Management Presentation

Performance Highlights
Q4 & 12M FY 16

- Highest Domestic credit rating "AAA" from CRISIL, CARE, India Ratings & Research and ICRA
- International credit rating at par with sovereign rating of India "Baa3" from Moody's & "BBB-" from FITCH

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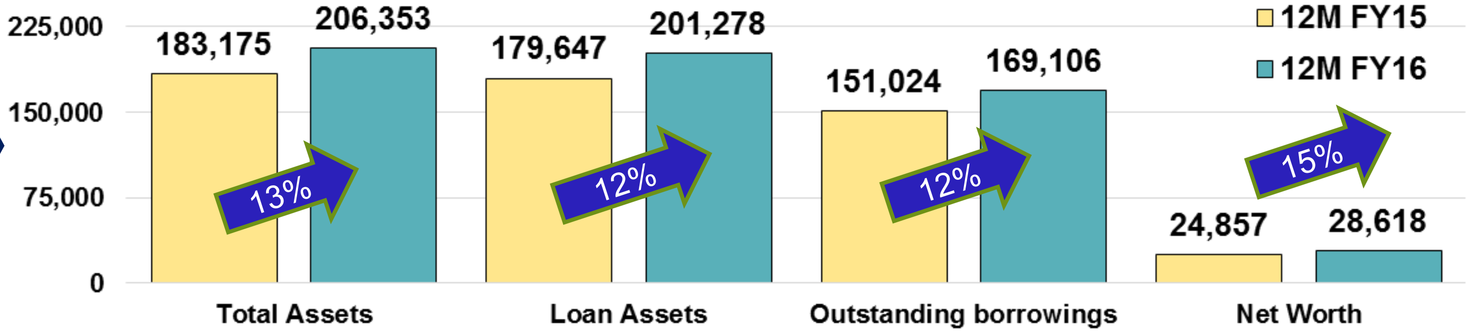
RURAL ELECTRIFICATION CORPORATION LIMITED
A Navratna PSU

Powering India…. transforming lives…. towards sustainable development

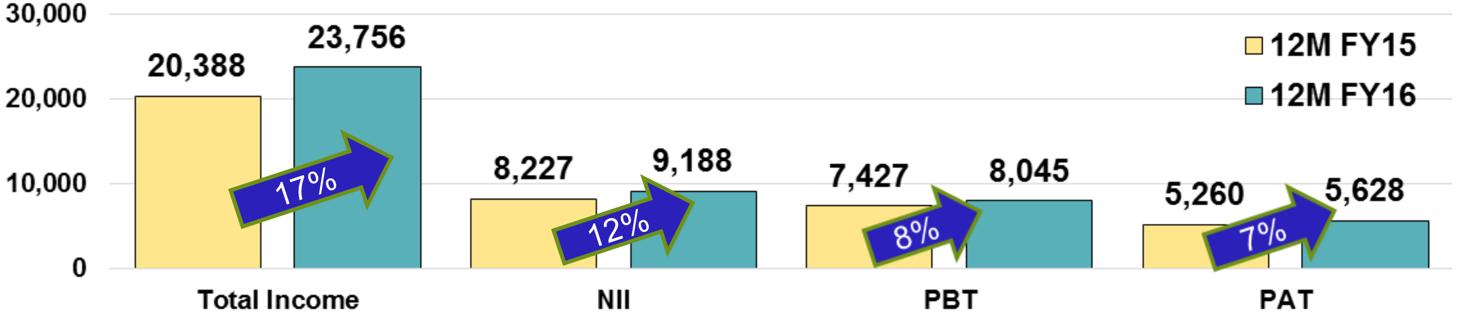
Highlights - 12M FY16 vs. 12M FY15

(Amounts in INR Crore)

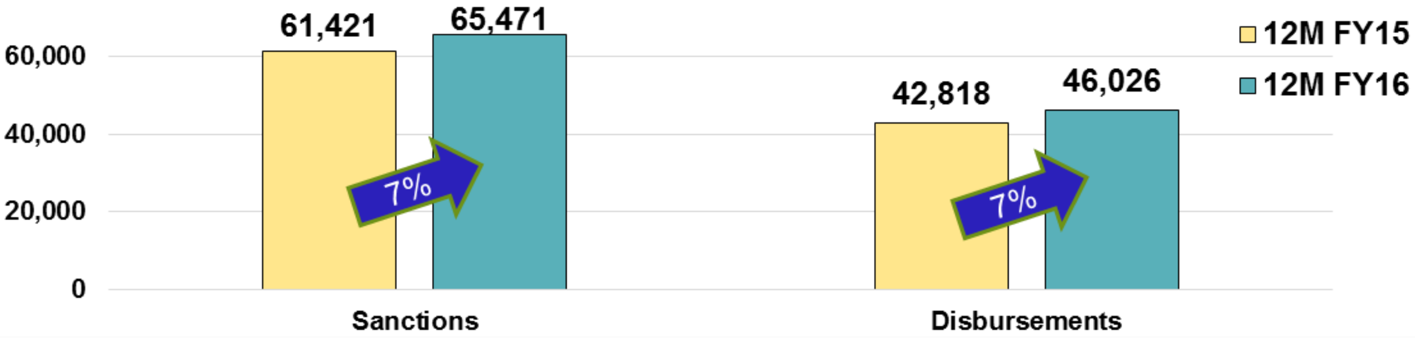
Balance Sheet



Income Statement



Business



Sanctions - Composition

(Amount in INR Crore)

Discipline-wise	Q1		Q2		Q3		Q4		12M		
	FY 16	FY 15	FY 16	FY 15	FY 16	FY 15	FY 16	FY 15	FY16	FY15	FY 14
Generation	1,112 *15%*	2,753 *17%*	16,617 *56%*	6,949 *58%*	6,667 *54%*	11,877 *64%*	6,398 *39%*	2,747 *19%*	30,794 *47%*	24,326 *40%*	29,019 *41%*
T & D (including RGGVY/ DDUGJY) # ^	5,978 *79%*	13,107 *78%*	12,873 *44%*	4,451 *37%*	4,965 *41%*	6,194 *33%*	7,561 *47%*	11,383 *81%*	31,377 *48%*	35,135 *57%*	39,446 *56%*
Short Term Loan	500 *6%*	850 *5%*	- -	550 *5%*	550 *5%*	560 *3%*	2,250 *14%*	- -	3,300 *5%*	1,960 *3%*	2,275 *3%*
Total	7,590	16,710	29,490	11,950	12,182	18,631	16,209	14,130	65,471	61,421	70,740

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

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

Particulars	Q1 FY16	Q2 FY16	Q3 FY16	Q4 FY16	FY 16	FY 15	FY 14	FY 13	Total (till Q4 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		Q4		12M		
	FY 16	FY 15	FY 16	FY 15	FY 16	FY 15	FY 16	FY 15	FY 16	FY 15	FY 14
Generation	**2,428** *26%*	**3,790** *45%*	**2,563** *20%*	**3,864** *39%*	**3,371** *28%*	**2,453** *25%*	**4,762** *40%*	**4,016** *27%*	**13,124** *29%*	**14,123** *33%*	**12,989** *37%*
Transmission	*1,661* *18%*	*1,579* *19%*	*2,278* *18%*	*1,435* *14%*	*1,641* *14%*	*1,392* *15%*	*2,949* *25%*	*1,880* *13%*	*8,529* *19%*	*6,286* *15%*	*4,113* *12%*
*Distribution * (incl RGGVY/ DDUGJY)*	*5,218* *56%*	*2,496* *29%*	*7,464* *58%*	*3,947* *40%*	*6,457* *54%*	*4,945* *51%*	*3,034* *25%*	*8,771* *60%*	*22,173* *48%*	*20,159* *47%*	*16,855* *47%*
Total Transmission & Distribution	**6,879** ***74%***	**4,075** ***48%***	**9,742** ***76%***	**5,382** ***54%***	**8,098** ***68%***	**6,337** ***66%***	**5,983** ***50%***	**10,651** ***73%***	**30,702** ***67%***	**26,445** **62%**	**20,968** ***59%***
Short Term Loan	**-** **-**	**600** ***7%***	**500** ***4%***	**750** ***7%***	**450** ***4%***	**900** ***9%***	**1,250** ***10%***	**-** **-**	**2,200** ***5%***	**2,250** **5%**	**1,589** ***4%***
Total	**9,307**	**8,465**	**12,805**	**9,996**	**11,919**	**9,690**	**11,995**	**14,667**	**46,026**	**42,818**	**35,546**

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

Particulars	Q1 FY16	Q2 FY16	Q3 FY16	Q4 FY16	FY16	FY 15	FY 14	FY 13	Total (till Q4 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 16		FY 15		FY 14	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
State	147,422	79	124,600	80	159,146	82	127,542	79	166,682	82	133,015	79	164,558	82	141,966	79	117,843	79
Joint	6,287	3	6,585	4	6,427	3	6,596	4	6,377	3	6,596	4	6,191	3	6,375	4	6,638	5
Private	32,711	18	24,049	16	29,075	15	28,283	17	29,826	15	29,360	17	30,529	15	31,306	17	24,160	16
Total *	186,420	100	155,234	100	194,648	100	162,421	100	202,885	100	168,971	100	201,278	100	179,647	100	148,641	100
Generation	78,150	42	69,148	44	80,423	41	71,659	44	81,054	40	73,515	43	83,417	41	76,388	42	65,417	44
T & D	107,552	57	84,865	55	113,467	58	89,227	55	120,992	60	93,824	56	115,939	58	102,162	57	82,100	55
Others **	718	1	1,221	1	758	1	1,535	1	839	0	1,632	1	1,922	1	1,097	1	1,124	1

* *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 Q4 & 12M FY16 is approx. 5.07 years

Loan Quality

(Amount in INR Crore)

NPAs and its provisioning

Particulars	Q1		Q2&H1		Q3&9M		Q4 & 12M		
	FY 16	FY 15	FY 16	FY 15	FY 16	FY 15	FY 16	FY 15	FY 14
Loan outstanding	186,420	155,234	194,648	162,421	202,885	168,971	201,278	179,647	148,641
Gross NPA	1,577	1,335	2,088	1,335	3,432	1,335	3,432	1,335	490
Provision (1)	390	243	441	243	697	243	932	365	137
Net NPA	1,187	1,092	1,647	1,092	2,736	1,092	2,500	970	353
% of Gross NPA to loan outstanding	0.85%	0.86%	1.07%	0.82%	1.69%	0.79%	1.71%	0.74%	0.33%
% of Net NPA to loan outstanding	0.64%	0.70%	0.85%	0.67%	1.35%	0.65%	1.24%	0.54%	0.24%

Borrower wise - Incremental Provision for NPAs at (1) above

Borrower	Fresh during Q4 FY16 / Existing	Loan O/s	Provisioning
Corporate Power limited	Existing	812	212
Jas Infrastructure & Power Ltd	Existing	33	23
Total		845	235

Total Provisions for Restructured Sub-Standard Assets on account of extension of CoD

Particulars	Q1		Q2&H1		Q3&9M		Q4 & 12M		
	FY 16	FY 15	FY 16	FY 15	FY 16	FY 15	FY 16	FY 15	FY 14
Gross Restructured Sub-Standard Assets	-	-	-	-	36	-	811	-	-
Provision	-	-	-	-	3	-	81	-	-
Net Restructured Sub-Standard Assets	-	-	-	-	33	-	730	-	-

Incremental Provision for Restructured Sub-Standard Assets on account on extension of CoD

Borrower	Fresh during Q4 FY16 / Existing	Loan O/s	Provisioning
Ind Barath Energy (Utkal) Limited	Fresh	777	78
Total		777	78

Loan Quality

(Amount in INR Crore)

Total Provisions against Outstanding Loans

Particulars	Q1		Q2&H1		Q3&9M		Q4 & 12M		
	FY 16	FY 15	FY 16	FY 15	FY 16	FY 15	FY 16	FY 15	FY 14
Provision for NPAs	390	243	441	243	697	243	932	365	137
Provisions for Restructured Sub-Standard Assets on account of extension of CoD	-	-	-	-	3	-	81	-	-
Contingent Provision against Standard Loan Assets *	524	385	480	403	518	395	543	491	370
Provision against Restructured Standard Loans	591	-	640	-	700	196	821	452	-
Reserve for Bad & Doubtful Debts	1,717	1,349	1,827	1,439	1,916	1,526	2,012	1,622	1,269
Total	3,222	1,977	3,388	2,085	3,834	2,360	4,389	2,930	1,776

* Incremental Provision on Standard Loan Assets (SLAs) made over and above 0.25% already existing as on 31.03.15 so as to make it equal to 0.30% by end of 31.03.16 and on incremental SLAs @ 0.30% in full, totaling to additional provision of INR 18.41 crores during Q4FY16 & INR 87.87 crores during 12M FY16

Funds Raised During The Period

(Amount in INR Crore)

Category	Q1		Q2		Q3		Q4		12 M		
	FY 16	FY 15	FY 16	FY 15	FY 16	FY 15	FY 16	FY 15	FY16	FY15	FY 14
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%	**2,251** 6.00%	**1,788** 6.00%	**6,477** 6.00%	**5,338** 6.00%	**5,350** 6.00%
Tax Free Bonds	**-** -	**-** -	**300** 7.17%	**-** -	**700** 7.21%	**-** -	**-** -	**-** -	**1,000** 7.20%	**-** -	**6,000** 8.48%
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%	**2,895** 8.28%	**7,235** 8.29%	**15,526** 8.25%	**29,200** 8.81%	**17,403** 9.12%
Banks, FIs, etc.	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**1,195** 10.47%
Foreign Currency Borrowings	**96** 1.66%	**1,505** 6.22%	**2,908** 6.30%	**1,392** 6.20%	**2,732** 4.64%	**1,220** 6.56%	**2,516** 5.42%	**2,535** 5.26%	**8,252** 5.44%	**6,652** 6.48%	**2,000** 7.50%
Total	**3,673** 7.39%	**4,300** 7.27%	**10,102** 7.39%	**14,383** 8.62%	**9,818** 6.73%	**10,949** 8.17%	**7,662** 6.67%	**11,558** 7.27%	**31,255** 7.01%	**41,190** 8.07%	**31,948** 8.43%

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**	**-**	**13,139**	**-**	**20,772**	**5,894**	**4,986**

- **% 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				Q4 & 12M					
	FY 16		FY 15		FY 16		FY 15		FY 16		FY 15		FY 16		FY 15		FY 14	
	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	17,164	11	15,591	10	15,493	13
Tax Free Bonds	11,649	7	11,649	9	11,948	7	11,649	9	12,648	7	11,649	9	12,648	7	11,649	8	11,649	9
Infra Bonds	376	0	376	0	376	0	376	0	376	0	376	0	242	0	376	0	376	0
Institutional, Subordinate & Zero Coupon Bonds	99,286	64	76,109	58	104,730	64	85,562	62	109,560	65	90,308	63	109,678	65	97,068	64	75,289	60
Banks, FIs, etc.*	1,452	1	3,865	3	2,460	2	1,940	1	1,301	1	1,590	1	1,850	1	2,312	2	3,272	2
Foreign Currency Borrowings	24,213	16	19,084	15	24,560	15	20,416	15	26,370	16	21,686	15	21,924	13	24,028	16	17,621	14
Commercial Papers	3,025	2	4,140	3	2,425	1	3,500	2	2,100	1	1,550	1	5,600	3	0	0	2,540	2
Grand Total	155,772	100	130,747	100	162,673	100	139,056	100	169,077	100	142,836	100	169,106	100	151,024	100	126,240	100
Average annualized Cost of Funds	8.31%		8.37%		Q2 - 8.41% H1- 8.33%		Q2 - 8.54% H1- 8.40%		Q3 - 8.46% 9M - 8.37%		Q3 - 8.36% 9M - 8.44%		Q4 – 8.44% 12M – 8.50%		Q4 - 8.37% 12M - 8.36%		8.31%	

* Includes Short Term Working Capital Loan availed from Banks

Average maturity period of Borrowings outstanding as at Q4 & 12M FY 16 is approx. 4.30 years

Statement of Assets & Liabilities *(Standalone)*

(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 16	FY 15	FY 14
Liabilities									
Shareholders Funds	26,267	22,004	27,906	23,543	28,014	23,967	28,618	24,857	20,669
Borrowings	155,772	130,747	162,673	139,056	169,077	142,836	169,106	151,024	126,240
Deferred Tax Liabilities (Net)	131	155	124	143	68	144	50	107	174
Other Liabilities	9,080	5,992	8,677	7,768	8,503	6,842	8,579	7,187	5,770
Total Liabilities	191,250	158,898	199,380	170,510	205,662	173,789	206,353	183,175	152,853
Assets									
Fixed Assets (Net)	118	80	155	79	84	79	150	81	82
Investments	877	1,708	877	1,708	916	1,661	2,467	1,613	1708
Loan Assets (Net of Provisions)	186,031	154,991	194,207	162,177	202,185	168,727	200,265	179,282	148,504
Deferred Tax Assets (Net)	-	-	-	-	-	-	-	-	-
Other Assets	4,224	2,119	4,141	6,546	2,477	3,322	3,471	2,199	2,559
Total Assets	191,250	158,898	199,380	170,510	205,662	173,789	206,353	183,175	152,853

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

Income Statement *(Standalone)*

(Amount in INR Crore)

Particulars	Q1		Q2		Q3		Q4		12M		
	FY 16	FY 15	FY 16	FY 15	FY 16	FY 15	FY 16	FY 15	FY16	FY15	FY14
Interest Income	5,641	4,648	5,827	4,986	5,987	5,145	6,015	5,293	23,471	20,072	16,806
Finance Costs	3,306	2,752	3,517	2,954	3,707	3,045	3,753	3,094	14,283	11,845	10,039
Net Interest Income	2,335	1,896	2,310	2,032	2,280	2,100	2,262	2,199	9,188	8,227	6,767
Other Operating Income	22	19	66	37	31	61	49	40	168	157	212
Other Income	47	40	32	43	20	38	20	38	118	159	103
Operating costs	51	54	49	49	48	51	61	56	210	210	201
Corporate Social Responsibility Expenses	32	5	34	4	30	5	33	89	129	103	38
Provision for Diminution in Investments	-	-	-	-	16	-	-	-	16	-	-
Provisions against Loans	197	121	56	18	357	191	464	473	1,074	803	312
Profit Before Tax	2,124	1,775	2,269	2,041	1,880	1,952	1,773	1,659	8,045	7,427	6,531
Current Tax	622	511	662	548	566	574	628	599	2,478	2,232	1,704
Deferred tax Liability/ (Asset)	23	-19	-7	-12	-56	2	-18	-37	-58	-66	129
Earlier Years Tax Expense/ (Refunds)	-	-	-5	1	-	-1	3	1	-3	1	14
Profit After Tax	1,479	1,283	1,619	1,504	1,370	1,377	1,160	1,096	5,628	5,260	4,684
Dividend (incl. interim)	-	-	-	-	1,185	790	504	267	1,689	1,057	938
Dividend Distribution Tax	-	-	-	-	239	158	102	54	341	212	159
Total (Dividend + Dividend Distribution Tax)	-	-	-	-	1,424	948	606	321	2,030	1,269	1097

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

Key Indicators

Particulars	Q1		Q2		Q3		Q4		12 M		
	FY 16	FY 15	FY 16	FY 15	FY 16	FY 15	FY 16	FY 15	FY16	FY15	FY14
Yield on Loan (%) (Annualised)	12.33	12.24	12.23	12.56	12.05	12.42	11.91	12.15	12.32	12.23	12.18
Cost of Funds (%) (Annualised)	8.31	8.37	8.41	8.54	8.46	8.36	8.44	8.37	8.50	8.36	8.31
Interest Spread (%)	4.02	3.87	3.82	4.02	3.59	4.06	3.47	3.78	3.82	3.87	3.87
Net Interest Margin (%)(Annualised)	5.10	4.99	4.85	5.12	4.59	5.07	4.48	5.05	4.82	5.01	4.90
Interest Coverage Ratio (times)	1.64	1.64	1.65	1.69	1.51	1.64	1.47	1.54	1.56	1.63	1.65
Return on Average Net Worth (%) (Annualised)	23.14	24.05	23.91	26.42	19.60	23.19	16.39	17.96	21.05	23.11	24.57
Debt Equity Ratio (times)	5.93	5.94	5.83	5.91	6.04	5.96	5.91	6.08	5.91	6.08	6.11
Capital Adequacy ratio	20.41	19.38	20.76	20.00	20.04	19.59	20.38	19.56	20.38	19.56	19.35
Net Worth (INR Crore)	26,267	22,004	27,906	23,543	28,014	23,967	28,618	24,857	28,618	24,857	20,669
Book Value per Share of INR 10	266.01	222.83	282.60	238.42	283.70	242.71	289.81	251.73	289.81	251.73	209.31
EPS (Non-Annualised)	14.97	12.99	16.40	15.23	13.87	13.94	11.75	11.10	56.99	53.27	47.43

Shareholding Pattern

As on =>	31.03.16	31.12.15	30.09.15	30.06.15	31.03.15	31.03.14	31.03.13
Description	%	%	%	%	%	%	%
President of India	60.64	60.64	60.64	60.64	65.64	65.64	66.80
Foreign Portfolio Investors	21.37	21.55	21.42	21.65	20.86	18.68	20.68
Resident Individual/HUF	4.46	3.44	3.26	3.07	3.00	2.86	3.21
Mutual Funds	2.10	2.63	3.01	3.85	3.19	3.46	2.09
Bodies Corporate	1.75	2.10	2.21	2.83	2.94	2.73	2.71
Insurance Companies	8.46	8.44	8.39	7.04	3.89	5.71	3.89
Banks/ Indian FI	0.85	0.79	0.79	0.67	0.28	0.69	0.21
Non Resident Indian	0.17	0.14	0.10	0.10	0.09	0.06	0.07
Clearing Members	0.07	0.15	0.06	0.05	0.06	0.14	0.31
Trust	0.13	0.12	0.12	0.10	0.05	0.03	0.03
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Thank you