

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

Part I							
Statement of Standalone Unaudited Results for the Quarter and Nine Months Ended 31/12/2015							
(₹ in Lakhs)							
Sl. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31/12/2015	30/09/2015	31/12/2014	31/12/2015	31/12/2014	
	(Refer Notes Below)	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Audited)
1	Income from Operations						
a	Interest Income	5,98,725	5,82,705	5,14,453	17,45,528	14,77,882	20,07,208
b	Other Operating Income	3,070	6,632	6,076	11,893	11,731	15,745
	Total Income from Operations (net)	6,01,795	5,89,337	5,20,529	17,57,421	14,89,613	20,22,953
2	Expenses						
a	Finance Costs	3,70,661	3,51,662	3,04,487	10,52,959	8,75,163	11,84,461
b	Employee Benefits Expense	3,271	3,352	3,233	10,173	9,561	13,394
c	Corporate Social Responsibility Expenses	2,977	3,396	545	9,560	1,452	10,325
d	Other Expenses	1,432	1,467	1,687	4,283	5,236	6,949
e	Allowance for bad and doubtful debts	25,906	5,108	206	33,428	10,888	23,065
f	Contingent Allowance against Standard Loan Assets	3,869	(4,443)	(739)	2,697	2,495	12,054
g	Allowance against Restructured Standard Loans	5,944	4,912	19,605	24,821	19,605	45,177
h	Allowance for Diminution in Investments	1,600	-	-	1,600	-	-
i	Depreciation and amortisation expense	134	140	165	408	529	676
	Total Expenses	4,15,794	3,65,594	3,29,189	11,39,929	9,24,929	12,96,101
3	Profit from Operations before Other Income & Exceptional Items (1-2)	1,86,001	2,23,743	1,91,340	6,17,492	5,64,684	7,26,852
4	Other Income	1,950	3,136	3,903	9,760	12,116	15,852
5	Profit from Ordinary Activities before Exceptional Items (3+4)	1,87,951	2,26,879	1,95,243	6,27,252	5,76,800	7,42,704
6	Exceptional Items	-	-	-	-	-	-
7	Profit from Ordinary Activities before Tax (5+6)	1,87,951	2,26,879	1,95,243	6,27,252	5,76,800	7,42,704
8	Tax Expense						
	- Current Year	56,586	66,222	57,489	1,85,027	1,63,311	2,23,186
	- Deferred Tax Liability / (Asset)	(5,621)	(702)	126	(3,978)	(2,907)	(6,599)
	- Earlier Years / (Refund)	-	(560)	-	(560)	59	130
9	Net Profit from Ordinary Activities after Tax (7-8)	1,36,986	1,61,919	1,37,628	4,46,763	4,16,337	5,25,987
10	Extraordinary Items (net of tax expense)	-	-	-	-	-	-
11	Net Profit for the Period (9-10)	1,36,986	1,61,919	1,37,628	4,46,763	4,16,337	5,25,987
12	Paid up Equity Share Capital (Face Value ₹10 per share)	98,746	98,746	98,746	98,746	98,746	98,746
13	Reserves & Surplus (Excluding Revaluation Reserves) (as per audited balance sheet as at 31st March)	23,86,957	23,86,957	19,68,200	23,86,957	19,68,200	23,86,957
14	Earnings per Share (EPS) (before extraordinary items) (of ₹10 each) (not annualised) (in ₹)						
a	Basic	13.87	16.40	13.94	45.24	42.16	53.27
b	Diluted	13.87	16.40	13.94	45.24	42.16	53.27
ii	Earnings per Share (EPS) (after extraordinary items) (of ₹10 each) (not annualised) (in ₹)						
a	Basic	13.87	16.40	13.94	45.24	42.16	53.27
b	Diluted	13.87	16.40	13.94	45.24	42.16	53.27

Notes:

- The above financial results for the quarter and nine months ended 31st December, 2015 were reviewed by the Audit Committee at the meeting held on 10th February, 2016 and approved and taken on record by the Board of Directors at the meeting held on 10th February, 2016.
- These results have been subjected to limited review by the Joint Statutory Auditors of the Company.
- The company has opted for amortising the foreign exchange fluctuation loss/ (gain) on the long term foreign currency monetary items over the balance period of such items. The amount remaining to be amortised in 'Foreign Currency Monetary Item Translation Difference Account' is ₹ 221.88 Crores. (As on 31/12/2014 ₹ 449.45 Crores)
- RBI, vide its letters dated 25th July, 2013 and 4th April, 2014, has conveyed to the Company to comply with the Prudential Norms of RBI by 31st March, 2016 and follow the instructions contained in RBI Circular dated January 23, 2014 issued vide Notification No. DNBS (PD) No. 271/ CGM (NSV)-2014 in respect of restructuring of assets. Later, RBI vide its letter dated 11th June, 2014 has allowed exemption to the Company from RBI restructuring norms till March 31, 2017 for Transmission & Distribution, Renovation & Modernisation and Life Extension projects and also the Hydro projects in Himalayan region or affected by natural disasters. Further, for new project loans to Generating Companies restructured w.e.f. 01/04/2015, the provisioning requirement would be 5% and for stock of loans as on 31/03/2015 of such projects, the provisioning shall commence with a provision of 2.75% w.e.f. 31/03/2015 and reaching 5% by 31/03/2018. Accordingly, during the quarter, an allowance has been made amounting to ₹ 59.44 crores on qualifying loans (comprising of loans to Public Sector ₹ 12,434.11 crores + loans to Private Sector ₹ 7,613.13 crores). Further, in response to the Company's letter dated 21st September, 2015, RBI vide its letter No. DNBR.PD.CO.No. 582/03.10.001/2015-16 dated 5th October, 2015, has allowed the company to follow the REC's existing asset classification norms for NPA till 31st March, 2017 (i.e. overdue of more than 6 months instead of 5 months as prescribed in RBI Prudential Norms) for the existing loans of the Company i.e. loans sanctioned on or before 31st March, 2015.
- As at 31st December 2015, the dues of one of the borrowers were overdue for more than 6 months, thus, exceeding the time limit for classification of the borrower as 'Standard Asset'. However, the borrower had obtained an ad-interim order from Hon'ble High Court of Madras on 18th September, 2015 not to classify the account as NPA. In view of the same, the classification of the borrower has been retained as 'Standard Asset' pending final decision of the Court.



6. The Company has made a public issue of Tax Free Bonds of face value of ₹1,000/- each aggregating to ₹ 700 Crores during the quarter ended 31st December, 2015 in addition to private placement for ₹ 300 Crores made in the quarter ended 30th September, 2015. The issue proceeds have been utilised for the purposes as mentioned in the Offer document.
7. The Company's main business is to provide finance to power sector. Accordingly, the company does not have more than one segment eligible for reporting in terms of Accounting Standard-17 'Segment Reporting'.
8. The Company has declared an interim dividend of ₹ 12/- per equity share of ₹ 10/- each for the financial year 2015-16. Further, 18th February, 2016 has been fixed as the Record Date for payment of Interim Dividend.
9. For all the secured bonds issued by the Company and outstanding as at 31st December, 2015, 100% security cover has been maintained by way of mortgage on certain immovable properties and/or charge on the receivables of the Company.
10. During the quarter ended 30th June, 2015, the Company had revised the accounting policy for creating allowance against Standard Loan assets to align it with the revised provisioning requirements for Standard Loans as per RBI Notification dated 10th November, 2014. Accordingly, an incremental allowance over and above 0.25% already existing as on 31st March, 2015 has been created on standard assets as on that date so as to make it equal to 0.30% by the end of March, 2016 in a phased manner. Further, on incremental standard loan assets during the period ended 31st December, 2015, the allowance has been created @ 0.30% in full. Due to this change in accounting policy, profit before tax for the quarter and nine months ended 31st December, 2015 is lower by ₹ 23.30 Crores and ₹ 69.46 Crores respectively.
11. Previous periods/year's figures have been regrouped/rearranged wherever necessary.

For Rural Electrification Corporation Limited



(Rajeev Sharma)
Chairman & Managing Director
DIN - 00973413

Place: New Delhi
Date: 10th February, 2016

