

Management Presentation

Performance Highlights Q4 and 12M - FY 11



RURAL ELECTRIFICATION CORPORATION LIMITED

A Navratna PSU

HIGHLIGHTS

(12M FY11 VS. 12M FY10)

Figures : ` in Crores

BALANCE SHEET				
Particulars	12M FY 11	12M FY 10	Increase	
			Amount	%
Total Assets (net of current liabilities & inc. DTA)	82,792.44	67,028.56	15,763.88	23.52
Outstanding Borrowings	70,003.82	55,948.23	14,055.59	25.12
Net-Worth	12,788.62	11,080.33	1,708.29	15.42
INCOME STATEMENT				
Operating Income	8,256.91	6,549.76	1,707.15	26.06
Net Interest Income (NII)	3,257.76	2,519.70	738.06	29.29
PBT	3,476.62	2,649.19	827.43	31.23
PAT	2,569.92	2,001.42	568.50	28.40
BUSINESS				
Sanctions	66,421	45,357	21,064	46.44
Disbursements	24,519	21,132	3,387	16.03

SANCTIONS - COMPOSITION

(` in Crores)

Particulars	Q1 FY 11	Q1 FY 10	Q2 FY 11	Q2 FY 10	Q3 FY 11	Q3 FY 10	Q4 FY 11	Q4 FY 10	12M FY 11	12M FY 10	12 M FY 09
Discipline	< ----- Amount ----- >										
Generation	11,177 49%	11,182 74%	4,796 46%	7,920 49%	6,325 60%	4,344 41%	18,077 80%	586 18%	40,375 61%	24,032 53%	21,708 53%
Trans. & Dist.	11,205 49%	3,365 22%	4,492 43%	6,769 41%	3,266 31%	4,694 44%	3,475 15%	2,407 73%	22,438 34%	17,235 38%	16,938 42%
Short Term Loans	500 2%	590 4%	1100 11%	1650 10%	1000 9%	1550 15%	1,008 5%	300 9%	3,608 5%	4,090 9%	2,100 5%
Total	22,882	15,137	10,388	16,339	10,591	10,588	22,560	3,293	66,421	45,357	40,746

DISBURSEMENTS - COMPOSITION

(` in Crores)

Particulars	Q1 FY 11	Q1 FY 10	Q2 FY 11	Q2 FY 10	Q3 FY 11	Q3 FY 10	Q4 FY 11	Q4 FY 10	12M FY 11	12M FY 10	12 M FY 09
Discipline	<----- Amount ----->										
Generation	3,239 70%	1,993 55%	2,759 50%	2,029 37%	2,185 36%	1,802 30%	3,571 43%	2,573 43%	11,754 48%	8,397 40%	7,850 46%
Transmission & Distribution	1,205 26%	1,225 34%	1,988 36%	2,295 42%	2,523 42%	2,307 38%	3,937 47%	3,118 52%	9,653 39%	8,945 43%	7,267 42%
Short Term Loan	200 4%	400 11%	800 14%	1180 21%	1300 22%	1910 32%	812 10%	300 5%	3,112 13%	3,790 18%	2,040 12%
Total	4,644	3,618	5,547	5,504	6,008	6,019	8,320	5,991	24,519	21,132	17,157

OUTSTANDING LOAN - COMPOSITION

(` in Crores)

Loan Outstanding	Q1 FY 11		Q1 FY 10		Q2 FY 11		Q2 FY 10		Q3 FY 11		Q3 FY 10		Q4 / 12M FY 11		Q4 / 12M FY 10		12M FY 09	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Discipline																		
State	59,505	86	45,279	85	62,671	86	48,574	84	63,310	86	52,889	84	68,092	83	55,574	84	43,303	85
Central PSUs	5,134	7	4,877	9	5,407	7	5,500	10	5,535	7	5,848	10	5,853	7	6,145	9	4,324	9
Private	4,578	7	3,374	6	4,822	7	3,820	6	6,899	7	4,054	6	7,780	10	4,260	7	3,026	6
Total	69,217	100	53,530	100	72,900	100	57,894	100	75,744	100	62,791	100	81,725	100	65,979	100	50,653	100
Generation	28,549	41	20,527	38	30,663	42	19,495	34	31,462	41	22,398	36	34,610	42	23,958	36	17,501	35
T & D	35,337	51	29,229	55	37,261	51	34,059	59	39,159	52	34,475	55	41,774	51	36,723	56	29,275	57
Others	5,331	8	3,774	7	4,976	7	4,340	7	5,123	7	5,918	9	5,341	7	5,298	8	3,877	8
Average rates on outstanding	11.59		11.44		11.60		11.48		11.45		11.44		11.68		11.45		11.34	

(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	Q3	Q4/12M	Q4/ 2M	12 M
	FY 11	FY 10	FY 11	FY 10	FY 11	FY 10	FY 11	FY 10	FY 09
Loan outstanding (1)	69,217	53,530	72,900	57,894	75,744	62,791	81,725	65,979	50,653
Gross NPA	20	32	20	21	20	20	20	20	69
Provision	18	30	18	19	18	18	18	18	48
Net NPA	2	2	2	2	2	2	2	2	21
% of Gross NPA to loan outstanding	0.03%	0.06%	0.03%	0.04%	0.03%	0.03%	0.02%	0.03%	0.14%
% of Net NPA to loan outstanding	0.003%	0.004%	0.003%	0.003%	0.003%	0.003%	0.002%	0.003%	0.041%

(1) 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	Q4 FY 11	Q4 FY 10	12M FY 11	12 M FY 10	12M FY 09
	< ----- Amount ----- >										
Capital Gain Bonds	925	508	1,093	526	1116	665	1,911	1,359	5,045	3,058	2,525
	6.00%	6.25%	6.00%	6.25%	6.00%	6.25%	6.00%	6.25%	6.00%	6.25%	6.01%
Infra Bonds	-	-	-	-	-	-	217	-	217	-	-
	-	-	-	-	-	-	8.14%	-	8.14%	-	-
Taxable Bonds	1,250	927	2,000	8209	3804	1939	3,116	2,454	10,170	13,529	8,930
	6.92%	7.19%	7.82%	8.28%	8.65%	8.29%	9.16%	8.19%	8.43%	8.19%	10.67%
Banks, FIs, CP etc.	900	1,486	2,200	1,769	1,126	1,505	500	2,075	4,725	6,835	2,983
	5.12%	6.42%	8.13%	6.61%	8.52%	6.59%	8.14%	6.35%	8.20%	6.04%	8.85%
Foreign Currency Loan	100	70	1,942	119	358	208	3298	209	5,698	606	457
	6.12%	7.62%	6.95%	6.72%	3.00%	6.59%	3.44%	7.01%	3.84%	6.88%	7.74%
Total	3,175	2,991	7,235	10,623	6,404	4,317	9,042	6,097	25,855	24,028	14,895
	6.12%	6.63%	7.41%	7.89%	7.84%	6.55%	6.32%	7.17%	6.90%	7.31%	9.30%

- 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 & H1FY 11		Q2 & H1 FY 10		Q3 & 9M FY 11		Q3 & 9M FY 10		12 M FY 11		12 M FY 10		12 M FY 09	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Capital Gains	10839	18.9	14528	31	10265	17	11225	21.7	10541	16.7	11649	21.1	11316	16.2	9949	17.8	14394	32
Institutional Bonds	31930	55.5	19159	40.9	33880	56.1	26938	52.2	36997	58.5	28803	52.2	39879	57	30909	55.2	18218	40.6
Banks, FIs, etc.	10270	17.9	9291	19.9	10764	17.8	9961	19.3	11035	17.4	10260	18.6	11226	16	10564	18.9	9535	21.2
Foreign Currency Loans	2154	3.7	1565	3.3	4069	6.7	1683	3.3	4402	7	1866	3.4	7583	10.8	2076	3.7	1494	3.3
Commercial paper	2300	4	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	46838	100	60428	100	51602	100	63225	100	55153	100	70004	100	55948	100	44936	100
Average annualized borrowing cost	7.76		7.61		* Q2 - 7.96 H1 - 7.82		Q2 - 7.66 H1 - 7.52		* Q3 - 8.00 9M - 7.85		Q3 - 7.71 9M - 7.57		* Q4 - 7.76 12M - 7.62		7.75		7.70	

* The Borrowing cost is without taking into account one time arrangers fee of ` 34.61 crore (Q2 ), ` 2.34 crore (Q3), ` 13.95 crore , totaling ` 50.90 crore paid during FY 11 for raising of 5 years External Commercial Syndicated Loans.

BALANCE SHEET

(` in Crores)

Particulars	Q1	Q1	Q2 & H1	Q2 & H1	Q3 & 9 M	Q3 & 9M	12 M	12M	FY 09
	FY 11	FY 10	FY 11	FY 10	FY 11	FY 10	FY 11	FY 10	
Liabilities									
Shareholders Funds	11,668	6,662	12,286	8,122	12,547	8,294	12,788	11,080	6,190
Borrowings	57,493	46,838	60,428	51,602	63,225	55,153	70,004	55,948	44,936
Total Liabilities	69,161	53,500	72,714	59,724	75,772	63,447	82,792	67,028	51,126
Assets									
Fixed Assets (Net)	89	81	89	86	88	89	88	90	81
Investments	933	1,004	1,032	1,004	885	957	812	910	1,005
Loan Assets (inc. Interest accrued)	69,791	54,248	73,543	58,665	76,455	63,631	82,132	66,452	51,381
Deferred Tax Assets/ Liability (-)	7	-956	8	7	7	7	13	7	-957
Current Assets (Net)	-1,659	-877	-1,958	-38	-1663	-1237	-253	-431	-384
Total Assets	69,161	53,500	72,714	59,724	75,772	63,447	82,792	67,028	51,126

INCOME STATEMENT

(` in Crores)

Particulars	Q1	Q1	Q2	Q2	Q3	Q3	Q4	Q4	12 M	12 M	12 M
	FY 11	FY 10	FY 11	FY 10	FY 11	FY 10	FY 11	FY 10	FY 11	FY 10	FY 09
Interest Income	1,877	1,449	1,988	1,533	2,086	1,653	2,158	1,796	8,109	6,431	4,665
Interest and Finance Exp.	1,101	874	1208	941	1238	1028	1,304	1,079	4,851	3,911	2,897
Net Interest Income	776	575	780	592	848	625	854	717	3,258	2,520	1,768
Other Operating Income	22	12	39	51	56	18	30	38	148	119	92
Other Income	29	48	55	39	36	35	118	36	238	158	174
Staff Cost, Other Exp. & Dep.	34	30	38	35	39	34	56	38	167	148	112
Provisions for doubtful debts	-	-	-	-	-	-	-	-	-	-	2
Profit Before Tax	793	605	836	647	901	644	946	753	3,477	2,649	1,920
Current Tax	206	159	218	163	233	171	251	202	908	695	507
Deferred tax	-	-	-	2	-	-1	-5	-	-5	1	141
Previous years	-	-26	-	-12	4	-	-	-10	4	-48	-
Profit After Tax	587	472	618	494	664	474	700	561	2,570	2,001	1,272
Reversal of Deferred Tax	-	-	-	326	-	-	-	-	-	326	-
Profit after tax and available for appropriation	587	472	618	820	664	474	700	561	2,570	2,327	1,272
Dividend (inc. Interim)	-	-	-	-	-	-	395	346	741	603	386
Dividend Dist. Tax	-	-	-	-	-	-	64	57	121	101	66
Total (Dividend inc. Dividend Distribution Tax)	-	-	-	-	-	-	459	403	862	704	452

KEY INDICATORS

Key Indicators	Q1	Q1	Q2	Q2	Q3	Q3	Q4	Q4	12 M	12 M	12 M
	FY11	FY10	FY11	FY10	FY11	FY10	FY11	FY10	FY 11	FY10	FY 09
Yield on Loan (%) (Annualized)	11.11	11.13	11.20	11.01	11.24	10.96	10.96	11.16	10.98	11.03	10.45
Cost of Borrowing (%) (Annualized)	7.76	7.61	7.96	7.66	7.80	7.70	7.76	7.80	7.62	7.76	7.32
Interest Spread (%) (Annualized)	3.35	3.52	3.24	3.35	3.44	3.26	3.20	3.36	3.36	3.27	3.13
Net Interest Margin (%) (Annualized)	4.59	4.42	4.39	4.25	4.56	4.09	4.34	4.45	4.41	4.32	3.96
Interest Coverage Ratio (Times)	1.72	1.69	1.69	1.69	1.73	1.63	1.73	1.70	1.72	1.68	1.66
Return on Avg. Net worth (%) (Annualized)	20.64	29.32	20.64	26.73	21.39	23.10	22.11	23.17	21.53	23.17	22.01
Debt Equity Ratio	4.93	7.03	4.92	6.35	5.04	6.65	5.47	5.05	5.47	5.05	7.26
Capital adequacy ratio	21.18		20.61	* 13.22	20.21	*12.52	-	*16.05	19.09	*16.05	*13.41
Net Worth (₹ Crores)	11,668	6,662	12,286	8,122	12,547	8,294	12,789	11,080	12,789	11,080	6,190
Book Value per share (in ₹)	118.16	77.59	124.42	94.59	127.06	96.59	129.51	112.21	129.51	112.21	72.09
EPS (in ₹)	5.95	5.49	6.26	5.76	6.72	5.52	7.10	6.29	26.03	23.06	14.81

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

SHAREHOLDING PATTERN

As on	As on	As on	As on	As on	As on	As on	As on	As on	As on
	31.03.11	31.12.10	30.09.10	30.06.10	31.03.10	31.12.09	30.09.09	30.06.09	31.03.09
Description	%	%	%	%	%	%	%	%	%
President of India	66.80	66.80	66.80	66.80	66.80	81.82	81.82	81.82	81.82
Foreign Institutional Investors	20.77	21.22	20.40	19.33	17.83	6.04	5.91	4.59	3.43
Resident Individual/ HUF	3.26	3.16	3.27	3.33	3.70	3.48	3.74	3.98	4.82
Mutual Funds	1.75	1.60	3.15	4.08	4.91	4.23	4.96	7.19	7.24
Bodies Corporate	4.38	4.58	4.29	4.12	4.71	2.25	2.13	1.51	1.52
Insurance Companies	2.41	2.17	1.79	1.72	1.77	1.96	1.10	0.65	0.66
Banks/ Indian FIs	0.38	0.29	0.15	0.10	0.16	0.12	0.15	0.15	0.40
Non Resident Indian	0.07	0.06	0.05	0.05	0.06	0.05	0.05	0.05	0.05
Clearing Members	0.16	0.11	0.08	0.45	0.04	0.04	0.13	0.05	0.05
Trust	0.02	0.01	0.02	0.02	0.02	0.01	0.01	0.01	0.01
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

THANK YOU