
10.70% Redeemable at par on 30.07.2018				
<b>85<sup>th</sup> Series</b>	500.00	-	500.00	-
9.68% Redeemable at par on 13.06.2018				
<b>83<sup>rd</sup> Series</b>	685.20	-	685.20	-
9.07% Redeemable at par on 28.02.2018				
<b>82<sup>nd</sup> Series</b>	883.10	-	883.10	-
9.85% Redeemable at par on 28.09.2017				
<b>124-I Series</b>	2,610.00	-	2,610.00	-
9.06% Redeemable at par on 22.09.2017				

## NOTES TO ACCOUNTS

(₹ in Crores)

Particulars	As at 31.03.2016		As at 31.03.2015	
	Non-Current	Current	Non-Current	Current
<b>123-IIIA Series</b>	<b>1,275.00</b>	<b>-</b>	<b>1,275.00</b>	<b>-</b>
9.25% Redeemable at par on 25.08.2017				
<b>121<sup>st</sup> Series</b>	<b>-</b>	<b>1,600.00</b>	<b>1,600.00</b>	<b>-</b>
9.52% Redeemable at par on 24.03.2017				
<b>120<sup>th</sup> Series</b>	<b>-</b>	<b>1,100.00</b>	<b>1,100.00</b>	<b>-</b>
9.67% Redeemable at par on 10.03.2017				
<b>81<sup>st</sup> Series</b>	<b>-</b>	<b>314.80</b>	<b>314.80</b>	<b>-</b>
8.85% Redeemable at par on 20.01.2017				
<b>116-I Series</b>	<b>-</b>	<b>430.00</b>	<b>430.00</b>	<b>-</b>
9.05% Redeemable at par on 17.10.2016				
<b>123-IV Series</b>	<b>-</b>	<b>2,750.00</b>	<b>2,750.00</b>	<b>-</b>
8.97% Redeemable at par on 08.09.2016				
<b>123-II Series</b>	<b>-</b>	<b>1,660.00</b>	<b>1,660.00</b>	<b>-</b>
9.27% Redeemable at par on 08.08.2016				
<b>80<sup>th</sup> Series</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>500.00</b>
8.20% Redeemed at par on 20.03.2016				
<b>79<sup>th</sup> Series</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>500.00</b>
7.85% Redeemed at par on 14.03.2016				
<b>78<sup>th</sup> Series</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,795.70</b>
7.65% Redeemed at par on 31.01.2016				
<b>77<sup>th</sup> Series</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>197.10</b>
7.30% Redeemed at par on 30.06.2015				
<b>Total - Institutional Bonds</b>	<b>27,591.90</b>	<b>7,854.80</b>	<b>35,446.70</b>	<b>2,992.80</b>
<b>3.1.1.2 54EC Capital Gain Tax Exemption Bonds</b>				
<b>Series X (2015-16)</b>	<b>6,476.70</b>	<b>-</b>	<b>-</b>	<b>-</b>
6.00% Redeemable at par during financial year 2018-19				
<b>Series IX (2014-15)</b>	<b>5,337.78</b>	<b>-</b>	<b>5,337.78</b>	<b>-</b>
6.00% Redeemable at par during financial year 2017-18				
<b>Series IX (2013-14)</b>	<b>-</b>	<b>5,349.91</b>	<b>5,349.91</b>	<b>-</b>
6.00% Redeemable at par during financial year 2016-17				
<b>Series VIII (2012-13)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,903.25</b>
6.00% Redeemed at par during financial year 2015-16				
<b>Total - 54EC Capital Gain Tax Exemption Bonds</b>	<b>11,814.48</b>	<b>5,349.91</b>	<b>10,687.69</b>	<b>4,903.25</b>
<b>3.1.1.3 Tax Free Bonds</b>				
<b>Series 2015-16 Tranche 1</b>	<b>700.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
Redeemable at par. Bonds amounting to ₹ 105.93 Crores are redeemable on 05.11.2025, ₹ 172.90 Crores are redeemable on 05.11.2030 and ₹ 421.17 Crores are redeemable on 05.11.2035 with interest rates varying from 6.89% to 7.43% payable annually				
<b>Series 2015-16 Series 5A</b>	<b>300.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
7.17% Redeemable at par on 23.07.2025				

## NOTES TO ACCOUNTS

(₹ in Crores)

Particulars	As at 31.03.2016		As at 31.03.2015	
	Non-Current	Current	Non-Current	Current
<b>Series 2013-14 Tranche 2</b>	<b>1,059.40</b>	<b>-</b>	<b>1,059.40</b>	<b>-</b>
Redeemable at par. Bonds amounting to ₹ 419.32 Crores are redeemable on 22.03.2024, ₹ 530.42 Crores are redeemable on 23.03.2029 and ₹ 109.66 Crores are redeemable on 24.03.2034 with interest rates varying from 8.19% to 8.88% payable annually				
<b>Series 2013-14 Series 4A &amp; 4B</b>	<b>150.00</b>	<b>-</b>	<b>150.00</b>	<b>-</b>
Redeemable at par. Bonds amounting to ₹ 105.00 Crores are redeemable on 11.10.2023 and ₹ 45.00 Crores are redeemable on 11.10.2028 with interest rates varying from 8.18% to 8.54% payable annually				
<b>Series 2013-14 Tranche 1</b>	<b>3,440.60</b>	<b>-</b>	<b>3,440.60</b>	<b>-</b>
Redeemable at par. Bonds amounting to ₹ 575.06 Crores are redeemable on 25.09.2023, ₹ 2,810.26 Crores are redeemable on 25.09.2028 and ₹ 55.28 Crores are redeemable on 26.09.2033 with interest rates varying from 8.01% to 8.71% payable annually				
<b>Series 2013-14 Series 3A &amp; 3B</b>	<b>1,350.00</b>	<b>-</b>	<b>1,350.00</b>	<b>-</b>
Redeemable at par. Bonds amounting to ₹ 209.00 Crores are redeemable on 29.08.2023 and ₹ 1,141.00 Crores are redeemable on 29.08.2028 with interest rates varying from 8.01% to 8.46% payable annually				
<b>Series 2012-13 Tranche 2</b>	<b>131.06</b>	<b>-</b>	<b>131.06</b>	<b>-</b>
Redeemable at par. Bonds amounting to ₹ 81.35 Crores are redeemable on 27.03.2023 and bonds amounting to ₹ 49.71 Crores are redeemable on 27.03.2028 with interest rates varying from 6.88% to 7.54% payable annually				
<b>Series 2012-13 Tranche 1</b>	<b>2,017.35</b>	<b>-</b>	<b>2,017.35</b>	<b>-</b>
Redeemable at par. Bonds amounting to ₹ 1,165.31 Crores are redeemable on 19.12.2022 and bonds amounting to ₹ 852.04 Crores are redeemable on 20.12.2027 with interest rates varying from 7.22% to 7.88% payable annually				
<b>Series 2012-13 Series 2A &amp; 2B</b>	<b>500.00</b>	<b>-</b>	<b>500.00</b>	<b>-</b>
Redeemable at par. Bonds amounting to ₹ 255.00 Crores are redeemable on 21.11.2022 and bonds amounting to ₹ 245.00 Crores are redeemable on 22.11.2027 with interest rates of 7.21% and 7.38% respectively payable annually				
<b>Series 2011-12</b>	<b>3,000.00</b>	<b>-</b>	<b>3,000.00</b>	<b>-</b>
Redeemable at par. Bonds amounting to ₹ 839.67 Crores are redeemable on 27.03.2022 and bonds amounting to ₹ 2,160.33 Crores are redeemable on 27.03.2027 with interest rates varying from 7.93% to 8.32% payable annually				
<b>Total - Tax Free Bonds</b>	<b>12,648.41</b>	<b>-</b>	<b>11,648.41</b>	<b>-</b>
<b>Term Loans</b>				
<b>Term Loan from Financial Institutions</b>				
- Life Insurance Corporation of India (LIC)	<b>750.00</b>	<b>350.00</b>	<b>1,100.00</b>	<b>350.00</b>
The Loan of ₹1500 Crores (present outstanding ₹ 200 Crores @ 6.242% and ₹ 100 Crores @ 6.231%) & ₹ 2,000 Crores (present outstanding ₹ 800 Crores @ 7.35%) repayable in 10 equal annual installments commencing from 01.10.2008 and 01.10.2010 respectively .				
<b>Total - Term Loans</b>	<b>750.00</b>	<b>350.00</b>	<b>1,100.00</b>	<b>350.00</b>

## 3.1.2

## NOTES TO ACCOUNTS

### 3.2 Details of Unsecured long-term debt :

#### 3.2.1 Bonds

(₹ in Crores)

Particulars	As at 31.03.2016		As at 31.03.2015	
	Non-Current	Current	Non-Current	Current
<b>3.2.1.1 Institutional Bonds</b>				
<b>136<sup>th</sup> Series</b>	<b>2,585.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
8.11% Redeemable at par on 07.10.2025				
<b>95-II Series</b>	<b>1,800.00</b>	<b>-</b>	<b>1,800.00</b>	<b>-</b>
8.75% Redeemable at par on 14.07.2025				
<b>94<sup>th</sup> Series</b>	<b>1,250.00</b>	<b>-</b>	<b>1,250.00</b>	<b>-</b>
8.75% Redeemable at par on 09.06.2025				
<b>133<sup>rd</sup> Series</b>	<b>2,396.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
8.30% Redeemable at par on 10.04.2025				
<b>131<sup>st</sup> Series</b>	<b>2,285.00</b>	<b>-</b>	<b>2,285.00</b>	<b>-</b>
8.35% Redeemable at par on 21.02.2025				
<b>130<sup>th</sup> Series</b>	<b>2,325.00</b>	<b>-</b>	<b>2,325.00</b>	<b>-</b>
8.27% Redeemable at par on 06.02.2025				
<b>129<sup>th</sup> Series</b>	<b>1,925.00</b>	<b>-</b>	<b>1,925.00</b>	<b>-</b>
8.23% Redeemable at par on 23.01.2025				
<b>128<sup>th</sup> Series</b>	<b>2,250.00</b>	<b>-</b>	<b>2,250.00</b>	<b>-</b>
8.57% Redeemable at par on 21.12.2024				
<b>115<sup>th</sup> Series - Subordinate Tier-II Bonds</b>	<b>2,500.00</b>	<b>-</b>	<b>2,500.00</b>	<b>-</b>
8.06% Redeemable at par on 31.05.2023				
<b>114<sup>th</sup> Series</b>	<b>4,300.00</b>	<b>-</b>	<b>4,300.00</b>	<b>-</b>
8.82% Redeemable at par on 12.04.2023				
<b>111-II Series</b>	<b>2,211.20</b>	<b>-</b>	<b>2,211.20</b>	<b>-</b>
9.02% Redeemable at par on 19.11.2022				
<b>107<sup>th</sup> Series</b>	<b>2,378.20</b>	<b>-</b>	<b>2,378.20</b>	<b>-</b>
9.35% Redeemable at par on 15.06.2022				
<b>132<sup>nd</sup> Series</b>	<b>700.00</b>	<b>-</b>	<b>700.00</b>	<b>-</b>
8.27% Redeemable at par on 09.03.2022				
<b>127<sup>th</sup> Series</b>	<b>1,550.00</b>	<b>-</b>	<b>1,550.00</b>	<b>-</b>
8.44% Redeemable at par on 04.12.2021				
<b>105<sup>th</sup> Series</b>	<b>3,922.20</b>	<b>-</b>	<b>3,922.20</b>	<b>-</b>
9.75% Redeemable at par on 11.11.2021				
<b>101-III Series</b>	<b>3,171.80</b>	<b>-</b>	<b>3,171.80</b>	<b>-</b>
9.48% Redeemable at par on 10.08.2021				
<b>100<sup>th</sup> Series</b>	<b>1,500.00</b>	<b>-</b>	<b>1,500.00</b>	<b>-</b>
9.63% Redeemable at par on 15.07.2021				
<b>98<sup>th</sup> Series</b>	<b>3,000.00</b>	<b>-</b>	<b>3,000.00</b>	<b>-</b>
9.18% Redeemable at par on 15.03.2021				
<b>97<sup>th</sup> Series</b>	<b>2,120.50</b>	<b>-</b>	<b>2,120.50</b>	<b>-</b>
8.80% Redeemable at par on 30.11.2020				
<b>96<sup>th</sup> Series</b>	<b>1,150.00</b>	<b>-</b>	<b>1,150.00</b>	<b>-</b>
8.80% Redeemable at par on 26.10.2020				
<b>135<sup>th</sup> Series</b>	<b>2,750.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
8.36% Redeemable at par on 22.09.2020				
<b>134<sup>th</sup> Series</b>	<b>2,675.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
8.37% Redeemable at par on 14.08.2020				
<b>113<sup>th</sup> Series</b>	<b>1,542.00</b>	<b>-</b>	<b>1,542.00</b>	<b>-</b>
8.87% Redeemable at par on 09.03.2020				
<b>111-I Series</b>	<b>452.80</b>	<b>-</b>	<b>452.80</b>	<b>-</b>
9.02% Redeemable at par on 19.11.2019				

## NOTES TO ACCOUNTS

(₹ in Crores)

Particulars	As at 31.03.2016		As at 31.03.2015	
	Non-Current	Current	Non-Current	Current
<b>126<sup>th</sup> Series</b>	<b>1,700.00</b>	<b>-</b>	<b>1,700.00</b>	<b>-</b>
8.56% Redeemable at par on 13.11.2019				
<b>125<sup>th</sup> Series</b>	<b>3,000.00</b>	<b>-</b>	<b>3,000.00</b>	<b>-</b>
9.04% Redeemable at par on 11.10.2019				
<b>108-II Series</b>	<b>960.00</b>	<b>-</b>	<b>960.00</b>	<b>-</b>
9.39% Redeemable at par on 20.07.2019				
<b>95-I Series</b>	<b>200.00</b>	<b>-</b>	<b>200.00</b>	<b>-</b>
8.70% Redeemable at par on 12.07.2019				
<b>137<sup>th</sup> Series</b>	<b>2,225.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
8.05% Redeemable at par on 07.12.2018				
<b>112<sup>th</sup> Series</b>	<b>1,500.00</b>	<b>-</b>	<b>1,500.00</b>	<b>-</b>
8.70% Redeemable at par on 01.02.2018				
<b>109<sup>th</sup> Series</b>	<b>1,734.70</b>	<b>-</b>	<b>1,734.70</b>	<b>-</b>
9.25% Redeemable at par on 28.08.2017				
<b>108-I Series</b>	<b>2,125.00</b>	<b>-</b>	<b>2,125.00</b>	<b>-</b>
9.40% Redeemable at par on 20.07.2017				
<b>138<sup>th</sup> Series</b>	<b>-</b>	<b>2,895.00</b>	<b>-</b>	<b>-</b>
8.28% Redeemable at par on 04.03.2017				
<b>106<sup>th</sup> Series</b>	<b>-</b>	<b>1,500.00</b>	<b>1,500.00</b>	<b>-</b>
9.28% Redeemable at par on 15.02.2017				
<b>103-I Series</b>	<b>-</b>	<b>50.00</b>	<b>50.00</b>	<b>-</b>
9.35% Redeemable at par on 19.10.2016				
<b>102<sup>nd</sup> Series</b>	<b>-</b>	<b>2,216.20</b>	<b>2,216.20</b>	<b>-</b>
9.38% Redeemable at par on 06.09.2016				
<b>101-II Series</b>	<b>-</b>	<b>394.60</b>	<b>394.60</b>	<b>-</b>
9.45% Redeemable at par on 10.08.2016				
<b>Total - Institutional Bonds</b>	<b>66,184.40</b>	<b>7,055.80</b>	<b>57,714.20</b>	<b>-</b>
<b>3.2.1.2 Infrastructure Bonds</b>				
<b>Series-II (2011-12)</b>	<b>29.51</b>	<b>128.08</b>	<b>157.59</b>	<b>-</b>
Redeemable at par. Refer Note 3.6				
<b>Series-I (2010-11)</b>	<b>5.39</b>	<b>79.41</b>	<b>5.39</b>	<b>213.34</b>
Redeemable at par. Refer Note 3.6				
<b>Total - Infrastructure Bonds</b>	<b>34.90</b>	<b>207.49</b>	<b>162.98</b>	<b>213.34</b>
<b>3.2.1.3 Zero Coupon Bonds</b>				
<b>ZCB - Series II</b>	<b>178.95</b>	<b>-</b>	<b>164.60</b>	<b>-</b>
(Net of unamortised discount, 89,510 bonds with face value of ₹ 30,000 each redeemable at par on 03.02.2021)				
<b>ZCB - Series I</b>	<b>811.69</b>	<b>-</b>	<b>749.88</b>	<b>-</b>
(Net of unamortised discount, 3,92,700 bonds with face value of ₹ 30,000 each redeemable at par on 15.12.2020)				
<b>Total - Zero Coupon Bonds</b>	<b>990.64</b>	<b>-</b>	<b>914.48</b>	<b>-</b>
<b>3.2.2 Term Loans</b>				
<b>3.2.2.1 Term Loans from Banks</b>				
- Bank of Maharashtra	-	-	-	125.00



**NOTES TO ACCOUNTS**

(₹ in Crores)

	Particulars	As at 31.03.2016		As at 31.03.2015	
		Non-Current	Current	Non-Current	Current
<b>3.2.2.2</b>	<b>Loan from Govt. of India</b>	-	-	-	3.07
	Total - Term Loans	-	-	-	128.07
<b>3.2.3</b>	<b>Other Loans &amp; Advances</b>				
<b>3.2.3.1</b>	<b>Foreign Currency Borrowings</b>				
	CHF Bonds - CHF 200 Mn	-	1,378.50	1,285.44	-
	3.50% Redeemable at par on 07.03.2017				
	Reg S Bonds - US \$500 Mn	-	-	-	2,703.58
	4.25% Redeemed at par on 25.01.2016				
	JICA Loan - Guaranteed by Govt. of India	400.61	210.13	550.17	209.62
	0.75% JICA-I loan repayable in equal half-yearly instalments of ₹982.33 Mn till 20.03.2021, next instalment falling due on 20.09.2016 and 0.65% JICA-II loan repayable in equal half-yearly instalments of ₹995.33 Mn till 20.03.2023, next instalment falling due on 20.09.2016				
	KfW Loan - Guaranteed by Govt. of India	93.33	51.10	144.43	51.40
	3.73% Loan repayable in equal half-yearly instalments of €3.68 Mn, next instalment due on 30.06.2016				
	Syndicated Loan - US \$400 Mn	-	-	-	1,788.96
	Repaid on 22.09.2015				
	Bilateral Term Loan - Mauritius - US \$70 Mn	-	-	-	311.36
	Repaid on 28.10.2015				
	Bilateral Term Loan - Mizuho - US \$100 Mn	-	-	-	446.50
	Repaid on 30.03.2016				
	Bilateral Term Loan - BTMU - US \$100 Mn	-	-	-	446.50
	Repaid on 30.03.2016				
	Syndicated Loan- US \$300 Mn	-	1,367.24	1,367.24	-
	Repayable on 19.08.2016				
	KfW-II Loan - Guaranteed by Govt. of India	213.77	53.44	267.22	53.44
	2.89% Loan repayable in equal half-yearly instalments of €3.88 Mn, next instalment falling due on 30.06.2016				
	Syndicated Loan- ₹19.029 Bn	1,184.43	-	1,184.43	-
	Repayable on 10.04.2017				
	Syndicated Loan- US \$250 Mn	-	-	-	1,366.49
	Repaid on 19.11.2015				
	KfW-III Loan - Guaranteed by Govt. of India	558.76	88.61	477.36	89.18
	1.86% Loan repayable in equal half-yearly instalments of €5.26 Mn, next instalment falling due on 30.06.2016				
	Syndicated Loan- US \$250 Mn	-	-	-	1,544.42
	Repaid on 05.02.2016				
	Syndicated Loan- US \$250 Mn	-	-	-	1,522.89
	Repaid on 21.03.2016				
	Syndicated Loan- US \$285 Mn	1,780.28	-	1,780.28	-
	Repayable on 02.12.2018				
	Syndicated Loan- US \$250 Mn	1,521.75	-	1,499.29	-
	Repayable on 29.05.2019				
	Syndicated Loan- US \$400 Mn	2,435.78	-	2,435.78	-
	Loan of US\$ 230 Mn and US\$ 170 Mn repayable on 24.07.2019 and 27.10.2019 respectively				
	Syndicated Loan- US \$400 Mn	2,539.64	-	2,502.22	-
	Repayable on 12.03.2020				

## NOTES TO ACCOUNTS

(₹ in Crores)

Particulars	As at 31.03.2016		As at 31.03.2015	
	Non-Current	Current	Non-Current	Current
<b>Syndicated Loan- US \$300 Mn</b>	<b>1,909.56</b>	<b>-</b>	<b>-</b>	<b>-</b>
Repayable on 29.07.2020				
<b>Syndicated Loan- US \$250 Mn</b>	<b>1,653.25</b>	<b>-</b>	<b>-</b>	<b>-</b>
Loan of US\$ 150 Mn and US\$ 100 Mn repayable on 18.09.2018 and 19.11.2018 respectively				
<b>Syndicated Loan- US \$300 Mn</b>	<b>1,997.80</b>	<b>-</b>	<b>-</b>	<b>-</b>
Repayable on 01.12.2020				
<b>Syndicated Loan- US \$250 Mn</b>	<b>1,688.46</b>	<b>-</b>	<b>-</b>	<b>-</b>
Repayable on 05.02.2019				
<b>Syndicated Loan- US \$120 Mn</b>	<b>797.28</b>	<b>-</b>	<b>-</b>	<b>-</b>
Repayable on 21.03.2019				
<b>Total - Foreign Currency Borrowings</b>	<b>18,774.70</b>	<b>3,149.02</b>	<b>13,493.86</b>	<b>10,534.34</b>

### 3.3 Security Details of the Secured Borrowings

The Bond Series 81, 82, 83, 85, 86A, 86 B-III, 87-II, 87 A-III, 88, 90, 90 B-II, 90 C-II, 91-II and 92-II of Institutional Bonds are secured by a charge on (a) mortgage of Flat no. 640, Asiad Games Village, New Delhi and (b) pari passu charge on the receivables of our Company, both present and future, save and except receivables hypothecated to IL&FS Trust Company Limited on the basis of joint hypothecation agreement dated September 24, 2010 in favour of IDBI Trusteeship Services Ltd.

The Bond Series 116-I, 116-II, 117, 118, 119, 120, 121 and 122 of Institutional Bonds are secured by a charge on first pari passu charge on the book debts of the issuer both present & future which are charged to other lenders / trustees and as may be agreed between the issuer and the trustee, pursuant to the terms of the Debenture /Bond Trust cum Hypothecation Deed with a minimum security cover of one time of the aggregate face value amount of the bonds outstanding at all times in favor of IDBI Trusteeship Services Ltd.

The Bond Series 123-I, 123-II, 123-IIIA, 123-IIIB, 123-IV and 124-I of Institutional Bonds are secured by way of first pari passu charge on the Specified Immovable Property and the book debts of the Issuer which are charged to other lender / trustee and as may be agreed between the Issuer and the Trustee, pursuant to the terms of the Bond Trust Deed with a minimum security cover of one time of the aggregate face value of amount of bonds outstanding at all times and amount of interest due thereon in favor of IDBI Trusteeship Services Ltd.

The Bond Series IX of 54EC Capital Gain Tax Exemption Bonds is secured by first pari passu charge on (a) mortgage of premises at Sub Plot No. 8, TPS No 2, FP No. 584P, situated at Village Subhanpura, Distt Vadodara and (b) hypothecation of receivables in favour of IDBI Trusteeship Services Ltd.

Tax Free Bonds issued during FY 2011-12 are secured by first pari passu charge on premises at Shop No. 12, Ground Floor, Block No. 35, Church Road, Mylapore, Chennai and hypothecation of receivables of ₹ 4,998.66 Crores of MSEDCL in favour of IL&FS Trust Company Ltd.

Tax Free Bonds issued during FY 2013-14 are secured by first pari passu charge on the book debts (other than those that are exclusively charged/earmarked to lenders / other Trustees) of the Company in favour of SBICap Trustee Company Ltd.

The Bond Series X of 54EC Capital Gain Tax Exemption Bonds and Tax Free Bonds issued during FY 2012-13 & 2015-16 are secured by first pari passu charge on (a) mortgage of premises at Sub Plot No. 8, TPS No 2, FP No. 584P, situated at Village Subhanpura, Distt Vadodara and (b) hypothecation of receivables (other than those that are exclusively charged/ earmarked to lenders / other Trustees) in favour of SBICap Trustee Company Ltd.

The term loans are secured by a charge on the receivables of our Company, both present and future, save and except certain specific receivables hypothecated to IL&FS Trust Company Limited on the basis of joint hypothecation agreement dated September 24, 2010 in favour of IDBI Trusteeship Services Ltd.

### 3.4 Foreign Currency Borrowings have been raised at interest rates ranging from a spread of 65 bps to 220 bps over 6 Months' USD/JPY LIBOR (London Inter Bank Offered Rate) except where rates have been stated above in Note No. 3.2.3.1.

### 3.5 Ratings assigned by credit rating agencies and migration of ratings during the year

Domestic and International Credit Rating

The domestic debt instruments of REC continue to enjoy "AAA" rating – the highest rating assigned by CRISIL, CARE, India Ratings & Research & ICRA-Credit Rating Agencies.

REC enjoys international credit rating equivalent to sovereign rating of India from International Credit Rating Agencies Moody's and FITCH which is "Baa3" and "BBB-" respectively.

There has been no migration of ratings during the year.

## NOTES TO ACCOUNTS

### 3.6 Details of Infrastructure Bonds Issued are as under :

#### Series I (2010-11) allotted on 31.03.2011

Rate of Interest	Amount (₹ in Crores)	Redemption Details
8.00%	18.35	Redeemable on the date falling 10 years from the date of allotment with buyback option by bondholders after 5/6/7/8/9 years
8.20%	61.06	
8.10%	1.61	Redeemable on the date falling 10 years from the date of allotment
8.20%	3.78	
<b>Total</b>	<b>84.80</b>	

#### Series II (2011-12) allotted on 15.02.2012

Rate of Interest	Amount (₹ in Crores)	Redemption Details
8.95% Cumulative	95.23	Redeemable on the date falling 10 years from the date of allotment with buyback option by bondholders after 5 years
8.95% Annual	32.85	
9.15% Cumulative	13.43	Redeemable on the date falling 15 years from the date of allotment with buyback option by bondholders after 7 years
9.15% Annual	5.01	
8.95% Cumulative	5.73	Redeemable on the date falling 10 years from the date of allotment
8.95% Annual	1.38	
9.15% Cumulative	2.83	Redeemable on the date falling 15 years from the date of allotment
9.15% Annual	1.13	
<b>Total</b>	<b>157.59</b>	

### 4. DEFERRED TAX LIABILITIES (NET)

(₹ in Crores)		
Particulars	As at 31.03.2016	As at 31.03.2015
<b>Deferred Tax Liabilities on account of:</b>		
Depreciation	3.63	4.00
Foreign Currency Exchange Fluctuation Loss	59.67	116.10
<b>Total</b>	<b>63.30</b>	<b>120.10</b>
<b>Deferred Tax Assets on account of:</b>		
Provision for Earned Leave	8.06	7.95
Provision for Medical Leave	5.49	4.83
<b>Total</b>	<b>13.55</b>	<b>12.78</b>
<b>Deferred Tax Liabilities (Net)</b>	<b>49.75</b>	<b>107.32</b>

- 4.1 The Company has no intention to make withdrawal from the special reserve created and maintained under section 36(1)(viii) of the Income Tax Act, 1961. Hence, the special reserve created and maintained is not capable of being reversed and thus, it becomes a permanent difference as per Accounting Standard 22. Accordingly, the Company is not creating any deferred tax liability on the said reserve.

### 5. OTHER LONG-TERM LIABILITIES

(₹ in Crores)		
Particulars	As at 31.03.2016	As at 31.03.2015
- Non-Current Portion of Interest accrued but not due on borrowings	9.50	36.16
<b>Total</b>	<b>9.50</b>	<b>36.16</b>

## NOTES TO ACCOUNTS

### 6. LONG-TERM AND SHORT-TERM PROVISIONS

(₹ in Crores)

	As at 31.03.2016		As at 31.03.2015	
	Non-Current	Current	Non-Current	Current
<b>(A) Provisions for</b>				
<b>Employee Benefits</b>				
Earned Leave Liability	21.00	2.30	20.30	2.68
Post Retirement Medical Benefits	82.50	4.12	73.80	3.81
Medical Leave Liability	13.65	2.22	13.26	1.96
Settlement Allowance	1.06	0.16	1.04	0.16
Economic Rehabilitation Scheme	3.31	0.03	2.71	0.01
Long Service Award	2.45	0.11	2.34	0.50
<b>Sub-total (A)</b>	<b>123.97</b>	<b>8.94</b>	<b>113.45</b>	<b>9.12</b>
<b>(B) Others</b>				
Standard Loan Assets	420.35	123.08	446.13	44.79
Restructured Standard Loans	750.71	70.63	447.51	4.26
Interest on Loans Due & Converted into Equity	-	3.96	-	-
Incentive	-	18.13	-	16.71
Wealth Tax	-	-	-	0.37
Fringe Benefit Tax	-	-	-	0.36
Proposed Dividend	-	503.60	-	266.61
Corporate Dividend Tax	-	102.52	-	54.28
CSR Expenses	-	21.19	-	57.21
<b>Sub-total (B)</b>	<b>1,171.06</b>	<b>843.11</b>	<b>893.64</b>	<b>444.59</b>
<b>Total (A+B)</b>	<b>1,295.03</b>	<b>852.05</b>	<b>1,007.09</b>	<b>453.71</b>

#### 6.1 Details of Provisions as required under AS-29 are as under :

(₹ in Crores)

Provision for	Opening Balance	Additions during the Year	Paid/ Adjusted during the Year	Closing Balance
Earned Leave Liability	22.98	6.21	5.89	23.30
Previous year	22.92	5.57	5.51	22.98
Post Retirement Medical Benefits	77.61	15.33	6.32	86.62
Previous year	66.64	16.39	5.42	77.61
Medical Leave Liability	15.22	2.11	1.46	15.87
Previous year	14.74	1.81	1.33	15.22
Settlement Allowance	1.20	0.12	0.10	1.22
Previous year	1.16	0.20	0.16	1.20
Economic Rehabilitation Scheme	2.72	1.26	0.64	3.34
Previous year	2.65	0.70	0.63	2.72
Long Service Award	2.84	0.02	0.30	2.56
Previous year	3.38	0.02	0.56	2.84
Standard Loan Assets	490.92	138.93	86.42	543.43
Previous year	370.38	120.54	-	490.92
Restructured Standard Loans	451.77	369.57	-	821.34
Previous year	-	451.77	-	451.77
Interest on Loans Due & Converted into Equity	-	3.96	-	3.96
Previous year	-	-	-	-

## NOTES TO ACCOUNTS

(₹ in Crores)

Provision for	Opening Balance	Additions during the Year	Paid/ Adjusted during the Year	Closing Balance
Incentive	16.71	14.34	12.92	18.13
Previous year	15.42	13.30	12.01	16.71
CSR Expenses	57.21	128.20	164.22	21.19
Previous year	-	103.25	46.04	57.21
Wealth Tax	0.37	0.02	0.39	-
Previous year	0.37	0.37	0.37	0.37
Fringe Benefit Tax	0.36	-	0.36	-
Previous year	0.36	-	-	0.36
Interim Dividend	-	1,184.95	1,184.95	-
Previous year	-	789.97	789.97	-
Proposed Dividend	266.61	503.60	266.61	503.60
Previous year	172.81	266.61	172.81	266.61
Corporate Dividend Tax	54.28	341.71	293.47	102.52
Previous year	29.37	212.17	187.26	54.28
Income Tax	5,249.83	2,521.82	1,350.67	6,420.98
Previous year	3,988.96	2,234.54	973.67	5,249.83

### 7. SHORT-TERM BORROWINGS

(₹ in Crores)

Particulars	As at 31.03.2016	As at 31.03.2015
(A) Loans Repayable on Demand, unsecured		
- from Banks	749.93	734.00
(B) Commercial Paper, unsecured	5,600.00	-
Total (A+B)	6,349.93	734.00

### 8. OTHER CURRENT LIABILITIES

(₹ in Crores)

Particulars	As at 31.03.2016	As at 31.03.2015
(A) Current maturities of long-term debt (Refer Note 3)	23,967.02	19,121.80
(B) Interest accrued but not due on borrowings	6,229.15	5,265.43
(C) Interest accrued and due on borrowings	-	1.10
(D) Income Received in Advance	0.08	0.08
(E) Unpaid Dividends	2.73	2.62
(F) Unpaid Principal & Interest on Bonds		
- Matured Bonds & Interest Accrued thereon	44.83	57.64
- Interest on Bonds	12.57	14.33
(G) Other payables		
- Funds Received from Govt. of India for Disbursement as Subsidy/ Grant	38,111.60	33,641.80
Add: Interest on Subsidy/ Grant (Refer Note 8.3)	18.10	51.38
Less: Disbursed to Beneficiaries	-38,091.35	-33,399.90
Undisbursed Funds to be disbursed as Subsidy/Grant	38.35	293.28
- Overdraft in Current Account	-	0.38
- Statutory Dues payable including PF and TDS	21.87	22.78
- Payable towards funded staff benefits	0.53	0.62
- Other Liabilities	72.39	31.34
Sub-total (G)	133.14	348.40
Total (A to G)	30,389.52	24,811.40

## NOTES TO ACCOUNTS

### 8.1 Subsidy Under Accelerated Generation & Supply Programme (AG&SP):

The Company is maintaining an Interest Subsidy Fund Account and was given AG&SP subsidy (for disbursement to the eligible borrowers) by Govt. of India at net present value calculated at indicative rates and year in accordance with GOI's letter vide D.O.No. 32024/17/97-PFC dated 23.09.1997 and O.M.No.32024/23/2001-PFC dated 07.03.2003 irrespective of the actual repayment schedule, moratorium year and duration of repayment of the eligible schemes. The impact of difference between the indicative rate and year considered at the time of drawl and the actual can be ascertained only after the end of the respective schemes.

Net amount of ₹ 1.26 Crores as at 31<sup>st</sup> March, 2016 (Previous year ₹ 2.22 Crores) represents the balance amount of interest subsidy fund, which is to be passed on to the borrowers against their interest liability arising in future, under Accelerated Generation & Supply Programme (AG&SP), which comprises of the following :-

		(₹ in Crores)
Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Opening Balance of Interest Subsidy Fund	2.22	3.53
Add: Interest earned during the year	0.07	0.13
Less: Interest subsidy passed on to the borrower	1.03	1.44
Closing Balance of Interest Subsidy Fund	1.26	2.22

- 8.2 Government of India has appointed Rural Electrification Corporation Ltd. as a nodal agency for implementation of Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY). The funds received for disbursement to various agencies under the scheme are kept in a separate bank account. The undisbursed funds for the scheme (including the funds received under erstwhile RGGVY Scheme) including interest earned thereto are classified under "Undisbursed Subsidy/grant" under the head "Other Current Liabilities".

During the year, interest earned of ₹ 39.15 Crores (Previous year ₹ 61.78 Crores) has been taken to DDUGJY Subsidy account. Further, during the year, an amount of ₹ 71.66 Crores (Previous year ₹ 22.07 crores) has been refunded back to MoP out of the total interest on subsidy.

- 8.3 The movement in Interest on Subsidy/Grant is explained as under:

		(₹ in Crores)
Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Opening Balance	51.38	11.55
Add: Interest earned during the year	41.49	62.93
Less: Amount refunded to Govt. during the year	74.19	22.34
Less: Disbursement out of Interest earned on account of AG&SP Grant	0.58	0.76
Closing Balance	18.10	51.38

## NOTES TO ACCOUNTS

### 9. FIXED ASSETS AS AT 31<sup>ST</sup> MARCH, 2016

FIXED ASSETS	GROSS BLOCK				DEPRECIATION/ AMORTISATION				NET BLOCK	
	As at 01.04.2015	Additions during the year	Sales/ adjustment during the year	Closing as on 31.03.2016	Upto 31.03.2015	During the year	Adjustment during the year	As on 31.03.2016	As at 31.03.2016	As at 31.03.2015
Tangible Assets										
Freehold Land	34.75	45.92	0.05	80.62	-	-	-	-	80.62	34.75
Leasehold Land	1.45	-	-	1.45	0.22	0.02	-	0.24	1.21	1.23
Buildings	33.71	0.04	0.58	33.17	7.29	0.47	-	7.76	25.41	26.42
Furniture & Fixtures	7.05	0.26	0.28	7.03	4.58	0.57	0.23	4.92	2.11	2.47
Vehicles	0.46	-	0.03	0.43	0.22	0.04	0.02	0.24	0.19	0.24
EDP Equipments	16.62	1.22	0.85	16.99	11.29	2.43	0.62	13.10	3.89	5.33
Office Equipments	6.32	4.05	0.43	9.94	4.26	1.39	0.11	5.54	4.40	2.06
Total	100.36	51.49	2.22	149.63	27.86	4.92	0.98	31.80	117.83	72.50
Previous year	93.68	9.95	3.27	100.36	24.01	5.73	1.88	27.86	72.50	
Intangible Assets										
Computer Software	6.97	0.01	0.01	6.97	5.54	0.53	0.01	6.06	0.91	1.43
Total	6.97	0.01	0.01	6.97	5.54	0.53	0.01	6.06	0.91	1.43
Previous year	6.96	0.01	-	6.97	4.51	1.03	-	5.54	1.43	
Capital Work-in-progress	7.39	24.34	1.36	30.37	-	-	-	-	30.37	7.39
Previous year	9.71	2.90	5.22	7.39	-	-	-	-	7.39	
Intangible Assets under Development	-	1.21	-	1.21	-	-	-	-	1.21	-
Previous year	-	-	-	-	-	-	-	-	-	

**9.1** The formalities regarding registration of conveyance deed in respect of certain immovable properties acquired by the Company amounting to ₹ 50.51 Crores (Previous year ₹ 4.59 Crores) are yet to be executed.

**9.2** In the opinion of management, there is no impairment of the assets of the Company in terms of AS-28. Accordingly, no provision for impairment loss as required under Accounting Standard-28 'Impairment of Assets' has been made.

**9.3 Disclosure in respect of Intangible Assets as required in AS-26 "Intangible Assets" :**  
Amortisation Rate - 20%, 100% in case the total cost of the asset is ₹5,000 or less.

## NOTES TO ACCOUNTS

## 10. INVESTMENTS

(₹ in Crores)

Particulars	As at 31.03.2016		As at 31.03.2015	
	Number	Amount	Number	Amount
Valued at Cost				
(1) Non-Current Investments				
(A) Other Investments				
(i) Investment in Equity Instruments				
- Subsidiaries				
- REC Power Distribution Company Limited	50,000	0.05	50,000	0.05
Equity shares of ₹10 each, fully paid up				
- REC Transmission Projects Company Limited	50,000	0.05	50,000	0.05
Equity shares of ₹10 each, fully paid up				
- Joint Ventures				
- Energy Efficiency Services Limited	4,75,00,000	47.50	2,25,00,000	22.50
Equity shares of ₹10 each, fully paid up				
- Others				
- India Energy Exchange Limited	12,50,000	1.25	12,50,000	1.25
Equity shares of ₹10 each, fully paid up				
- Universal Commodity Exchange Limited	1,60,00,000	16.00	1,60,00,000	16.00
Equity shares of ₹10 each, fully paid up				
Less: Provision for Diminution in Investment	-	(16.00)	-	-
		-		16.00
(ii) Investment in Government Securities				
- 8% Government of Madhya Pradesh Power Bonds-II	6	282.96	8	377.28
Maturing in equal half yearly Instalments of one bond each, next instalment due on 01.10.2016				
(Bonds of Face Value of ₹ 47.16 Crores each)*				
(iii) Investment in Venture Capital Funds				
- 'Small is Beautiful' Fund	61,52,200	6.15	76,82,816	7.68
Units at face value of ₹ 10.00 per unit				
(iv) Investment in Debentures				
- 9.68% Bonds of UP Power Corporation Ltd.	38,050	380.50	75,000	750.00
Bonds of Face Value of ₹ 0.01 Crores each				
- 11.15% Additional Tier-1 Perpetual Bonds of Indian Bank	5,000	500.00	-	-
Bonds of Face Value of ₹ 0.10 Crores each				
- 11.25% Additional Tier-1 Perpetual Bonds of Vijaya Bank	5,000	500.00	-	-
Bonds of Face Value of ₹ 0.10 Crores each				
- 11.25% Additional Tier-1 Perpetual Bonds of Syndicate Bank	5,000	500.00	-	-
Bonds of Face Value of ₹ 0.10 Crores each				
(v) Share Application money pending allotment				
- Energy Efficiency Services Limited		99.00		-
Total - Non-Current Investments (1)		2,317.46		1,174.81
(2) Current Investments				
(A) Investment in Equity Instruments				
- Lanco Teesta Hydro Power Limited	10,20,00,000	102.00	-	-
Equity shares of ₹10 each, fully paid up				



## NOTES TO ACCOUNTS

(₹ in Crores)

Particulars	As at 31.03.2016		As at 31.03.2015	
	Number	Amount	Number	Amount
<b>(B) Investment in Government Securities</b>				
- 8.57%-8.73% Government of Uttar Pradesh Special Bonds	-	-		391.50
- 8% Government of Madhya Pradesh Power Bonds-II	1	47.16	1	47.16
Maturing in equal half yearly Instalments of one bond each, next instalment due on 01.10.2016 (Bonds of Face Value of ₹ 47.16 Crores each)*				
<b>Total - Current Investments (2)</b>		<b>149.16</b>		<b>438.66</b>
<b>Total (1+2)</b>		<b>2,466.62</b>		<b>1,613.47</b>

\* The number of bonds and the amount of the investment in current portion represents the investments maturing within the next 12 months and the balance is the non-current portion.

### 10.1 Additional disclosures required in respect of the investments :

(₹ in Crores)

Particulars	As at 31.03.2016		As at 31.03.2015	
	Non-Current	Current	Non-Current	Current
<b>(1) Value of Investments</b>				
(i) Gross Value of Investments				
(a) In India	2,333.46	149.16	1,174.81	438.66
(b) Outside India,	-	-	-	-
(ii) Provisions for Depreciation				
(a) In India	16.00	-	-	-
(b) Outside India,	-	-	-	-
(iii) Net Value of Investments				
(a) In India	2,317.46	149.16	1,174.81	438.66
(b) Outside India.	-	-	-	-
<b>(2) Movement of provisions held towards depreciation on investments.</b>				
(i) Opening balance	-	-	-	-
(ii) Add : Provisions made during the year	16.00	-	-	-
(iii) Less : Write-off / write-back of excess provisions during the year	-	-	-	-
(iv) Closing balance	16.00	-	-	-
<b>(3) Aggregate amount of Quoted Investments</b>	1,500.00	-	-	391.50
<b>Market Value of Quoted Investments</b>	1,500.00	-	-	405.63
<b>(4) Aggregate amount of Unquoted Investments</b>	833.46	149.16	1,174.81	47.16
<b>(5) Aggregate provision for diminution in value of investments</b>	16.00	-	-	-

### 10.2 Investments include ₹ 6.15 Crores (Previous year ₹ 7.68 Crores) representing company's contribution in the units of 'Small is Beautiful (SIB) Venture Capital fund' promoted by KSK Energy Ventures Limited.

Name of the Company	Contribution towards Fund	Country of Residence	Percentage of Share
SIB Fund of KSK Energy Ventures Ltd	₹ 6.15 Crores	India	9.74%

The face value of the fund is ₹ 10 per unit. The NAV as on 31.03.2016 is ₹ 10.24 per unit (Previous year ₹ 9.70 per unit).

### 10.3 Information in relation to the interest of the Company in Joint Ventures (JVs):

#### 1. Energy Efficiency Services Ltd.

Proportion of Interest in Equity	28.79%
Country of Incorporation	India
Area of Operation	India
JV Partners (% share)	1. NTPC Limited (28.79%) 2. Power Grid Corporation of India Limited (13.63%) 3. Power Finance Corporation Limited (28.79%)

## NOTES TO ACCOUNTS

Further, an amount of ₹ 99.00 Crores has been paid to Energy Efficiency Services Limited (EESL) on 31<sup>st</sup> March, 2016 as share application money. EESL has allotted 9,90,00,000 Equity Shares of ₹ 10 each to the Company on 25<sup>th</sup> April, 2016 and the share of the Company in the JV has accordingly increased to 31.71%.

The Company's share of assets, liabilities, contingent liabilities and capital commitments as at 31.03.2016 and income and expenses for the period in respect of joint venture are given below :

(₹ in Crores)			
Particulars	As at / For the period ended 31.03.2016 (Unaudited)	As at / For the year ended 31.03.2015 (Unaudited)	As at / For the period ended 31.03.2015 (Audited) *
(i) Total Assets	434.53	78.94	78.97
(ii) Total Liabilities	371.71	50.21	51.39
(iii) Total Reserves & Surplus	15.32	6.23	5.08
(iv) Contingent Liabilities	Nil	Nil	Nil
(v) Capital Commitments	84.24	Nil	14.99
(vi) Total Income	205.68	17.57	17.78
(vii) Total Expenses	191.40	14.37	14.38

\* The consolidated financial statements of the Company for the FY 2014-15 had been prepared considering the unaudited financial statements of the joint venture, Energy Efficiency Services Limited (EESL). However, the financial statements of EESL were subsequently audited on 3<sup>rd</sup> July, 2015.

### 11. LONG-TERM LOANS & ADVANCES

(₹ in Crores)		
Particulars	As at 31.03.2016	As at 31.03.2015
(A) Capital Advances (Unsecured, considered good)	49.14	20.20
(B) Security Deposits (Unsecured, considered good)	3.77	0.94
(C) Loans & Advances to Related Parties		
- To Key Managerial Personnel (KMP)	0.63	0.21
	0.63	0.21
(D) Other Loans & Advances		
- Staff Loans & Advances (except to KMP)	36.72	40.40
- Loan Assets	1,57,703.84	1,64,152.03
	1,57,740.56	1,64,192.43
<b>Total (A to D)</b>	<b>1,57,794.10</b>	<b>1,64,213.78</b>

#### Details of Staff Loans & Advances and Loan Assets :

#### 11.1 Staff Loans & Advances

Non-current portion of the staff loans & advances has been classified under 'Long-term Loans & Advances' above and the current portion of the staff loans & advances has been classified under Note-15 'Other Current Assets'.

(₹ in Crores)				
Particulars	As at 31.03.2016		As at 31.03.2015	
	Non-Current	Current	Non-Current	Current
(A) Secured Staff Loans & Advances				
(A1) To Key Managerial Personnel				
(a) Considered Good	0.01	0.01	0.04	0.02
(A2) To Others				
(a) Considered Good	2.93	0.73	2.82	1.08
(b) Classified Doubtful	-	-	-	0.07
Less: Provision for bad & doubtful debts	-	-	-	0.07
	-	-	-	-
<b>Sub-total (A1+ A2)</b>	<b>2.94</b>	<b>0.74</b>	<b>2.86</b>	<b>1.10</b>
(B) Unsecured Staff Loans & Advances				
(B1) To Key Managerial Personnel				
(a) Considered Good	0.62	0.19	0.17	0.06
(B2) To Others				
(a) Considered Good	33.79	10.24	37.58	9.56
<b>Sub-total (B1+ B2)</b>	<b>34.41</b>	<b>10.43</b>	<b>37.75</b>	<b>9.62</b>
<b>Grand Total (A+B)</b>	<b>37.35</b>	<b>11.17</b>	<b>40.61</b>	<b>10.72</b>

## NOTES TO ACCOUNTS

### 11.2 Loan Assets

Non-current portion of the loan assets has been classified under 'Long-term Loans & Advances' above and the current portion of the loan assets has been classified under Note-15 'Other Current Assets'.

(₹ in Crores)

Particulars	As at 31.03.2016		As at 31.03.2015	
	Non-Current	Current	Non-Current	Current
<b>(A) Secured Loans</b>				
<b>(A1) Loans to State Power Utilities/ State Electricity Boards/Corpn. (Secured by hypothecation and/or mortgage of materials/ tangible assets)</b>				
(a) Considered Good	1,09,569.70	15,194.43	95,970.62	8,981.75
<b>(A2) Loans to Others (Secured by hypothecation and/or mortgage of tangible assets)</b>				
(a) Considered Good	24,377.49	1,841.42	28,393.85	1,201.89
(b) Classified Doubtful	2,243.97	1,569.50	849.53	429.66
Less: Provision for bad & doubtful debts	257.65	325.52	208.67	100.59
	1,986.32	1,243.98	640.86	329.07
<b>Sub-total (A1+ A2)</b>	<b>1,35,933.51</b>	<b>18,279.83</b>	<b>1,25,005.33</b>	<b>10,512.71</b>
<b>(B) Unsecured Loans</b>				
<b>(B1) Loans Guaranteed by respective State Governments</b>				
(a) Considered good	18,092.54	22,522.84	35,334.41	2,651.53
<b>(B2) Loans to State Governments</b>				
(a) Considered good	2,467.29	886.78	2,878.29	377.24
<b>(B3) Loans - Others</b>				
(a) Considered Good	1,210.50	99.51	934.00	490.99
(b) Classified Doubtful	-	430.10	56.19	-
Less: Provision for bad & doubtful debts	-	430.10	56.19	-
	-	-	-	-
<b>Sub-total (B1+ B2+B3)</b>	<b>21,770.33</b>	<b>23,509.13</b>	<b>39,146.70</b>	<b>3,519.76</b>
<b>Grand Total (A+B)</b>	<b>1,57,703.84</b>	<b>41,788.96</b>	<b>1,64,152.03</b>	<b>14,032.47</b>

**11.2.1** Loan balance confirmations for 92.95% of total loan assets as at 31<sup>st</sup> March, 2016 have been received from the borrowers. Out of the remaining 7.05% loan assets amounting to ₹ 14,188 crore for which balance confirmations have not been received, 72.94% loans are secured by way of hypothecation of assets, 23.37% by way of Government Guarantee/ Loans to Government and 3.69% are unsecured loans.

**11.2.2** Loan Assets also include amount financed by the Company as per the Scheme for Financial Restructuring of State Distribution Companies (Discoms).

**11.2.3** Alaknanda Hydro Power Company Limited (AHPCL) Shrinagar HEP is located at Uttarakhand. Ministry of Finance, considering the natural disaster in June 2013 at Uttarakhand had taken a decision that Banks should announce a moratorium on repayment of loan and interest for a period of one year in respect of all project loans that are outstanding in Uttarakhand. Ministry of Power vide their letter dated 6<sup>th</sup> December, 2013 extended such benefit to AHPCL. Accordingly, REC sanctioned Funded Interest Term Loan (FITL) to AHPCL in June 2014.

RBI had issued circular dated 23<sup>rd</sup> January, 2014, the Norms on restructuring of advance by NBFCs, which inter-alia stated that "the unrealized income represented by FITL should have a corresponding credit in an account styled as Sundry Liabilities Account (Interest Capitalisation)". In response to applicability of above circular, REC represented vide letter dated 28<sup>th</sup> April, 2014 to RBI requesting among other that, "Hydro projects in Himalayan region and power projects affected by natural disaster may be kept outside the restructuring norms".

In response to the above request, RBI Vide letter dated 11<sup>th</sup> June, 2014, allowed that the Transmission & Distribution, Renovation & Modernization and Life Extension projects as also the Hydro projects in Himalayan region or affected by natural disaster (new loans and outstanding stock of loans as on March 31, 2014) may be regulated by the REC's existing restructuring norms till March 31, 2017.

Hence, the Management was of the view that the above project of AHPCL, being a Hydro project in Himalayan region and affected by natural disaster is outside the preview of circular dated 23<sup>rd</sup> January, 2014 and shall continue to be governed by the existing REC's existing prudential norms, which states, "In case of funding of interest in respect of NPAs, where the interest funded is recognized as income, the interest funded shall be fully provided for." As AHPCL is a standard asset in the books of REC, as such no provision on funded interest is required to be created.

Pending clarification from RBI for the above, instead of creating a corresponding Sundry Liabilities Account (Interest Capitalisation), during the year ended 31<sup>st</sup> March, 2015, 100% provision was created in the books of accounts for the FITL in respect of AHPCL for ₹ 86.42 crores.

## NOTES TO ACCOUNTS

In response to the request, RBI, vide its letter No. DNBR.PD.CO.No. 123/03.10.001/2015-16 dated 17<sup>th</sup> July, 2015 has advised that FITL sanctioned to the said borrower will be exempted from provisions of RBI Restructuring Norms. Accordingly, the provision of ₹ 86.42 crores has been reversed and accounted for during the year ended 31<sup>st</sup> March, 2016.

- 11.2.4** M/s Teesta Urja Limited (TUL) is executing Hydro Electric Project in the North Eastern State of Sikkim. Substantial physical progress has been achieved in the project and as per the latest report of Lenders Independent Engineer, cumulative physical progress of the project is 96.59%.

The issues regarding infusion of equity into the project was resolved amongst the promoters and subsequently, the Share Purchase Agreement was executed on 6<sup>th</sup> August, 2015 amongst the shareholders of TUL to enable Sikkim Power Investment Corporation Limited (wholly owned company of Govt. of Sikkim) to increase its stake to 51% in TUL by way of infusion of equity and purchase of shares from other shareholders. Accordingly, the current shareholding of Sikkim Power Investment Corporation Limited in TUL is 51% and TUL has been recognised as Govt. of Sikkim undertaking.

During the year ended 31<sup>st</sup> March, 2015, some of the lenders including REC, adjusted their outstanding interest due on the basis of bilateral agreement with the company, against the loan sanctioned towards 2<sup>nd</sup> cost overrun to TUL. Accordingly, pending documentation, as on 31<sup>st</sup> March, 2015, an amount of ₹ 202.15 Crores was classified as unsecured loan. The disbursement made under 2<sup>nd</sup> cost overrun have since been secured by extending the charge on movable assets. The joint documentation between the lenders have concluded on 29<sup>th</sup> June, 2015 excluding PNB and Canara Bank, who are yet to join the documentation by deed of accession. Accordingly as on 31<sup>st</sup> March, 2016, the loan disbursements under 2<sup>nd</sup> cost overrun to the borrower has been classified as secured loan.

- 11.2.5** REC, as a lead lender had sanctioned ₹ 650 Crore as initial sanction to Corporate Power Limited for 540 MW Phase-I TPP at Chandwa, Jharkhand. The Debt is secured by way of combination of securities representing charge on all the Company's present and future immovable properties, movables, all bank accounts, project documents, clearances, letter of credits, guarantees, insurance contracts and insurance proceeds etc., pledge of shares representing 51% of the total paid up equity share capital of the Company and Corporate Guarantee of Corporate Ispat and Alloys Limited (CIAL). Subsequently, REC, has sanctioned ₹ 196 Crore as additional loan towards funding of cost overrun. As at 31<sup>st</sup> March, 2016, the loan outstanding is ₹ 811.74 crores.

The progress of Phase-I of the Project (where REC is Lead) as per last available Lender Independent Engineer's Report, is approximately 96%. However, the account has become NPA on 30<sup>th</sup> June, 2014. As on 31<sup>st</sup> March, 2016, the account of the borrower is classified as Doubtful asset. As per the Independent valuer's report, the fair market value of Phase-I project assets is ₹ 1,401.94 Crores. Accordingly, 100% provision to the extent of loan not covered by the realizable value of the security amounting to ₹ 399.08 Crores and for the balance loan amount of ₹ 412.66 Crores, 20% provision amounting to ₹ 82.53 Crores is created in the books as per Significant Accounting Policy no 2.3(ii). As such, total provision created as on 31<sup>st</sup> March, 2016 is ₹ 481.61 Crores.

Further, recall notice has been served to the borrower and Corporate guarantee of promoter Company, CIAL, has been invoked. Further, action as per SARFAESI Act has also been initiated. Lenders are in the process of filing Original Application (OA) in Debt Recovery Tribunal (DRT) for recovery of dues.

- 11.2.6** REC has sanctioned ₹ 1,150 Crore to Jas Infrastructure & Power Limited (JIPL) wherein total disbursement is ₹ 33.24 Crore till 31<sup>st</sup> March, 2016. As project has been delayed considerably, lenders are discussing the future strategy and exploring the various options for the implementation of the project.

The account has become NPA on 30<sup>th</sup> June, 2014. As on 31<sup>st</sup> March, 2016, the account of the borrower is classified as Doubtful asset. As per the Independent valuer's report, the fair market value of project assets is valued at ₹ 180.17 Crores. Accordingly, 100% provision to the extent of loan not covered by the realizable value of the security amounting to ₹ 31.02 crore and for the balance loan amount of ₹ 2.22 crores, 20% provision amounting to ₹ 0.44 crore is created in the books as per Significant Accounting Policy No. 2.3(ii). As such, total provision created as on 31<sup>st</sup> March, 2016 is ₹ 31.46 Crore on total loan outstanding of ₹ 33.24 crore.

Further, recall notice has been served to the borrower and Personal guarantee of promoter has been invoked. Joint application for recovery of their dues is being filed by the lenders in DRT.

- 11.2.7** As at 31<sup>st</sup> March 2016, the dues of one of the borrowers amounting to ₹ 366.30 Crores were overdue for more than 6 months, thus, exceeding the time limit for classification of the borrower as 'Standard Asset'. However, the borrower had obtained an ad-interim order from Hon'ble High Court of Madras on 18<sup>th</sup> September, 2015 not to classify the account as NPA and the classification of the borrower has been retained as 'Standard Asset' pending final decision of the Court. Accordingly, 10% provision as applicable for sub-standard loans on the loan outstanding ₹ 1,875.71 Crores has not been created and interest income of ₹ 366.30 Crores has also been recognized on accrual basis in accordance with the accounting policy of the Company for recognition of income on standard assets. However, since the account is currently into Restructured Standard Loan Assets category, a provision of 5% amounting to ₹ 93.79 Crores has been created in full in respect of the loan as against creating the same in phased manner in accordance with Significant Accounting Policy 2.3(iv).

## NOTES TO ACCOUNTS

**11.2.8** REC had sanctioned ₹ 390 Crores to M/s Lanco Teesta Hydro Power Limited with ICICI Bank as Lead lender having initial project SCOD in May'12. However, due to equity crunch of promoters, geological surprises and poor rock strata, project couldn't be commissioned till date. In order to revive the Project, which is stalled at present, change in ownership is an important imperative which ensures that additional resources are brought in by the new investor. Towards this end, change of ownership could be effectively considered under the recent RBI dispensation on Strategic Debt Restructuring (SDR) dated 8<sup>th</sup> June, 2015. In terms of SDR Regulations dated 8<sup>th</sup> June, 2015 issued by RBI, the Lenders' consortium had decided to invoke the SDR in the lenders' meet held on 24<sup>th</sup> July, 2015. Accordingly, REC, on 24<sup>th</sup> September, 2015, has approved the Strategic Debt Restructuring (SDR) package pursuant to RBI circular dated June 08, 2015, for conversion of ₹ 102 Crores out of REC's outstanding loan into equity at face value of ₹ 10/- per share towards effecting the change in Management. Subsequently, on 20<sup>th</sup> October, 2015, necessary documentation has been carried out along with the signing of shareholder's agreement and an amount of ₹ 102 Crores of REC's sanction has been converted into equity on 20<sup>th</sup> October, 2015.

A provision of ₹ 3.96 crores has been made against the interest due that was converted into equity in terms of RBI guidelines. Further, as a matter of prudence, an additional provision amounting to ₹ 15.50 Crores on the residual loan outstanding of ₹ 236.80 Crores as at 31<sup>st</sup> March, 2016 has been made in terms of RBI Circular dated 25<sup>th</sup> February, 2016. Income accrued & remaining unpaid as at 31<sup>st</sup> March, 2016 amounting to ₹ 32.27 crores on the outstanding loan amount has not been recognised due to uncertainty in view of SDR implementation.

### 12. OTHER NON-CURRENT ASSETS

		(₹ in Crores)	
Particulars	As at 31.03.2016	As at 31.03.2015	
(A) Non-Current Portion of Interest Accrued on Staff Advances	6.79	5.01	
(B) Advance Income-tax & TDS	6,515.25	5,321.81	
Less : Provision for Income Tax	6,420.98	5,249.83	
Advance Income-tax & TDS (Net)	94.27	71.98	
(C) Non-current Portion of Unamortized Expenses :			
- Discount on Issue of Bonds	-	0.14	
Total (A to C)	101.06	77.13	

### 13. CASH AND BANK BALANCES

		(₹ in Crores)	
Particulars	As at 31.03.2016	As at 31.03.2015	
(A) Cash & Cash Equivalents			
- Balances with Banks	960.58	189.25	
- Others			
- Short-term Deposits with Scheduled Banks	767.61	333.29	
Sub-total (A)	1,728.19	522.54	
(B) Others			
- Term Deposits with Scheduled Banks	0.36	0.36	
Total (A+B)	1,728.55	522.90	
Balances with Banks include:			
- Earmarked Balances with Banks in separate accounts			
- For unpaid dividends	2.73	2.62	
- For DDUGJY, AG&SP, NEF and other grants	34.17	54.94	
- Amount set aside for grants disbursement	1.77	2.15	

Further, Short-term Deposits with Scheduled Banks include ₹ 2.41 Crores (Previous year ₹ 236.19 Crores) earmarked towards DDUGJY and other grants. Figure in (B) Others - Term Deposits with Scheduled Banks includes the deposit for ₹ 0.36 Crores (Previous year ₹ 0.36 Crores) made and earmarked in compliance of a Court order.

**13.1** The Company has made public issue of Tax Free Bonds of face value of ₹1,000/- each aggregating to ₹ 700 Crores during the financial year 2015-16 in addition to private placement of the Tax Free Bonds of ₹ 300 Crores. The bonds had been allotted in line with the prescribed guidelines and the issue proceeds have been utilised for the purposes as mentioned in the Offer document.

## NOTES TO ACCOUNTS

### 14. SHORT-TERM LOANS & ADVANCES

		(₹ in Crores)	
Particulars	As at 31.03.2016	As at 31.03.2015	
(A) Loans & Advances to Related Parties (Unsecured, considered good)	0.95	2.04	
(B) Others			
(i) Advances recoverable in cash or in kind or value to be received (Unsecured)			
(a) Considered Good	22.09	1.21	
(b) Classified Doubtful	2.06	2.06	
Less: Provision for bad & doubtful debts	2.06	2.06	
	-	-	
<b>Total (i)</b>	<b>22.09</b>	<b>1.21</b>	
(ii) Loan Assets			
(a) Secured Loans			
- Loans to State Power Utilities/ State Electricity Boards/Corpn. (Secured by hypothecation and/or mortgage of materials/ tangible assets)			
- Considered Good	-	485.88	
<b>Sub-total (a)</b>	<b>-</b>	<b>485.88</b>	
(b) Unsecured Loans			
- Loans Guaranteed by respective State Governments			
- Considered Good	672.22	500.00	
- Loans - Others			
- Considered Good	100.00	111.11	
<b>Sub-total (b)</b>	<b>772.22</b>	<b>611.11</b>	
<b>Total (ii)</b>	<b>772.22</b>	<b>1,096.99</b>	
<b>Grand Total</b>	<b>795.26</b>	<b>1,100.24</b>	

### 15. OTHER CURRENT ASSETS

		(₹ in Crores)	
Particulars	As at 31.03.2016	As at 31.03.2015	
(A) Current recoverable of Long-term Loan Assets (Net) (Refer Note 11.2)	41,788.96	14,032.47	
(B) Current recoverable of Staff Advances (Net) (Refer Note 11.1)	11.17	10.72	
(C) Interest Accrued & not due on:			
- Govt. Securities	-	7.89	
- Long Term Investments	18.06	30.25	
- Term Deposits	1.32	0.25	
<b>Sub-total</b>	<b>19.38</b>	<b>38.39</b>	
(D) Interest Accrued & Due on Loan Assets	1,112.89	1,019.94	
(E) Interest Accrued & Not Due on Loan Assets	301.73	444.30	
(F) Current Portion of Interest Accrued on Staff Advances	0.30	0.28	
(G) Recoverable from GOI			
- RGGVY/ DDUGJY Expenses	9.71	8.49	
- NEF Expenses	0.37	0.29	
<b>Sub-total</b>	<b>10.08</b>	<b>8.78</b>	
(H) Recoverable from SEBs/ Govt. Deptt/Others	5.11	7.32	
(I) Prepaid Financial Charges on Commercial Paper	67.30	-	
(J) Current Portion of Unamortized Expenses			
- Discount on Issue of Bonds	0.14	3.99	
<b>Total (A to J)</b>	<b>43,317.06</b>	<b>15,566.19</b>	

## NOTES TO ACCOUNTS

### 16. REVENUE FROM OPERATIONS

(₹ in Crores)

Particulars	Year ended 31.03.2016		Year ended 31.03.2015	
(A) Interest on Loan Assets				
(i) Long term financing	23,375.20		19,904.21	
Less: Rebate for timely payments/ completion etc.	1.49	23,373.71	2.70	19,901.51
(ii) Short term financing		96.95		170.57
Sub-total (A)		23,470.66		20,072.08
(B) Revenue from Other Financial Services				
(i) Processing, Upfront, Lead fees, LC Commission etc.		24.71		51.93
(ii) Prepayment Premium		30.50		11.23
(iii) Fee for RGGVY/ DDUGJY Implementation/ others		32.78		15.29
Sub-total (B)		87.99		78.45
(C) Income from Short-term Investment of Surplus Funds				
(i) Interest from Deposits		68.21		69.46
(ii) Gain on Sale of Mutual Funds		11.49		9.54
Sub-total (C)		79.70		79.00
Total (A to C)		23,638.35		20,229.53

### 17. OTHER INCOME

(₹ in Crores)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
(A) Interest Income (Other than Operating Income)		
- Interest from Govt. Securities	43.23	47.51
- Interest from Long Term Investments	42.74	101.67
- Interest from Staff Advances	2.22	1.72
Sub-Total (A)	88.19	150.90
(B) Dividend Income		
- Dividend from Subsidiary Companies	10.01	0.35
- Dividend from Long-Term Investments	3.05	3.63
Sub-Total (B)	13.06	3.98
(C) Net Gain on Sale of Long Term Investments	12.29	-
(D) Other Non-Operating Income		
- Profit on sale of assets	-	0.02
- Provision Written Back	0.98	0.57
- Miscellaneous Income	3.41	3.05
Sub-Total (D)	4.39	3.64
Total (A to D)	117.93	158.52

### 18. FINANCE COSTS

(₹ in Crores)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
(A) Interest Expense		
- On Govt. Loans	0.15	0.43
- On REC Bonds	11,374.73	9,508.65
- On Loans from Banks/ Financial Institutions	132.62	207.25



## NOTES TO ACCOUNTS

(₹ in Crores)		
Particulars	Year ended 31.03.2016	Year ended 31.03.2015
- On External Commercial Borrowings	1,616.14	1,358.86
- On Commercial Paper	285.91	300.03
- On AREP Subsidy	0.04	0.08
- Interest on Advance Income Tax	-	1.38
<b>Sub-Total (A)</b>	<b>13,409.59</b>	<b>11,376.68</b>
<b>(B) Other Borrowing Costs</b>		
- Guarantee Fee	17.69	18.31
- Public Issue Expenses	0.70	-
- Bonds Handling Charges	1.04	1.05
- Bonds Brokerage	19.33	20.48
- Stamp Duty on Bonds	3.88	4.03
- Debt Issue and Other Finance Charges	157.74	168.73
<b>Sub-Total (B)</b>	<b>200.38</b>	<b>212.60</b>
<b>(C) Net Translation/ Transaction Exchange Loss</b>	<b>673.15</b>	<b>255.33</b>
<b>Total (A to C)</b>	<b>14,283.12</b>	<b>11,844.61</b>

### 19. EMPLOYEE BENEFITS EXPENSE

(₹ in Crores)		
Particulars	Year ended 31.03.2016	Year ended 31.03.2015
- Salaries and Allowances	96.85	92.46
- Contribution to Provident Fund and Other Funds	12.07	11.38
- Gratuity	0.53	0.60
- Expenses towards Post Retirement Medical Facility	15.33	16.39
- Staff Welfare Expenses	12.66	13.11
<b>Total</b>	<b>137.44</b>	<b>133.94</b>

### 20. CORPORATE SOCIAL RESPONSIBILITY EXPENSES

(₹ in Crores)		
Particulars	Year ended 31.03.2016	Year ended 31.03.2015
- Direct Expenditure	124.72	100.95
- Overheads	3.48	2.30
<b>Total</b>	<b>128.20</b>	<b>103.25</b>

#### 20.1 Disclosure in respect of CSR Expenses:

- (a) Gross Amount required to be spent by the Company during the year is ₹ 127.46 Crores (Previous year ₹ 103.25 Crores).  
 (b) Amount spent during the year (₹ in Crores) :

Particulars	Year ended 31 <sup>st</sup> March, 2016			Year ended 31 <sup>st</sup> March, 2015		
	In Cash	Yet to be paid*	Total	In Cash	Yet to be paid*	Total
(i) Construction/ acquisition of any asset	-	-	-	-	-	-
(ii) On purpose other than (i) above	107.01	21.19	128.20	46.04	57.21	103.25

\* denotes amount provided for.



## NOTES TO ACCOUNTS

### 21. Other Expenses

(₹ in Crores)

Particulars	Year ended 31.03.2016		Year ended 31.03.2015	
- Travelling and Conveyance		11.23		9.97
- Publicity & Promotion Expenses		5.20		5.97
- Repairs and Maintenance				
- Building	2.65		2.69	
- ERP & Data Centre	4.64		3.75	
- Others	0.62	7.91	0.63	7.07
- Rent & Hiring Charges		3.29		3.66
- Rates and Taxes		0.44		0.88
- Power & Fuel		2.11		1.32
- Insurance Charges		0.03		0.04
- Postage and Telephone		1.95		2.24
- Auditors' Remuneration		1.03		0.62
- Consultancy Charges		3.39		2.74
- Loss on Sale of Assets		0.38		0.11
- Miscellaneous Expenses		30.05		34.87
<b>Total</b>		<b>67.01</b>		<b>69.49</b>

#### 21.1 Auditors' Remuneration includes :

(₹ in Crores)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
- Audit Fees	0.45	0.38
- Tax Audit Fees	0.08	0.08
- Limited Review Fees	0.21	0.08
- Payment for Other Services		
(i) Certification of Prospectus for Tax Free Bonds Public Issue	0.12	-
(ii) Other Certifications	0.03	0.02
- Expenses Incurred	0.09	0.03
- Service tax component	0.05	0.03
<b>Total</b>	<b>1.03</b>	<b>0.62</b>

#### 21.2 Earnings and Expenditure in Foreign Currency :

(₹ in Crores)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
<b>Earnings</b>	-	-
<b>Expenditure</b>		
- Royalty, Know-how, Professional, Consultation Fees	0.49	-
- Interest	550.96	455.29
- Finance Charges	130.91	149.36
- Other Expenses	3.11	3.18
<b>Total</b>	<b>685.47</b>	<b>607.83</b>

21.3 The Company has taken office space, accommodations for staff and space for ERP Data Centre on lease. These are classified as operating lease. Lease payments in respect of office space and data centre amounting to ₹ 5.25 Crores (Previous year ₹ 4.30 Crores) is shown under the head 'Other Expenses'. Lease payments in respect of accommodations for staff amounting to ₹ 2.99 Crores (Previous year ₹ 2.50 Crores) form part of 'Employees Benefit Expense.' Future lease payments in respect of these lease agreements are as under:

## NOTES TO ACCOUNTS

(₹ in Crores)

Future minimum lease rent payments	As at 31.03.2016		As at 31.03.2015	
	Data Centre	Office & Accomodations	Data Centre	Office & Accomodations
Not later than one year	0.36	4.33	0.29	3.53
Later than one year and not later than 5 years	0.62	4.45	-	6.52
Later than 5 years	-	0.70	-	0.66
<b>Total</b>	<b>0.98</b>	<b>9.48</b>	<b>0.29</b>	<b>10.71</b>

### 22. PROVISIONS AND CONTINGENCIES

(₹ in Crores)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Provision for bad & doubtful debts	647.81	230.65
Contingent Provision against Standard Loan Assets	52.51	120.54
Provision against Restructured Standard Loans	369.57	451.77
Provision for Interest due & Converted into Equity	3.96	-
Provision for depreciation on Investments	16.00	-
<b>Total</b>	<b>1,089.85</b>	<b>802.96</b>

### 23. EARNINGS PER SHARE

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Numerator</b>		
Profit after Tax as per Statement of Profit and Loss (₹ in Crores)	5,627.66	5,259.87
<b>Denominator</b>		
Weighted average Number of equity shares	98,74,59,000	98,74,59,000
Basic & Diluted Earnings per share of ₹10 each (in ₹)	56.99	53.27

### 24. CONTINGENT LIABILITIES AND COMMITMENTS :

#### 24.1 Contingent Liabilities not provided for in respect of:

(₹ in Crores)

Particulars	As at 31.03.2016	As at 31.03.2015
(A) Claims against the Company not acknowledged as debts	57.45	55.71
(B) Others		
- Letters of Comfort	461.56	260.84

The amount referred to in 'A' above includes ₹ 3.86 Crores (Previous year ₹ 3.75 Crores) in respect of cases pending in various courts including arbitration cases and is dependent upon the outcome of settlement of court/arbitration cases.

Further, it also includes ₹ 53.59 Crores (Previous year ₹ 51.96 Crores) against various demands raised by the Income Tax Department/ Service Tax Department including the cases pending in Delhi High Court/ Supreme Court. The company is contesting these tax demands and the management believes that its position will likely be upheld in the appellate process. Further, the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

#### 24.2 Commitments not provided for in respect of:

(₹ in Crores)

Particulars	As at 31.03.2016	As at 31.03.2015
- Contracts remaining to be executed on capital account		
- Towards Tangible Assets	287.97	16.06
- Towards Intangible Assets	2.84	4.32
- Other Commitments		
- CSR Commitments	89.44	182.73

## NOTES TO ACCOUNTS

### 25. DETAILS OF REGISTRATION/ LICENSE/ AUTHORISATION OBTAINED FROM FINANCIAL SECTOR REGULATORS:

Particulars	Regulator Name	Registration Details
(i) Corporate Identification No.	Ministry of Corporate Affairs	L40101DL1969GOI005095
(ii) Registration Number	Reserve Bank of India	14.000011

26. The Company is registered with the Reserve Bank of India (RBI) as a Non-Banking Financial Company (NBFC) since 1997-98. As per notification No.DNBS(PD).CC No.12/02.01/99-2000 dated 13.1.2000 of RBI, Govt. companies as defined under Section 617 of the Companies Act, 1956 have been exempted from applicability of the provisions of Reserve Bank of India Act, 1934 relating to maintenance of liquid assets and creation of Reserve Funds and the Directions relating to acceptance of public deposits and Prudential Norms. The said notification is also applicable to REC, being a Govt. company as defined under Section 2 (45) of the Companies Act, 2013 (Section 617 of the erstwhile Companies Act, 1956). Accordingly, the Reserve Fund is not created.

Further, as per Para No. 1(3)(ii) of RBI's Master Circular No. DNBR (PD) CC. No.043 / 03.10.119 / 2015-16 dated July 1, 2015, REC being a Government Company continues to be exempted from the applicability of "Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015". However, RBI, vide its letters dated 25<sup>th</sup> July, 2013 and 4<sup>th</sup> April, 2014, has conveyed to the Company to comply with the Prudential Norms of RBI by 31<sup>st</sup> 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 11<sup>th</sup> 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<sup>st</sup> April, 2015, the provisioning requirement would be 5% and for stock of loans as on 31<sup>st</sup> March, 2015 of such projects, the provisioning shall commence with a provision of 2.75% w.e.f 31<sup>st</sup> March, 2015 and reaching 5% by 31<sup>st</sup> March, 2018.

27. RBI, vide its letter dated September 17, 2010 had categorized REC as an Infrastructure Finance Company (IFC) in terms of instructions contained in RBI Circular CC No.168 dated February 12, 2010. As an IFC, the total permissible exposure for lending in the private sector is 25% of owned funds in case of single borrower and 40% in case of a single group of borrowers and exposure for lending and investing taken together can be upto 30% and 50% of owned funds, respectively.

In respect of Central/State Government entities, RBI vide its letter DNBS.CO.ZMD-N. No. 4868/55.18.014/2013-14 dated 4<sup>th</sup> April, 2014 has exempted REC from RBI Prudential Exposure limits till 31<sup>st</sup> March, 2016. The Company has again represented to RBI for extension of above exemption till 31<sup>st</sup> March, 2022. The matter is under active consideration and the communication from RBI is expected to be received shortly. In view of the above, our maximum credit exposure limits to Central and State power Utilities continue to vary from 50% to 250% of owned funds, depending upon entity appraisal.

In respect of Private Sector entities, the Company's credit exposure to single borrowers and group borrowers did not exceed the RBI prudential exposure limits as at 31<sup>st</sup> March, 2016 and 31<sup>st</sup> March, 2015.

### 28. CHANGES IN ACCOUNTING POLICIES

During the year ended 31<sup>st</sup> March, 2016, the Company had revised the accounting policy in respect of asset classification in line with RBI Guidelines. Further, the accounting policy for creation of allowance against Standard Loan assets has been modified to align it with the revised provisioning requirements for Standard Loans as per RBI Notification dated 10<sup>th</sup> November, 2014. Due to these changes in accounting policy, profit before tax for the year ended 31<sup>st</sup> March, 2016 is lower by ₹ 87.87 Crores.

Further, minor modifications have been made in the Accounting Policy in respect of basis of preparation of financial statements, revenue recognition, intangible assets and cash flow statements. However, there is no financial impact of such modifications.

### 29. QUALITY OF LOAN ASSETS

#### 29.1 The Classification of Loan Assets of the Company (classified in Note No. 11 and 14) as per RBI Prudential Norms is as under:

(₹ in Crores)

Asset Classification	As at 31.03.2016		As at 31.03.2015	
	Loan Balance	Allowance created against Loan Assets	Loan Balance	Allowance created against Loan Assets
(i) Standard Assets				
(a) Restructured Standard Loan Assets (Refer Note below)	21,058.26	821.34	16,428.15	451.77
(b) Other than (a) above	1,75,976.46	543.43	1,61,883.41	490.92
Sub-total (i)	1,97,034.72	1,364.77	1,78,311.56	942.69

## NOTES TO ACCOUNTS

(₹ in Crores)

	Asset Classification	As at 31.03.2016		As at 31.03.2015	
		Loan Balance	Allowance created against Loan Assets	Loan Balance	Allowance created against Loan Assets
(ii)	<b>Non Performing Assets</b>				
(a)	Sub-standard Assets *	2,908.19	291.01	844.98	206.28
(b)	Doubtful Assets	1,318.16	705.04	473.18	141.95
(c)	Loss Assets	17.22	17.22	17.22	17.22
	<b>Sub-total (ii)</b>	<b>4,243.57</b>	<b>1,013.27</b>	<b>1,335.38</b>	<b>365.45</b>
	<b>Total</b>	<b>2,01,278.29</b>	<b>2,378.04</b>	<b>1,79,646.94</b>	<b>1,308.14</b>

\* Includes loans classified as NPAs due to restructuring/non-achievement of DCCO amounting to ₹ 811.33 Crores (Previous year Nil) and provisioning thereof ₹ 81.27 Crores (Previous year Nil).

Note : Loan assets as mentioned in (i)(a) refer to restructured standard loan assets as specified in Accounting Policy No. 2.3(iv).

### 29.2 Sector-wise NPAs - Percentage of NPAs to Total Advances in that sector

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Power Sector *</b>	<b>2.11%</b>	<b>0.74%</b>

\* Includes 0.40% (Previous year Nil) loans classified as NPAs due to restructuring/ non-achievement of DCCO, amounting to ₹ 811.33 Crores (Previous year Nil).

### 29.3 Movement of NPAs

(₹ in Crores)

Particulars	As at 31.03.2016	As at 31.03.2015
(i) <b>Net NPAs to Net Advances (%)</b>	<b>1.61%</b>	<b>0.54%</b>
(ii) <b>Movement of NPAs (Gross)</b>		
(a) Opening balance	1335.38	490.40
(b) Additions during the year	2910.13	844.98
(c) Reductions during the year	1.94	-
(d) Closing balance	4243.57	1335.38
(iii) <b>Movement of NPAs (Net)</b>		
(a) Opening balance	969.93	353.54
(b) Additions during the year	2262.31	616.39
(c) Reductions during the year	1.94	-
(d) Closing balance	3230.30	969.93
(iv) <b>Movement of provisions for NPAs</b>		
(a) Opening balance	365.45	136.86
(b) Provisions made during the year	647.82	228.59
(c) Write-off / write-back of excess provisions	-	-
(d) Closing balance	1013.27	365.45

Note - The figures above include loans classified as NPAs due to restructuring/ non-achievement of DCCO, amounting to ₹ 811.33 Crores (Gross) (Previous year Nil) and provisioning thereof ₹ 81.27 Crores (Previous year Nil).

## 30. EXPOSURE RELATED DISCLOSURES

### 30.1 Exposure to Real Estate Sector

The Company has no exposure to real estate sector as at 31<sup>st</sup> March, 2016 (Previous year Nil).

## NOTES TO ACCOUNTS

### 30.2 Exposure to Capital Market

		(₹ in Crores)	
Particulars	As at 31.03.2016	As at 31.03.2015	
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	265.85	39.85	
(ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-	
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-	
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-	
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-	
(vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-	
(vii) Bridge loans to companies against expected equity flows/ issues;	-	-	
(viii) All exposures to Venture Capital Funds (both registered and unregistered)	6.15	7.68	
<b>Total Exposure to Capital Market</b>	<b>272.00</b>	<b>47.53</b>	

### 30.3 Unsecured Advances against Intangible Assets

There are no such advances outstanding as at 31<sup>st</sup> March, 2016 (Previous year Nil) for which intangible collaterals such as rights, licenses, authority, etc. are charged in favour of the Company in respect of projects financed by the Company.

### 31. CONCENTRATION OF ADVANCES, EXPOSURES AND NPAS

Particulars	As at 31.03.2016	As at 31.03.2015
(i) <b>Concentration of Advances</b>		
Total Advances to twenty largest borrowers (₹ in Crores)	1,17,632.78	1,08,066.67
Percentage of Advances to twenty largest borrowers to Total Advances of the Company	58.44%	60.16%
(ii) <b>Concentration of Exposures</b>		
Total Exposure to twenty largest borrowers (₹ in Crores)	1,94,864.96	1,71,024.07
Percentage of Exposures to twenty largest borrowers to Total Exposure of the Company on borrowers	58.54%	57.49%
(iii) <b>Concentration of NPAs *</b>		
Total Outstanding to top four NPA Accounts (₹ in Crores)	3,444.72	1,318.16
Total Exposure to the above four NPA Accounts (₹ in Crores)	3,444.72	1,318.16

\* Includes loans of ₹ 777.00 Crores (Previous year Nil) classified as NPAs due to restructuring/ non-achievement of DCCO.

32. The Company has not entered into any securitisation/ assignment transactions during the year ended 31<sup>st</sup> March, 2016 (Previous year Nil). Further, no assets have been sold to securitisation/ reconstruction company for asset reconstruction.

33. Considering the practical problems being faced by the borrowers in submission and adherence to the drawl schedule, the Company has revised the loan policy by waiving off the clause for requirement of Commitment Charges/ upfront fees for all ongoing as well as future projects of State Sector Generation and T&D projects including waiver of outstanding commitment charges of ₹ 8.83 Crores.

34. The National Electricity Fund (NEF), an interest subsidy scheme, has become operational during the year 2012-13. The scheme has been introduced by Govt. of India to promote the capital investment in the distribution sector. The scheme shall provide interest subsidy linked with reform measures, on the loans taken by public and private distribution power utilities for various capital works under Distribution sector. NEF would provide interest subsidy aggregating upto ₹ 8,466 Crores (including interest subsidy to the borrowers, service charges to the nodal agency, payments to independent evaluators and other incidental expenses) spread over 14 years for loan disbursement against projects approved during 2012-13 and 2013-14. REC has been nominated as Nodal Agency for operationalisation of the NEF scheme in entire country.

## NOTES TO ACCOUNTS

35. Government of India has launched Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) with the following components:
- Separation of agriculture and non-agriculture feeders facilitating judicious rostering of supply to agriculture & non-agriculture consumers in the rural areas;
  - Strengthening and augmentation of sub-transmission & distribution infrastructure in rural areas, including metering of distribution transformers/feeders/consumers
  - Rural electrification, as per CCEA approval dated 01.08.2013 for completion of the targets laid down under RGGVY for 12<sup>th</sup> and 13<sup>th</sup> Plans by carrying forward the approved outlay for RGGVY to DDUGJY.

The components at (i) and (ii) of the above scheme will have an estimated outlay of ₹ 43,033 crore including budgetary support of ₹ 33,453 crore from Government of India during the entire implementation period. The scheme of RGGVY as approved by CCEA for continuation in 12<sup>th</sup> and 13<sup>th</sup> plan will get subsumed in this scheme as a separate Rural Electrification (RE) component. REC has been nominated as nodal agency for operationalization of this scheme.

36. In the opinion of the management, the current assets, loans and advances appearing in the balance sheet have a value equivalent to the amount stated therein if realized during the ordinary course of business and all known liabilities have been provided.
37. As per the information available with the Company, there have been no reported cases of delayed payments of the principal amount or interest due thereon to Micro, Small & Medium enterprises.

### 38. DERIVATIVES RELATED DISCLOSURES

#### 38.1 Forward Rate Agreements/ Interest Rate Swaps

(₹ in Crores)		
Particulars	As at 31.03.2016	As at 31.03.2015
(i) The notional principal of swap agreements	24,770.59	24,577.20
(ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	1,529.12	2,662.28
(iii) Collateral required by the NBFC upon entering into swaps	Nil	Nil
(iv) Concentration of credit risk arising from the swaps	Refer Note Below	Refer Note Below
(v) The fair value of the swap book	1,223.39	2,173.16

Note : REC, being NBFC has entered into swap agreements with Category-I, Authorized Dealers Banks only, in accordance with the RBI guidelines. All the swap agreements entered into with banks are well within the credit risk limit defined in the Board approved Risk Management Policy.

- 38.2 The Company has not entered into any exchange traded Interest Rate (IR) derivatives.

#### 38.3 Disclosure on Risk Exposure in Derivatives

##### 38.3.1 Qualitative Disclosures

REC has Risk Management Policy duly approved by the Board. The policy covers the currency risk of the company. This policy provides the guiding parameters within which the Company can take decisions for managing the Currency Risk that it is exposed to on account of foreign currency loan. The purpose of the policy is to provide a framework to the Company for management of its foreign currency risk.

##### Risk Management Structure

An Asset Liability Management Committee (ALCO) is currently functioning under the chairmanship of CMD, Director (Finance), Director (Technical), Executive Directors and General Managers from Finance and Operating Divisions as its members. ALCO monitors Foreign currency risk with exchange rate and interest rate managed through various derivative instruments.

Derivative transactions include forwards, interest rate swaps, cross currency swaps and currency and cross currency options to hedge assets and liabilities. These derivative transactions are done for hedging purpose and not for trading or speculative purpose. These are accounted for on accrual basis and are not marked to market.

##### Type of Risks Involved

- Credit Risk** - Credit risk is the risk of loss due to counterparty's failure to perform on an obligation to the Company.
- Market Risk** - Market risk is the risk of loss due to adverse changes in the market value (the price) of an instrument or portfolio of instruments. Such exposures occur with respect to derivative instruments when changes occur in market factors such as underlying interest rates, exchange rates etc. or in the volatility of these factors.

## NOTES TO ACCOUNTS

- (iii) **Liquidity Risk** - Liquidity risk is the risk of loss due to failure of the institution to meet its funding requirements or execute a transaction at a reasonable price. This may be market liquidity risk or funding liquidity risk.
- (iv) **Operational Risk** - Operational risk is the risk of loss occurring as a result of inadequate system and control, deficiencies in information system, human error or a management failure. Derivative activities can pose challenging operational risk issue because of complexity of certain products and their continual evolution.
- (v) **Legal Risk** - Legal risk is the risk of loss arising from contracts which are not legally enforceable or documented correctly.
- (vi) **Regulatory Risk** - Regulatory risk is the risk of loss arising from failure to comply with regulatory or legal requirements.

### 38.3.2 Quantitative Disclosures

(₹ in Crores)

Particulars	Currency Derivatives *		Interest Rate Derivatives **	
	As at 31.03.16	As at 31.03.15	As at 31.03.16	As at 31.03.15
(i) Derivatives (Notional Principal Amount)				
For hedging	17,876.79	17,433.40	6,893.80	7,143.80
(ii) Marked to Market Positions				
a) Asset (+)	1,487.63	2,569.44	41.49	92.83
b) Liability (-)	131.57	294.66	174.16	194.46
(iii) Credit Exposure	17,876.79	17,433.40	6,893.80	7,143.80
(iv) Unhedged Exposures	4,046.93	6,594.80	N.A.	N.A.

\* Includes Full Hedge, Principal only Swap and Call Spread.

\*\* Includes Interest Rate Derivatives as a strategy of cost reduction

### 39. THE OUTSTANDING POSITION OF FOREIGN CURRENCY EXPOSURE AS AT 31<sup>ST</sup> MARCH, 2016 IS AS UNDER:

(Foreign Currency amounts in Millions, INR amounts in Crores)

Currency	Total		Hedged Portion (Currency & Interest rate)		Unhedged	
	Foreign Currency	INR Equivalent	Foreign Currency	INR Equivalent *	Foreign Currency	INR Equivalent *
JPY ¥	30,014.85	1,795.17	27,940.48	1,672.66	2,074.37	122.51
Previous Year	33,084.61	1,944.22	31,895.82	1,882.28	1,188.79	61.94
EURO €	150.47	1,059.01	125.02	867.91	25.45	191.10
Previous Year	153.82	1,083.03	150.70	1,061.94	3.12	21.09
USD \$	2,855.00	17,691.04	2,500.00	15,336.22	355.00	2,354.82
Previous Year	3,555.00	19,715.51	2,720.00	14,489.18	835.00	5,226.33
CHF (Swiss Franc)	200.00	1,378.50	-	-	200.00	1,378.50
Previous Year	200.00	1,285.44	-	-	200.00	1,285.44
Total		21,923.72		17,876.79		4,046.93
Previous Year		24,028.20		17,433.40		6,594.80

\* The portion of the foreign currency borrowings swapped into Indian Rupee is stated at the rate fixed in the swap transactions, and not translated at the year end rate. The unhedged portion of the foreign currency borrowings has been translated at the year end rate.

#### 39.1 In terms of Accounting Policy 14.1, the foreign currency monetary items as at the reporting date have been translated at the following rates:

Exchange Rates	USD/INR	JPY/INR	Euro/INR	CHF/INR
As at 31 <sup>st</sup> March, 2016	66.3329	0.5906	75.0955	68.9249
As at 31 <sup>st</sup> March, 2015	62.5908	0.5211	67.5104	64.2719



## NOTES TO ACCOUNTS

### 40. RELATED PARTY DISCLOSURES :

#### (1) Key Managerial Personnel

Sh. Rajeev Sharma	Chairman & Managing Director
Sh. Ajeet Kumar Agarwal	Director (Finance)
Sh. P.J. Thakkar	Director (Technical) (ceased w.e.f. 12.10.2015)
Sh. Sanjeev Kumar Gupta	Director (Technical) (appointed w.e.f. 16.10.2015)
Sh. J.S. Amitabh	GM & Company Secretary

#### (2) Other Related Parties

##### 1. Subsidiary Companies

REC Transmission Projects Company Limited (RECTPCL)

REC Power Distribution Company Limited (RECPDCL)

##### 2. Wholly owned Subsidiaries of REC Transmission Projects Company Limited

Nellore Transmission Limited - Incorporated on 04.12.2012

Baira Siul Sarna Transmission Limited - Incorporated on 24.01.2013

Gadarwara (B) Transmission Limited - Incorporated on 30.07.2014 and transferred to Power Grid Corporation of India Limited (PGCIL) on 24.04.2015, substantially upon the terms and conditions as detailed in the Share Purchase Agreement executed between RECTPCL, Gadawara (B) Transmission Limited and PGCIL.

Gadarwara (A) Transco Limited - Incorporated on 05.08.2014 and transferred to Power Grid Corporation of India Limited (PGCIL) on 24.04.2015, substantially upon the terms and conditions as detailed in the Share Purchase Agreement executed between RECTPCL, Gadawara (A) Transco Limited and PGCIL.

Maheshwaram Transmission Limited - Incorporated on 14.08.2014 and transferred to Sterlite Grid 3 Limited (SGL) on 20.08.2015, substantially upon the terms and conditions as detailed in the Share Purchase Agreement executed between RECTPCL, Maheshwaram Transmission Limited and SGL.

Vemagiri II Transmission Limited - Incorporated on 06.04.2015 and transferred to Power Grid Corporation of India Limited (PGCIL) on 04.12.2015, substantially upon the terms and conditions as detailed in the Share Purchase Agreement executed between RECTPCL, Vemagiri II Transmission Limited and PGCIL.

Alipurduar Transmission Limited - Incorporated on 13.04.2015 and transferred to Kalpataru Power Transmission Limited (KPTL) on 06.01.2016, substantially upon the terms and conditions as detailed in the Share Purchase Agreement executed between RECTPCL, Alipurduar Transmission Limited and KPTL.

NER II Transmission Limited - Incorporated on 21.04.2015

NRSS XXXVI Transmission Limited - Incorporated on 18.08.2015

North Karanpura Transco Limited - Incorporated on 27.11.2015

Khargone Transmission Limited - Incorporated on 28.11.2015

Dinchang Transmission Limited - Incorporated on 02.12.2015

##### 3. Joint Ventures

Energy Efficiency Services Limited (EESL)

Details of amount due from/ to the related parties :

Particulars	(₹ in Crores)	
	As at 31.03.2016	As at 31.03.2015
<b>Long-term Debt</b>		
RECTPCL	60.00	60.00
RECPDCL	10.44	7.00
Key Managerial Personnel	0.10	0.17
<b>Loans &amp; Advances</b>		
RECTPCL	0.22	2.04
RECPDCL	0.73	-
Key Managerial Personnel	0.83	0.29
<b>Other Current Liabilities</b>		
RECPDCL	5.37	2.27
RECTPCL	-	1.05



## NOTES TO ACCOUNTS

### Details of Transactions with the related parties :

		(₹ in Crores)	
Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015	
<b>Long Term Debt - Amount Invested</b>			
RECPDCL	3.44	-	
Key Managerial Personnel	0.01	-	
<b>Loans &amp; Advances</b>			
Key Managerial Personnel	0.53	0.04	
<b>Sale of Fixed Assets</b>			
RECPDCL	0.01	-	
<b>Investment in Share Capital (including applied for)</b>			
EESL	124.00	-	
<b>Disbursement from Subsidy/ Grant Received from Govt. of India</b>			
RECPDCL	6.90	-	
<b>Dividend from Subsidiaries</b>			
RECTPCL	9.51	0.10	
RECPDCL	0.50	0.25	
<b>Interest Income - Loans &amp; Advances</b>			
Key Managerial Personnel	0.04	0.06	
<b>Apportionment of Employee Benefit and Other Expenses</b>			
RECTPCL	2.35	2.58	
RECPDCL	4.32	2.20	
<b>Finance Cost</b>			
Interest Paid to RECTPCL	4.70	4.70	
Interest Paid to RECPDCL	0.64	0.54	
Interest Paid to Key Managerial Personnel	0.01	0.01	
<b>Employee Benefits Expense - Managerial Remuneration</b>	2.33	1.91	
<b>CSR Expenses</b>			
RECPDCL	91.77	19.04	
EESL	0.28	1.59	
<b>Other Expenses</b>			
RECPDCL	2.22	7.31	

#### 41. DISCLOSURES FOR EMPLOYEE BENEFITS AS REQUIRED UNDER AS 15:

##### (1) Defined Contribution Plans

###### A. Provident Fund

Company pays fixed contribution of Provident Fund at pre-determined rates to a separate trust which invests the funds in permitted securities. The trust fixes the rate of interest on contribution to the members of the trust.

###### B. Defined Contribution Superannuation Scheme

The Company pays fixed contribution towards superannuation scheme at pre-determined rates to a separate trust which invests the funds with the Insurers. The Insurers fix the rate of interest on the balance standing to the credit of the accounts of the members of the trust. When the pension becomes payable to the member, the Insurers shall appropriate the member's accumulation towards various annuities, as opted for by the member.

Amount recognised as expenses towards defined contribution plans:

## NOTES TO ACCOUNTS

(₹ in Crores)

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
(i) Provident Fund	6.88	6.52
(ii) Defined Contribution Superannuation Scheme	5.10	4.77
<b>Total</b>	<b>11.98</b>	<b>11.29</b>

## (2) Defined Benefit Plans - Post-Employment Benefits

## A. Gratuity

The Company has a defined benefit gratuity plan. Every employee is entitled to gratuity as per the provisions of the Payment of Gratuity Act, 1972. The scheme is funded by the Company and is managed by separate trust. The liability of Gratuity is recognized on the basis of actuarial valuation.

## B. Post Retirement Medical Facility (PRMF)

The Company has Post Retirement Medical Facility under which the entitled retired employees (including his/her spouse) are covered as per Company Rules. The expenditure is recognized in the Statement of Profit & Loss on the basis of actuarial valuation.

## C. Other Defined Retirement Benefit (ODRB)

The Company has a scheme for settlement of the employee and their dependents at the time of superannuation at home town. The expenditure is recognized in the Statement of Profit & Loss on the basis of actuarial valuation. The summarized position of various defined benefits recognized in the Statement of Profit & Loss, Balance Sheet and the funded status is as under:

## Expense recognised in Statement of Profit &amp; Loss:

(₹ in Crores)

Particulars	Gratuity		PRMF		ODRB	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Current Service Cost	2.02	1.93	1.45	1.23	0.05	0.05
Interest Cost	3.05	3.24	6.21	5.66	0.10	0.10
Expected Return on Plan Assets	3.03	3.24	-	-	-	-
Actuarial (Gain)/ Loss	(1.51)	(1.33)	7.67	9.50	(0.03)	0.05
Expense recognized	0.53	0.60	15.33	16.39	0.12	0.20

## Amounts recognised in Balance Sheet:

(Amounts below in 'Gratuity' columns denotes respective amounts in the Balance Sheet of gratuity trust)

(₹ in Crores)

Particulars	Gratuity		PRMF		ODRB	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Present value of obligation as at the end of the year	37.34	38.16	86.62	77.61	1.22	1.20
Fair value of Plan Assets as at the end of the year	35.48	36.25	-	-	-	-
Net Assets/ (Liability) recognized	(1.86)	(1.91)	(86.62)	(77.61)	(1.22)	(1.20)

## Changes in the Present value of defined benefit/ Obligation:

(₹ in Crores)

Particulars	Gratuity		PRMF		ODRB	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Present value of obligation as at the beginning of the year	38.16	38.07	77.61	66.64	1.20	1.16
Interest Cost	3.05	3.24	6.21	5.66	0.10	0.10
Current Service Cost	2.02	1.93	1.45	1.23	0.05	0.05
Benefit Paid	4.42	3.89	6.32	5.42	0.10	0.16
Actuarial (Gain)/ Loss on obligation	(1.47)	(1.19)	7.67	9.50	(0.03)	0.05
Present Value of defined benefit obligation at the end of the year	37.34	38.16	86.62	77.61	1.22	1.20

## NOTES TO ACCOUNTS

### Changes in the Fair Value of Plan Assets:

(Amounts below in 'Gratuity' columns denotes respective amounts for the gratuity trust)

(₹ in Crores)

Particulars	Gratuity		PRMF		ODRB	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Fair value of Plan Assets as at the beginning of the year	36.25	35.94	-	-	-	-
Return on Plan Assets	3.03	3.24	-	-	-	-
Contributions	0.62	0.82	-	-	-	-
Benefit Paid	4.42	3.89	-	-	-	-
Actuarial Gain/ (Loss) on Plan Assets	-	0.14	-	-	-	-
Fair value of Plan Assets as at the end of the year	35.48	36.25	-	-	-	-

### Funded Status and Experience adjustments for liability towards Gratuity:

(₹ in Crores)

Particulars	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation at year end	37.34	38.16	38.07	37.85	36.46
Fair value of Plan Assets at year end	35.48	36.25	35.94	35.14	31.24
Funded Status	(1.86)	(1.91)	(2.13)	(2.71)	(5.22)
Experience adjustment;					
Gain/(Loss):					
Experience adjustment on plan liabilities	(0.76)	(0.01)	0.68	1.17	1.51
Experience adjustment on plan assets	0.14	0.58	(0.30)	(0.40)	(0.23)

### The effect of an increase/ decrease of one percent point in inflation rate on PRMF:

(₹ in Crores)

Particulars	1% (+)		1% (-)	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Service & Interest Cost	1.25	0.64	(0.84)	(1.09)
PBO (Closing)	11.93	11.09	(8.45)	(7.81)

### Actuarial Assumptions:

Particulars	Gratuity		PRMF		ODRB	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Method Used	Projected Unit Credit (PUC)	Projected Unit Credit (PUC)	Projected Unit Credit (PUC)	Projected Unit Credit (PUC)	Projected Unit Credit (PUC)	Projected Unit Credit (PUC)
Discount Rate	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Expected Rate of Return on Plan Assets	8.36%	9.00%	-	-	-	-
Future Salary Increase	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%

- The Expected Rate of Return on Assets is the assumed rate of return (annualised).
- The Principle assumptions are the discount rate and salary growth rate. The discount rate is generally based on the market yields available on govt. bonds at the reporting date with a term that matches the liabilities and the salary growth rate takes account of inflation, seniority, promotions and other relevant factors as long term basis. The above information is certified by the Actuary.

## 42. STATUS OF DOCUMENTATION SUBSEQUENT TO UNBUNDLING OF SEBS

Some of the erstwhile State Electricity Boards (SEBs) against whom loans were outstanding or on whose behalf guarantees were given, were restructured by the respective State Governments and new entities were formed in the past. Consequently, the liabilities of the erstwhile SEBs stand transferred to new entities. However, transfer agreements in the case of Chhattisgarh State Electricity Board (CSEB), Kerala State Electricity Board (KSEB) and Meghalaya State Electricity Board (MSEB) are yet to be executed amongst the Company, new entities and the State Governments.

Agreements in case of Tamil Nadu State Electricity Board have been executed based on the provisional provisions of the Tamil Nadu Electricity (Re-organisation and Reforms) Transfer Scheme, 2010. However, further transfer agreements in this regard shall be executed, if required, on finalization of the Transfer Scheme.

### Status of Documentation Subsequent to Reorganisation of the State of Andhra Pradesh

## NOTES TO ACCOUNTS

Subsequent to the reorganisation of erstwhile State of Andhra Pradesh, the state of Telangana has been formed on 2<sup>nd</sup> June, 2014. However, the assets and liabilities are yet to be transferred to the respective power utilities through a formal Gazette Notification.

Status of Documentation is as under:

- (i) Where ever the loans have been sanctioned to erstwhile APCPDCL, APNPDCL and APGENCO prior to bifurcation and documentation has not been done, these schemes have been re-sanctioned in the name of newly formed utilities and documentation formalities completed and accordingly the charge has been registered with the Ministry of Corporate Affairs (MCA).
- (ii) Where ever the loans sanctioned in the name of erstwhile APCPDCL, APNPDCL prior to bifurcation and documentation formalities completed and drawls have been made, in these schemes an undertaking has been obtained from the name changed / newly formed utility and disbursements have been made to the newly formed utility by changing the name of the borrower in the name of new / name changed utility.
- (iii) Where ever the Loan is sanctioned in the name of erstwhile APCPDCL, APNPDCL prior to bifurcation and documentation formalities completed with Government Guarantee and drawls have been made, further documentation for these schemes shall be done on Gazette Notification.
- (iv) Once the final transfer scheme is notified through Gazette Notification by Govt, duly indicating the transfer of assets and liabilities among the power utilities, action for execution of documentation formalities will be taken up in respect of all the outstanding loans with the new / name changed utilities. Till that time, the demand for payment of interest / principal is being segregated by the Utilities and the respective portions are being paid by Utilities in Telangana and Andhra Pradesh.

43. The Ministry of Power launched a scheme 'Ujwal DISCOM Assurance Yojana' (UDAY) for achieving financial turnaround of the DISCOMs which are reeling under burden of heavy debt and losses. As per the OM dated 20<sup>th</sup> November, 2015 issued by MoP on the UDAY scheme, States shall take over 75% of the DISCOM debt as on 30<sup>th</sup> September, 2015 over 2 years - 50% to be taken over in FY 2015-16 and 25% in FY 2016-17.

The States of Uttar Pradesh, Rajasthan, Punjab, Haryana, Bihar and Chhattisgarh have signed MoU with MoP for participation in the scheme. The DISCOMs of Punjab, Uttar Pradesh and Chhattisgarh have pre-paid their outstanding loan amounting to ₹ 10,003.69 Crores out of which ₹ 1,214.14 crore was received in April 2016, as a result of takeover of their debt by the respective States under the scheme. An amount of ₹ 19,640.22 Crores is further expected to be prepaid by the DISCOMs during the financial year 2016-17.

44. 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.

45. **CAPITAL TO RISK-WEIGHTED ASSETS RATIO (CRAR)**

Being an Infrastructure Finance Company (IFC), REC is required to maintain a Capital to Risk Weighted Assets Ratio (CRAR) of 15% (with a minimum Tier I Capital of 10%).

Particulars	As at / For the year ended 31.03.2016	As at / For the year ended 31.03.2015
(i) CRAR (%)	20.38%	19.56%
(ii) CRAR - Tier I Capital (%)	17.48%	16.52%
(iii) CRAR - Tier II Capital (%)	2.90%	3.04%
(iv) Amount of subordinated debt raised as Tier-II capital (₹ in crore)	-	-
(v) Amount raised by issue of Perpetual Debt Instruments (₹ in crore)	-	-

46. **ASSET LIABILITY MANAGEMENT - MATURITY PATTERN OF CERTAIN ITEMS OF ASSETS AND LIABILITIES :**

(₹ in Crores)

As at 31.03.2016	Advances	Investments	Borrowings		Foreign Currency Items	
			Domestic Borrowings	Foreign Currency Borrowings	Assets	Liabilities (Other than Borrowings)
Upto 30/31 days	2,798	-	2,118	-	-	-
Over 1 month upto 2 months	1,971	-	2,999	-	-	-
Over 2 months upto 3 months	6,610	-	2,366	97	-	-
Over 3 month & upto 6 months	21,395	-	8,239	1,473	-	-
Over 6 months & upto 1 year	10,543	149	11,446	1,579	-	-
Over 1 year & upto 3 years	36,506	189	36,540	7,815	-	-
Over 3 years & upto 5 years	34,735	94	27,305	10,691	-	-
Over 5 years	86,720	2,035	56,170	269	-	-
<b>Total</b>	<b>2,01,278</b>	<b>2,467</b>	<b>1,47,183</b>	<b>21,924</b>	-	-

**NOTES TO ACCOUNTS**

(₹ in Crores)

As at 31.03.2015	Advances	Investments	Borrowings		Foreign Currency Items	
			Domestic Borrowings	Foreign Currency Borrowings	Assets	Liabilities (Other than Borrowings)
Upto 30/31 days	745	-	1,036	-	-	-
Over 1 month upto 2 months	664	-	355	-	-	-
Over 2 months upto 3 months	1,449	-	666	97	-	-
Over 3 month & upto 6 months	3,307	-	1,068	2,712	-	-
Over 6 months & upto 1 year	9,065	439	6,196	7,726	-	-
Over 1 year & upto 3 years	38,350	189	34,344	4,629	-	-
Over 3 years & upto 5 years	35,891	189	26,942	8,623	-	-
Over 5 years	90,176	796	56,389	241	-	-
<b>Total</b>	<b>1,79,647</b>	<b>1,613</b>	<b>1,26,996</b>	<b>24,028</b>	<b>-</b>	<b>-</b>

47. There are no Off-Balance Sheet SPVs sponsored by the Company, which need to be consolidated as per accounting norms.

48. No penalties have been levied on the Company by any regulator during the year ended 31<sup>st</sup> March, 2016 (Previous year Nil).

However, the Company has received a notice from National Stock Exchange of India Ltd. (NSE) vide its letter No. Fines/2015-16/45075 dated 5<sup>th</sup> October, 2015 and from BSE Ltd. (BSE) vide its letter No. LIST/COMP/49-Woman Dir/126/2015-16 dated 6<sup>th</sup> October, 2015 in pursuance of SEBI Circular No. CIR/CFD/CMD/1/2015 dated April 8, 2015 for payment of fine of ₹ 1,42,000 and ₹ 1,47,000 (inclusive of service tax) respectively for non-compliance of Clause 49(II)(A)(1) of the listing agreement regarding non-appointment of woman director on the Board as on 30<sup>th</sup> September, 2015.

The Company has requested the Stock Exchanges to waive the fine amounts since the power to appoint Woman Director/Independent Directors is vested with President of India through the administrative Ministry as per Articles of Association of the Company and the Board of Directors or the Company cannot appoint Woman Director/Independent Directors on the Board of the Company and there is no violation on the part of the Company in the appointment of Woman Director/Independent Directors. The reply of the Stock Exchanges is still awaited.

49. No complaints have been received by the Company from the borrowers under the Fair Practices Code during the year ended 31<sup>st</sup> March, 2016 (Previous year Nil).

50. Previous year figures have been reclassified/ regrouped to conform to the current classification.

51. Figures in Rupees have been rounded off to the nearest crores with two decimals, unless expressly stated.

The Significant Accounting Policies and Notes to Accounts 1 to 51 are an integral part of Balance Sheet and Statement of Profit & Loss.

For and on behalf of the Board

**J.S. Amitabh**  
GM & Company Secretary

**Ajeet Kumar Agarwal**  
Director (Finance)  
DIN - 02231613

**Rajeev Sharma**  
Chairman and Managing Director  
DIN - 00973413

In terms of our Report of even date

**For Raj Har Gopal & Co.**  
Chartered Accountants  
Firm Reg. No.: 002074N

**For A.R. & Co.**  
Chartered Accountants  
Firm Reg. No.: 002744C

Place: New Delhi  
Date: 27<sup>th</sup> May, 2016

**Gopal Krishan**  
Partner  
M.No. : 081085

**Pawan K. Goel**  
Partner  
M.No. : 072209