

Management Presentation

Performance Highlights Q3 and 9M - FY 11



RURAL ELECTRIFICATION CORPORATION LIMITED

A Navratna PSU

HIGHLIGHTS

(9M FY11 VS. 9M FY10)



Figures : ₹ in Crores

BALANCE SHEET				
Particulars	9M FY 11	9M FY 10	Increase	
			Amount	%
Total Assets (net of current liabilities & inc. DTA)	75,771.99	63,446.98	12,325.01	19.43
Outstanding Borrowings	63,224.58	55,152.78	8,071.80	14.64
Net-Worth	12,547.41	8,294.20	4,253.21	51.28
INCOME STATEMENT				
Operating Income	6,068.58	4,716.17	1,352.41	28.68
Net Interest Income (NII)	2,403.96	1,792.33	611.63	34.12
PBT	2,530.68	1,896.29	634.39	33.45
PAT	1,869.66	1,440.25	429.41	29.81
BUSINESS				
Sanctions	43,861	42,064	1,797	4.27
Disbursements	16,199	15,141	1,058	6.99

SANCTIONS - COMPOSITION

(₹ in Crores)

Particulars	Q1 FY 11	Q1 FY 10	Q2 FY 11	Q2 FY 10	Q3 FY 11	Q3 FY 10	9M FY 11	9M FY 10	Q4 FY 10	12M FY 10	12 M FY 09	12 M FY 08
Discipline	< ----- Amount ----- >											
Generation	11,177 49%	11,182 74%	4,796 46%	7,920 48%	6,325 60%	4,344 41%	22,298 51%	23,446 56%	586 18%	24,032 53%	21,708 53%	27,337 58%
Trans. & Dist.	11,205 49%	3,365 22%	4,492 43%	6,769 41%	3,266 31%	4,694 44%	18,963 43%	14,828 35%	2,407 73%	17,235 38%	16,938 42%	16,810 36%
Short Term Loans	500 2%	590 4%	1100 11%	1650 10%	1,000 9%	1,550 15%	2,600 6%	3,790 9%	300 9%	4,090 9%	2,100 5%	2,685 6%
Total	22,882	15,137	10,388	16,339	10,591	10,588	43,861	42,064	3,293	45,357	40,746	46,832

DISBURSEMENTS - COMPOSITION



(₹ in Crores)

Particulars	Q1 FY 11	Q1 FY 10	Q2 FY 11	Q2 FY 10	Q3 FY 11	Q3 FY 10	9M FY 11	9M FY 10	Q4 FY 10	12M FY 10	12 M FY 09	12 M FY 08
Discipline	<----- Amount ----->											
Generation	3,239 70%	1,993 55%	2,759 50%	2,029 37%	2,185 36%	1,802 30%	8,183 51%	5,824 38%	2,525 42%	8,349 40%	7,850 46%	4,308 33%
Transmission & Distribution	1,205 26%	1,225 34%	1,988 36%	2,295 42%	2,523 42%	2,307 38%	5,716 35%	5,827 38%	3,166 53%	8,993 43%	7,267 42%	7,063 55%
Short Term Loan	200 4%	400 11%	800 14%	1180 21%	1,300 22%	1,910 32%	2,300 14%	3,490 23%	300 5%	3,790 18%	2,040 12%	1,582 12%
Total	4,644	3,618	5,547	5,504	6,008	6,019	16,199	15,141	5,991	21,132	17,157	12,953

OUTSTANDING LOAN - COMPOSITION

(₹ in Crores)

Loan Outstanding	Q1 FY 11		Q1 FY 10		Q2 FY 11		Q2 FY 10		Q3/ 9M FY 11		Q3/ 9M FY 10		12M FY 10		12M FY 09		12M FY 08	
Discipline	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
State	59,505	86	45,279	85	62,671	86	48,574	84	63,310	86	52,889	84	55,574	84	43,303	85	34,422	89
Central PSUs	5,134	7	4,877	9	5,407	7	5,500	10	5,535	7	5,848	10	6,145	9	4,324	9	2,704	7
Private	4,578	7	3,374	6	4,822	7	3,820	6	6,899	7	4,054	6	4,260	7	3,026	6	1,489	4
Total	69,217	100	53,530	100	72,900	100	57,894	100	75,744	100	62,791	100	65,979	100	50,653	100	38,615	100
Generation	28,549	41	20,527	38	30,663	42	19,495	34	31,462	41	22,398	36	23,958	36	17,501	35	10,096	26
T & D	35,337	51	29,229	55	37,261	51	34,059	59	39,159	52	34,475	55	36,723	56	29,275	57	24,420	63
Others	5,331	8	3,774	7	4,976	7	4,340	7	5,123	7	5,918	9	5,298	8	3,877	8	4,099	11
Average rates on outstanding	11.59		11.44		11.6		11.48		11.45		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



(₹ in Crores)

Particulars	Q1	Q1	Q2	Q2	Q3/9M	Q3/ 9M	12M	12 M	12 M
	FY 11	FY 10	FY 11	FY 10	FY 11	FY 10	FY 10	FY 09	FY 08
Loan outstanding (1)	69,217	53,530	72,900	57,894	75,744	62,791	65,979	50,653	38,615
Gross NPA	20	32	20	21	20	20	20	69	322
Provision	18	30	18	19	18	18	18	48	82
Net NPA	2	2	2	2	2	2	2	21	240
% of Gross NPA to loan outstanding	0.03%	0.06%	0.03%	0.04%	0.03%	0.03%	0.03%	0.14%	0.83%
% of Net NPA to loan outstanding	0.003%	0.004%	0.003%	0.003%	0.003%	0.003%	0.003%	0.041%	0.622%

Loan outstanding represents principal outstanding excluding interest accrued and due.

FUNDS RAISED DURING THE PERIOD



(₹ in Crores)

Category	Q1 FY 11	Q1 FY 10	Q2 FY 11	Q2 FY 10	Q3 FY 11	Q3 FY 10	9M FY 11	9M FY 10	Q4 FY 10	12 M FY 10	12M FY 09	12 M FY 08
	< ----- Amount ----- >											
Capital Gain Bonds	925	508	1,093	526	1,116	665	3,134	1,699	1,359	3,058	2,525	3,220
	6.00%	6.25%	6.00%	6.25%	6.00%	6.25%	6.00%	6.25%	6.25%	6.25%	6.01%	5.50%
Taxable Bonds	1,250	927	2,000	8209	3,804	1,939	7,054	11,075	2,454	13,529	8,930	2,570
	6.92%	7.19%	7.82%	8.28%	8.65%	8.29%	8.11%	8.20%	8.19%	8.19%	10.67%	9.49%
Banks, Fls, CP, etc.	900	1,486	2,200	1,769	1,126	1,505	4,226	4,760	2,075	6,835	2,983	2,226
	5.12%	6.42%	8.13%	6.61%	8.52%	6.59%	7.99%	5.80%	6.35%	6.04%	8.85%	8.84%
Foreign Currency Loan	100	70	1,942	119	358	208	2,400	397	209	606	457	178
	6.12%	7.62%	6.95%	6.72%	3.00%	6.59%	4.66%	6.68%	7.01%	6.88%	7.74%	6.55%
Total	3,175	2,991	7,235	10,623	6,404	4,317	16,814	17,931	6,097	24,028	14,895	8,194
	6.12%	6.63%	7.41%	7.89%	7.84%	6.55%	7.20%	7.36%	7.17%	7.31%	9.30%	7.69%

- Previous year figures have been regrouped and rearranged wherever required
- (%) Denotes Average cost of borrowing

BORROWING PROFILE AS AT END OF THE PERIOD



(₹ in Crores)

Particulars	Q1 FY 11		Q1 FY 10		Q2 & H1 FY 11		Q2 & H1 FY 10		Q3 & 9M FY 11		Q3 & 9M FY 10		12 M FY 10		12 M FY 09		12 M FY 08	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Capital Gains	10839	18.9	14528	31.0	10265	17.0	11225	21.7	10541	16.7	11649	21.1	9949	17.8	14394	32.0	14707	42.9
Institutional Bonds	31930	55.5	19159	40.9	33880	56.1	26938	52.2	36997	58.5	28803	52.2	30909	55.2	18218	40.6	9383	27.3
Banks, FIs, etc.	10270	17.9	9291	19.9	10764	17.8	9961	19.3	11035	17.4	10260	18.6	10564	18.9	9535	21.2	9145	26.7
Foreign Currency	2154	3.7	1565	3.3	4069	6.7	1683	3.3	4402	7.0	1866	3.4	2076	3.7	1494	3.3	1048	3.1
Commercial paper	2300	4.0	2295	4.9	1450	2.4	1795	3.5	250	0.4	2575	4.7	2450	4.4	1295	2.9	-	-
Grand Total	57493	100.0	46838	100.0	60428	100.0	51602	100.0	63225	100.0	55153	100.0	55948	100.0	44936	100.0	34283	100.0
Average annualized borrowing Cost	7.76		7.61		* Q2 - 7.96 H1 - 7.82		Q2 - 7.66 H1 - 7.52		* Q3 - 7.80 9M - 7.85		Q3 - 7.71 9M - 7.57		7.75		7.70		6.87	

* The Borrowing cost is without taking into account one time arrangers fee of Rs. 34.66 crore paid during Q2 FY 11 for raising of 5 years External Commercial Syndicated Loan of Rs. 1,823.63 crores equivalent to USD 400 million.

BALANCE SHEET



(₹ in Crores)

Particulars	Q1 FY 11	Q1 FY 10	Q2 & H1 FY 11	Q2 & H1 FY 10	Q3 & 9 M FY 11	Q3 & 9M FY 10	12M FY 10	FY 09	FY 08
Liabilities									
Shareholders Funds	11,668	6,662	12,286	8,122	12,547	8,294	11,080	6,190	5,368
Borrowings	57,493	46,838	60,428	51,602	63,225	55,153	55,948	44,936	34,283
Total Liabilities	69,161	53,500	72,714	59,724	75,772	63,447	67,028	51,126	39,651
Assets									
Fixed Assets (Net)	89	81	89	86	88	89	90	81	78
Investments	933	1,004	1,032	1,004	885	957	910	1,005	1,147
Loan Assets (inc. Interest accrued)	69,791	54,248	73,543	58,665	76,455	63,631	66,452	51,381	39,317
Deferred Tax Assets/ Liability (-)	7	-956	8	7	7	7	7	-957	-817
Current Assets (Net)	-1,659	-877	-1,958	-38	-1,663	-1,237	-431	-384	-74
Total Assets	69,161	53,500	72,714	59,724	75,772	63,447	67,028	51,126	39,651

INCOME STATEMENT



(₹ in Crores)

Particulars	Q1	Q1	Q2	Q2	Q3	Q3	9M	9M	Q4	12 M	FY 09	FY 08
	FY 11	FY 10	FY 11	FY 10	FY 11	FY 10	FY 11	FY 10	FY 10	FY 10		
Interest Income	1,877	1,449	1,988	1,533	2,086	1,653	5,951	4,635	1,796	6,431	4,665	3,361
Interest and Finance Exp.	1,101	874	1208	941	1,238	1,028	3,547	2,843	1,079	3,911	2,897	2,073
Net Interest Income	776	575	780	592	848	625	2,404	1,792	717	2,520	1,768	1,288
Other Operating Income	22	12	39	51	56	18	117	81	38	119	92	17
Other Income	29	48	55	39	36	35	120	122	36	158	174	159
Staff Cost, Other Exp. & Dep.	34	30	38	35	39	34	111	99	38	148	112	112
Provisions for doubtful debts	-	-	-	-	-	-	-	-	-	-	2	40
Profit Before Tax	793	605	836	647	901	644	2,530	1,896	753	2,649	1,920	1,312
Current Tax	206	159	218	163	233	171	657	493	202	695	507	375
Deferred tax	-	-	-	2	-	-1	-	1	-	1	141	77
Previous years	-	-26	-	-12	4	-	3	-38	-10	-48	-	-
Profit After Tax	587	472	618	494	664	474	1,870	1,440	561	2,001	1,272	860
Reversal of Deferred Tax	-	-	-	326	-	-	-	-	-	326	-	-
Profit after tax and available for appropriation	587	472	618	820	664	474	1,870	1,440	561	2,327	1,272	860
Dividend (inc. Interim)	-	-	-	-	-	-	346	257	-	604	386	258
Dividend Dist. Tax	-	-	-	-	-	-	57	44	-	101	66	44
Total (Dividend inc. Dividend Distribution Tax)	-	-	-	-	-	-	403	301	-	705	452	302

KEY INDICATORS

Key Indicators	Q1	Q1	Q2	Q2	Q3	Q3	9M	9M	Q4	12 M	12 M	12 M
	FY11	FY10	FY11	FY10	FY11	FY10	FY11	FY10	FY10	FY10	FY 09	FY 08
Yield on Loan (%) (Annualized)	11.11	11.13	11.20	11.01	11.24	10.96	11.20	10.75	11.16	11.03	10.45	9.62
Cost of Borrowing (%) (Annualized)	7.76	7.61	7.96	7.66	7.80	7.70	7.85	7.57	7.80	7.76	7.32	6.05
Interest Spread (%) (Annualized)	3.35	3.52	3.24	3.35	3.44	3.26	3.35	3.18	3.36	3.27	3.13	3.57
Net Interest Margin (%) (Annualized)	4.59	4.42	4.39	4.25	4.56	4.09	4.52	4.15	4.45	4.32	3.96	3.65
Interest Coverage Ratio (Times)	1.72	1.69	1.69	1.69	1.73	1.63	1.71	1.63	1.70	1.68	1.66	1.63
Return on Avg. Net worth (%) (Annualized)	20.64	29.32	20.64	26.73	21.39	23.10	21.10	26.51	23.17	23.17	22.01	18.33
Debt Equity Ratio	4.93	7.03	4.92	6.35	5.04	6.65	5.04	6.65	5.05	5.05	7.26	6.39
Capital adequacy ratio	21.18		20.61	* 13.22	20.21	*12.52	20.21	*12.52	*16.05	*16.05	*13.41	
Net Worth (₹ Crores)	11,668	6,662	12,286	8,122	12,547	8,294	12,547	8,294	11,080	11,080	6,190	5,368
Book Value per share (in ₹)	118.16	77.59	124.42	94.59	127.06	96.59	127.06	96.59	112.21	112.21	72.09	62.52
EPS (in ₹)	5.95	5.49	6.26	5.76	6.72	5.52	18.93	16.77	6.29	23.06	14.81	10.94

* Assumed weightage of 100% on State Government Guaranteed Loans instead of 20% w.e.f. 29.06.2010.

SHAREHOLDING PATTERN

As on	As on 31.12.10	As on 30.09.10	As on 30.06.10	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	66.80	66.80	66.80	81.82	81.82	81.82	81.82	81.82
Foreign Institutional Investors	21.22	20.40	19.33	17.83	6.04	5.91	4.59	3.43	7.39
Resident Individual/ HUF	3.16	3.27	3.33	3.7	3.48	3.74	3.98	4.82	5.24
Mutual Funds	1.60	3.15	4.08	4.91	4.23	4.96	7.19	7.24	2.75
Bodies Corporate	4.58	4.29	4.12	4.71	2.25	2.13	1.51	1.52	1.79
Insurance Companies	2.17	1.79	1.72	1.77	1.96	1.10	0.65	0.66	0.49
Banks/ Indian FIs	0.29	0.15	0.1	0.16	0.12	0.15	0.15	0.4	0.38
Non Resident Indian	0.06	0.05	0.05	0.06	0.05	0.05	0.05	0.05	0.03
Clearing Members	0.11	0.08	0.45	0.04	0.04	0.13	0.05	0.05	0.1
Trust	0.01	0.02	0.02	0.02	0.01	0.01	0.01	0.01	0.01
Total	100	100	100	100	100	100	100	100	100



THANK YOU

