



Investor Presentation

Performance Highlights – Q4 & 12M FY15



RURAL ELECTRIFICATION CORPORATION LIMITED

A Navratna PSU

Powering India.... Transforming Lives.... Moving Forward

Highlights - (12M FY15 vs. 12M FY14)

Balance Sheet

- ❑ Total Assets increased by 20% from INR 1,52,853 Crore to INR 1,83,175 Crore
- ❑ Outstanding Borrowings increased by 20% from INR 1,26,240 Crore to INR 1,51,024 Crore
- ❑ Net worth increased by 20% from INR 20,669 Crore to INR 24,857 Crore

Income Statement

- ❑ Total Income increased by 19% from INR 17,121 Crore to INR 20,388 Crore
- ❑ NII increased by 22% from INR 6,767 Crore to INR 8,227 Crore
- ❑ PBT increased by 14% from INR 6,531 Crore to INR 7,427 Crore
- ❑ PAT increased by 12% from INR 4,684 Crore to INR 5,260 Crore

Business

- ❑ Sanctions stood at INR 61,421 Crore as against INR 70,470 Crore
- ❑ Disbursements increased by 20% from INR 35,546 Crore to INR 42,818 Crore.

Sanctions - Composition

(Amount in INR Crore)

Discipline-wise	Q1		Q2		Q3		Q4		12M		
	FY 15	FY 14	FY 15	FY 14	FY 15	FY 14	FY 15	FY 14	FY15	FY 14	FY 13
Generation	2,753	14,939	6,949	10,356	11,877	677	2,747	3,047	24,326	29,019	27,492
	17%	63%	58%	57%	64%	5%	19%	21%	40%	41%	35%
T & D # ^ (including RGGVY/ DDUGJY)	13,107	7,558	4,451	7,539	6,194	13,150	11,383	11,199	35,135	39,446	47,846
	78%	32%	37%	41%	33%	94%	81%	75%	57%	56%	60%
Short Term Loan	850	1,150	550	425	560	100	-	600	1,960	2,275	4,190
	5%	5%	5%	2%	3%	1%	0%	4%	3%	3%	5%
Total	16,710	23,647	11,950	18,320	18,631	13,927	14,130	14,846	61,421	70,740	79,528

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

^ Includes Transitional Financing (TFL) sanctioned during 12M FY15 6,394 crore, 12M FY14 INR 3,038 crore, 12M FY13 INR 16,630 crore. Total amount sanctioned upto 12M FY 15 INR 26,062 crore

Disbursements - Composition

(Amount in INR Crore)

Discipline-wise	Q1		Q2		Q3		Q4		12M		
	FY 15	FY 14	FY 15	FY 14	FY 15	FY 14	FY 15	FY 14	FY 15	FY 14	FY 13
Generation	3,790 45%	2,922 35%	3,864 39%	3,855 47%	2,453 25%	2,432 27%	4,016 27%	3,780 38%	14,123 33%	12,989 37%	12,497 32%
Transmission	1,579 19%	616 7%	1,435 14%	737 9%	1,392 15%	1,190 13%	1,880 13%	1,570 16%	6,286 15%	4,113 12%	5,297 13%
Distribution * (including RGGVY/ DDUGJY)	2,496 29%	3,690 45%	3,947 40%	3,484 42%	4,945 51%	5,213 57%	8,771 60%	4,468 45%	20,159 47%	16,855 47%	17,062 44%
Total Transmission & Distribution	4,075 48%	4,306 52%	5,382 54%	4,221 51%	6,337 66%	6,403 70%	10,651 73%	6,038 61%	26,445 62%	20,968 59%	22,359 57%
Short Term Loan	600 7%	1,064 13%	750 7%	188 2%	900 9%	280 3%	- 0%	57 1%	2,250 5%	1,589 4%	4,419 11%
Total	8,465	8,292	9,996	8,264	9,690	9,115	14,667	9,875	42,818	35,546	39,275

* Includes Transitional Financing Loan (TFL) disbursed during 12M FY15 INR 5,169 crore, 12M FY14 INR 6,018 crore, 12M FY13 INR 9,570 crore. Total amount disbursed upto 12M FY15 INR 20,757 crore

Outstanding Loan - Composition

(Amount in INR Crore)

Discipline-wise	Q1				Q2 & H1				Q3 & 9M				Q4 & 12M					
	FY 15		FY 14		FY 15		FY 14		FY 15		FY 14		FY 15		FY 14		FY 13	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
State	1,24,600	80	1,07,470	81	1,27,542	79	1,10,607	80	1,33,015	79	1,13,347	79	1,41,966	79	1,17,843	79	1,02,292	80
Central PSUs	6,585	4	6,071	5	6,596	4	6,624	5	6,596	4	6,744	5	6,375	4	6,638	5	6,119	5
Private	24,049	16	19,374	14	28,283	17	21,244	15	29,360	17	22,426	16	31,306	17	24,160	16	18,945	15
Total *	1,55,234	100	1,32,915	100	1,62,421	100	1,38,475	100	1,68,971	100	1,42,517	100	1,79,647	100	1,48,641	100	1,27,356	100
Generation	69,148	44	57,208	43	71,659	44	60,481	44	73,515	43	62,303	44	76,388	42	65,417	44	55,478	44
T & D	84,865	55	71,040	53	89,227	55	74,193	53	93,824	56	78,097	55	1,02,162	57	82,100	55	65,296	51
Others **	1,221	1	4,667	4	1,535	1	3,801	3	1,632	1	2,117	1	1,097	1	1,124	1	6,582	5
Weighted average lending rate on O/S Loans (annualised)	13.05%		12.75%		13.05%		12.85%		13.07%		12.92%		13.02%		13.04%		12.66%	

* 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 12M FY 15 is approx. 5.85 years

Loan Quality

(Amount in INR Crore)

Particulars	Q1		Q2 & H1		Q 3 & 9M		Q4 & 12M		
	FY 15	FY 14	FY 15	FY 14	FY 15	FY 14	FY 15	FY 14	FY 13
Loan outstanding	1,55,234	1,32,915	1,62,421	1,38,475	1,68,971	1,42,517	1,79,647	1,48,641	1,27,356
Gross NPA	1,335	490	1,335	490	1,335	490	1,335	490	490
Provision ⁽¹⁾	243	112	243	112	243	137	365	137	89
Net NPA	1,092	378	1,092	378	1,092	353	970	353	401
% of Gross NPA to loan outstanding	0.86%	0.37%	0.82%	0.35%	0.79%	0.34%	0.74%	0.33%	0.38%
% of Net NPA to loan outstanding	0.70%	0.28%	0.67%	0.27%	0.65%	0.25%	0.54%	0.24%	0.31%

Provisions against Loan assets

Against NPAs as at ⁽¹⁾ above as per Prudential Norms	243	112	243	112	243	137	243	137	89
Additional against NPAs as at ⁽¹⁾ above	-	-	-	-	-	-	122	-	-
Contingent allowance against standard assets #	385	138	403	172	395	223	491	370	106
Allowance against restructured standard assets	-	3	-	3	196	3	452	-	3
Reserve for Bad & Doubtful Debts	1,349	1,049	1,439	1,099	1,526	1,181	1,622	1,269	981
Total	1,977	1,302	2,085	1,386	2,360	1,544	2,930	1,776	1,179

Includes additional allowance against standard assets in respect of Funded Interest Term Loan (FITL) of INR 86 crores

Borrower wise - Incremental Provision against NPAs created during 12M FY15

Borrower	Loan O/s	Provision @ 10%	Additional Provision	Incremental Provision against NPAs during 12M FY15
Konaseema Gas Power Ltd. (NPA prior to FY 15)	223	22	-	22
Corporate Power Ltd. (NPA during FY 15)	812	81	120	201
Jas Infrastructure Capital Pvt. Ltd. (NPA during FY15)	33	3	2	5
Total	1,068	106	122	228

Funds Raised During The Period

(Amount in INR Crore)

Category	Q1		Q2		Q3		Q4		12 M		
	FY 15	FY 14	FY 15	FY 14	FY 15	FY 14	FY15	FY14	FY15	FY 14	FY 13
Capital Gains Bonds	1,095 6.00%	1,110 6.00%	1,226 6.00%	1,209 6.00%	1,229 6.00%	1,124 6.00%	1,788 6.00%	1,907 6.00%	5,338 6.00%	5,350 6.00%	4,903 6.00%
Infrastructure Bonds	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
Tax Free Bonds	- -	- -	- -	4,791 8.47%	- -	150 8.29%	- -	1,059 8.57%	- -	6,000 8.48%	2,648 7.46%
Institutional Bonds/ Subordinate Debt	1,700 9.02%	6,800 8.54%	11,765 9.18%	- -	8,500 8.71%	5,813 9.40%	7,235 8.29%	4,790 9.60%	29,200 8.81%	17,403 9.12%	16,379 9.08%
Banks, FIs, etc.	- -	- -	- -	1,195 10.47%	- -	- -	- -	- -	- -	1,195 10.47%	- -
Foreign Currency Borrowings	1,505 6.22%	18 1.87%	1,392 6.20%	61 1.80%	1,220 6.56%	1,914 7.76%	2,535 5.26%	7 0.65%	6,652 6.48%	2,000 7.50%	4,712 3.01%
Total	4,300 7.27%	7,928 8.17%	14,383 8.62%	7,256 8.33%	10,949 8.17%	9,001 8.61%	11,558 7.27%	7,763 8.57%	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	2,551	818	3,343	2,982	-	1,186	-	-	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 15		FY 14		FY 15		FY 14		FY 15		FY 14		FY 15		FY 14		FY 13	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Capital Gain Bonds	15,524	12	15,354	14	15,613	11	15,456	13	15,677	11	15,458	12	15,591	10	15,493	13	15,187	14
Tax Free Bonds	11,649	9	5,648	5	11,649	9	10,439	9	11,649	9	10,589	9	11,648	8	11,649	9	5,648	6
Infra Bonds	376	-	376	-	376	-	376	-	376	-	376	-	376	-	376	-	376	-
Institutional, Subordinate & Zero Coupon Bonds	76,109	58	68,632	62	85,562	62	67,145	57	90,308	63	70,666	58	97,069	64	75,290	60	64,038	59
Banks, FIs, etc.	3,865	3	4,322	4	1,940	1	5,507	5	1,590	1	5,155	4	2,312	2	3,272	2	6,324	6
Foreign Currency Borrowings	19,084	15	15,792	14	20,416	15	16,098	14	21,686	15	17,881	15	24,028	16	17,621	14	15,238	14
Commercial Papers	4,140	3	980	1	3,500	2	2,770	2	1,550	1	2,540	2	-	-	2,540	2	980	1
Grand Total	1,30,747	100	1,11,104	100	1,39,056	100	1,17,791	100	1,42,836	100	1,22,665	100	1,51,024	100	1,26,240	100	1,07,791	100
Average annualized Cost of Funds	8.57%		8.41%		Q2 - 8.76%		Q2 - 8.81%		Q3 - 8.64%		Q3 - 8.63%		Q4 - 8.42%		Q4 - 8.43%		Q4 - 8.20%	
					H1 - 8.60%		H1 - 8.55%		9M - 8.67%		9M - 8.58%		12M - 8.54%		12M - 8.58%		12M - 8.17%	

Average maturity period of Borrowings outstanding as at 12M FY 15 is approx. 4.83 years

Statement of Assets & Liabilities

(Amount in INR Crore)

Particulars	Q1		Q2 & H1		Q3 & 9M		Q4 & 12 M		
	FY 15	FY 14	FY 15	FY 14	FY 15	FY 14	FY 15	FY 14	FY13
Liabilities									
Shareholders Funds	22,004	18,076	23,540	18,939	23,967	19,435	24,857	20,669	17,454
Borrowings	1,30,747	1,11,104	1,39,056	1,17,791	1,42,836	1,22,665	1,51,024	1,26,240	1,07,791
Deferred Tax Liabilities (Net)	155	-	142	310	144	254	107	174	-
Other Liabilities	5,992	7,354	7,773	5,018	6,842	5,192	7,187	5,770	5,262
Total Liabilities	1,58,898	1,36,534	1,70,511	1,42,058	1,73,789	1,47,546	1,83,175	1,52,853	1,30,507
Assets									
Fixed Assets (Net)	80	80	79	84	79	83	81	82	80
Investments	1,708	661	2,308	661	1,661	1,755	1,613	1,708	661
Loan Assets (Net of Provisions)	1,54,991	1,32,803	1,62,177	1,38,363	1,68,727	1,42,380	1,79,282	1,48,504	1,27,266
Deferred Tax Assets (Net)	-	9	-	-	-	-	-	-	10
Other Assets	2,119	2,981	5,947	2,950	3,322	3,328	2,199	2,559	2,490
Total Assets	1,58,898	1,36,534	1,70,511	1,42,058	1,73,789	1,47,546	1,83,175	1,52,853	1,30,507

Income Statement

(Amount in INR Crore)

Particulars	Q1		Q2		Q3		Q4		12M		
	FY 15	FY 14	FY 15	FY 14	FY 15	FY 14	FY15	FY14	FY15	FY14	FY13
Interest Income	4,648	3,914	4,986	4,167	5,145	4,329	5,293	4,396	20,072	16,806	13,291
Finance Costs	2,752	2,302	2,954	2,519	3,045	2,594	3,094	2,623	11,845	10,039	8,083
Net Interest Income	1,896	1,612	2,032	1,648	2,100	1,735	2,199	1,773	8,227	6,767	5,208
Other Operating Income	19	74	38	43	60	48	40	46	157	212	246
Other Income	40	13	42	14	39	29	38	47	159	103	61
Operating costs	59	56	58	52	51	60	145	71	313	239	220
Allowance against Loans	121	55	18	34	191	76	473	147	803	312	131
Profit Before Tax	1,775	1,588	2,036	1,619	1,957	1,676	1,659	1,648	7,427	6,531	5,164
Current Tax	511	434	547	230	575	504	599	536	2,232	1,704	1,345
Deferred tax	-19	-	-12	265	2	-56	-37	-80	-66	129	1
Earlier Years/ (Refunds)	-	-	-	14	-	-	1	-	1	14	-
Profit After Tax	1,283	1,154	1,501	1,110	1,380	1,228	1,096	1,192	5,260	4,684	3,818
Dividend (incl. interim)	-	-	-	-	790	765	267	173	1,057	938	815
Dividend Distribution Tax	-	-	-	-	158	130	54	29	212	159	133
Total (Dividend + Dividend Distribution Tax)	-	-	-	-	948	895	321	202	1,269	1097	948

Previous periods figures have been reclassified/ rearranged wherever necessary.

Key Indicators

Particulars	Q1		Q2		Q3		Q4		12 M		
	FY 15	FY 14	FY 15	FY 14	FY 15	FY 14	FY15	FY14	FY15	FY14	FY13
Yield on Loan (%) (Annualised)	12.24	12.03	12.56	12.28	12.42	12.32	12.15	12.08	12.23	12.18	11.62
Cost of Funds (%) (Annualised)	8.57	8.41	8.76	8.81	8.64	8.63	8.42	8.43	8.54	8.58	8.17
Interest Spread (%)	3.67	3.62	3.80	3.47	3.78	3.69	3.73	3.65	3.69	3.60	3.45
Net Interest Margin (%) (Annualised)	4.99	4.96	5.12	4.86	5.07	4.94	5.05	4.87	5.01	4.90	4.55
Interest Coverage Ratio (times)	1.64	1.69	1.69	1.64	1.64	1.65	1.54	1.63	1.63	1.65	1.64
Return on Average Net Worth (%) (Annualised)	24.05	25.98	26.36	24.00	23.24	25.59	17.96	23.78	23.11	24.57	23.85
Debt Equity Ratio (times)	5.94	6.15	5.91	6.22	5.96	6.31	6.08	6.11	6.08	6.11	6.18
Net Worth (INR Crore)	22,004	18,076	23,540	18,939	23,967	19,435	24,857	20,669	24,857	20,669	17,454
Book Value per Share of INR 10	222.83	183.06	238.39	191.80	242.71	196.82	251.73	209.31	251.73	209.31	176.76
EPS (Non-Annualised)	12.99	11.68	15.20	11.25	13.97	12.43	11.10	12.07	53.27	47.43	38.66

❖ Cost of Funds and Net Interest Margin have been calculated after taking into account foreign exchange fluctuation loss amortized during the relevant period.

Shareholding Pattern

As on =>	31.03.15	31.12.14	30.09.14	30.06.14	31.03.14	31.12.13	30.09.13	30.06.13	31.03.13	31.03.12
Description	%	%	%	%	%	%	%	%	%	%
President of India *	65.64	65.64	65.64	65.64	65.64	66.80	66.80	66.80	66.80	66.80
Foreign Institutional Investors	20.86	20.08	19.88	19.24	18.68	19.40	19.76	20.73	20.68	19.53
Resident Individual/HUF	3.00	2.93	3.24	2.62	2.86	2.91	3.04	3.06	3.21	3.47
Mutual Funds	3.19	3.21	2.66	3.40	3.46	2.25	2.15	2.16	2.09	1.71
Bodies Corporate	2.94	3.00	2.93	3.04	2.73	2.82	2.67	2.73	2.71	3.44
Insurance Companies	3.89	4.70	5.09	5.21	5.71	5.48	5.14	4.06	3.89	3.04
Banks/ Indian FI	0.28	0.28	0.38	0.67	0.69	0.22	0.24	0.22	0.21	1.65
Non Resident Indian	0.09	0.08	0.08	0.06	0.06	0.06	0.06	0.07	0.07	0.08
Clearing Members	0.06	0.03	0.05	0.08	0.14	0.03	0.11	0.14	0.31	0.23
Trust	0.05	0.05	0.05	0.03	0.03	0.03	0.03	0.03	0.03	0.05
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

* Pursuant to the Offer of Sale of 5% shareholding by Govt. of India through stock exchanges on 8th April, 2015 and an off-market transaction for the Central Public Enterprise Exchange Traded Fund (CPSE ETF) Loyalty Units on 10th April, 2015, the shareholding of the President of India as on date of signing of the Financial statements is 60.64%.

