



# Investor Presentation

## Performance Highlights – Q2 & H1 FY15



**RURAL ELECTRIFICATION CORPORATION LIMITED**

**A Navratna PSU**

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

# Highlights - (Q2 FY15 vs. Q2 FY14)

## Balance Sheet

- ▶ Total Assets increased by 20% from INR 1,42,058 Crore to INR 1,70,511 Crore
- ▶ Outstanding Borrowings increased by 18% from INR 1,17,791 Crore to INR 1,39,056 Crore
- ▶ Net worth increased by 24% from INR 18,940 Crore to INR 23,540 Crore

## Income Statement

- ▶ Total Income in Q2 increased by 20% from INR 4,224 Crore to INR 5,066 Crore
- ▶ NII in Q2 increased by 23% from INR 1,648 Crore to INR 2,032 Crore
- ▶ PBT in Q2 increased by 26% from INR 1,620 Crore to INR 2,036 Crore
- ▶ PAT in Q2 increased by 35% from INR 1,110 Crore to INR 1,501 Crore

## Business

- ▶ Sanctions in Q2 were INR 11,950 Crore as against INR 18,320 Crore.
- ▶ Disbursements in Q2 were INR 9,996 Crore as against INR 8,264 Crore.

## Sanctions - Composition

(Amount in INR Crore)

Discipline-wise	Q1	Q1	Q2	Q2	H1	H1	Q3	Q4	12M		
	FY 15	FY 14	FY 15	FY 14	FY 15	FY 14	FY 14	FY14	FY 14	FY 13	FY 12
<b>Generation</b>	2,753	14,939	6,949	10,356	9,702	25,295	677	3,047	29,019	27,492	23,176
	17%	63%	58%	57%	34%	60%	5%	21%	41%	35%	46%
<b>T &amp; D (including RGGVY)</b>	13,107	7,558	4,451	7,539	17,558	15,097	13,150	11,199	39,446	47,846	23,080
	78%	32%	37%	41%	61%	36%	94%	75%	56%	60%	45%
<b>Short Term Loan</b>	850	1,150	550	425	1,400	1,575	100	600	2,275	4,190	4,580
	5%	5%	5%	2%	5%	4%	1%	4%	3%	5%	9%
<b>Total</b>	16,710	23,647	11,950	18,320	28,660	41,967	13,927	14,846	70,740	79,528	50,836

# Disbursements - Composition

(Amount in INR Crore)

Discipline-wise	Q1	Q1	Q2	Q2	H1	H1	Q3	Q4	12M		
	FY 15	FY 14	FY 15	FY 14	FY 15	FY 14	FY 14	FY14	FY 14	FY 13	FY 12
<b>Generation</b>	<b>3,790</b> 45%	<b>2,922</b> 35%	<b>3,864</b> 39%	<b>3,855</b> 47%	<b>7,654</b> 42%	<b>6,777</b> 41%	<b>2,432</b> 27%	<b>3,780</b> 38%	<b>12,989</b> 37%	<b>12,497</b> 32%	<b>12,349</b> 44%
<b>Transmission</b>	<b>1,579</b> 19%	<b>616</b> 7%	<b>1,465</b> 15%	<b>737</b> 9%	<b>3,044</b> 16%	<b>1,353</b> 8%	<b>1,190</b> 13%	<b>1,570</b> 16%	<b>4,113</b> 12%	<b>5,297</b> 13%	<b>5,354</b> 19%
<b>Distribution (including RGGVY) *</b>	<b>2,496</b> 29%	<b>3,690</b> 45%	<b>3,917</b> 39%	<b>3,484</b> 42%	<b>6,413</b> 35%	<b>7,174</b> 43%	<b>5,213</b> 57%	<b>4,468</b> 45%	<b>16,855</b> 47%	<b>17,062</b> 43%	<b>6,357</b> 23%
<b>Total Transmission &amp; Distribution</b>	<b>4,075</b> 48%	<b>4,306</b> 52%	<b>5,382</b> 54%	<b>4,221</b> 51%	<b>9,457</b> 51%	<b>8,527</b> 51%	<b>6,403</b> 70%	<b>6,038</b> 61%	<b>20,968</b> 59%	<b>22,359</b> 57%	<b>11,711</b> 42%
<b>Short Term Loan</b>	<b>600</b> 7%	<b>1,064</b> 13%	<b>750</b> 7%	<b>188</b> 2%	<b>1,350</b> 7%	<b>1,252</b> 8%	<b>280</b> 3%	<b>57</b> 1%	<b>1,589</b> 4%	<b>4,419</b> 11%	<b>3,760</b> 14%
<b>Total</b>	<b>8,465</b>	<b>8,292</b>	<b>9,996</b>	<b>8,264</b>	<b>18,461</b>	<b>16,556</b>	<b>9,115</b>	<b>9,875</b>	<b>35,546</b>	<b>39,275</b>	<b>27,820</b>

\* Includes Transitional Financing (TFL) disbursed upto Q2 FY15 INR 17,038 crore, Q2 FY15 INR 1,075 crore (Q2 FY14 INR 935 crore), 12M FY14 INR 6,018 crore, 12M FY13 INR 9,570 crore. Total amount sanctioned upto Q2 FY15 INR 20,168 crore

# Outstanding Loan - Composition

(Amount in INR Crore)

Discipline-wise	Q1		Q1		Q2 & H1		Q2 & H1		Q3 & 9M		Q4 & 12M					
	FY 15		FY 14		FY 15		FY 14		FY 14		FY 14		FY 13		FY 12	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
State	124,600	80	107,470	81	127,542	79	110,607	80	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	6,744	5	6,638	5	6,119	5	5,691	6
Private	24,049	16	19,374	14	28,283	17	21,244	15	22,426	16	24,160	16	18,945	15	10,699	10
<b>Total *</b>	<b>155,234</b>	<b>100</b>	<b>132,915</b>	<b>100</b>	<b>162,421</b>	<b>100</b>	<b>138,475</b>	<b>100</b>	<b>142,517</b>	<b>100</b>	<b>148,641</b>	<b>100</b>	<b>127,356</b>	<b>100</b>	<b>101,426</b>	<b>100</b>
Generation	69,148	44	57,208	43	71,659	44	60,481	44	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	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	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%		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	Q2 & H1	Q 3 & 9M	Q4 & 12M		
	FY 15	FY 14	FY 15	FY 14	FY 14	FY 14	FY 13	FY 12
<b>Loan outstanding</b>	155,234	132,915	162,421	138,475	142,517	148,641	1,27,356	101,426
<b>Gross NPA</b>	1,335*	490	1,335*	490	490	490	490	490
<b>Provision</b>	243**	112	243**	112	137	137	89	64
<b>Net NPA</b>	1,092	378	1,092	378	353	353	401	426
<b>% of Gross NPA to loan outstanding</b>	0.86%	0.37%	0.82%	0.35%	0.34%	0.33%	0.38%	0.48%
<b>% of Net NPA to loan outstanding</b>	0.70%	0.28%	0.67%	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) 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	Q1	Q2	Q2	H1	H1	Q3	Q4	12 M		
	FY 15	FY 14	FY 15	FY 14	FY 15	FY 14	FY 14	FY14	FY 14	FY 13	FY 12
<b>Capital Gains Bonds</b>	<b>1,095</b> 6.00%	<b>1,110</b> 6.00%	<b>1,226</b> 6.00%	<b>1,209</b> 6.00%	<b>2,321</b> 6.00%	<b>2,319</b> 6.00%	<b>1,124</b> 6.00%	<b>1,907</b> 6.00%	<b>5,350</b> 6.00%	<b>4,903</b> 6.00%	<b>5,239</b> 6.00%
<b>Infrastructure Bonds</b>	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	<b>158</b> 8.98%
<b>Tax Free Bonds</b>	- -	- -	- -	<b>4,791</b> 8.47%	- -	<b>4,791</b> 8.47%	<b>150</b> 8.29%	<b>1,059</b> 8.57%	<b>6,000</b> 8.48%	<b>2,648</b> 7.46%	<b>3,000</b> 8.11%
<b>Institutional Bonds/ Subordinate Debt</b>	<b>1,700</b> 9.02%	<b>6,800</b> 8.54%	<b>11,765</b> 9.18%	- -	<b>13,465</b> 9.16%	<b>6,800</b> 8.54%	<b>5,813</b> 9.40%	<b>4,790</b> 9.60%	<b>17,403</b> 9.12%	<b>16,379</b> 9.08%	<b>17,466</b> 9.36%
<b>Banks, FIs, CP, etc.</b>	<b>2,551</b> 8.97%	<b>818</b> 7.81%	<b>3,343</b> 8.86%	<b>4,177</b> 9.26%	<b>5,894</b> 8.91%	<b>4,995</b> 9.02%	<b>1,186</b> 9.74%	- -	<b>6,181</b> 9.16%	<b>2,117</b> 9.02%	- -
<b>Foreign Currency Borrowings</b>	<b>1,505</b> 6.22%	<b>18</b> 1.87%	<b>1,392</b> 6.20%	<b>61</b> 1.80%	<b>2,897</b> 6.43%	<b>79</b> 1.81%	<b>1,914</b> 7.76%	<b>7</b> 0.65%	<b>2,000</b> 7.50%	<b>4,712</b> 3.01%	<b>3,847</b> 4.79%
<b>Total</b>	<b>6,851</b> 7.90%	<b>8,746</b> 8.14%	<b>17,726</b> 8.66%	<b>10,238</b> 8.46%	<b>24,557</b> 8.48%	<b>18,984</b> 8.31%	<b>10,187</b> 8.74%	<b>7,763</b> 8.57%	<b>36,934</b> 8.48%	<b>30,759</b> 7.52%	<b>29,710</b> 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		H1		9M		12M					
	FY 15		FY 14		FY 15		FY 14		FY 14		FY 14		FY 13		FY 12	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Capital Gains, Tax Free & Infra Bonds	27,549	21	21,378	19	27,638	20	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	85,562	62	67,145	57	70,666	58	75,290	60	64,038	59	54,655	61
Banks, Fls, etc.	3,865	3	4,322	4	1,940	1	5,507	5	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	17,881	15	17,621	14	15,238	14	10,699	12
Commercial Papers	4,140	3	980	1	3,500	2	2,770	2	2,540	2	2,540	2	980	1	-	-
<b>Grand Total</b>	<b>130,747</b>	<b>100</b>	<b>111,104</b>	<b>100</b>	<b>139,056</b>	<b>100</b>	<b>117,791</b>	<b>100</b>	<b>122,665</b>	<b>100</b>	<b>126,240</b>	<b>100</b>	<b>107,791</b>	<b>100</b>	<b>90,056</b>	<b>100</b>
<b>Average annualized Cost of Funds</b>	<b>8.57%</b>		<b>8.41%</b>		<b>8.60%</b>		<b>8.55%</b>		<b>8.58%</b>		<b>8.58%</b>		<b>8.17%</b>		<b>8.03%</b>	



# Statement of Assets & Liabilities

(Amount in INR Crore)

Particulars	Q1	Q1	Q2 & H1	Q2 & H1	Q3 & 9M	Q4 & 12 M		
	FY 15	FY 14	FY 15	FY 14	FY 14	FY 14	FY13	FY12
<b><u>Liabilities</u></b>								
Shareholders Funds	22,004	18,076	23,540	18,939	19,435	20,669	17,454	14,563
Borrowings	130,747	111,104	139,056	117,791	122,665	126,240	107,791	90,056
Deferred Tax Liabilities (Net)	155	-	142	310	254	174	-	-
Other Liabilities	5,992	7,354	7,773	5,018	5,192	5,770	5,262	3,928
<b>Total Liabilities</b>	<b>158,898</b>	<b>136,534</b>	<b>170,511</b>	<b>142,058</b>	<b>147,546</b>	<b>152,853</b>	<b>130,507</b>	<b>108,547</b>
<b><u>Assets</u></b>								
Fixed Assets (Net)	80	80	79	84	83	82	80	78
Investments	1,708	661	2,308	661	1,755	1708	661	758
Loan Assets (Net of Provisions)	154,991	132,803	162,177	138,363	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	3,328	2,559	2,490	6,339
<b>Total Assets</b>	<b>158,898</b>	<b>136,534</b>	<b>170,511</b>	<b>142,058</b>	<b>147,546</b>	<b>152,853</b>	<b>130,507</b>	<b>108,547</b>

# Income Statement

(Amount in INR Crore)

Particulars	Q1	Q1	Q2	Q2	H1	H1	Q3	Q4	12M		
	FY 15	FY 14	FY 15	FY 14	FY 15	FY 14	FY 14	FY14	FY14	FY13	FY12
Interest Income	4,648	3,914	4,986	4,167	9,634	8,081	4,329	4,396	16,806	13,291	10,264
Finance Costs	2,752	2,302	2,954	2,519	5,706	4,821	2,594	2,623	10,039	8,083	6,432
Net Interest Income	1,896	1,612	2,032	1,648	3,928	3,260	1,735	1,773	6,767	5,208	3,832
Other Operating Income	19	74	38	43	57	117	47	46	212	246	172
Other Income	40	13	42	14	82	27	29	47	103	61	74
Operating costs	59	56	58	52	117	108	60	71	239	220	233
Allowance against Loans	121	55	18	34	139	89	75	147	312	131	52
Profit Before Tax	1,775	1,588	2,036	1,619	3,811	3,207	1,676	1,648	6,531	5,164	3,793
Current Tax	511	434	547	230	1,058	664	504	536	1,704	1,345	975
Deferred tax	-19	-	-12	265	-31	265	-56	-80	129	1	3
Earlier Years/ (Refunds)	-	-	-	14	-	14	-	-	14	-	-2
Profit After Tax	1,283	1,154	1,501	1,110	2,784	2,264	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	Q2	H1	H1	Q3	Q4	12 M		
	FY 15	FY 14	FY 15	FY 14	FY 15	FY 14	FY 14	FY14	FY14	FY13	FY12
Yield on Loan (%) (Annualised)	12.24	12.03	12.56	12.28	12.39	12.16	12.32	12.08	12.18	11.62	11.21
Cost of Funds (%) (Annualised)	8.57	8.41	8.76	8.81	8.60	8.55	8.63	8.43	8.58	8.17	8.03
Interest Spread (%)	3.67	3.62	3.80	3.47	3.79	3.61	3.69	3.65	3.60	3.45	3.18
Net Interest Margin (%) (Annualised)	4.99	4.96	5.12	4.86	5.05	4.91	4.94	4.87	4.90	4.55	4.19
Interest Coverage Ratio (times)	1.64	1.69	1.69	1.64	1.67	1.67	1.65	1.63	1.65	1.64	1.59
Return on Average Net Worth (%) (Annualised)	24.05	25.98	26.36	24.00	25.19	24.89	25.59	23.78	24.57	23.85	20.60
Debt Equity Ratio (times)	5.94	6.15	5.91	6.22	5.91	6.22	6.31	6.11	6.11	6.18	6.18
Net Worth (INR Crore)	22,004	18,076	23,540	18,939	23,540	18,939	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	238.39	191.80	196.82	209.31	209.31	176.76	147.48
EPS (Non-Annualised)	12.99	11.68	15.20	11.25	28.19	22.93	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 =>	30.09.14	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	66.80	66.80	66.80	66.80	66.80
Foreign Institutional Investors	19.88	19.24	18.68	19.40	19.76	20.73	20.68	19.53
Resident Individual/HUF	3.24	2.62	2.86	2.91	3.04	3.06	3.21	3.47
Mutual Funds	2.66	3.40	3.46	2.25	2.15	2.16	2.09	1.71
Bodies Corporate	2.93	3.04	2.73	2.82	2.67	2.73	2.71	3.44
Insurance Companies	5.09	5.21	5.71	5.48	5.14	4.06	3.89	3.04
Banks/ Indian FI	0.38	0.67	0.69	0.22	0.24	0.22	0.21	1.65
Non Resident Indian	0.08	0.06	0.06	0.06	0.06	0.07	0.07	0.08
Clearing Members	0.05	0.08	0.14	0.03	0.11	0.14	0.31	0.23
Trust	0.05	0.03	0.03	0.03	0.03	0.03	0.03	0.05
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

