



Management Presentation

Performance Highlights – Q1 FY15



RURAL ELECTRIFICATION CORPORATION LIMITED

A Navratna PSU

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

Highlights - (Q1 FY15 vs. Q1 FY14)

Balance Sheet

- ▶ Total Assets increased by 16% from INR 1,36,534 Crore to INR 1,58,898 Crore
- ▶ Outstanding Borrowings increased by 18% from INR 1,11,104 Crore to INR 1,30,747 Crore
- ▶ Net worth increased by 22% from INR 18,076 Crore to INR 22,004 Crore

Income Statement

- ▶ Total Income in Q1 increased by 18% from INR 4,001 Crore to INR 4,707 Crore
- ▶ NII in Q1 increased by 18% from INR 1,612 Crore to INR 1,896 Crore
- ▶ PBT in Q1 increased by 12% from INR 1,588 Crore to INR 1,775 Crore
- ▶ PAT in Q1 increased by 11% from INR 1,154 Crore to INR 1,283 Crore

Business

- ▶ Sanctions in Q1 were INR 16,710 Crore as against INR 23,647 Crore.
- ▶ Disbursements in Q1 were INR 8,465 Crore as against INR 8,292 Crore.

Sanctions - Composition

(Amount in INR Crore)

Discipline-wise	Q1	Q1	Q2	Q3	Q4	12M		
	FY 15	FY 14	FY 14	FY 14	FY14	FY 14	FY 13	FY 12
Generation	2,753	14,939	10,356	677	3,047	29,019	27,492	23,176
	17%	63%	57%	5%	21%	41%	35%	46%
T & D	13,107	7,558	7,539	13,150	11,199	39,446	47,846	23,080
(including RGGVY)	78%	32%	41%	94%	75%	56%	60%	45%
Short Term Loan	850	1,150	425	100	600	2,275	4,190	4,580
	5%	5%	2%	1%	4%	3%	5%	9%
Total	16,710	23,647	18,320	13,927	14,846	70,740	79,528	50,836

Disbursements - Composition

(Amount in INR Crore)

Discipline-wise	Q1	Q1	Q2	Q3	Q4	12M		
	FY 15	FY 14	FY 14	FY 14	FY14	FY 14	FY 13	FY 12
Generation	3,790 45%	2,922 35%	3,855 47%	2,432 27%	3,780 38%	12,989 37%	12,497 32%	12,349 44%
Transmission	1,579 19%	616 7%	737 9%	1,190 13%	1,570 16%	4,113 12%	5,297 13%	5,354 19%
Distribution (including RGGVY) *	2,496 29%	3,690 45%	3,484 42%	5,213 57%	4,468 45%	16,855 47%	17,062 43%	6,357 23%
Total Transmission & Distribution	4,075 48%	4,306 52%	4,221 51%	6,403 70%	6,038 61%	20,968 59%	22,359 57%	11,711 42%
Short Term Loan	600 7%	1,064 13%	188 2%	280 3%	57 1%	1,589 4%	4,419 11%	3,760 14%
Total	8,465	8,292	8,264	9,115	9,875	35,546	39,275	27,820

* Includes Transitional Financing (TFL) disbursed upto Q1 FY15 INR 15,963 crore, Q1 FY15 INR 375 crore (Q1 FY14 INR 1,275 crore), 12M FY14 INR 6,018 crore, 12M FY13 INR 9,570 crore. Total amount sanctioned upto Q1 FY15 INR 20,168 crore

Outstanding Loan - Composition

(Amount in INR Crore)

Discipline-wise	Q1		Q1		Q2 & H1		Q3 & 9M		Q4 & 12M					
	FY 15		FY 14		FY 14		FY 14		FY 14		FY 13		FY 12	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
State	124,600	80	110,069	83	113,421	82	116,161	81	120,875	81	104,662	82	85,036	84
Central PSUs	6,585	4	6,071	4	6,624	5	6,744	5	6,638	5	6,119	5	5,691	6
Private	24,049	16	16,775	13	18,430	13	19,612	14	21,128	14	16,575	13	10,699	10
Total *	155,234	100	132,915	100	138,475	100	142,517	100	148,641	100	127,356	100	101,426	100
Generation	69,148	44	57,208	43	60,481	44	62,303	44	65,417	44	55,478	44	45,195	45
T & D	84,865	55	71,040	53	74,193	53	78,097	55	82,100	55	65,296	51	49,898	49
Others **	1,221	1	4,667	4	3,801	3	2,117	1	1,124	1	6,582	5	6,333	6
Weighted average lending rate on O/S Loans (annualised)	13.05%		12.75%		12.85%		12.92%		13.04%		12.66%		12.10%	

* 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.

Loan Quality

(Amount in INR Crore)

Particulars	Q1	Q1	Q2 & H1	Q 3 & 9M	Q4 & 12M		
	FY 15	FY 14	FY 14	FY 14	FY 14	FY 13	FY 12
Loan outstanding	155,234	132,915	138,475	142,517	148,641	1,27,356	101,426
Gross NPA	1,335*	490	490	490	490	490	490
Provision	243**	112	112	137	137	89	64
Net NPA	1,092	378	378	353	353	401	426
% of Gross NPA to loan outstanding	0.86%	0.37%	0.35%	0.34%	0.33%	0.38%	0.48%
% of Net NPA to loan outstanding	0.70%	0.28%	0.27%	0.25%	0.24%	0.31%	0.42%

* Additions in Gross NPAs are in respect of loans to Corporate Power Ltd. (INR 812 crores) and Jas Infrastructure Capital Pvt. Ltd. (INR 33 crores).

** Additional provisions are in respect of the following loans:

Existing NPA, Konaseema Gas Power Ltd.

- INR 21 crores

NPAs recognized during the quarter, Corporate Power Ltd. and Jas Infrastructure Capital Pvt. Ltd.

- INR 85 crores

Funds Raised During The Period

(Amount in INR Crore)

Category	Q1	Q1	Q2	Q3	Q4	12 M		
	FY 15	FY 14	FY 14	FY 14	FY 14	FY 14	FY 13	FY 12
Capital Gains Bonds	1,095 6.00%	1,110 6.00%	1,209 6.00%	1,124 6.00%	1,907 6.00%	5,350 6.00%	4,903 6.00%	5,239 6.00%
Infrastructure Bonds	- -	- -	- -	- -	- -	- -	- -	158 8.98%
Tax Free Bonds	- -	- -	4,791 8.47%	150 8.29%	1,059 8.57%	6,000 8.48%	2,648 7.46%	3,000 8.11%
Institutional Bonds/ Subordinate Debt	1,700 9.02%	6,800 8.54%	- -	5,813 9.40%	4,790 9.60%	17,403 9.12%	16,379 9.08%	17,466 9.36%
Banks, FIs, CP, etc.	2,551 8.97%	818 7.81%	4,177 9.26%	1,186 9.74%	- -	6,181 9.16%	2,117 9.02%	- -
Foreign Currency Borrowings	1,505 6.22%	18 1.87%	61 1.80%	1,914 7.76%	7 0.65%	2,000 7.50%	4,712 3.01%	3,847 4.79%
Total	6,851 7.90%	8,746 8.14%	10,238 8.46%	10,187 8.74%	7,763 8.57%	36,934 8.48%	30,759 7.52%	29,710 8.05%

- % 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		Q1		H1		9M		12M					
	FY 15		FY 14		FY 14		FY 14		FY 14		FY 13		FY 12	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Capital Gains, Tax Free & Infra Bonds	27,549	21	21,378	19	26,271	22	26,423	21	27,517	22	21,211	20	16,716	18
Institutional, Subordinate Bonds & Zero Coupon Bonds	76,109	58	68,632	62	67,145	57	70,666	58	75,290	60	64,038	59	54,655	61
Banks, FIs, etc.	3,865	3	4,322	4	5,507	5	5,155	4	3,272	2	6,324	6	7,986	9
Foreign Currency Borrowings	19,084	15	15,792	14	16,098	14	17,881	15	17,621	14	15,238	14	10,699	12
Commercial Papers	4,140	3	980	1	2,770	2	2,540	2	2,540	2	980	1	-	-
Grand Total	130,747	100	111,104	100	117,791	100	122,665	100	126,240	100	107,791	100	90,056	100
Average annualized Cost of Funds	8.57%		8.41%		8.55%		8.58%		8.58%		8.17%		8.03%	

Statement of Assets & Liabilities

(Amount in INR Crore)

Particulars	Q1	Q1	Q2 & H1	Q3 & 9M	Q4 & 12 M		
	FY 15	FY 14	FY 14	FY 14	FY 14	FY13	FY12
<u>Liabilities</u>							
Shareholders Funds	22,004	18,076	18,939	19,435	20,669	17,454	14,563
Borrowings	130,747	111,104	117,791	122,665	126,240	107,791	90,056
Deferred Tax Liabilities (Net)	155	-	310	254	174	-	-
Other Liabilities	5,992	7,354	5,018	5,192	5,770	5,262	3,928
Total Liabilities	158,898	136,534	142,058	147,546	152,853	130,507	108,547
<u>Assets</u>							
Fixed Assets (Net)	80	80	84	83	82	80	78
Investments	1,708	661	661	1,755	1708	661	758
Loan Assets (Net of Provisions)	154,991	132,803	138,363	142,380	148,504	127,266	101,362
Deferred Tax Assets (Net)	-	9	-	-	-	10	10
Other Assets	2,119	2,981	2,950	3,328	2,559	2,490	6,339
Total Assets	158,898	136,534	142,058	147,546	152,853	130,507	108,547

Income Statement

(Amount in INR Crore)

Particulars	Q1	Q1	Q2	Q3	Q4	12M		
	FY 15	FY 14	FY 14	FY 14	FY 14	FY14	FY13	FY12
Interest Income	4,648	3,914	4,167	4,329	4,396	16,806	13,291	10,264
Finance Costs	2,752	2,302	2,519	2,594	2,623	10,039	8,083	6,432
Net Interest Income	1,896	1,612	1,648	1,735	1,773	6,767	5,208	3,832
Other Operating Income	19	74	43	47	46	212	246	172
Other Income	40	13	14	29	47	103	61	74
Operating costs	59	56	52	60	71	239	220	233
Allowance against Loans	121	55	34	75	147	312	131	52
Profit Before Tax	1,775	1,588	1,619	1,676	1,648	6,531	5,164	3,793
Current Tax	511	434	230	504	536	1,704	1,345	975
Deferred tax	-19	-	265	-56	-80	129	1	3
Earlier Years/ (Refunds)	-	-	14	-	-	14	-	-2
Profit After Tax	1,283	1,154	1,110	1,228	1,192	4,684	3,818	2,817
Dividend (incl. interim)	-	-	-	765	173	938	815	741
Dividend Distribution Tax	-	-	-	130	29	159	133	120
Total (Dividend + Dividend Distribution Tax)	-	-	-	895	202	1097	948	861

Previous periods figures have been reclassified/ rearranged wherever necessary.

Key Indicators

Particulars	Q1	Q1	Q2	Q3	Q4	12 M		
	FY 15	FY 14	FY 14	FY 14	FY 14	FY14	FY13	FY12
Yield on Loan (%) (Annualised)	12.24	12.03	12.28	12.32	12.08	12.18	11.62	11.21
Cost of Funds (%) (Annualised)	8.57	8.41	8.81	8.63	8.43	8.58	8.17	8.03
Interest Spread (%)	3.67	3.62	3.47	3.69	3.65	3.60	3.45	3.18
Net Interest Margin (%) (Annualised)	4.99	4.96	4.86	4.94	4.87	4.90	4.55	4.19
Interest Coverage Ratio (times)	1.64	1.69	1.64	1.65	1.63	1.65	1.64	1.59
Return on Average Net Worth (%) (Annualised)	24.05	25.98	24.00	25.59	23.78	24.57	23.85	20.60
Debt Equity Ratio (times)	5.94	6.15	6.22	6.31	6.11	6.11	6.18	6.18
Net Worth (INR Crore)	22,004	18,076	18,939	19,435	20,669	20,669	17,454	14,563
Book Value per Share of INR 10	222.83	183.06	191.80	196.82	209.31	209.31	176.76	147.48
EPS (Non-Annualised)	12.99	11.68	11.25	12.43	12.07	47.43	38.66	28.53

❖ 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	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	66.80	66.80	66.80	66.80	66.80
Foreign Institutional Investors	19.24	18.68	19.40	19.76	20.73	20.68	19.53
Resident Individual/HUF	2.62	2.86	2.91	3.04	3.06	3.21	3.47
Mutual Funds	3.40	3.46	2.25	2.15	2.16	2.09	1.71
Bodies Corporate	3.04	2.73	2.82	2.67	2.73	2.71	3.44
Insurance Companies	5.21	5.71	5.48	5.14	4.06	3.89	3.04
Banks/ Indian FI	0.67	0.69	0.22	0.24	0.22	0.21	1.65
Non Resident Indian	0.06	0.06	0.06	0.06	0.07	0.07	0.08
Clearing Members	0.08	0.14	0.03	0.11	0.14	0.31	0.23
Trust	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

