

Management Presentation

Performance Highlights

**Q4 FY 10
& 12 M FY 10**



RURAL ELECTRIFICATION CORPORATION LIMITED

A Navratna PSU

HIGHLIGHTS (12M FY10 VS. 12M FY09)



Balance Sheet

- Total Assets increased by 28.68% from Rs. 52,083 Crores to Rs. 67,021 Crores.
- Outstanding Borrowings increased by 24.51% from Rs. 44,936 Crores to Rs. 55,948 Crores.
- Net worth increased from 6,190 Crores to 11,080 Crores.

Income Statement

- Operating Income increased by 37.69% from Rs. 4,757 Crores to Rs. 6,550 Crores.
- NII increased by 42.53% from Rs. 1,768 Crores to Rs. 2,520 Crores.
- Profit before tax increased by 37.97% from Rs. 1,920 Crores to Rs. 2,649 Crores.
- PAT increased by 57.31% from Rs. 1,272 Crores to Rs. 2,001 Crores.

Business

- Disbursements increased by 23.17% from Rs. 17,157 Crores to Rs. 21,132 Crores.
- Sanctions increased by 11.76% from Rs. 40,746 Crores to Rs. 45,537 Crores.

SANCTIONS - COMPOSITION



(Rs. In Crores)

Sanctions	Q1	Q2	Q3	Q4	12M	Q1	Q2	Q3	Q4	12 M	12 M
	FY 10	FY 10	FY 10	FY 10	FY 10	FY 09	FY 09	FY 09	FY 10	FY 09	FY 08
Discipline-wise	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Generation	11,182	7,920	4,344	586	24,032	6,560	10,973	1,736	2,439	21,708	27,337
	74%	48%	41%	18%	53%	54%	72%	28%	34%	53%	58%
Trans. & Dist.	3,365	6,793	4,694	2,383	17,235	5,178	2,696	4,517	4,547	16,938	16,810
	22%	42%	44%	73%	38%	43%	18%	72%	64%	42%	36%
Short Term Loan	590	1,650	1,550	300	4,090	300	1,650	0	150	2,100	2,685
	4%	10%	15%	9%	9%	2%	11%	0%	2%	5%	6%
Total	15,137	16,363	10,588	3,269	45,357	12,038	15,319	6,253	7,136	40,746	46,832

DISBURSEMENTS - COMPOSITION



(Rs. In Crores)

Disbursements	Q1	Q2	Q3	Q4	12M	Q1	Q2	Q3	Q4	12 M	12 M
	FY 10	FY 10	FY 10	FY 10	FY 10	FY 09	FY 09	FY 09	FY 09	FY 09	FY 08
Discipline - wise	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Generation	1,993	2,029	1,817	2,510	8,349	978	1,504	3,314	2,054	7,850	4,308
	55%	37%	30%	42%	40%	37%	32%	63%	46%	46%	33%
Transmission & Distribution	1,225	2,295	2,297	3,176	8,993	1,211	2,125	1,656	2,275	7,267	7,063
	34%	42%	38%	53%	43%	45%	45%	31%	51%	42%	55%
Short Term Loan	400	1,180	1,910	300	3,790	490	1,100	300	150	2,040	1,582
	11%	21%	32%	5%	18%	18%	23%	6%	3%	12%	12%
Total	3,618	5,504	6,024	5,986	21,132	2,679	4,729	5,270	4,479	17,157	12,953

OUTSTANDING LOAN - COMPOSITION



(Rs. In Crores)

Loan Outstanding	Q1		Q2		Q3		12M		Q1		Q2		Q3		12M		31.03.2008	
	FY 10		FY 10		FY 10		FY 10		FY 09		FY 09		FY 09		FY 09			
Discipline	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
State	45,279	85	48,574	84	52,889	84	55,574	84	35,687	89	38,972	89	41,850	87	43,303	85	34,422	89
Central PSUs	4,877	9	5,500	10	5,848	10	6,145	9	2,755	7	2,888	7	3,735	7	4,324	9	2,704	7
Private	3,374	6	3,820	6	4,054	6	4,260	7	1,713	4	1,847	4	2,711	6	3,026	6	1,489	4
Total	53,530	100	57,894	100	62,791	100	65,979	100	40,155	100	43,707	100	48,296	100	50,653	100	38,615	100
Generation	18,992	35	21,869	38	22,398	36	23,958	36	10,903	27	12,105	27	15,642	32	17,501	35	10,096	26
T & D	30,805	58	31,685	55	34,475	55	36,723	56	25,436	63	27,339	62	28,682	60	29,275	57	24,420	63
Others	3,733	7	4,340	7	5,918	9	5,298	8	3,816	10	4,263	11	3,972	8	3,877	8	4,099	11
Average rates on outstanding	11.44		11.48		11.44		11.45		10.21		10.51		11.01		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	Q2	Q3	12M	Q1	Q2	Q3	12 M	12 M
	FY 10	FY 10	FY 10	FY 10	FY 09	FY 09	FY 09	FY 09	FY 08
Loan outstanding (1)	53,530	57,894	62,791	65,979	40,155	43,707	48,296	50,653	38,615
Gross NPA	32	21	20	20	322	248	64	69	322
Provision	30	19	18	18	83	62	47	48	82
Net NPA	2	2	2	2	239	186	17	21	240
% of Gross NPA to loan outstanding	0.060%	0.036%	0.032%	0.030%	0.802%	0.567%	0.133%	0.136%	0.834%
% of Net NPA to loan outstanding	0.004%	0.003%	0.003%	0.003%	0.595%	0.426%	0.035%	0.041%	0.622%

Loan outstanding represents principal outstanding excluding interest accrued and due.

FUNDS RAISED DURING THE PERIOD



(Rs. In Crores)

Category	Q1 FY 10	Q2 FY 10	Q3 FY 10	Q4 FY 10	12 M FY 10	Q1 FY 09	Q2 FY 09	Q3 FY 09	Q4 FY 09	12M FY 09	12 M FY 08
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Capital Gain bonds	508	526	666	1,358	3,058	240	705	673	907	2,525	3,220
	6.25%	6.25%	6.25%	6.25%	6.25%	5.75%	5.75%	6.06%	6.25%	6.01%	5.50%
Taxable Bonds	927	8,209	1,939	2,454	13,529	500	3,966	3,694	770	8,930	2,570
	7.19%	8.28%	8.29%	8.19%	8.19%	9.68%	10.85%	11.05%	8.65%	10.67%	9.49%
Banks, FIs, CP etc.	1,430	1,741	1,505	2,159	6,835	500	800	365	1,318	2,983	2,226
	6.42%	6.61%	6.59%	6.35%	6.04%	9.57%	11.03%	11.53%	7.23%	8.85%	8.84%
Foreign	70	119	207	210	606	105	93	65	194	457	178
	7.62%	6.72%	6.59%	7.01%	6.88%	7.44%	6.66%	7.06%	6.98%	7.74%	6.55%
Total	2,935	10,595	4,317	6,181	24,028	1,345	5,564	4,797	3,189	14,895	8,194
	6.66%	7.89%	6.55%	7.17%	7.31%	8.76%	10.16%	10.33%	7.27%	9.30%	7.69%

(%) Denotes Average cost of borrowing

BORROWING PROFILE AS AT END OF THE PERIOD



(Rs. In Crores)

Particulars	Q1 FY 10		Q2 FY 10		Q3 FY 10		12 M FY 10		Q1 FY 09		Q2 FY 09		Q3 FY 09		12 M FY 09		12 M FY 08	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Capital gains	14,528	31	11,225	22	11,650	21	9,949	18	14,601	42	14,622	38	14,767	35	14,394	32	14,707	43
Bonds	19,158	41	26,938	52	28,813	53	30,909	55	9,879	28	13,843	36	17,468	41	18,237	41	9,383	27
Banks, FIs etc.	9,291	20	9,961	19	9,686	18	10,564	19	9,669	27	8,945	23	9,093	21	9,517	21	9,145	27
Foreign	1,565	3	1,683	3	1,867	3	2,076	4	1,152	3	1,230	3	1,300	3	1,493	3	1,048	3
Commercial paper	2,295	5	1,795	3	2,575	5	2,450	4	-	-	-	-	-	-	1,233	3	-	-
Grand Total	46,837	100	51,602	100	54,591	100	55,948	100	35,301	100	38,640	100	42,628	100	44,874	100	34,283	100
Average annualized borrowing cost	7.61		7.66		7.71		7.75		6.97		7.49		7.77		7.70		6.87	

BALANCE SHEET



(Rs. In Crores)

Particulars	2009-10				2008 - 09				FY 08
	Q1	H1	Q3	12M	Q1	H1	Q3	12M	
Liabilities									
Shareholders Funds	6,662	8,122	8,294	11,080	5,640	5,933	6,252	6,190	5,368
Borrowings	46,837	51,602	55,153	55,948	35,300	38,940	42,773	44,936	34,283
Deferred Tax Liability	956	-7	-7	-7	842	895	924	957	817
Total Liabilities	54,455	59,717	63,440	67,021	41,782	45,768	49,949	52,083	40,468
Assets									
Loan Assets (including interest accrued)	54,751	58,665	63,631	66,452	40,883	44,573	49,249	51,381	39,317
Investments	1,004	1,004	957	910	1,100	1,100	1,053	1,005	1,147
Fixed Assets (Net)	81	86	89	90	78	78	78	81	78
Current Assets (Net)	-1,381	-38	-1,237	-431	-279	17	-431	-384	-74
Total Assets	54,455	59,717	63,440	67,021	41,782	45,768	49,949	52,083	40,468

INCOME STATEMENT

(Rs. In Crores)

Particular	2009-10					2008-09					FY 08
	Q1	Q2	Q3	Q4	12 M	Q1	Q2	Q3	Q4	12 M	
Interest Income	1,449	1,533	1,653	1,796	6,431	990	1,104	1,234	1,337	4,665	3,361
Interest Expenses	874	941	1,017	1,079	3,911	584	669	790	854	2,897	2,073
Net Interest Income	575	592	636	717	2,520	406	435	444	483	1,768	1,288
Other Operating Income	14	49	18	38	119	5	13	13	61	92	17
Other Income	46	41	35	36	158	27	55	52	40	174	159
Operating costs	30	35	45	38	148	24	39	35	14	112	112
Provisions for doubtful debts	-	-	-	-	-	1	-	-	1	2	40
Profit Before Tax	605	647	644	753	2,649	413	464	474	569	1,920	1,312
Current Tax	160	163	170	202	695	116	118	126	147	507	375
Deferred tax	-	1	-	-	1	24	54	29	34	141	77
Previous years (Tax Refunds)	-26	-12	-	-10	-48	-	-	-	-	-	-
Profit After Tax	471	495	474	561	2,001	273	292	319	388	1,272	860
Reversal of Deferred Tax of earlier years	-	326	-	-	326	-	-	-	-	-	-
Profit after tax and available for appropriation	471	821	474	561	2,327	273	292	319	388	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	Q2	Q3	Q4	12 M	Q1	Q2	Q3	Q4	12 M	12 M
	FY10	FY10	FY10	FY10	FY10	FY09	FY09	FY09	FY09	FY 09	FY 08
Yield on Loan (%) (Annualised)	11.13	11.01	10.96	11.16	11.03	10.05	10.60	10.74	10.81	10.45	9.62
Cost of Borrowing (%) (Annualised)	7.61	7.66	7.70	7.80	7.76	6.71	7.24	7.71	7.81	7.32	6.05
Interest Spread (%) (Annualised)	3.52	3.35	3.26	3.36	3.27	3.34	3.36	3.03	3.00	3.13	3.57
Net Interest Margin (%) (Annualised)	4.42	4.25	4.15	4.45	4.32	4.12	4.22	3.88	3.91	3.96	3.65
Interest Coverage Ratio	1.69	1.69	1.63	1.70	1.68	1.71	1.70	1.60	1.67	1.66	1.63
Return on Avg. Net worth (%) (Annualised)	29.38	26.79	23.10	23.17	23.17	19.84	20.21	20.94	24.95	22.01	18.33
Debt Equity Ratio	7.03	6.35	6.65	5.05	5.05	6.26	6.56	6.84	7.26	7.26	6.39
Net Worth (Rs. Crores)	6,662	8,122	8,294	11,080	11,080	5,641	5,933	6,252	6,190	6,190	5,368
EPS (in Rs.)	5.49	5.76	5.52	6.29	23.06	3.18	3.41	3.70	4.52	14.81	10.94

SHAREHOLDING PATTERN



As on	As on	As on	As on	As on	As on	As on	As on	As on	As on
	31.03.10	31.12.09	30.09.09	30.06.09	31.03.09	31.12.08	30.09.08	30.06.08	31.03.08
Description	%	%	%	%	%	%	%	%	%
President of India	66.8	81.82	81.82	81.82	81.82	81.82	81.82	81.82	81.82
Foreign Institutional Investors	17.83	6.04	5.91	4.59	3.43	5.23	7.84	8.45	7.39
Resident Individual/HUF	3.70	3.48	3.74	3.98	4.82	5.22	5.17	5.03	5.24
Mutual Funds	4.91	4.23	4.96	7.19	7.24	4.14	2.24	2.2	2.75
Bodies Corporate	4.71	2.25	2.13	1.51	1.52	2.37	1.77	1.46	1.79
Insurance Companies	1.77	1.96	1.1	0.65	0.66	0.62	0.65	0.6	0.49
Banks/ Indian FI	0.16	0.12	0.15	0.15	0.4	0.44	0.39	0.36	0.38
Non Resident Indian	0.06	0.05	0.05	0.05	0.05	0.07	0.06	0.04	0.03
Clearing Members	0.04	0.04	0.13	0.05	0.05	0.08	0.05	0.03	0.1
Trust	0.02	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Total	100	100	100	100	100	100	100	100	100

THANK YOU