

Management Presentation

Performance Highlights

Q1 FY 11



RURAL ELECTRIFICATION CORPORATION LIMITED

A Navratna PSU

HIGHLIGHTS (Q1 FY11 VS. Q1 FY10)



Balance Sheet

- ▶ Total Assets (net of current liabilities) increased by 26.99% from Rs. 54,456 Crores to Rs. 69,154 Crores.
- ▶ Outstanding Borrowings increased by 22.75% from Rs. 46,838 Crores to Rs. 57,493 Crores
- ▶ Net worth increased from 6,662 Crores to 11,668 Crores.

Income Statement

- ▶ Operating Income increased by 29.98% from Rs. 1,461 Crores to Rs. 1,899 Crores.
- ▶ NII increased by 34.96% from Rs. 575 Crores to Rs. 776 Crores.
- ▶ Profit before tax increased by 31.07% from Rs. 605 Crores to Rs. 793 Crores.
- ▶ PAT increased by 24.63% from Rs. 471 Crores to Rs. 587 Crores.

Business

- ▶ Disbursements increased by 28.36% from Rs. 3,618 Crores to Rs. 4,644 Crores.
- ▶ Sanctions increased by 51.17% from Rs. 15,137 Crores to Rs. 22,882 Crores.

SANCTIONS - COMPOSITION

(Rs. In Crores)

Sanctions	Q1 FY 11	Q1 FY 10	Q2 FY 10	Q3 FY 10	Q4 FY 10	12M FY 10	12 M FY 09	12 M FY 08
Discipline-wise	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Generation	11,177 49%	11,182 74%	7,920 48%	4,344 41%	586 18%	24,032 53%	21,708 53%	27,337 58%
Trans. & Dist.	11,205 49%	3,365 22%	6,793 42%	4,694 44%	2,383 73%	17,235 38%	16,938 42%	16,810 36%
Short Term Loan	500 2%	590 4%	1,650 10%	1,550 15%	300 9%	4,090 9%	2,100 5%	2,685 6%
Total	22,882	15,137	16,363	10,588	3,269	45,357	40,746	46,832

DISBURSEMENTS - COMPOSITION



(Rs. In Crores)

Disbursements	Q1 FY 11	Q1 FY 10	Q2 FY 10	Q3 FY 10	Q4 FY 10	12M FY 10	12 M FY 09	12 M FY 08
Discipline - wise	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Generation	3,239 70%	1,993 55%	2,029 37%	1,817 30%	2,510 42%	8,349 40%	7,850 46%	4,308 33%
Transmission & Distribution	1,205 26%	1,225 34%	2,295 42%	2,297 38%	3,176 53%	8,993 42%	7,267 42%	7,063 55%
Short Term Loan	200 4%	400 11%	1,180 21%	1,910 32%	300 5%	3,790 18%	2,040 12%	1,582 12%
Total	4,644	3,618	5,504	6,024	5,986	21,132	17,157	12,953

OUTSTANDING LOAN - COMPOSITION



(Rs. In Crores)

Loan Outstanding	Q1 FY 11		Q1 FY 10		Q2 FY 10		Q3 FY 10		12M FY 10		31.03.2009		31.03.2008	
Discipline	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
State	59,505	85	45,279	85	48,574	84	52,889	84	55,574	84	43,303	85	34,422	89
Central PSUs	5,134	7	4,877	9	5,500	10	5,848	10	6,145	9	4,324	9	2,704	7
Private	4,578	8	3,374	6	3,820	6	4,054	6	4,260	7	3,026	6	1,489	4
Total	69,217	100	53,530	100	57,894	100	62,791	100	65,979	100	50,653	100	38,615	100
Generation	28,549	41	20,527	38	21,869	38	22,398	36	23,958	36	17,501	35	10,096	26
T & D	35,337	51	29,229	55	31,685	55	34,475	55	36,723	56	29,275	57	24,420	63
Others	5,331	8	3,774	7	4,340	7	5,918	9	5,298	8	3,877	8	4,099	11
Average rates on outstanding	11.59		11.44		11.48		11.44		11.45		11.34		10.10	

(1) Excludes interest accrued and due.

(2) Includes short-term loans, debt refinancing, bridge loans, loans to equipment manufacturers, equipment leasing finance.

LOAN QUALITY

(Rs. In Crores)

Particulars	Q1	Q1	Q2	Q3	12M	12 M	12 M
	FY 11	FY 10	FY 10	FY 10	FY 10	FY 09	FY 08
Loan outstanding (1)	69,217	53,530	57,894	62,791	65,979	50,653	38,615
Gross NPA	20	32	21	20	20	69	322
Provision	18	30	19	18	18	48	82
Net NPA	2	2	2	2	2	21	240
% of Gross NPA to loan outstanding	0.03%	0.06%	0.04%	0.03%	0.03%	0.14%	0.83%
% of Net NPA to loan outstanding	0.0029%	0.0040%	0.0030%	0.0030%	0.0030%	0.0410%	0.6220%

Loan outstanding represents principal outstanding excluding interest accrued and due.

FUNDS RAISED DURING THE PERIOD



(Rs. In Crores)

Category	Q1 FY 11	Q1 FY 10	Q2 FY 10	Q3 FY 10	Q4 FY 10	12 M FY 10	12M FY 09	12 M FY 08
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Capital Gains Bonds	925	508	526	666	1,358	3,058	2,525	3,220
	6.00%	6.25%	6.25%	6.25%	6.25%	6.25%	6.01%	5.50%
Taxable Bonds	1,250	927	8,209	1,939	2,454	13,529	8,930	2,570
	6.92%	7.19%	8.28%	8.29%	8.19%	8.19%	10.67%	9.49%
Banks, Fls, CP , etc.	900	1,430	1,741	1,505	2,159	6,835	2,983	2,226
	5.12%	6.42%	6.61%	6.59%	6.35%	6.04%	8.85%	8.84%
Foreign Currency	100	70	119	207	210	606	457	178
	6.12%	7.62%	6.72%	6.59%	7.01%	6.88%	7.74%	6.55%
Total	3,175	2,935	10,595	4,317	6,181	24,028	14,895	8,194
	6.12%	6.66%	7.89%	6.55%	7.17%	7.31%	9.30%	7.69%

(%) Denotes Average cost of borrowing

BORROWING PROFILE AS AT END OF THE PERIOD



(Rs. In Crores)

Particulars	Q1 FY 11		Q1 FY 10		Q2 FY 10		Q3 FY 10		12 M FY 10		12 M FY 09		12 M FY 08	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Capital Gains	10,839	19	14,528	31	11,225	22	11,650	21	9,949	18	14,394	32	14,707	43
Institutional Bonds	31,930	56	19,158	41	26,938	52	28,813	53	30,909	55	18,237	41	9,383	27
Banks, FIs, etc.	10,270	18	9,291	20	9,961	19	9,686	18	10,564	19	9,517	21	9,145	27
Foreign Currency	2,154	3	1,565	3	1,683	3	1,867	3	2,076	4	1,493	3	1,048	3
Commercial paper	2300	4	2,295	5	1,795	3	2,575	5	2,450	4	1,233	3	-	-
Grand Total	57,493	100	46,837	100	51,602	100	54,591	100	55,948	100	44,874	100	34,283	100
Average annualized borrowing cost	7.76		7.61		7.66		7.71		7.75		7.70		6.87	

BALANCE SHEET



(Rs. In Crores)

Particulars	2010-11	2009-10				FY 09	FY 08
	Q1	Q1	H1	Q3	12M		
<u>Liabilities</u>							
Shareholders Funds	11,668	6,662	8,122	8,294	11,080	6,190	5,368
Borrowings	57,493	46,838	51,602	55,153	55,948	44,936	34,283
Deferred Tax Liability	-7	956	-7	-7	-7	957	817
Total Liabilities	69,154	54,456	59,717	63,440	67,021	52,083	40,468
<u>Assets</u>							
Loan Assets (including interest accrued)	69,791	54,248	58,665	63,631	66,452	51,381	39,317
Investments	933	1,004	1,004	957	910	1,005	1,147
Fixed Assets (Net)	89	81	86	89	90	81	78
Current Assets (Net)	-1,659	-877	-38	-1,237	-431	-384	-74
Total Assets	69,154	54,456	59,717	63,440	67,021	52,083	40,468

INCOME STATEMENT



(Rs. In Crores)

Particular	2010-11	2009-10					FY 09	FY 08
	Q1	Q1	Q2	Q3	Q4	12 M		
Interest Income	1,877	1,449	1,533	1,653	1,796	6,431	4,665	3,361
Interest Expenses	1,101	874	941	1,017	1,079	3,911	2,897	2,073
Net Interest Income	776	575	592	636	717	2,520	1,768	1,288
Other Operating Income	22	12	49	18	38	117	92	17
Other Income	29	48	41	35	36	160	174	159
Operating costs	34	30	35	45	38	148	112	112
Provisions for doubtful debts	-	-	-	-	-	-	2	40
Profit Before Tax	793	605	647	644	753	2,649	1,920	1,312
Current Tax	206	160	163	170	202	695	507	375
Deferred tax	-	-	1	-	-	1	141	77
Previous years (Tax Refunds)	-	-26	-12	-	-10	-48	-	-
Profit After Tax	587	471	495	474	561	2,001	1,272	860
Reversal of Deferred Tax of earlier years	-	-	326	-	-	326	-	-
Profit after tax and available for appropriation	587	471	821	474	561	2,327	1,272	860
Dividend (inc. Interim)	-	-	-	-	-	604	386	258
Dividend Distribution Tax	-	-	-	-	-	101	66	44
Total (Dividend +Dividend Dist. Tax)	-	-	-	-	-	705	452	302

KEY INDICATORS

Key Indicators	Q1	Q1	Q2	Q3	Q4	12 M	12 M	12 M
	FY11	FY10	FY10	FY10	FY10	FY10	FY 09	FY 08
Yield on Loan (%) (Annualised)	11.11	11.13	11.01	10.96	11.16	11.03	10.45	9.62
Cost of Borrowing (%) (Annualised)	7.76	7.61	7.66	7.70	7.80	7.76	7.32	6.05
Interest Spread (%) (Annualised)	3.35	3.52	3.35	3.26	3.36	3.27	3.13	3.57
Net Interest Margin (%) (Annualised)	4.59	4.42	4.25	4.15	4.45	4.32	3.96	3.65
Interest Coverage Ratio	1.72	1.69	1.69	1.63	1.70	1.68	1.66	1.63
Return on Avg. Net worth (%) (Annualised)	20.64	29.38	26.79	23.10	23.17	23.17	22.01	18.33
Debt Equity Ratio	4.93	7.03	6.35	6.65	5.05	5.05	7.26	6.39
Net Worth (Rs. Crores)	11,668	6,662	8,122	8,294	11,080	11,080	6,190	5,368
EPS (in Rs.)	5.95	5.49	5.76	5.52	6.29	23.06	14.81	10.94

SHAREHOLDING PATTERN

As on	As on 31.03.10	As on 31.12.09	As on 30.09.09	As on 30.06.09	As on 31.03.09	As on 31.03.08
Description	%	%	%	%	%	%
President of India	66.80	81.82	81.82	81.82	81.82	81.82
Foreign Institutional Investors	17.83	6.04	5.91	4.59	3.43	7.39
Resident Individual/ HUF	3.70	3.48	3.74	3.98	4.82	5.24
Mutual Funds	4.91	4.23	4.96	7.19	7.24	2.75
Bodies Corporate	4.71	2.25	2.13	1.51	1.52	1.79
Insurance Companies	1.77	1.96	1.10	0.65	0.66	0.49
Banks/ Indian FI	0.16	0.12	0.15	0.15	0.40	0.38
Non Resident Indian	0.06	0.05	0.05	0.05	0.05	0.03
Clearing Members	0.04	0.04	0.13	0.05	0.05	0.10
Trust	0.02	0.01	0.01	0.01	0.01	0.01
Total	100	100	100	100	100	100

THANK YOU