



Management Presentation

Performance Highlights

Q1 FY 17

- ❖ Highest Domestic credit rating “AAA” from CRISIL, CARE, India Ratings & Research and ICRA
- ❖ International credit rating at par with sovereign rating of India “Baa3” from Moody’s & “BBB-” from FITCH



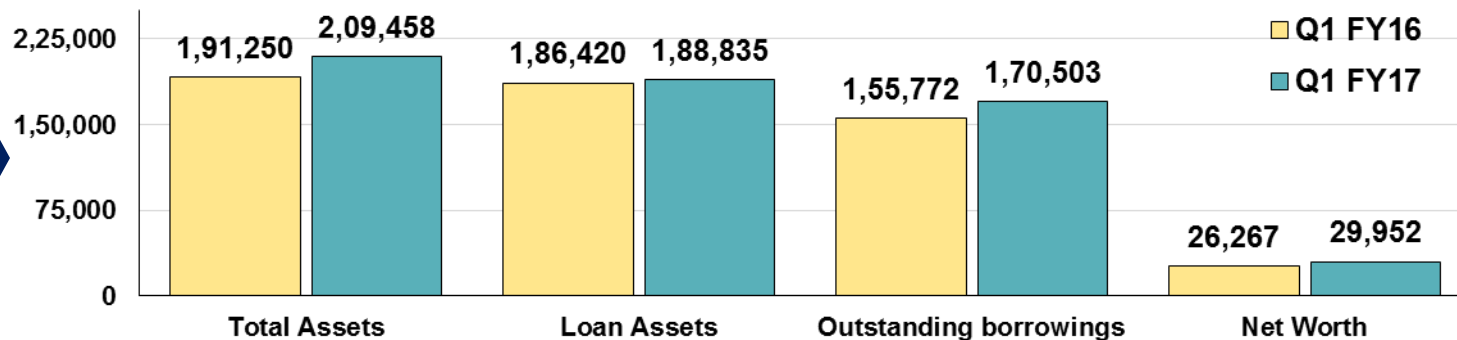
RURAL ELECTRIFICATION CORPORATION LIMITED
A Navratna PSU

Highlights – Q1 FY17 vs. Q1 FY16

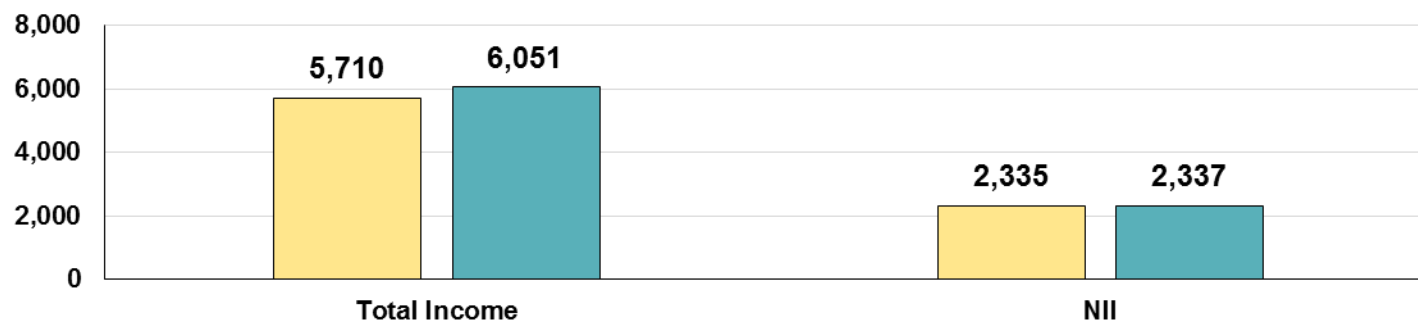


(Amounts in INR Crore)

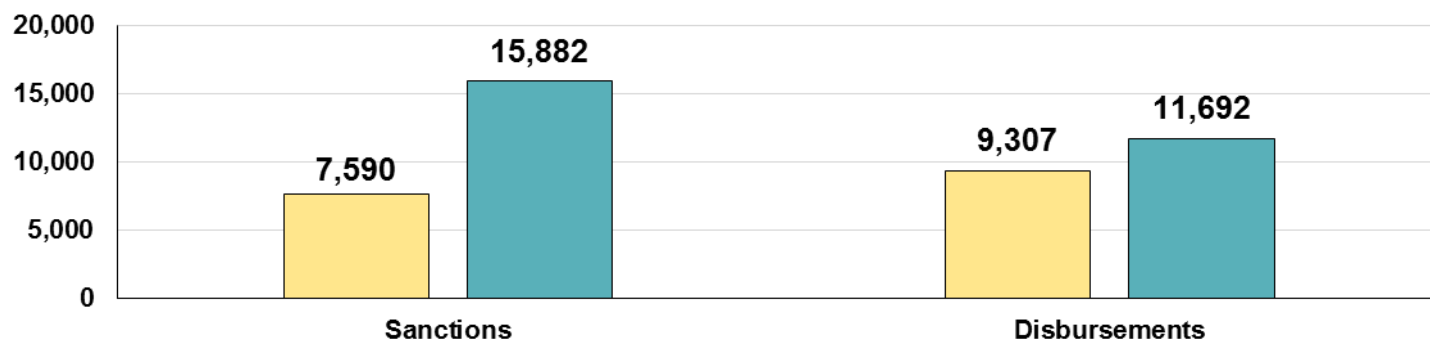
Balance Sheet



Income Statement



Business



Sanctions - Composition

(Amount in INR Crore)

Discipline-wise	Q1		Q4	12M		
	FY 17	FY 16	FY 16	FY16	FY15	FY 14
Generation	8,544 54%	1,112 15%	6,398 39%	30,794 47%	24,326 40%	29,019 41%
T & D (including RGGVY / DDUGJY) # ^	4,763 30%	5,978 79%	7,561 47%	31,377 48%	35,135 57%	39,446 56%
Short Term Loan	2,575 16%	500 6%	2,250 14%	3300 5%	1960 3%	2275 3%
Total	15,882	7,590	16,209	65,471	61,421	70,740

Vide Ministry of Power notification dated 03.12.2014, the erstwhile Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) scheme has been subsumed into Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY)

^ Includes Transitional Financing Loans (TFL) sanctioned as under:

Particulars	Q1 FY17	FY 16	FY 15	FY 14	FY 13	Total (till Q1 FY17)
TFL	-	4,100	6,394	3,038	16,630	30,162

Disbursements - Composition



(Amount in INR Crore)

Discipline-wise	Q1		Q4	12M		
	FY 17	FY 16	FY 16	FY 16	FY 15	FY 14
Generation	4,075 35%	2,428 26%	4,762 40%	13,124 29%	14,123 33%	12,989 37%
<i>Transmission</i>	<i>1,835</i> <i>16%</i>	<i>1,661</i> <i>18%</i>	<i>2,949</i> <i>25%</i>	<i>8,529</i> <i>19%</i>	<i>6,286</i> <i>15%</i>	<i>4,113</i> <i>12%</i>
<i>Distribution (including RGGVY/ DDUGJY) *</i>	<i>3,658</i> <i>31%</i>	<i>5,218</i> <i>56%</i>	<i>3,034</i> <i>25%</i>	<i>22,173</i> <i>48%</i>	<i>20,159</i> <i>47%</i>	<i>16,855</i> <i>47%</i>
Total Transmission & Distribution	5,493 47%	6,879 74%	5,983 50%	30,702 67%	26,445 62%	20,968 59%
Short Term Loan	2,125 18%	- -	1,250 10%	2,200 5%	2,250 5%	1589 4%
Total	11,692	9,307	11,995	46,026	42,818	35,546

* Includes Transitional Financing Loan (TFL) disbursed as under:

Particulars	Q1 FY17	FY16	FY 15	FY 14	FY 13	Total (till Q1 FY17)
TFL	-	3,920	5,169	6,018	9,570	24,677

Outstanding Loan - Composition



(Amount in INR Crore)

Discipline-wise	Q1				Q4 & 12M					
	FY 17		FY 16		FY 16		FY 15		FY 14	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
State	1,39,394	74	1,38,834	74	1,53,941	77	1,33,712	75	1,11,179	75
Joint	17,770	9	14,875	8	16,808	8	14,629	8	13,302	9
Private	31,671	17	32,711	18	30,529	15	31,306	17	24,160	16
Total	1,88,835	100	1,86,420	100	2,01,278	100	1,79,647	100	1,48,641	100
Generation	83,625	44	78,150	42	83,417	41	76,388	42	65,417	44
T & D	1,01,329	54	1,07,552	57	1,15,939	58	1,02,162	57	82,100	55
Others *	3,881	2	718	1	1,922	1	1,097	1	1,124	1

* Others includes short-term loans, debt refinancing and bridge loans

Average maturity period of outstanding loans as at Q1 FY17 is approx. 5.87 years

Loan Quality



(Amount in INR Crore)

Particulars	Q1		Q4 & 12M		
	FY 17	FY 16	FY 16	FY 15	FY 14
Loan outstanding *	1,88,835	1,86,420	2,01,278	1,79,647	1,48,641
Gross NPA	4,816	1,577	4,243	1,335	490
Provision ⁽¹⁾	1,266	390	1,013	365	137
Net NPA	3,550	1,187	3,230	970	353
% of Gross NPA to loan outstanding	2.55%	0.85%	2.11%	0.74%	0.33%
% of Net NPA to loan outstanding	1.88%	0.64%	1.60%	0.54%	0.24%

Total Provisions against Outstanding Loan assets

Provision for Bad and Doubtful Debts as at ⁽¹⁾ above	1,266	390	1,013	365	137
Contingent Provision against Standard Loan Assets	590	524	543	491	370
Provision against Restructured Standard Loans **	879	591	821	452	-
Reserve for Bad & Doubtful Debts	2,089	1,717	2,012	1,622	1,269
Total	4,824	3,222	4,389	2,930	1,776

* Loan outstanding as at Q1 FY17 is lower on account of pre-payments under UDAY amounting to INR 30,053 crores (Q4 FY16 – INR 9,015 crores and Q1 FY17 – INR 21,038 crores)

** No new loans have been Restructured during Q1 FY17 (Restructured loans comprise of loans to Public Sector INR 12,538 crores + loans to Private Sector INR 9,109 crores, totaling INR 21,647 crores).

The borrower wise - Incremental Provision against Bad and Doubtful Debts created during Q1 FY17.

Borrower	Loan O/s	Provisioning
(A) Fresh NPA during Q1 FY17		
Alaknanda Hydro Power Company Limited	573	57
Sub-Total (A)	573	57
(B) Existing NPA prior to Q1 FY17		
Konaseema Gas Power Limited	223	45
Corporate Power limited	812	150
Jas infrastructure & Power Ltd	33	1
Sub-Total (B)	1,068	196
Total (A + B)	1,641	253

Funds Raised During The Period



(Amount in INR Crore)

Category	Q1		Q4	12 M		
	FY 17	FY 16	FY 16	FY16	FY15	FY 14
(A) Long Term						
Capital Gains Bonds	1,626 6.00%	1,181 6.00%	2,251 6.00%	6,477 6.00%	5,338 6.00%	5,350 6.00%
Tax Free Bonds	- -	- -	- -	1,000 7.20%	- -	6,000 8.48%
Institutional Bonds/ Subordinate Debt	- -	2,396 8.30%	2,895 8.28%	15,526 8.25%	29,200 8.81%	17,403 9.12%
Banks, FIs, etc.	- -	- -	- -	- -	- -	1,195 10.47%
Foreign Currency Borrowings	- -	96 1.66%	2,516 5.42%	8,252 5.44%	6,652 6.48%	2,000 7.50%
Total (A)	1,626 6.00%	3,673 7.39%	7,662 6.67%	31,255 7.01%	41,190 8.07%	31,948 8.43%
(B) Short Term						
Funds raised through Commercial papers	6,057	4,192	13,139	20,772	5,894	4,986
Total (A + B)	7,683	7,865	20,801	52,027	47,084	36,934

% denotes average annualized cost of borrowings mobilized.

Borrowing Profile as at end of the Period



(Amount in INR Crore)

Particulars	Q1				Q4 & 12M					
	FY 17		FY 16		FY 16		FY 15		FY 14	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Institutional, Subordinate & Zero Coupon Bonds	1,09,698	65	99,286	64	1,09,678	65	97,068	64	75,289	60
Foreign Currency Borrowings *	23,698	14	24,213	16	21,924	13	24,028	16	17,621	14
Capital Gain Bonds	17,657	10	15,771	10	17,164	11	15,591	10	15,493	13
Tax Free Bonds	12,648	7	11,649	7	12,648	7	11,649	8	11,649	9
Commercial Papers	4,300	3	3,025	2	5,600	3	0	0	2,540	2
Banks, FIs, etc. **	2,260	1	1,452	1	1,850	1	2,312	2	3,272	2
Infra Bonds	242	0	376	0	242	0	376	0	376	0
Grand Total	1,70,503	100	1,55,772	100	1,69,106	100	1,51,024	100	1,26,240	100
Average annualized Cost of Funds	8.21%		8.31%		8.50%		8.36%		8.31%	

* Approx. 82% of the foreign currency borrowings are hedged till maturity

** Includes Short Term Working Capital Loan availed from Banks

Average maturity period of Borrowings outstanding as at Q1 FY17 is approx. 4.10 years

Statement of Assets & Liabilities (Standalone)



(Amount in INR Crore)

Particulars	Q1		Q4 & 12 M		
	FY 17	FY 16	FY 16	FY 15	FY 14
<u>Liabilities</u>					
Shareholders Funds	29,952	26,267	28,618	24,857	20,669
Borrowings	1,70,503	1,55,772	1,69,106	1,51,024	1,26,240
Deferred Tax Liabilities (Net)	15	131	50	107	174
Other Liabilities	8,988	9,080	8,579	7,187	5,770
Total Liabilities	2,09,458	1,91,250	2,06,353	1,83,175	1,52,853
<u>Assets</u>					
Fixed Assets (Net)	152	118	150	81	82
Investments	3,034	877	2,467	1,613	1708
Loan Assets (Net of Provisions)	1,87,569	1,86,031	2,00,265	1,79,282	1,48,504
Deferred Tax Assets (Net)	-	-	-	-	-
Other Assets	18,703	4,224	3,471	2,199	2,559
Total Assets	2,09,458	1,91,250	2,06,353	1,83,175	1,52,853

Previous periods figures have been reclassified/ rearranged wherever necessary so as to make them comparable.

Income Statement (Standalone)



(Amount in INR Crore)

Particulars	Q1		Q4	12M		
	FY 17	FY 16	FY 16	FY16	FY15	FY14
Interest Income	5,890	5,641	6,015	23,471	20,072	16,806
Less: Finance Costs	3,553	3,306	3,753	14,283	11,845	10,039
Net Interest Income	2,337	2,335	2,262	9,188	8,227	6,767
Other Operating Income	64	22	49	168	157	212
Other Income	97	47	20	118	159	103
Operating costs	51	51	61	210	210	201
Corporate Social Responsibility Expenses	37	32	33	129	103	38
Provision for Diminution in Investments	-	-	-	16	-	-
(A) Provision for Bad & Doubtful debts						
- New	57	24	78	1,074	803	312
- Existing	196	-	235			
Sub Total	253	24	313			
(B) Provision for restructured Standard Loans	58	140	121			
(C) Provision for Standard Loans	46	33	30			
Total Provision against loans (A+B+C)	357	197	464	1,074	803	312
Profit Before Tax	2,053	2,124	1,773	8,045	7,427	6,531
Current Tax	621	622	628	2,478	2,232	1,704
Deferred tax Liability/ (Asset)	11	23	-18	-58	-66	129
Earlier Years Tax Expense/ (Refunds)	-	-	3	-3	1	14
Profit After Tax	1,421	1,479	1,160	5,628	5,260	4,684
Dividend (incl. interim)	-	-	504	1,689	1,057	938
Dividend Distribution Tax	-	-	102	341	212	159
Total (Dividend + Dividend Distribution Tax)	-	-	606	2,030	1,269	1097

Previous periods figures have been reclassified/ rearranged wherever necessary so as to make them comparable.

Key Indicators



Particulars	Q1		Q4	12 M		
	FY 17	FY16	FY 16	FY16	FY15	FY14
Yield on Loan (%) (Annualised)	12.08	12.33	11.91	12.32	12.23	12.18
Cost of Funds (%) (Annualised)	8.21	8.31	8.44	8.50	8.36	8.31
Interest Spread (%)	3.87	4.02	3.47	3.82	3.87	3.87
Net Interest Margin (%) (Annualised)	4.85	5.10	4.48	4.82	5.01	4.90
Interest Coverage Ratio (times)	1.58	1.64	1.47	1.56	1.63	1.65
Return on Average Net Worth (%) (Annualised)	19.41	23.14	16.39	21.05	23.11	24.57
Debt Equity Ratio (times)	5.69	5.93	5.91	5.91	6.08	6.11
Capital Adequacy ratio (%)	20.63	20.41	20.38	20.38	19.56	19.35
Net Worth (INR Crore)	29,952	26,267	28,618	28,618	24,857	20,669
Book Value in INR per Share of INR 10	303.32	266.01	289.81	289.81	251.73	209.31
EPS in INR (Non-Annualised)	14.39	14.97	11.75	56.99	53.27	47.43

Shareholding Pattern

As on =>	30.06.16	31.03.16	31.03.15	31.03.14
Description	%	%	%	%
President of India	60.64	60.64	65.64	65.64
Foreign Portfolio Investors	18.25	21.37	20.86	18.68
Resident Individual/ HUF	6.10	4.46	3.00	2.86
Mutual Funds	2.74	2.10	3.19	3.46
Bodies Corporate	2.25	1.75	2.94	2.73
Insurance Companies	8.54	8.46	3.89	5.71
Banks/ Indian FI	0.89	0.85	0.28	0.69
Non Resident Indian	0.22	0.17	0.09	0.06
Clearing Members	0.21	0.07	0.06	0.14
Trust	0.16	0.13	0.05	0.03
Total	100.00	100.00	100.00	100.00

Thank You