Management Presentation

Performance Highlights
Q4 & 12M FY13

आरईसी
REC
असीमित ऊर्जा, अनन्त संभावनाएं
Endless energy. Infinite possibilities.

RURAL ELECTRIFICATION CORPORATION LIMITED

A Navratna PSU

HIGHLIGHTS
(Q4 FY13 VS. Q4 FY12)

Balance Sheet

- Total Assets increased by 20% from ₹1,08,547 Crores to ₹1,30,507 Crores.
- Outstanding Borrowings increased by 20% from ₹90,056 Crores to ₹1,07,791 Crores.
- Net worth increased by 20% from ₹14,563 Crores to ₹17,454 Crores.

Income Statement

- Total Income increased in Q4 by 27% from ₹2,867 Crores to ₹3,640 Crores.
- NII in Q4 increased by 38% from ₹1,021 Crores to ₹1,409 Crores.
- PBT in Q4 increased by 29% from ₹1,022 Crores to ₹1,321 Crores.
- PAT in Q4 increased by 26% from ₹761 Crores to ₹960 Crores.

Business

- Sanctions in Q4 increased by 82% from ₹10,066 Crores to ₹18,324 Crores.
- Disbursements in Q4 increased by 46% from ₹9,876 Crores to ₹14,374 Crores.

SANCTIONS - COMPOSITION

(₹ In Crores)

Sanctions	Q1 FY 13	Q1 FY 12	Q2 FY 13	Q2 FY 12	Q3 FY 13	Q3 FY 12	Q4 FY 13	Q4 FY 12	12M FY 13	12M FY 12	12M FY 11
Discipline-wise	**Amount**	**Amount**	**Amount**	**Amount**	**Amount**	**Amount**	**Amount**	**Amount**	**Amount**	**Amount**	**Amount**
Generation	9,130 42%	15,171 72%	4,631 17%	2,926 27%	5,342 42%	4,073 46%	8,389 46%	1,006 10%	27,492 35%	23,176 46%	40,375 61%
T & D (including RGGVY)	10,569 48%	4,969 23%	21,668 82%	6,312 59%	7,074 55%	3,689 42%	8,535 46%	8,110 81%	47,846 60%	23,080 45%	22,438 34%
Short Term Loan	2,090 10%	1,050 5%	250 1%	1,530 14%	450 3%	1,050 12%	1,400 8%	950 9%	4,190 5%	4,580 9%	3,608 5%
Total	**21,789**	**21,190**	**26,549**	**10,768**	**12,866**	**8,812**	**18,324**	**10,066**	**79,528**	**50,836**	**66,421**

DISBURSEMENTS - COMPOSITION

(₹ In Crores)

Disbursements	Q1 FY 13	Q1 FY 12	Q2 FY 13	Q2 FY 12	Q3 FY 13	Q3 FY 12	Q4 FY 13	Q4 FY 12	12M FY 13	12M FY 12	12M FY 11
Discipline-wise	**Amount**	**Amount**	**Amount**	**Amount**	**Amount**	**Amount**	**Amount**	**Amount**	**Amount**	**Amount**	**Amount**
Generation	2,364 34%	2,998 55%	3,375 44%	2,992 49%	2,520 25%	2,730 43%	4,238 29%	3,629 37%	12,497 32%	12,349 44%	11,754 48%
T & D (including RGGVY)	2,590 38%	1,883 34%	3,854 51%	2,499 41%	7,338 70%	2,462 39%	8,577 60%	4,867 49%	22,359 57%	11,711 42%	9,653 39%
Short Term Loan	1,910 28%	600 11%	400 5%	630 10%	550 5%	1,150 18%	1,559 11%	1,380 14%	4,419 11%	3,760 14%	3,112 13%
Total	**6,864**	**5,481**	**7,629**	**6,121**	**10,408**	**6,342**	**14,374**	**9,876**	**39,275**	**27,820**	**24,519**

OUTSTANDING LOAN - COMPOSITION

(₹ In Crores)

Loan Outstanding	Q1 FY 13		Q1 FY 12		H1 FY 13		H1 FY 12		9M FY 13		9M FY 12		12M FY 13		12M FY 12		12M FY 11	
Discipline	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
State	89,627	84	70,681	82	92,990	83	74,326	82	98,086	83	77,646	82	1,04,662	82	85,036	84	68,092	83
Central PSUs	5,601	5	5,917	7	5,518	5	5,903	7	5,904	5	5,916	6	6,119	5	5,691	6	5,853	7
Private	11,468	11	9,227	11	13,457	12	10,144	11	14,700	12	11,396	12	16,575	13	10,699	10	7,780	10
Total	**1,06,696**	**100**	**85,825**	**100**	**1,11,965**	**100**	**90,373**	**100**	**1,18,690**	**100**	**94,958**	**100**	**1,27,356**	**100**	**1,01,426**	**100**	**81,725**	**100**
Generation	47,185	44	37,329	44	50,161	45	39,965	44	52,163	44	42,762	45	55,478	44	45,195	45	34,610	42
T & D	51,578	48	43,076	50	54,811	49	45,053	50	60,988	51	46,706	49	65,296	51	49,898	49	41,774	51
Others (including STL)	7,933	8	5,420	6	6,993	6	5,355	6	5,539	5	5,490	6	6,582	5	6,333	6	5,341	7
Weighted avg lending rate on O/s Loans (annualised)	**12.22%**		**11.76%**		**12.38%**		**11.86%**		**12.53%**		**11.95%**		**12.66%**		**12.10%**		**11.68%**	

(1) Excludes interest accrued and due.
(2) Others includes short-term loans, debt refinancing, bridge loans, loans to equipment manufacturers, equipment leasing finance.

LOAN QUALITY

(₹ In Crores)

Particulars	Q1 FY 13	Q1 FY 12	H1 FY 13	H1 FY 12	9M FY 13	9M FY 12	12M FY 13	12M FY 12	12M FY 11
Loan outstanding *	1,06,696	85,825	1,11,965	90,373	1,18,690	94,958	1,27,356	1,01,426	81,725
Gross NPA	490	270	490	270	490	493	490	490	20
Provision	64	43	64	43	89	67	89	64	18
Net NPA	426	227	426	227	401	426	401	426	2
% of Gross NPA to loan outstanding	0.46%	0.31%	0.44%	0.30%	0.41%	0.52%	0.39%	0.48%	0.02%
% of Net NPA to loan outstanding	0.399%	0.264%	0.380%	0.251%	0.338%	0.449%	0.315%	0.420%	0.002%

* Loan outstanding represents principal outstanding excluding interest accrued and due.

FUNDS RAISED DURING THE PERIOD

(₹ In Crores)

Category	Q1 FY 13	Q1 FY 12	Q2 FY 13	Q2 FY 12	Q3 FY 13	Q3 FY 12	Q4 FY 13	Q4 FY 12	12 M FY 13	12 M FY 12	12 M FY 11
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Capital Gains Bonds	982 (6.00%)	1,053 (6.00%)	1,068 (6.00%)	1,122 (6.00%)	1,026 (6.00%)	1,164 (6.00%)	1,827 (6.00%)	1,901 (6.00%)	4,903 (6.00%)	**5,239 (6.00%)**	5,045 (6.00%)
Infrastructure Bonds	- -	- -	- -	- -	- -	2 (9.05%)	- -	156 (8.98%)	- -	**158 (8.98%)**	217 (8.14%)
Tax Free Bonds	- -	- -	- -	- -	2,517 (7.48%)	- -	131 (7.23%)	3,000 (8.11%)	2,648 (7.46%)	**3,000 (8.11%)**	- -
Institutional Bonds & Zero Coupon Bonds	2,378 (9.35%)	1,925 (9.71%)	4,820 (9.34%)	7,678 (9.48%)	6,139 (8.92%)	6,362 (9.59%)	3,042 (8.79%)	1,500 (7.36%)*	16,379 (9.08%)	**17,466 (9.36%)***	10,170 (8.43%)
Banks, FIs, CP, etc.	- -	- -	1,399 (9.20%)	- -	718 (8.67%)	- -	- -	- -	2,117 (9.02%)	**- -**	4,725 (8.20%)
Foreign Currency Borrowings	430 (2.51%)	59 (5.12%)	870 (7.31%)	1,380 (7.47%)	690 (2.33%)	504 (2.81%)	2,721 (1.89%)	1,904 (3.20%)	4,712 (3.01%)	**3,847 (4.79%)**	5,698 (3.84%)
Total	**3,790 (7.71%)**	**3,037 (8.34%)**	**8,157 (8.67%)**	**10,180 (8.82%)**	**11,090 (7.89%)**	**8,032 (8.64%)**	**7,721 (5.67%)**	**8,461 (6.41%)**	**30,759 (7.52%)**	**29,710 (8.05%)**	**25,855 (6.90%)**

** Includes funds raised and swaps entered at 6M JPY LIBOR + 7.242%.*
- (%) denotes average annualized cost of borrowing (post swaps, if any during the period).
- The figure above does not include WCDL raised during the period.

BORROWING PROFILE AS AT END OF THE PERIOD

(₹ In Crores)

Particulars	Q1 FY 13		Q1 FY 12		H1 FY 13		H1 FY 12		9M FY 13		9M FY 12		12 M FY 13		12 M FY 12		12 M FY 11	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Capital Gains, Tax Free & Infra Bonds	17,183	19	12,097	17	17,726	19	12,064	16	20,596	20	12,563	15	21,211	20	16,716	18	11,315	16
Institutional Bonds & Zero Coupon Bonds	54,699	61	41,635	58	58,483	61	48,239	64	62,230	61	53,354	66	64,038	59	54,655	61	39,893	57
Banks, FIs, etc.	6,294	7	10,087	14	5,374	6	6,262	8	4,838	5	5,501	7	6,324	6	7,986	9	11,226	16
Foreign Currency	11,405	13	7,649	11	12,039	13	9,116	12	12,715	13	9,708	12	15,238	14	10,699	12	7,606	11
Commercial Paper	-	-	-	-	1,470	1	-	-	1,370	1	-	-	980	1	-	-	-	-
Grand Total	**89,581**	**100**	**71,468**	**100**	**95,092**	**100**	**75,681**	**100**	**1,01,749**	**100**	**81,126**	**100**	**1,07,791**	**100**	**90,056**	**100**	**70,040**	**100**
Average annualized cost of funds	**8.10%**		**7.89%**		**Q2 – 8.40% H1 – 8.12%**		**Q2 – 8.33% H1 – 8.03%**		**Q3 – 8.36% 9M – 8.08%**		**Q3 – 8.40% 9M – 8.07%**		**Q4 – 8.02% 12M – 8.00%**		**Q4 – 8.14% 12M – 7.89%**		**7.62%**	

- *The cost of funds & net interest margin is without taking into account one time upfront fee of ₹ 50.90 crores paid during FY 11 , ₹ 8.87 crores (Q1),₹34.24 crores (Q2) and ₹24.03 crores (Q4) totaling ₹ 67.14 crores expensed during FY 12 and ₹ 12.49 crores (Q1),₹20.50 crores (Q2),₹15.58 crores (Q3) & ₹43.26 crores (Q4)totaling ₹ 91.83 crores expensed during FY 13 for raising External Commercial Syndicated Loans.*
- *The annualized cost of funds does not take into consideration the loss/(gain) on account of foreign exchange fluctuation.*
- *Borrowings have been reclassified to conform to presentation as per Revised Schedule VI.*

STATEMENT OF ASSETS & LIABILITIES

(₹ In Crores)

Particulars	Q1 FY13	Q1 FY12	H1 FY13	H1 FY12	9M FY13	9M FY12	12M FY13	12M FY12	12M FY11
Liabilities									
Shareholders Funds	15,144	13,451	16,311	14,075	16,548	14,072	17,454	14,563	12,788
Borrowings	89,581	71,468	95,092	75,681	1,01,749	81,126	1,07,791	90,056	70,040
Other Liabilities	4,094	3,815	3,928	3,352	4,540	4,731	5,262	3,928	3,685
Total Liabilities	**1,08,819**	**88,734**	**1,15,331**	**93,108**	**1,22,837**	**99,929**	**1,30,507**	**1,08,547**	**86,513**
Assets									
Fixed Assets (Net)	79	68	79	68	82	68	80	78	68
Investments	758	837	907	837	710	789	661	758	837
Loan Assets (Net of Provisions)	1,06,632	85,782	1,11,900	90,330	1,18,601	94,891	1,27,266	1,01,362	81,707
Deferred Tax Assets	9	13	9	14	9	14	10	10	13
Other Assets	1,341	2,034	2,436	1,859	3,435	4,167	2,490	6,339	3,888
Total Assets	**1,08,819**	**88,734**	**1,15,331**	**93,108**	**1,22,837**	**99,929**	**1,30,507**	**1,08,547**	**86,513**

- *Balance in FCMITD Account is now shown as a part of 'Shareholders Funds' as per the clarification issued by ICAI.*

INCOME STATEMENT

(₹ In Crores)

Particulars	Q1 FY13	Q1 FY12	Q2 FY13	Q2 FY12	Q3 FY13	Q3 FY12	Q4 FY13	Q4 FY12	12M FY13	12M FY12	12M FY11
Interest Income	2,997	2,313	3,240	2,515	3,501	2,650	3,553	2,787	13,291	10,264	8,109
Interest Expenses	1,831	1,403	1,960	1,565	2,071	1,645	2,144	1,766	8,006	6,379	4,851
Net Interest Income	**1,166**	**910**	**1,280**	**950**	**1,430**	**1,005**	**1,409**	**1,021**	**5,285**	**3,885**	**3,258**
Other Operating Income	71	39	51	29	32	32	73	59	227	160	193
Other Income	24	21	22	27	19	17	15	21	80	86	193
Operating costs	46	42	58	44	50	78	66	69	220	233	167
Allowance against Loans	-	25	-	-	25	24	106	3	131	52	-
Foreign Exchange Fluctuation Loss	37	7	14	126	22	-87	4	7	77	53	-
Profit Before Tax	**1,178**	**896**	**1,281**	**836**	**1,384**	**1,039**	**1,321**	**1,022**	**5,164**	**3,793**	**3,477**
Current Tax	300	234	327	214	357	270	361	257	1345	975	908
Deferred tax	1	-	-	-	-	-1	-	4	1	3	-5
Earlier Years/ (Refunds)	-	-	-	-2	-	-	-	-	-	-2	4
Profit After Tax	**877**	**662**	**954**	**624**	**1,027**	**770**	**960**	**761**	**3,818**	**2,817**	**2,570**
Dividend (inc. Interim)	-	-	-	-	667	494	148	247	815	741	741
Dividend Distribution Tax	-	-	-	-	108	80	25	40	133	120	121
Total (Dividend+Dividend Distribution Tax)	-	-	-	-	775	574	173	287	948	861	862

** Previous periods' figures have been reclassified/ rearranged wherever necessary.*

KEY INDICATORS

Key Indicators	Q1 FY13	Q1 FY12	Q2 FY13	Q2 FY12	Q3 FY13	Q3 FY12	Q4 FY13	Q4 FY12	12 M FY13	12 M FY12	12 M FY11
Yield on Loan (%) (Annualised)	11.52	11.04	11.86	11.42	12.14	11.44	11.55	11.35	11.62	11.21	10.98
Cost of Funds (%) (Annualised)	8.10	7.89	8.40	8.33	8.36	8.40	8.02	8.14	8.00	7.89	7.62
Interest Spread (%) (Annualised)	3.42	3.15	3.46	3.09	3.78	3.04	3.53	3.21	3.62	3.32	3.36
Net Interest Margin (%) (Annualised)	4.53	4.39	4.76	4.47	5.01	4.34	4.72	4.26	4.70	4.32	4.48
Interest Coverage Ratio	1.64	1.64	1.65	1.53	1.67	1.63	1.62	1.58	1.64	1.59	1.72
Return on Average Net Worth (%) (Annualised)	23.62	20.18	24.26	18.14	25.00	21.89	22.59	21.26	23.85	20.60	21.53
Debt Equity Ratio (times)	5.92	5.31	5.83	5.38	6.15	5.77	6.18	6.18	6.18	6.18	5.47
Net Worth (₹ Crores)	15,144	13,451	16,311	14,075	16,548	14,072	17,454	14,563	17,454	14,563	12,788
Book Value per Share (in ₹)	153.36	136.22	165.18	142.54	167.58	142.51	176.76	147.48	176.76	147.48	129.51
EPS (in ₹) (Non-Annualised)	8.88	6.70	9.66	6.32	10.40	7.79	9.73	7.71	38.66	28.53	26.03

- *The cost of funds & net interest margin is without taking into account one time upfront fee of ₹ 50.90 crores paid during FY 11 , ₹ 8.87 crores (Q1),₹34.24 crores (Q2) and ₹24.03 crores (Q4) totaling ₹ 67.14 crores expensed during FY 12 and ₹ 12.49 crores (Q1),₹20.50 crores (Q2),₹15.58 crores (Q3) & ₹43.26 crores (Q4)totaling ₹ 91.83 crores expensed during FY 13 for raising External Commercial Syndicated Loans.*
- *The annualized cost of funds does not take into consideration the loss/(gain) on account of foreign exchange fluctuation.*
- *Borrowings have been reclassified to conform to presentation as per Revised Schedule VI.*

SHAREHOLDING PATTERN

As on →	31.03.13	31.12.12	30.09.12	30.06.12	31.03.12	31.12.11	30.09.11	30.06.11
Description	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**%**
President of India	66.80	66.80	66.80	66.80	66.80	66.80	66.80	66.80
Foreign Institutional Investors	20.68	21.24	20.66	20.06	19.53	17.93	18.51	19.00
Resident Individual/HUF	3.21	3.20	3.37	3.52	3.47	3.68	3.74	3.74
Mutual Funds	2.09	1.66	1.60	1.36	1.71	2.14	2.08	1.97
Bodies Corporate	2.71	2.58	2.81	3.26	3.44	4.29	4.11	4.96
Insurance Companies	3.89	4.18	4.31	4.51	3.04	4.09	3.68	2.50
Banks/ Indian FI	0.21	0.21	0.21	0.20	1.65	0.68	0.87	0.73
Non Resident Indian	0.07	0.07	0.08	0.09	0.08	0.09	0.09	0.09
Clearing Members	0.31	0.04	0.12	0.15	0.23	0.24	0.06	0.17
Trust	0.03	0.02	0.04	0.05	0.05	0.06	0.06	0.04
Total	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

THANK YOU