

A NAVRATNA COMPANY

UN-AUDITED (STAND ALONE) FINANCIAL RESULTS FOR THE QUARTER ENDED 31.12.2009

(Rs. In Lakhs except EPS, Number of shares & % of shareholding)

Sl. No.	PARTICULARS	QUARTER ENDED 31.12.2009 (Un-Audited)	QUARTER ENDED 31.12.2008 (Un-Audited)	NINE MONTHS ENDED 31.12.2009 (Un-Audited)	NINE MONTHS ENDED 31.12.2008 (Un-Audited)	YEAR ENDED 31.03.2009 (Audited)
1	Income					
	a Income from Operations	1,65,320	1,23,377	4,63,499	3,32,791	4,66,493
	b Other Operating Income	1,849	1,274	8,118	3,111	9,224
	Total Income from Operations	1,67,169	1,24,651	4,71,617	3,35,902	4,75,717
2	Expenditure					
	a Staff Cost	2,649	2,212	7,984	6,943	8,722
	b Other Expenditure	697	542	1,795	2,008	2,307
	c Interest & Finance Expenses	1,02,785	78,775	2,84,266	2,04,199	2,89,715
	d Provision- Bad and Doubtful Debts	-	(1,456)	22	(3,413)	237
	e Depreciation	35	47	107	139	136
	Total Expenditure	1,06,166	80,120	2,94,174	2,09,876	3,01,117
3	Profit from Operations before Other Income	61,003	44,531	1,77,443	1,26,026	1,74,600
4	Other Income	3,449	2,891	12,186	9,104	17,411
5	Profit (+)/Loss (-) before tax	64,452	47,422	1,89,629	1,35,130	1,92,011
6	Tax Expense					
	- Current Year	17,110	12,588	49,374	36,010	50,842
	- Deferred Tax	(65)	2,969	74	10,716	13,961
	- Previous years (Refunds)	-	-	(3,844)	-	-
7	Net Profit (+)/Loss (-)(5-6)	47,407	31,865	1,44,025	88,404	1,27,208
8	Paid up Equity Share Capital	85,866	85,866	85,866	85,866	85,866
9	Reserves & Surplus (Excluding Revaluation)	-	-	-	-	5,33,142
10	Basic & Diluted Earning Per Share (Rs. 10/- per share)	5.52	3.71	16.77	10.30	14.81
11	Public shareholding					
	- Number of shares	15,61,20,000	15,61,20,000	15,61,20,000	15,61,20,000	15,61,20,000
	- % of shareholding	18.18	18.18	18.18	18.18	18.18
12	Promoters and Promoter group Shareholding					
	a) Pledged/ Encumbered					
	- Number of shares	NIL	NIL	NIL	NIL	NIL
	- % of shares (as a % of the total shareholding of Promoter and Promoter Group)	NIL	NIL	NIL	NIL	NIL
	- % of shares (as a % of the total share capital of the company)	NIL	NIL	NIL	NIL	NIL
	b) Non-Encumbered					
	- Number of shares	70,25,40,000	70,25,40,000	70,25,40,000	70,25,40,000	70,25,40,000
	- % of shares (as a % of the total shareholding of the Promoter and Promoter Group)	100	100	100	100	100
	- % of shares (as a % of the total share capital of the company)	81.82	81.82	81.82	81.82	81.82

Notes:

1. Previous period figures have been regrouped and re-arranged wherever necessary.
2. The above stand alone financial results for the quarter ended December 31, 2009 were reviewed by the Audit Committee at the meeting held on January 13, 2010 and approved by the Board of Directors and taken on record at the meeting held on January 13, 2010.
3. Considering the opinions given by the various concerned authorities and also the practice followed by the other similarly placed institutions of not creating deferred tax liability (DTL) on account of special reserve created and maintained under Section 36(1)(viii) of Income Tax Act, 1961, the Company is of the view that there is no requirement of DTL as per AS 22 of ICAI. Accordingly, the company has not created deferred tax liability (DTL) of Rs. 3,851 Lacs for the quarter (Rs. 11,159 Lacs for the nine months ended on 31.12.2009) on account of special reserve created and maintained under Section 36(1)(viii) of Income tax act, 1961, and has also reversed the DTL of Rs. 96,457 lacs created in earlier years on this account in the six months period ended 30th September, 2009 by transfer to Reserve and Surplus. Had the Company followed the same Accounting Policy as in the earlier years, the Profit after Tax for the quarter ended 31.12.2009 would have been lower by Rs. 3,851 Lacs and Rs. 11,159 Lacs for the nine months ended 31.12.2009.
4. In line with the decisions of Authority for Advance Ruling and Income Tax Appellate Tribunal for different assessment years, the Company till 30th September, 2009 has accounted for Rs. 3,844 Lacs towards refund of Income Tax due from the Income Tax Department out of which Rs. 2,050 Lacs has been received during the quarter.
5. During the current financial year, the Company has started recognizing the Income of Agency charges on RGGVY scheme on the basis of amount sanctioned/ receipt from Ministry of Power as against the earlier policy of recognition on the basis of disbursement of subsidy/ loan. This has resulted in decrease in profit by Rs. 2 Lac upto 31st December, 2009.
6. Pending implementation of Wage Revision in line with notification of Government, provision for Wage Revision for Rs. 503 Lacs for the quarter (Rs.1,521.24 Lacs for the nine months ended 31.12.2009) has been made on estimated basis.
7. The Corporation has declared an interim dividend of Rs. 3 per Equity Share of Rs. 10 each for the Financial Year 2009-10.
8. The Corporation presently does not have more than one segment eligible for reporting in terms of Accounting Standard -17.
9. These results have been subjected to limited review by the Joint Statutory Auditors of the Company.
10. Pursuant to Clause 41 of the Listing Agreement, the details of Investors complaints are given below:-

Listed Securities	Pending as on 01.10.2009	Received during the quarter	Resolved during the quarter	Pending as on 31.12.2009
Debt Securities	Nil	5	5	Nil
Equity Shares	Nil	324	317	7

For Rural Electrification Corporation Limited

Sd/-

Place: New Delhi

Date: 13.01.2010

(P. Uma Shankar)

Chairman & Managing Director

Disclaimer

"Rural Electrification Corporation Limited proposes, subject to receipt of requisite approvals, market conditions and other considerations, to make a further public offer of its equity shares and has filed a draft red herring prospectus ("DRHP") with the Securities and Exchange Board of India ("SEBI"). The DRHP is available on the website of SEBI at www.sebi.gov.in as well as on the websites of the book running lead managers at www.kmcc.co.in, www.dspml.com, www.icicisecurities.com, www.jmfinancial.in and www.abnamro.co.in. Investors should note that investment in equity shares involves a high degree of risk and for details relating to the same, see the section titled "Risk Factors" of the aforementioned DRHP.

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