



Investor Presentation

Performance Highlights – Q3 & 9M FY15



RURAL ELECTRIFICATION CORPORATION LIMITED

A Navratna PSU

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

Highlights - (Q3 FY15 vs. Q3 FY14)

Balance Sheet

- ▶ Total Assets increased by 18% from INR 1,47,547 Crore to INR 1,73,789 Crore
- ▶ Outstanding Borrowings increased by 21% from INR 1,17,561 Crore to INR 1,42,836 Crore
- ▶ Net worth increased by 23% from INR 19,435 Crore to INR 23,967 Crore

Income Statement

- ▶ Total Income in Q3 increased by 19% from INR 4,405 Crore to INR 5,244 Crore
- ▶ NII in Q3 increased by 21% from INR 1,735 Crore to INR 2,100 Crore
- ▶ PBT in Q3 increased by 17% from INR 1,676 Crore to INR 1,957 Crore
- ▶ PAT in Q3 increased by 12% from INR 1,228 Crore to INR 1,380 Crore

Business

- ▶ Sanctions in Q3 increased by 34% from INR 13,927 Crore to INR 18,631 Crore.
- ▶ Disbursements in Q3 increased by 6% from INR 9,115 Crore to INR 9,690 Crore.

Sanctions - Composition

(Amount in INR Crore)

Discipline-wise	Q1		Q2		Q3		9M		Q4	12M		
	FY 15	FY 14	FY 15	FY 14	FY 15	FY 14	FY 15	FY 14	FY 14	FY 14	FY 13	FY 12
Generation	2,753	14,939	6,949	10,356	11,877	677	21,579	25,972	3,047	29,019	27,492	23,176
	17%	63%	58%	57%	64%	5%	46%	46%	21%	41%	35%	46%
T & D (including RGGVY)	13,107	7,558	4,451	7,539	6,194	13,150	23,752	28,247	11,199	39,446	47,846	23,080
	78%	32%	37%	41%	33%	94%	50%	51%	75%	56%	60%	45%
Short Term Loan	850	1,150	550	425	560	100	1,960	1,675	600	2,275	4,190	4,580
	5%	5%	5%	2%	3%	1%	4%	3%	4%	3%	5%	9%
Total	16,710	23,647	11,950	18,320	18,631	13,927	47,291	55,894	14,846	70,740	79,528	50,836

Disbursements - Composition

(Amount in INR Crore)

Discipline-wise	Q1		Q2		Q3		9M		Q4	12M		
	FY 15	FY 14	FY 15	FY 14	FY 15	FY 14	FY 15	FY 14	FY 14	FY 14	FY 13	FY 12
Generation	3,790	2,922	3,864	3,855	2,453	2,432	10,107	9,209	3,780	12,989	12,497	12,349
	45%	35%	39%	47%	25%	27%	36%	36%	38%	37%	32%	44%
Transmission	1,579	616	1,435	737	1,392	1,190	4,406	2,543	1,570	4,113	5,297	5,354
	19%	7%	14%	9%	15%	13%	16%	10%	16%	12%	13%	19%
Distribution (including RGGVY) *	2,496	3,690	3,947	3,484	4,945	5,213	11,388	12,387	4,468	16,855	17,062	6,357
	29%	45%	40%	42%	51%	57%	40%	48%	45%	47%	43%	23%
Total Transmission & Distribution	4,075	4,306	5,382	4,221	6,337	6,403	15,794	14,930	6,038	20,968	22,359	11,711
	48%	52%	54%	51%	66%	70%	56%	58%	61%	59%	57%	42%
Short Term Loan	600	1,064	750	188	900	280	2,250	1,532	57	1,589	4,419	3,760
	7%	13%	7%	2%	9%	3%	8%	6%	1%	4%	11%	14%
Total	8,465	8,292	9,996	8,264	9,690	9,115	28,151	25,671	9,875	35,546	39,275	27,820

* Includes Transitional Financing (TFL) disbursed upto Q3 FY15 INR 17,758 crore, Q3 FY15 INR 720 crore (Q3 FY14 INR 3,458 crore), 12M FY14 INR 6,018 crore, 12M FY13 INR 9,570 crore. Total amount sanctioned upto Q3 FY15 INR 20,562 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 14		FY 13		FY 12	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
State	124,600	80	107,470	81	127,542	79	110,607	80	133,015	79	113,347	79	117,843	79	102,292	80	85,036	84
Central PSUs	6,585	4	6,071	5	6,596	4	6,624	5	6,596	4	6,744	5	6,638	5	6,119	5	5,691	6
Private	24,049	16	19,374	14	28,283	17	21,244	15	29,360	17	22,426	16	24,160	16	18,945	15	10,699	10
Total *	155,234	100	132,915	100	162,421	100	138,475	100	168,971	100	142,517	100	148,641	100	127,356	100	101,426	100
Generation	69,148	44	57,208	43	71,659	44	60,481	44	73,515	43	62,303	44	65,417	44	55,478	44	45,195	45
T & D	84,865	55	71,040	53	89,227	55	74,193	53	93,824	56	78,097	55	82,100	55	65,296	51	49,898	49
Others **	1,221	1	4,667	4	1,535	1	3,801	3	1,632	1	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%		13.05%		12.85%		13.07%		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		Q2 & H1		Q 3 & 9M		Q4 & 12M		
	FY 15	FY 14	FY 15	FY 14	FY 15	FY 14	FY 14	FY 13	FY 12
Loan outstanding	155,234	132,915	162,421	138,475	168,971	142,517	148,641	1,27,356	101,426
Gross NPA	1,335*	490	1,335*	490	1335	490	490	490	490
Provision ⁽¹⁾	243**	112	243**	112	243	137	137	89	64
Net NPA	1,092	378	1,092	378	1092	353	353	401	426
% of Gross NPA to loan outstanding	0.86%	0.37%	0.82%	0.35%	0.79%	0.34%	0.33%	0.38%	0.48%
% of Net NPA to loan outstanding	0.70%	0.28%	0.67%	0.27%	0.65%	0.25%	0.24%	0.31%	0.42%

Provisions against Loan assets

Provision against NPAs as at ⁽¹⁾ above	243	112	243	112	243	137	137	89	64
Contingent allowance against standard assets	385	138	403	172	395	223	370	106	0
Allowance against restructured standard assets	-	3	-	3	196	3	-	3	3
Reserve for Bad & Doubtful Debts	1,349	1,049	1,439	1,099	1,526	1,181	1,269	981	755
Total	1,977	1,302	2,085	1,386	2,360	1,544	1,776	1,179	822

* 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) made during Q1 FY 15.

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

Existing NPA, Konaseema Gas Power Ltd.

- INR 22 crores

NPAs recognized during Q1 FY 15, Corporate Power Ltd. and Jas Infrastructure Capital Pvt. Ltd.

- INR 84 crores

Funds Raised During The Period

(Amount in INR Crore)

Category	Q1		Q2		Q3		9M		Q4	12 M		
	FY 15	FY 14	FY 15	FY 14	FY 15	FY 14	FY 15	FY 14	FY14	FY 14	FY 13	FY 12
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%	3,550 6.00%	3,443 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%	- -	4,941 8.46%	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%	11,765 9.18%	- -	8,500 8.71%	5,813 9.40%	21,965 8.99%	12,613 8.93%	4,790 9.60%	17,403 9.12%	16,379 9.08%	17,466 9.36%
Banks, FIs, etc.	- -	- -	- -	1,195 10.47%	- -	- -	- -	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%	4,117 6.93%	1,993 7.53%	7 0.65%	2,000 7.50%	4,712 3.01%	3,847 4.79%
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%	29,632 8.35%	24,185 8.38%	7,763 8.57%	31,948 8.43%	28,642 7.40%	29,710 8.05%
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	-	4,986	2,117	-

- % 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 14		FY 13		FY 12	
	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	15,493	13	15,187	14	13,341	15
Tax Free Bonds	11,649	9	5,648	5	11,649	9	10,439	9	11,649	9	10,589	9	11,649	9	5,648	6	3,000	3
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	75,290	60	64,038	59	54,655	61
Banks, FIs, etc.	3,865	3	4,322	4	1,940	1	5,507	5	1,590	1	5,155	4	3,272	2	6,324	6	7,986	9
Foreign Currency Borrowings	19,084	15	15,792	14	20,416	15	16,098	14	21,686	15	17,881	15	17,621	14	15,238	14	10,698	12
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	130,747	100	111,104	100	139,056	100	117,791	100	142,836	100	122,665	100	126,240	100	107,791	100	90,056	100
Average annualized Cost of Funds	8.57%		8.41%		8.60%		8.55%		Q3- 8.64%		Q3- 8.63%		8.58%		8.17%		8.03%	
									9M- 8.67%		9M- 8.58%							

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 14	FY13	FY12
<u>Liabilities</u>									
Shareholders Funds	22,004	18,076	23,540	18,939	23,967	19,435	20,669	17,454	14,563
Borrowings	130,747	111,104	139,056	117,791	142,836	122,665	126,240	107,791	90,056
Deferred Tax Liabilities (Net)	155	-	142	310	144	254	174	-	-
Other Liabilities	5,992	7,354	7,773	5,018	6,842	5,192	5,770	5,262	3,928
Total Liabilities	158,898	136,534	170,511	142,058	173,789	147,546	152,853	130,507	108,547
<u>Assets</u>									
Fixed Assets (Net)	80	80	79	84	79	83	82	80	78
Investments	1,708	661	2,308	661	1,661	1,755	1,708	661	758
Loan Assets (Net of Provisions)	154,991	132,803	162,177	138,363	168,727	142,380	148,504	127,266	101,362
Deferred Tax Assets (Net)	-	9	-	-	-	-	-	10	10
Other Assets	2,119	2,981	5,947	2,950	3,322	3,328	2,559	2,490	6,339
Total Assets	158,898	136,534	170,511	142,058	173,789	147,546	152,853	130,507	108,547

Income Statement



(Amount in INR Crore)

Particulars	Q1		Q2		Q3		9M		Q4	12M		
	FY 15	FY 14	FY 15	FY 14	FY 15	FY 14	FY 15	FY 14	FY14	FY14	FY13	FY12
Interest Income	4,648	3,914	4,986	4,167	5,145	4,329	14,779	12,410	4,396	16,806	13,291	10,264
Finance Costs	2,752	2,302	2,954	2,519	3,045	2,594	8,751	7,415	2,623	10,039	8,083	6,432
Net Interest Income	1,896	1,612	2,032	1,648	2,100	1,735	6,028	4,995	1,773	6,767	5,208	3,832
Other Operating Income	19	74	38	43	60	48	117	165	46	212	246	172
Other Income	40	13	42	14	39	29	121	56	47	103	61	74
Operating costs	59	56	58	52	51	60	168	168	71	239	220	233
Allowance against Loans	121	55	18	34	191	76	330	165	147	312	131	52
Profit Before Tax	1,775	1,588	2,036	1,619	1,957	1,676	5,768	4,883	1,648	6,531	5,164	3,793
Current Tax	511	434	547	230	575	504	1633	1168	536	1,704	1,345	975
Deferred tax	-19	-	-12	265	2	-56	-29	209	-80	129	1	3
Earlier Years/ (Refunds)	-	-	-	14	-	-	-	14	-	14	-	-2
Profit After Tax	1,283	1,154	1,501	1,110	1,380	1,228	4,164	3,492	1,192	4,684	3,818	2,817
Dividend (incl. interim)	-	-	-	-	790	765	790	765	173	938	815	741
Dividend Distribution Tax	-	-	-	-	158	130	158	130	29	159	133	120
Total (Dividend + Dividend Distribution Tax)	-	-	-	-	948	895	948	895	202	1097	948	861

Previous periods figures have been reclassified/ rearranged wherever necessary.

Key Indicators

Particulars	Q1		Q2		Q3		9M		Q4	12 M		
	FY 15	FY 14	FY 15	FY 14	FY 15	FY 14	FY 15	FY 14	FY14	FY14	FY13	FY12
Yield on Loan (%) (Annualised)	12.24	12.03	12.56	12.28	12.42	12.32	12.41	12.26	12.08	12.18	11.62	11.21
Cost of Funds (%) (Annualised)	8.57	8.41	8.76	8.81	8.64	8.63	8.67	8.58	8.43	8.58	8.17	8.03
Interest Spread (%)	3.67	3.62	3.80	3.47	3.78	3.69	3.74	3.68	3.65	3.60	3.45	3.18
Net Interest Margin (%) (Annualised)	4.99	4.96	5.12	4.86	5.07	4.94	5.06	4.94	4.87	4.90	4.55	4.19
Interest Coverage Ratio (times)	1.64	1.69	1.69	1.64	1.64	1.65	1.66	1.66	1.63	1.65	1.64	1.59
Return on Average Net Worth (%) (Annualised)	24.05	25.98	26.36	24.00	23.24	25.59	24.88	25.24	23.78	24.57	23.85	20.60
Debt Equity Ratio (times)	5.94	6.15	5.91	6.22	5.96	6.31	5.96	6.31	6.11	6.11	6.18	6.18
Net Worth (INR Crore)	22,004	18,076	23,540	18,939	23,967	19,435	23,967	19,435	20,669	20,669	17,454	14,563
Book Value per Share of INR 10	222.83	183.06	238.39	191.80	242.71	196.82	242.71	196.82	209.31	209.31	176.76	147.48
EPS (Non-Annualised)	12.99	11.68	15.20	11.25	13.97	12.43	42.16	35.36	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 =>	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	66.80	66.80	66.80	66.80	66.80
Foreign Institutional Investors		20.08	19.88	19.24	18.68	19.40	19.76	20.73	20.68	19.53
Resident Individual/HUF		2.93	3.24	2.62	2.86	2.91	3.04	3.06	3.21	3.47
Mutual Funds		3.21	2.66	3.40	3.46	2.25	2.15	2.16	2.09	1.71
Bodies Corporate		3.00	2.93	3.04	2.73	2.82	2.67	2.73	2.71	3.44
Insurance Companies		4.70	5.09	5.21	5.71	5.48	5.14	4.06	3.89	3.04
Banks/ Indian FI		0.28	0.38	0.67	0.69	0.22	0.24	0.22	0.21	1.65
Non Resident Indian		0.08	0.08	0.06	0.06	0.06	0.06	0.07	0.07	0.08
Clearing Members		0.03	0.05	0.08	0.14	0.03	0.11	0.14	0.31	0.23
Trust		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

