



Investor Presentation Performance Highlights Q1 FY 16



RURAL ELECTRIFICATION CORPORATION LIMITED

A Navratna PSU

Powering India.... transforming lives.... towards sustainable development

Highlights - (Q1 FY16 vs. Q1 FY15)



Balance Sheet

- ❑ Total Assets increased by 20% from INR 1,58,898 Crore to INR 1,91,250 Crore
- ❑ Outstanding Borrowings increased by 19% from INR 1,30,747 Crore to INR 1,55,772 Crore
- ❑ Net worth increased by 19% from INR 22,004 Crore to INR 26,267 Crore

Income Statement

- ❑ Total Income increased by 21% from INR 4,707 Crore to INR 5,710 Crore
- ❑ NII increased by 23% from INR 1,896 Crore to INR 2,335 Crore
- ❑ PBT increased by 20% from INR 1,775 Crore to INR 2,124 Crore
- ❑ PAT increased by 15% from INR 1,283 Crore to INR 1,479 Crore

Business

- ❑ Fresh Sanctions during Q1 FY 16 stood at INR 7,590 Crore
- ❑ Disbursements increased by 10% from INR 8,465 Crore to INR 9,307 Crore

Sanctions - Composition



(Amount in INR Crore)

Discipline-wise	Q1		Q2	Q3	Q4	12M		
	FY 16	FY 15	FY 15	FY 15	FY 15	FY15	FY 14	FY 13
Generation	1,112 15%	2,753 17%	6,949 58%	11,877 64%	2,747 19%	24,326 40%	29,019 41%	27,492 35%
T & D (including RGGVY/ DDUGJY) # ^	5,978 79%	13,107 78%	4,451 37%	6,194 33%	11,383 81%	35,135 57%	39,446 56%	47,846 60%
Short Term Loan	500 6%	850 5%	550 5%	560 3%	- -	1,960 3%	2,275 3%	4,190 5%
Total	7,590	16,710	11,950	18,631	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 (TFL) sanctioned during Q1 FY 16 Nil, 12M FY15 INR 6,394 crore, 12M FY14 INR 3,038 crore, 12M FY13 INR 16,630 crore. Total amount sanctioned upto Q1 FY 16 INR 26,062 crore

Disbursements - Composition



(Amount in INR Crore)

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

* Includes Transitional Financing Loan (TFL) disbursed during Q1 FY 16 INR 1,785 crore, 12M FY15 INR 5,169 crore, 12M FY14 INR 6,018 crore, 12M FY13 INR 9,570 crore. Total amount disbursed upto Q1 FY 16 INR 22,542 crore

Outstanding Loan - Composition



(Amount in INR Crore)

Discipline-wise	Q1				Q2 & H1		Q3 & 9M		Q4 & 12M					
	FY 16		FY 15		FY 15		FY 15		FY 15		FY 14		FY 13	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
State	1,47,422	79	1,24,600	80	1,27,542	79	1,33,015	79	1,41,966	79	1,17,843	79	1,02,292	80
Central PSUs	6,287	3	6,585	4	6,596	4	6,596	4	6,375	4	6,638	5	6,119	5
Private	32,711	18	24,049	16	28,283	17	29,360	17	31,306	17	24,160	16	18,945	15
Total *	1,86,420	100	1,55,234	100	1,62,421	100	1,68,971	100	1,79,647	100	1,48,641	100	1,27,356	100
Generation	78,150	42	69,148	44	71,659	44	73,515	43	76,388	42	65,417	44	55,478	44
T & D	1,07,552	57	84,865	55	89,227	55	93,824	56	1,02,162	57	82,100	55	65,296	51
Others **	718	1	1,221	1	1,535	1	1,632	1	1,097	1	1,124	1	6,582	5
Weighted average lending rate on O/S Loans (annualised)	13.00%		13.05%		13.05%		13.07%		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 Q1 FY 16 is approx. 5.86 years

Loan Quality



(Amount in INR Crore)

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

Total Provisions against Outstanding Loan assets

Provision against NPAs as at ⁽¹⁾ above	268	243	243	243	243	137	89
Additional Provision created against NPAs as at ⁽¹⁾ above	122	-	-	-	122	-	-
Contingent allowance against standard assets *	524 #	385	403	395	491 #	370	106
Allowance against restructured standard assets	591	-	-	196	452	-	3
Reserve for Bad & Doubtful Debts	1,717	1,349	1,439	1,526	1,622	1,269	981
Total	3,222	1,977	2,085	2,360	2,930	1,776	1,179

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

* During Q1 FY16, REC, in line with RBI Notification dated 10.11.14 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 during Q1 FY 16 @ 0.30% in full, totaling to additional provision of INR 22.31 Crores.

The borrower wise - Incremental Provision against NPAs created during Q1 FY 16

Borrower	Loan O/s	Provisioning @ 10%
- Prakash Industries Limited	218	22
- Shalivahana Wind Energy Limited	24	2
Total	242	24

Funds Raised During The Period



(Amount in INR Crore)

Category	Q1		Q2	Q3	Q4	12 M		
	FY 16	FY 15	FY 15	FY 15	FY15	FY15	FY 14	FY 13
Capital Gains Bonds	1,181 6.00%	1,095 6.00%	1,226 6.00%	1,229 6.00%	1,788 6.00%	5,338 6.00%	5,350 6.00%	4,903 6.00%
Tax Free Bonds	- -	- -	- -	- -	- -	- -	6,000 8.48%	2,648 7.46%
Institutional Bonds/ Subordinate Debt	2,396 8.30%	1,700 9.02%	11,765 9.18%	8,500 8.71%	7,235 8.29%	29,200 8.81%	17,403 9.12%	16,379 9.08%
Banks, FIs, etc.	- -	- -	- -	- -	- -	- -	1,195 10.47%	- -
Foreign Currency Borrowings	96 1.66%	1,505 6.22%	1,392 6.20%	1,220 6.56%	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%	14,383 8.62%	10,949 8.17%	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	3,343	-	-	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 15		FY 15		FY 15		FY 14		FY 13	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Capital Gain Bonds	15,771	10	15,524	12	15,613	11	15,677	11	15,591	10	15,493	13	15,187	14
Tax Free Bonds	11,649	7	11,649	9	11,649	9	11,649	9	11,649	8	11,649	9	5,648	6
Infra Bonds	376	-	376	-	376	-	376	-	376	-	376	-	376	-
Institutional, Subordinate & Zero Coupon Bonds	99,286	64	76,109	58	85,562	62	90,308	63	97,068	64	75,290	60	64,038	59
Banks, FIs, etc.	1,452	1	3,865	3	1,940	1	1,590	1	2,312	2	3,272	2	6,324	6
Foreign Currency Borrowings	24,213	16	19,084	15	20,416	15	21,686	15	24,028	16	17,621	14	15,238	14
Commercial Papers	3,025	2	4,140	3	3,500	2	1,550	1	-	-	2,540	2	980	1
Grand Total	1,55,772	100	1,30,747	100	1,39,056	100	1,42,836	100	1,51,024	100	1,26,240	100	1,07,791	100
Average annualized Cost of Funds	8.62%		8.57%		Q2 - 8.76%		Q3 - 8.64%		Q4 - 8.42%		Q4 - 8.43%		Q4 - 8.20%	
					H1 - 8.60%		9M - 8.67%		12M - 8.54%		12M - 8.58%		12M - 8.17%	

Average maturity period of Borrowings outstanding as at Q1 FY 16 is approx. 4.60 years

Statement of Assets & Liabilities



(Amount in INR Crore)

Particulars	Q1		Q2 & H1	Q3 & 9M	Q4 & 12 M		
	FY 16	FY 15	FY 15	FY 15	FY 15	FY 14	FY13
<u>Liabilities</u>							
Shareholders Funds	26,267	22,004	23,540	23,967	24,857	20,669	17,454
Borrowings	1,55,772	1,30,747	1,39,056	1,42,836	1,51,024	1,26,240	1,07,791
Deferred Tax Liabilities (Net)	131	155	142	144	107	174	-
Other Liabilities	9,080	5,992	7,773	6,842	7,187	5,770	5,262
Total Liabilities	1,91,250	1,58,898	1,70,511	1,73,789	1,83,175	1,52,853	1,30,507
<u>Assets</u>							
Fixed Assets (Net)	118	80	79	79	81	82	80
Investments	877	1,708	2,308	1661	1,613	1708	661
Loan Assets (Net of Provisions)	1,86,031	1,54,991	1,62,177	1,68,727	1,79,282	1,48,504	1,27,266
Deferred Tax Assets (Net)	-	-	-	-	-	-	10
Other Assets	4,224	2,119	5,947	3,322	2,199	2,559	2,490
Total Assets	1,91,250	1,58,898	1,70,511	1,73,789	1,83,175	1,52,853	1,30,507

Income Statement



(Amount in INR Crore)

Particulars	Q1		Q2	Q3	Q4	12M		
	FY 16	FY 15	FY 15	FY 15	FY15	FY15	FY14	FY13
Interest Income	5,641	4,648	4,986	5,145	5,293	20,072	16,806	13,291
Finance Costs	3,306	2,752	2,954	3,045	3,094	11,845	10,039	8,083
Net Interest Income	2,335	1,896	2,032	2,100	2,199	8,227	6,767	5,208
Other Operating Income	22	19	38	60	40	157	212	246
Other Income	47	40	42	39	38	159	103	61
Operating costs	51	54	54	46	56	210	201	202
Corporate Social Responsibility Expenses	32	5	4	5	89	103	38	18
Allowance against Loans	197	121	18	191	473	803	312	131
Profit Before Tax	2,124	1,775	2,036	1,957	1,659	7,427	6,531	5,164
Current Tax	622	511	547	575	599	2232	1,704	1,345
Deferred tax	23	-19	-12	2	-37	-66	129	1
Earlier Years/ (Refunds)	-	-	-	-	1	1	14	-
Profit After Tax	1,479	1,283	1,501	1,380	1,097	5,260	4,684	3,818
Dividend (incl. interim)	-	-	-	790	267	1057	938	815
Dividend Distribution Tax	-	-	-	158	54	212	159	133
Total (Dividend + Dividend Distribution Tax)	-	-	-	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	Q4	12 M		
	FY 16	FY 15	FY 15	FY 15	FY15	FY15	FY14	FY13
Yield on Loan (%) (Annualised)	12.33	12.24	12.56	12.42	12.15	12.23	12.18	11.62
Cost of Funds (%) (Annualised) *	8.62	8.57	8.76	8.64	8.42	8.54	8.58	8.17
Interest Spread (%) *	3.71	3.67	3.80	3.78	3.73	3.69	3.60	3.45
Net Interest Margin (%) (Annualised) *	5.10	4.99	5.12	5.07	5.05	5.01	4.90	4.55
Interest Coverage Ratio (times)	1.64	1.64	1.69	1.64	1.54	1.63	1.65	1.64
Return on Average Net Worth (%) (Annualised)	23.14	24.05	26.36	23.24	17.96	23.11	24.57	23.85
Debt Equity Ratio (times)	5.93	5.94	5.91	5.96	6.08	6.08	6.11	6.18
Capital Adequacy ratio	20.41	19.38	20.00	19.59	19.56	19.56	19.35	17.71
Net Worth (INR Crore)	26,267	22,004	23,540	23,967	24,857	24,857	20,669	17,454
Book Value per Share of INR 10	266.01	222.83	238.39	242.71	251.73	251.73	209.31	176.76
EPS (Non-Annualised)	14.97	12.99	15.20	13.97	11.10	53.27	47.43	38.66

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

Shareholding Pattern



As on =>	30.06.15	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
Description	%	%	%	%	%	%	%	%	%	%
President of India	60.64	65.64	65.64	65.64	65.64	65.64	66.80	66.80	66.80	66.80
Foreign Institutional Investors	21.65	20.86	20.08	19.88	19.24	18.68	19.40	19.76	20.73	20.68
Resident Individual/HUF	3.07	3.00	2.93	3.24	2.62	2.86	2.91	3.04	3.06	3.21
Mutual Funds	3.85	3.19	3.21	2.66	3.40	3.46	2.25	2.15	2.16	2.09
Bodies Corporate	2.83	2.94	3.00	2.93	3.04	2.73	2.82	2.67	2.73	2.71
Insurance Companies	7.04	3.89	4.70	5.09	5.21	5.71	5.48	5.14	4.06	3.89
Banks/ Indian FI	0.67	0.28	0.28	0.38	0.67	0.69	0.22	0.24	0.22	0.21
Non Resident Indian	0.10	0.09	0.08	0.08	0.06	0.06	0.06	0.06	0.07	0.07
Clearing Members	0.05	0.06	0.03	0.05	0.08	0.14	0.03	0.11	0.14	0.31
Trust	0.10	0.05	0.05	0.05	0.03	0.03	0.03	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	100.00

