



Investor Presentation

Performance Highlights

Q3 & 9M FY 16



RURAL ELECTRIFICATION CORPORATION LIMITED

A Navratna PSU

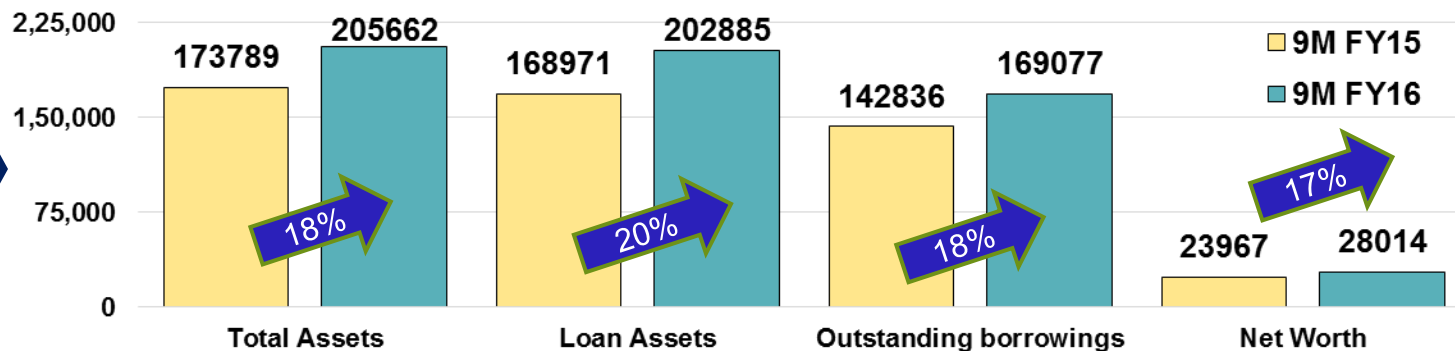
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Highlights - 9M FY16 vs. 9M FY15

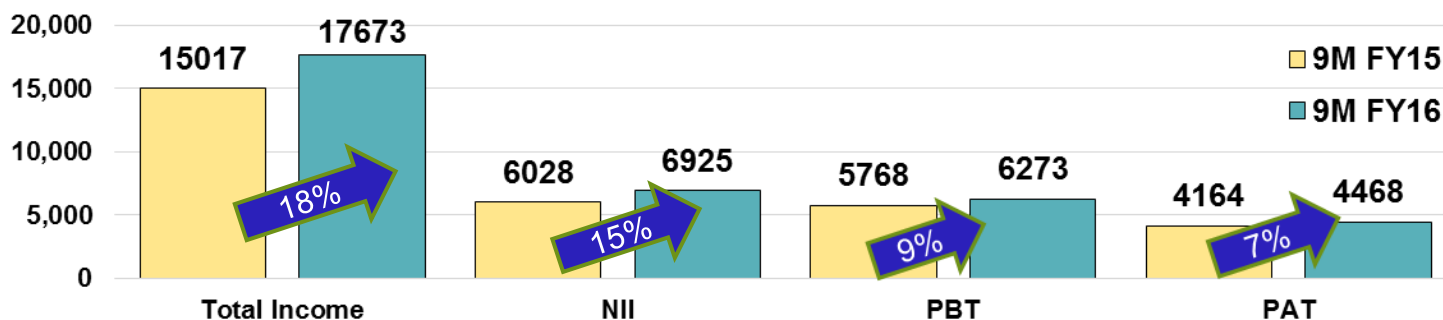
(Amount in INR Crore)



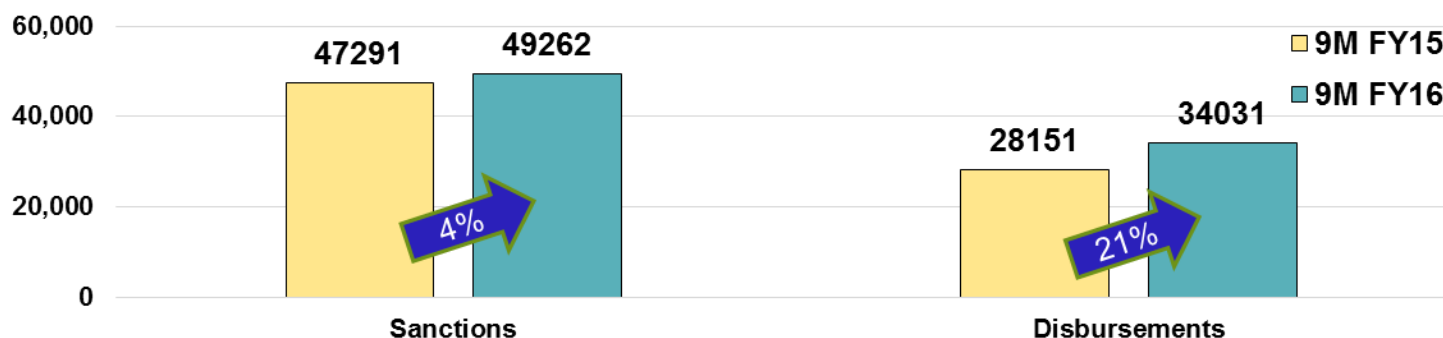
Balance Sheet



Income Statement



Business



Sanctions - Composition

(Amount in INR Crore)

Discipline-wise	Q1		Q2		Q3		9M		Q4	12M		
	FY 16	FY 15	FY 16	FY 15	FY 16	FY 15	FY 16	FY 15	FY 15	FY15	FY 14	FY 13
Generation	1,112 15%	2,753 17%	16,617 56%	6,949 58%	6,667 54%	11,877 64%	24,396 50%	21,579 46%	2,747 19%	24,326 40%	29,019 41%	27,492 35%
T & D (including RGGVY/ DDUGJY) # ^	5,978 79%	13,107 78%	12,873 44%	4,451 37%	4,965 41%	6,194 33%	23,816 48%	23,752 50%	11,383 81%	35,135 57%	39,446 56%	47,846 60%
Short Term Loan	500 6%	850 5%	- -	550 5%	550 5%	560 3%	1,050 2%	1,960 4%	- -	1,960 3%	2,275 3%	4,190 5%
Total	7,590	16,710	29,490	11,950	12,182	18,631	49,262	47,291	14,130	61,421	70,740	79,528

Vide Ministry of Power notification dated 03.12.2014, the erstwhile Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) scheme has been subsumed into Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY)

^ Includes Transitional Financing Loans (TFL) sanctioned as under:

Particulars	Q1 FY16	Q2 FY16	Q3 FY16	9M FY16	FY 15	FY 14	FY 13	Total (till Q3 FY16)
TFL	-	4,100	-	4,100	6,394	3,038	16,630	30,162

Disbursements - Composition



(Amount in INR Crore)

Discipline-wise	Q1		Q2		Q3		9M		Q4	12M		
	FY 16	FY 15	FY 16	FY 15	FY 16	FY 15	FY 16	FY 15	FY 15	FY 15	FY 14	FY 13
Generation	2,428 26%	3,790 45%	2,563 20%	3,864 39%	3,371 28%	2,453 25%	8,362 25%	10,107 36%	4,016 27%	14,123 33%	12,989 37%	12,497 32%
<i>Transmission</i>	1,661 18%	1,579 19%	2,278 18%	1,435 14%	1,641 14%	1,392 15%	5,580 16%	4,406 16%	1,880 13%	6,286 15%	4,113 12%	5,297 13%
<i>Distribution *</i> (including RGGVY/ DDUGJY)	5,218 56%	2,496 29%	7,464 58%	3,947 40%	6,457 54%	4,945 51%	19,139 56%	11,388 40%	8,771 60%	20,159 47%	16,855 47%	17,062 44%
Total Transmission & Distribution	6,879 74%	4,075 48%	9,742 76%	5,382 54%	8,098 68%	6,337 66%	24,719 73%	15,794 56%	10,651 73%	26,445 62%	20,968 59%	22,359 57%
Short Term Loan	- -	600 7%	500 4%	750 7%	450 4%	900 9%	950 3%	2,250 8%	- -	2,250 5%	1,589 4%	4,419 11%
Total	9,307	8,465	12,805	9,996	11,919	9,690	34,031	28,151	14,667	42,818	35,546	39,275

* Includes Transitional Financing Loan (TFL) disbursed as under:

Particulars	Q1 FY16	Q2 FY16	Q3 FY16	9M FY16	FY 15	FY 14	FY 13	Total (till Q3 FY16)
TFL	1,785	1,135	1,000	3,920	5,169	6,018	9,570	24,677

Outstanding Loan - Composition



(Amount in INR Crore)

Discipline-wise	Q1				Q2 & H1				Q3 & 9M				Q4 & 12M					
	FY 16		FY 15		FY 16		FY 15		FY 16		FY 15		FY 15		FY 14		FY 13	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
State	1,47,422	79	1,24,600	80	1,59,146	82	1,27,542	79	1,66,682	82	1,33,015	79	1,41,966	79	1,17,843	79	1,02,292	80
Joint	6,287	3	6,585	4	6,427	3	6,596	4	6,377	3	6,596	4	6,375	4	6,638	5	6,119	5
Private	32,711	18	24,049	16	29,075	15	28,283	17	29,826	15	29,360	17	31,306	17	24,160	16	18,945	15
Total *	1,86,420	100	1,55,234	100	1,94,648	100	1,62,421	100	2,02,885	100	1,68,971	100	1,79,647	100	1,48,641	100	1,27,356	100
Generation	78,150	42	69,148	44	80,423	41	71,659	44	81,054	40	73,515	43	76,388	42	65,417	44	55,478	44
T & D	1,07,552	57	84,865	55	1,13,467	58	89,227	55	1,20,992	60	93,824	56	1,02,162	57	82,100	55	65,296	51
Others **	718	1	1,221	1	758	1	1,535	1	839	0	1,632	1	1,097	1	1,124	1	6,582	5

* Total Loan represents Gross Loan outstanding before Provision for NPAs and excluding Income accrued & due on loans

** Others includes short-term loans, debt refinancing and bridge loans

Average maturity period of outstanding loans as at Q3 & 9M FY16 is approx. 5.72 years

Loan Quality

(Amount in INR Crore)

Particulars	Q1		Q2&H1		Q3&9M		Q4 & 12M		
	FY 16	FY 15	FY 16	FY 15	FY 16	FY 15	FY 15	FY 14	FY 13
Loan outstanding	1,86,420	1,55,234	1,94,648	1,62,421	2,02,885	1,68,971	1,79,647	1,48,641	1,27,356
Gross NPA	1,577	1,335	2,088	1,335	3,468	1,335	1,335	490	490
Provision	390	243	441	243	700	243	365	137	89
Net NPA	1,187	1,092	1,647	1,092	2,768	1,092	970	353	401
% of Gross NPA to loan outstanding	0.85%	0.86%	1.07%	0.82%	1.71%	0.79%	0.74%	0.33%	0.38%
% of Net NPA to loan outstanding	0.64%	0.70%	0.85%	0.67%	1.36%	0.65%	0.54%	0.24%	0.31%

Total Provisions against Outstanding Loan assets

Provision against NPAs as at above	390	243	441	243	700	243	365	137	89
Contingent allowance against standard assets *	524	385	480	403	518	395	491	370	106
Allowance against restructured standard assets	591	-	640	-	700	196	452	-	3
Reserve for Bad & Doubtful Debts	1,717	1,349	1,827	1,439	1,916	1,526	1,622	1,269	981
Total	3,222	1,977	3,388	2,085	3,834	2,360	2,930	1,776	1,179

* In line with RBI Notification dated 10.11.14 REC has made incremental allowance over and above 0.25% already existing as on 31.03.15 on standard assets as on that date so as to make it equal to 0.30% by the end of 31.03.16 in a phased manner and on incremental standard loan assets @ 0.30% in full, totaling to additional provision of INR 23.30 crores during Q3 FY16 & INR 69.46 crores during 9M FY16

The borrower wise - Incremental Provision against NPAs created during Q3 FY 16

Borrower	Fresh NPA during Q3 FY16/ Existing NPA prior to Q3 FY16	Loan O/s	Provisioning
Essar Power M.P. Limited	Fresh	1,345	134
Starwire (India) Vidyut Pvt Ltd	Fresh	35	3
Corporate Power Limited	Existing	812	69
Jas Infrastructure Capital Pvt. Ltd.	Existing	33	3
Shree Maheshwer Hydel	Existing	250	50
Total		2,475	259

Funds Raised During The Period



(Amount in INR Crore)

Category	Q1		Q2		Q3		9M		Q4	12 M		
	FY 16	FY 15	FY 16	FY 15	FY 16	FY 15	FY 16	FY 15	FY15	FY15	FY 14	FY 13
Capital Gains Bonds	1,181 6.00%	1,095 6.00%	1,469 6.00%	1,226 6.00%	1,576 6.00%	1,229 6.00%	4,226 6.00%	3,550 6.00%	1,788 6.00%	5,338 6.00%	5,350 6.00%	4,903 6.00%
Tax Free Bonds	- -	- -	300 7.17%	- -	700 7.21%	- -	1,000 7.20%	- -	- -	- -	6,000 8.48%	2,648 7.46%
Institutional Bonds/ Subordinate Debt	2,396 8.30%	1,700 9.02%	5,425 8.36%	11,765 9.18%	4,810 8.08%	8,500 8.71%	12,631 8.24%	21,965 8.99%	7,235 8.29%	29,200 8.81%	17,403 9.12%	16,379 9.08%
Banks, Fls, etc.	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	1,195 10.47%	- -
Foreign Currency Borrowings	96 1.66%	1,505 6.22%	2,908 5.87%	1,392 6.20%	2,732 4.27%	1,220 6.56%	5,736 5.04%	4,117 6.31%	2,535 5.26%	6,652 6.48%	2,000 7.50%	4,712 3.01%
Total	3,673 7.39%	4,300 7.27%	10,102 7.27%	14,383 8.62%	9,818 6.62%	10,949 8.17%	23,593 7.02%	29,632 8.26%	11,558 7.27%	41,190 8.07%	31,948 8.43%	28,642 7.40%

Note: The figures above do not include the funds raised for short term through Commercial paper

Funds raised through Commercial papers	4,192	2,551	492	3,343	2,949	-	7,633	5,894	-	5,894	4,986	2,117
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- % denotes average annualized cost of borrowings mobilized.
- The figures for borrowings mobilized above do not include WCDL raised during the period.

Borrowing Profile as at end of the Period

(Amount in INR Crore)

Particulars	Q1				Q2 & H1				Q3 & 9M				12M					
	FY 16		FY 15		FY 16		FY 15		FY 16		FY 15		FY 15		FY 14		FY 13	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Capital Gain Bonds	15,771	10	15,524	12	16,174	10	15,613	11	16,722	10	15,677	11	15,591	10	15,493	13	15,187	14
Tax Free Bonds	11,649	7	11,649	9	11,948	7	11,649	9	12,648	7	11,649	9	11,649	8	11,649	9	5,648	6
Infra Bonds	376	0	376	0	376	0	376	0	376	0	376	0	376	0	376	0	376	-
Institutional, Subordinate & Zero Coupon Bonds	99,286	64	76,109	58	1,04,730	64	85,562	62	1,09,560	65	90,308	63	97,068	64	75,289	60	64,038	59
Banks, FIs, etc. *	1,452	1	3,865	3	2,460	2	1,940	1	1,301	1	1,590	1	2,312	2	3,272	2	6,324	6
Foreign Currency Borrowings	24,213	16	19,084	15	24,560	15	20,416	15	26,370	16	21,686	15	24,028	16	17,621	14	15,238	14
Commercial Papers	3,025	2	4,140	3	2,425	1	3,500	2	2,100	1	1,550	1	0	0	2,540	2	980	1
Grand Total	1,55,772	100	1,30,747	100	1,62,673	100	1,39,056	100	1,69,077	100	1,42,836	100	1,51,024	100	1,26,240	100	1,07,791	100
Average annualized Cost of Funds	8.31%		8.37%		Q2 - 8.41%		Q2 - 8.54%		Q3 - 8.46%		Q3 - 8.36%		Q4 - 8.37%		8.31%		8.09%	
					H1- 8.33%		H1- 8.40%		9M - 8.37%		9M - 8.44%		12M - 8.36%					

* Includes Short Term Working Capital Loan availed from Banks

Average maturity period of Borrowings outstanding as at Q2 & H1 FY 16 is approx. 4.41 years

Statement of Assets & Liabilities



(Amount in INR Crore)

Particulars	Q1		Q2 & H1		Q3 & 9M		Q4 & 12 M		
	FY 16	FY 15	FY 16	FY 15	FY 16	FY 15	FY 15	FY 14	FY13
<u>Liabilities</u>									
Shareholders Funds	26,267	22,004	27,906	23,543	28,014	23,967	24,857	20,669	17,454
Borrowings	1,55,772	1,30,747	1,62,673	1,39,056	1,69,077	1,42,836	1,51,024	1,26,240	1,07,791
Deferred Tax Liabilities (Net)	131	155	124	143	68	144	107	174	-
Other Liabilities	9,080	5,992	8,677	7,768	8,503	6,842	7,187	5,770	5,262
Total Liabilities	1,91,250	1,58,898	1,99,380	1,70,510	2,05,662	1,73,789	1,83,175	1,52,853	1,30,507
<u>Assets</u>									
Fixed Assets (Net)	118	80	155	79	84	79	81	82	80
Investments	877	1,708	877	1,708	916	1,661	1,613	1,708	661
Loan Assets (Net of Provisions)	1,86,031	1,54,991	1,94,207	1,62,177	2,02,185	1,68,727	1,79,282	1,48,504	1,27,266
Deferred Tax Assets (Net)	-	-	-	-	-	-	-	-	10
Other Assets	4,224	2,119	4,141	6,546	2,477	3,322	2,199	2,559	2,490
Total Assets	1,91,250	1,58,898	1,99,380	1,70,510	2,05,662	1,73,789	1,83,175	1,52,853	1,30,507

Income Statement



(Amount in INR Crore)

Particulars	Q1		Q2		Q3		9M		Q4	12M		
	FY 16	FY 15	FY 16	FY 15	FY 16	FY 15	FY 16	FY 15	FY15	FY15	FY14	FY13
Interest Income	5,641	4,648	5,827	4,986	5,987	5,145	17,455	14,779	5,293	20,072	16,806	13,291
Finance Costs	3,306	2,752	3,517	2,954	3,707	3,045	10,530	8,751	3,094	11,845	10,039	8,083
Net Interest Income	2,335	1,896	2,310	2,032	2,280	2,100	6,925	6,028	2,199	8,227	6,767	5,208
Other Operating Income	22	19	66	37	31	61	119	117	40	157	212	246
Other Income	47	40	32	43	20	38	99	121	38	159	103	61
Operating costs	51	54	49	49	48	51	148	154	56	210	201	202
Corporate Social Responsibility Expenses	32	5	34	4	30	5	96	14	89	103	38	18
Allowance for Diminution in Investments	-	-	-	-	16	-	16	-	-	-	-	-
Allowance against Loans	197	121	56	18	357	191	610	330	473	803	312	131
Profit Before Tax	2,124	1,775	2,269	2,041	1,880	1,952	6,273	5,768	1,659	7,427	6,531	5,164
Current Tax	622	511	662	548	566	574	1,850	1,633	599	2232	1,704	1,345
Deferred tax	23	-19	-7	-12	-56	2	-40	-29	-37	-66	129	1
Earlier Years/ (Refunds)	-	-	-5	1	-	-1	-5	-	1	1	14	-
Profit After Tax	1,479	1,283	1,619	1,504	1,370	1,377	4,468	4,164	1,096	5,260	4,684	3,818
Dividend (incl. interim)	-	-	-	-	1,185	790	1,185	790	267	1057	938	815
Dividend Distribution Tax	-	-	-	-	239	158	239	158	54	212	159	133
Total (Dividend + Dividend Distribution Tax)	-	-	-	-	1,424	948	1,424	948	321	1269	1097	948

Previous periods figures have been reclassified/ rearranged wherever necessary so as to make them comparable.

Key Indicators



Particulars	Q1		Q2		Q3		9M		Q4	12 M		
	FY 16	FY 15	FY 16	FY 15	FY 16	FY 15	FY 16	FY 15	FY15	FY15	FY14	FY13
Yield on Loan (%) (Annualised)	12.33	12.24	12.23	12.56	12.05	12.42	12.17	12.41	12.15	12.23	12.18	11.62
Cost of Funds (%) (Annualised) *	8.31	8.37	8.41	8.54	8.46	8.36	8.37	8.44	8.37	8.36	8.31	8.09
Interest Spread (%)	4.02	3.87	3.82	4.02	3.59	4.06	3.80	3.97	3.78	3.87	3.87	3.53
Net Interest Margin % (Annualised)	5.10	4.99	4.85	5.12	4.59	5.07	4.83	5.06	5.05	5.01	4.90	4.55
Interest Coverage Ratio (times)	1.64	1.64	1.65	1.69	1.51	1.64	1.60	1.66	1.54	1.63	1.65	1.64
Return on Average Net Worth (%) (Annualised)	23.14	24.05	23.91	26.42	19.60	23.19	22.53	24.88	17.96	23.11	24.57	23.85
Debt Equity Ratio (times)	5.93	5.94	5.83	5.91	6.04	5.96	6.04	5.96	6.08	6.08	6.11	6.18
Capital Adequacy ratio	20.41	19.38	20.76	20.00	20.04	19.59	20.04	19.59	19.56	19.56	19.35	17.71
Net Worth (INR Crore)	26,267	22,004	27,906	23,543	28,014	23,967	28,014	23,967	24,857	24,857	20,669	17,454
Book Value per Share of INR 10	266.01	222.83	282.60	238.42	283.70	242.71	283.70	242.71	251.73	251.73	209.31	176.76
EPS (Non-Annualised)	14.97	12.99	16.40	15.23	13.87	13.94	45.24	42.16	11.10	53.27	47.43	38.66

* Cost of Funds is without considering the foreign exchange fluctuation loss amortized during the relevant period, but includes one-time upfront fee paid on External Commercial Borrowings raised during the relevant period.

Shareholding Pattern

As on =>	31.12.15	30.09.15	30.06.15	31.03.15	31.12.14	30.09.14	30.06.14	31.03.14	31.03.13
Description	%	%	%	%	%	%	%	%	%
President of India	60.64	60.64	60.64	65.64	65.64	65.64	65.64	65.64	66.80
Foreign Portfolio Investors	21.55	21.42	21.65	20.86	20.08	19.88	19.24	18.68	20.68
Resident Individual/HUF	3.44	3.26	3.07	3.00	2.93	3.24	2.62	2.86	3.21
Mutual Funds	2.63	3.01	3.85	3.19	3.21	2.66	3.40	3.46	2.09
Bodies Corporate	2.10	2.21	2.83	2.94	3.00	2.93	3.04	2.73	2.71
Insurance Companies	8.44	8.39	7.04	3.89	4.70	5.09	5.21	5.71	3.89
Banks/ Indian FI	0.79	0.79	0.67	0.28	0.28	0.38	0.67	0.69	0.21
Non Resident Indian	0.14	0.10	0.10	0.09	0.08	0.08	0.06	0.06	0.07
Clearing Members	0.15	0.06	0.05	0.06	0.03	0.05	0.08	0.14	0.31
Trust	0.12	0.12	0.10	0.05	0.05	0.05	0.03	0.03	0.03
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

