

SEC-1/187(2)/2017/2681

Dated: September 27, 2017

Listing Department, National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East), <b>Mumbai – 400 051.</b>	Corporate Relationship Department BSE Limited 1 <sup>st</sup> Floor, Phiroze Jeejeebhoy Towers Dalal Street, Fort, <b>Mumbai – 400 001.</b>
<b>Scrip Code—RECLTD</b>	<b>Scrip Code—532955</b>

**Sub: Intimation of the schedule of Non Deal Road Show**

Dear Sir(s),

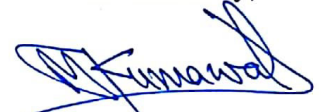
In compliance with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to inform that the officials of Rural Electrification Corporation Limited (REC) will interact with investors in the Non-Deal Road Show on **27<sup>th</sup> & 28<sup>th</sup> September, 2017 at Mumbai.**

A copy of the presentation to be shared at the Non-Deal Road Show is enclosed herewith and the same is also available on the website of the Company at the link : <http://www.recindia.nic.in/uploads/files/PresQ1FY17-18110817.pdf>.

This is for your kind information and dissemination.

Thanking you,

Yours faithfully,



**(M.L. Kumawat)**  
**DGM (Finance)–CS**

**Encl.: as above**

**Zonal Offices** : Hyderabad, Kolkata, Mumbai, Panchkula & Lucknow  
**Project Offices** : Bangalore, Bhopal, Bhubaneswar, Chennai, Guwahati, Jaipur, Jammu, Patna, Ranchi, Shillong, Shimla, Thiruvananthapuram & Vadodara  
**Sub Offices** : Dehradun, Raipur  
**Training Centre** : Central Institute for Rural Electrification (CIRE), Hyderabad



# Rural Electrification Corporation Limited A Navratna PSU

## Management Presentation

### Performance Highlights Q1 FY 18



*Financing... Promoting... Green Growth...*

# Table of Contents



**India - Power Sector – Empowering India**



**REC Overview**



**Operational Performance**



**Asset Quality**



**Borrowing Profile**

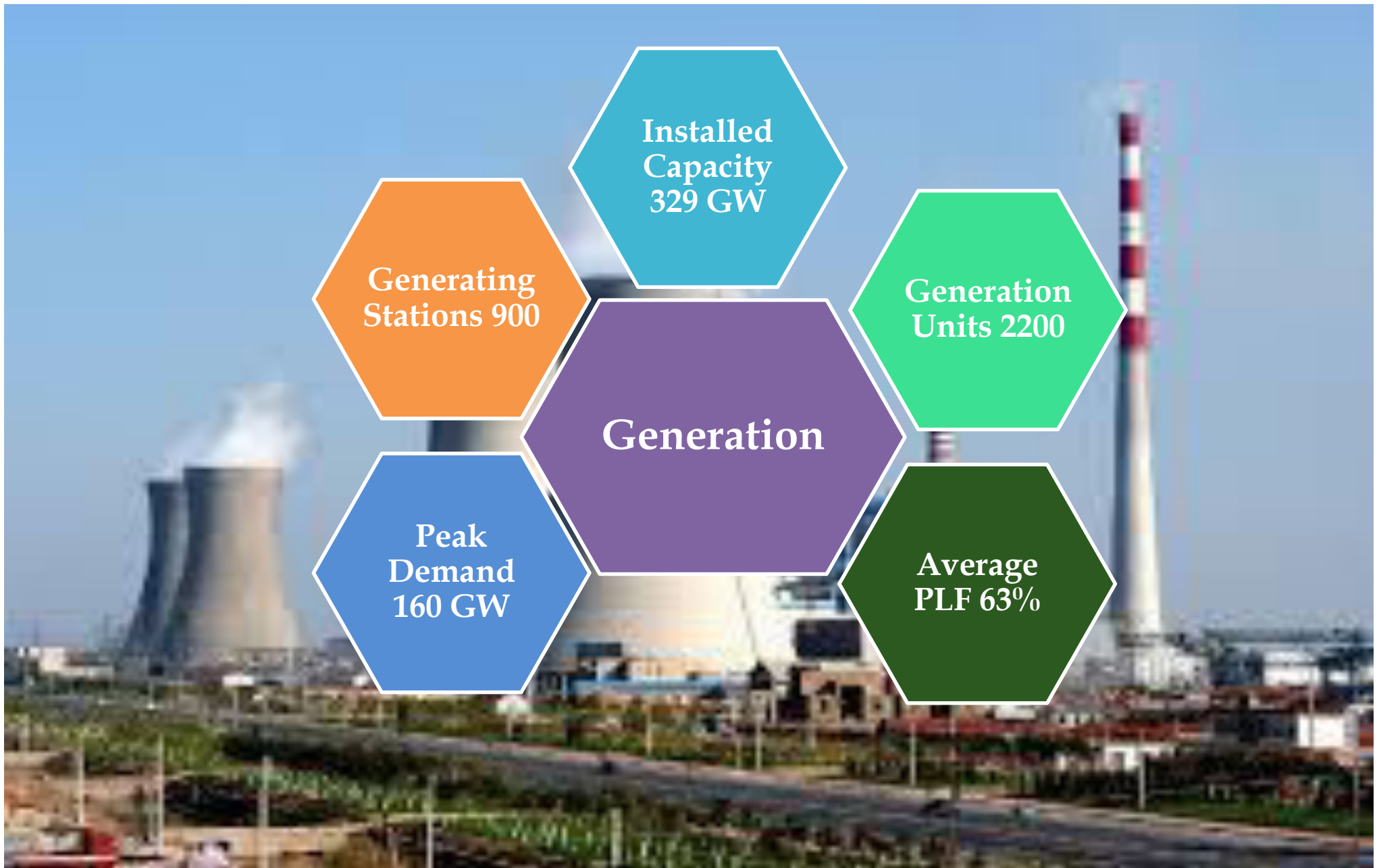


**Financial Highlights**



## India - Power Sector – Empowering India

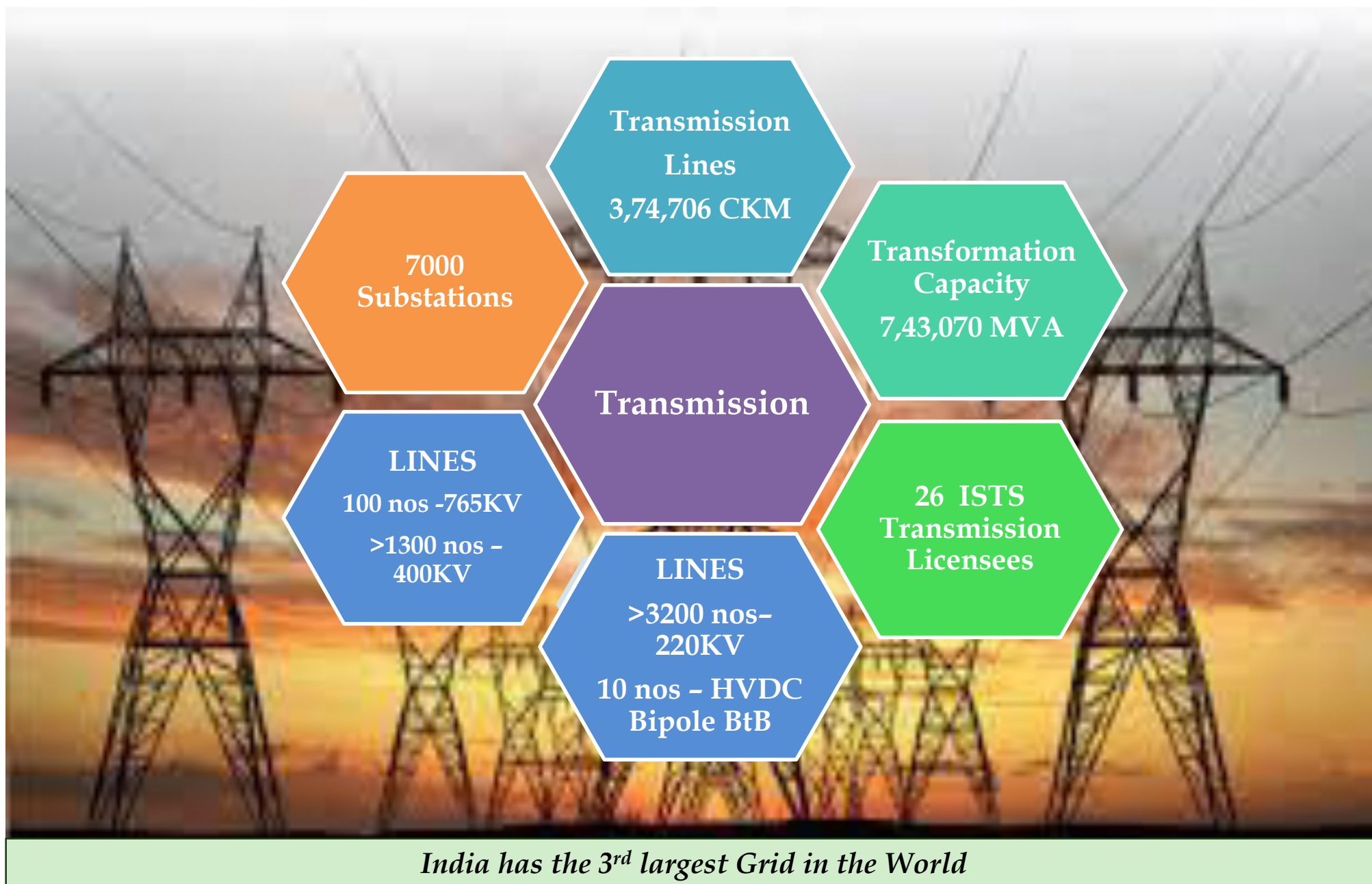
# Generation



Source : POSOCO & CEA

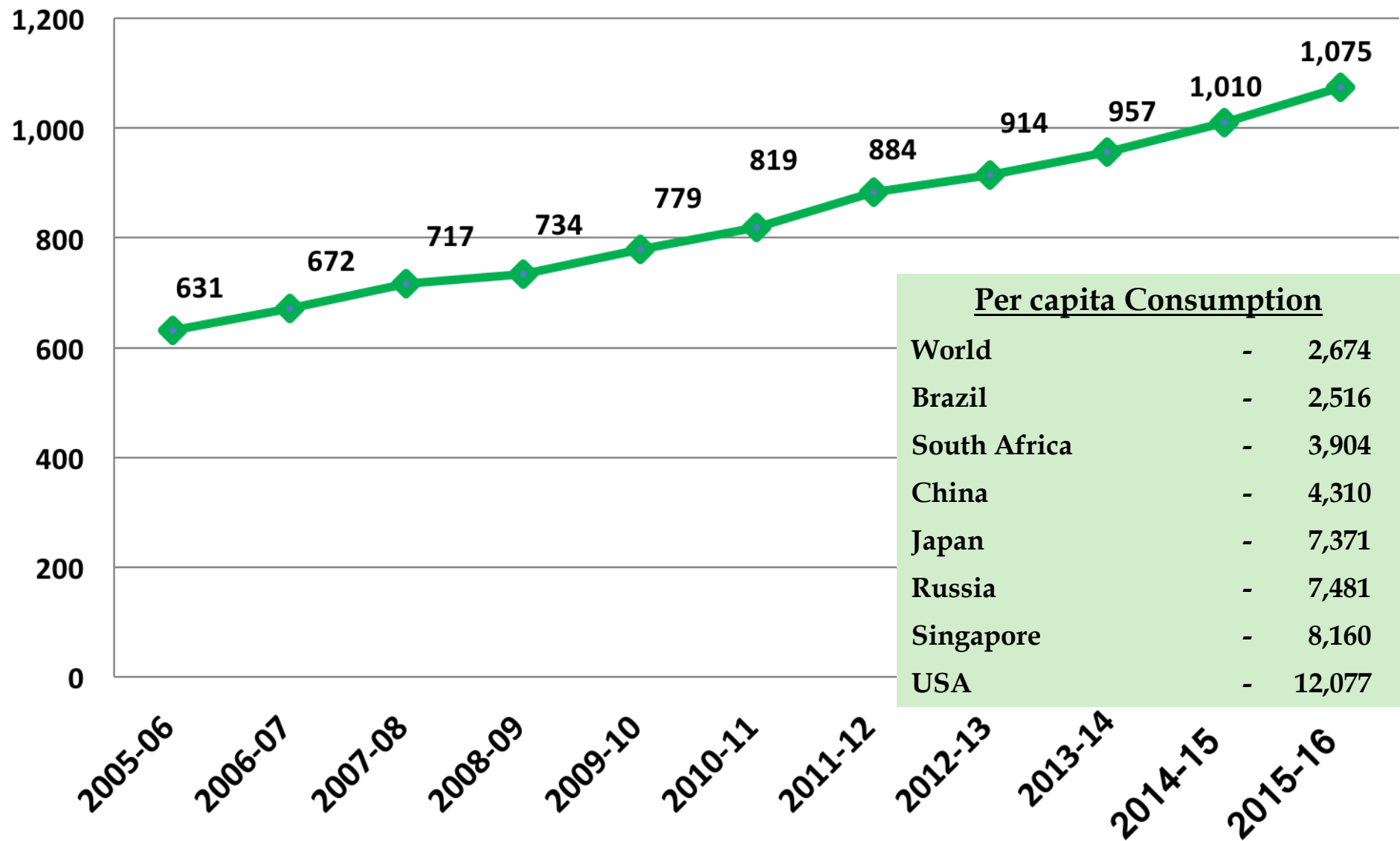


# Transmission



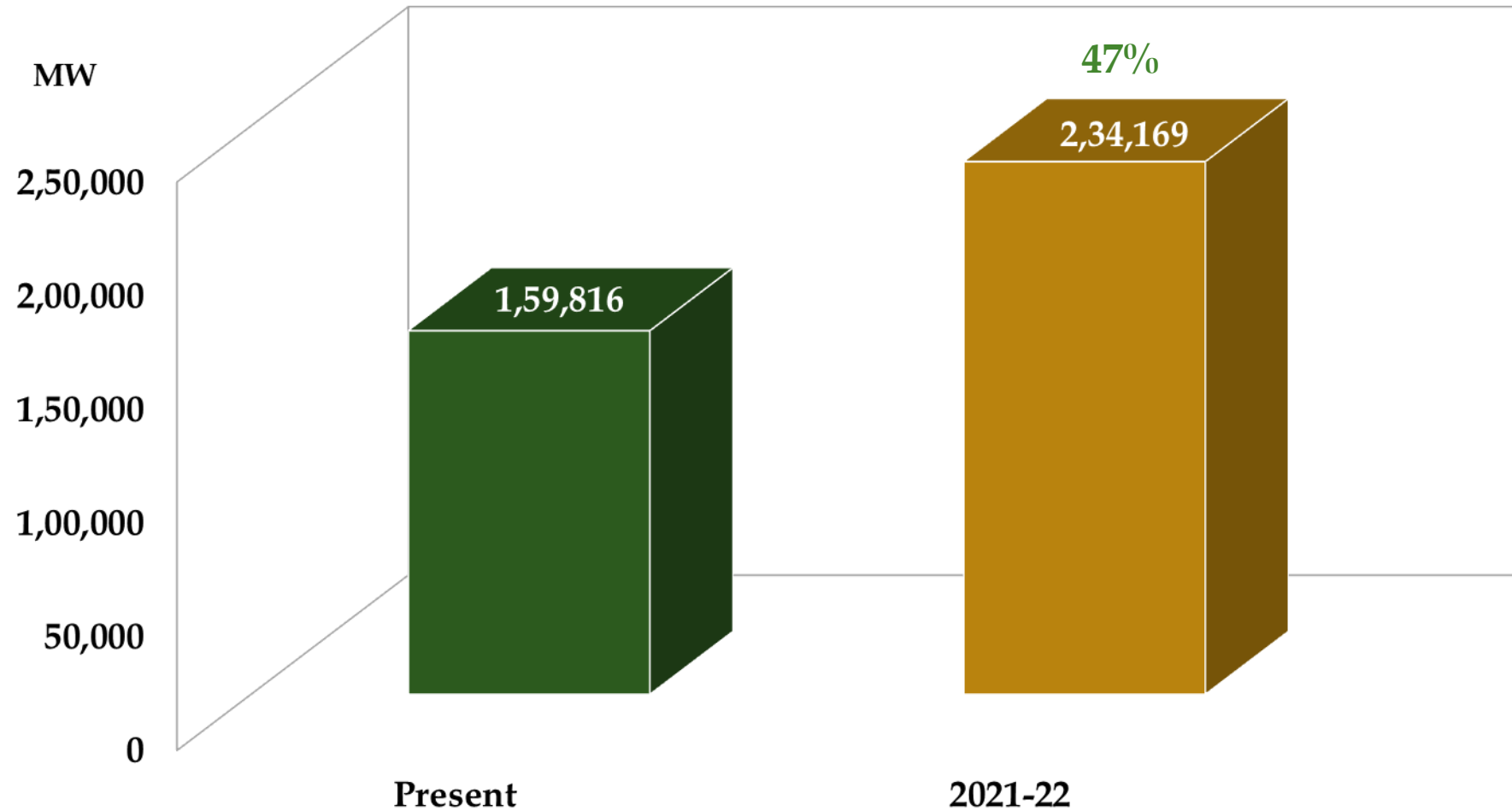
Source : POSOCO & CEA

# Annual Per Capita Consumption of Electricity (kwh)



Source : CEA & Wikipedia

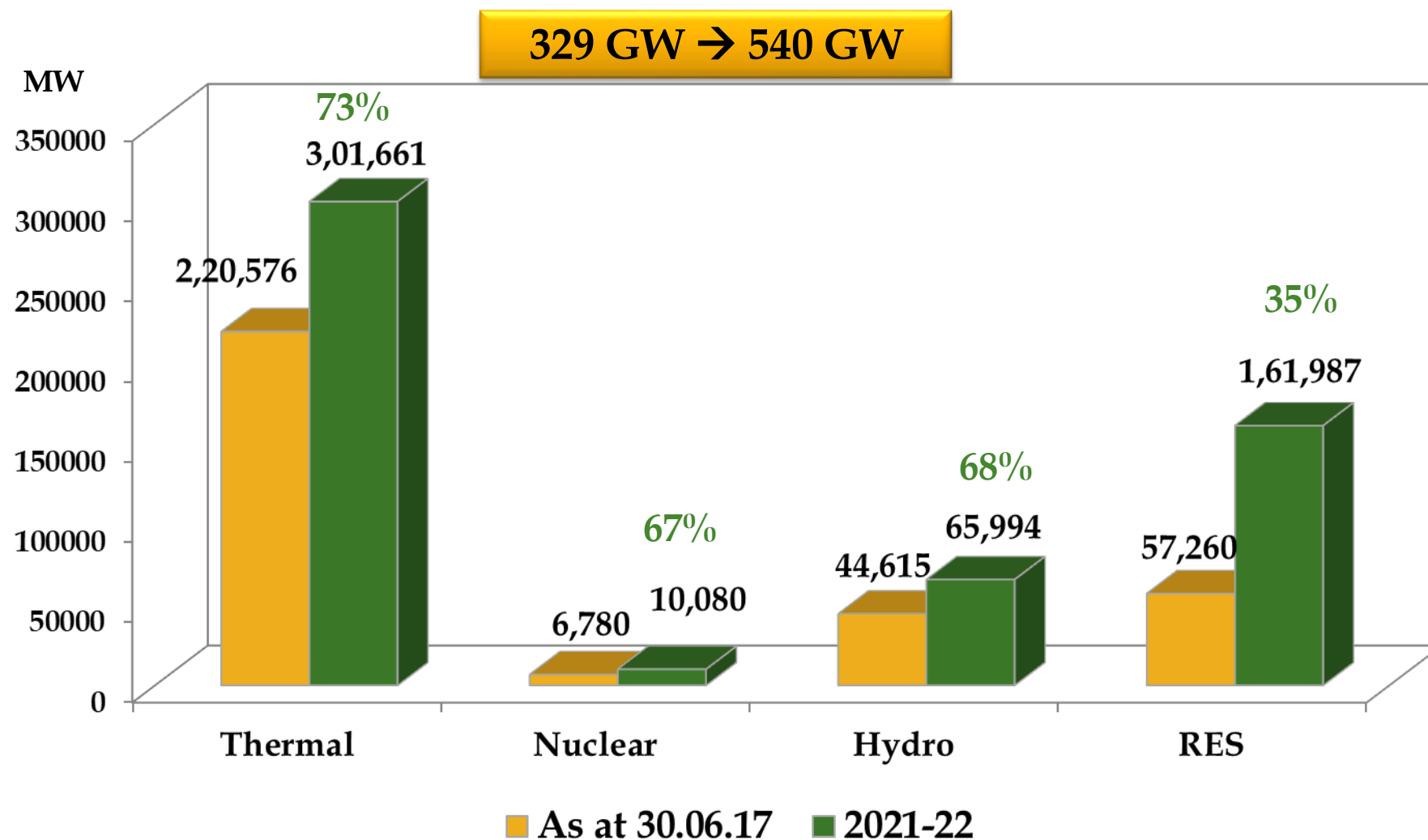
## “Power for All” - Demand by 2021-22 (MW)



Source : CEA

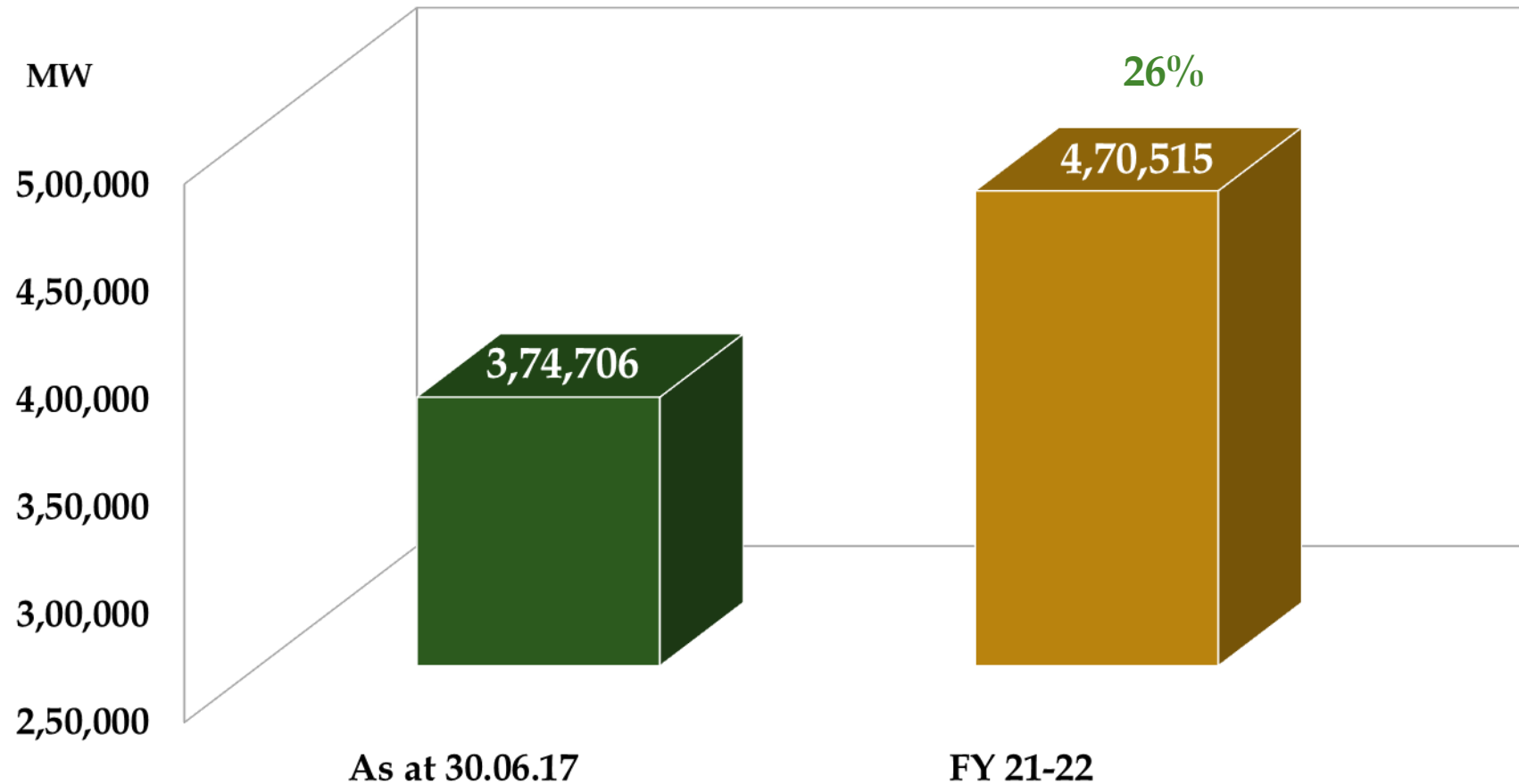


## "Power for All"- Installed Capacity by 2021-22 (MW)



**Estimated fund requirement for generation capacity addition –  
INR 10,33,400 Crores during the period 2017-22**

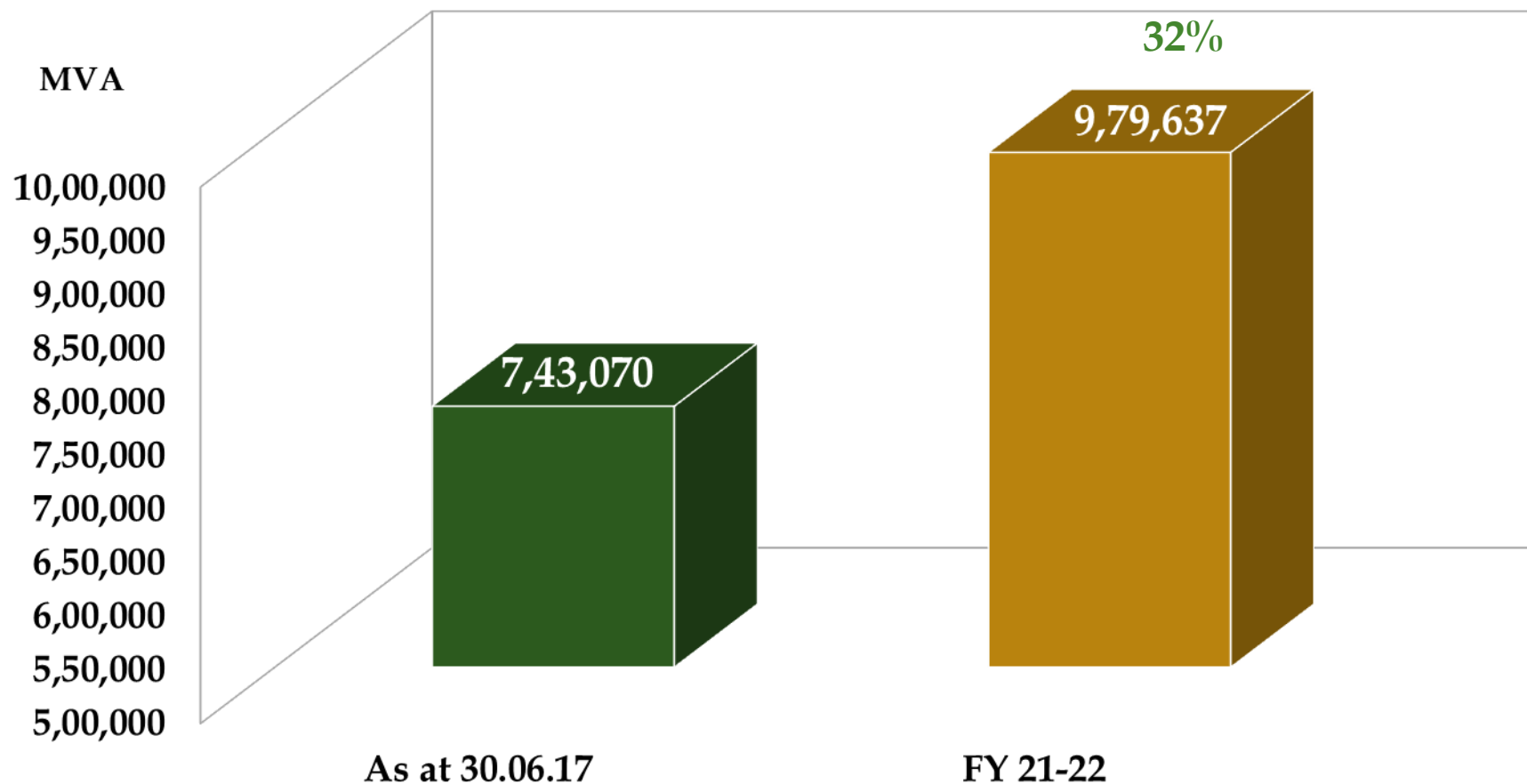
## “Power for All” - Transmission Line Capacity by 2021-22 (CKM)



**Estimated fund requirement for Transmission capacity addition including Transformation - INR 2,60,000 Crores during the period 2017-22**

Source : CEA

## “Power for All” - Transformation Capacity by 2021-22 (MVA)



**Estimated fund requirement for Transmission capacity addition including Transformation - INR 2,60,000 Crores during the period 2017-22**

Source : CEA

# Renewable Energy in India

Sources	Potential (%)	Potential (GW)
Wind Power (Onshore)	11%	103
Solar	83%	749
Small Hydro	2%	20
Biomass /Bagasse	3%	23
Waste to Energy	1%	2.7
<b>Total Potential (GW)</b>	<b>100%</b>	<b>897.7</b>
Wind Power (Offshore)		127
<b>Grand Total Potential (GW)</b>		<b>1024.7</b>

Source : Wind Energy Mission Doc, C-Wet , NISE estimates, MNRE

- ❑ India has voluntary commitment to reduce emission intensity by 33% - 35% from 2005 levels by 2030.
- ❑ It seeks to achieve about 40% cumulative electric power installed capacity from non-fossil fuel based energy resources by 2030
- ❑ Core drivers for renewable energy in India being Energy security (reducing dependence on fossil fuels); Electricity shortages (to meet the growing requirements) and Energy Access for all

Particulars	Installed Capacity 31.03.2016	Installed Capacity 31.03.2017	TARGET 2022	
Solar >1 MW	6,763	12,289	100,000	57%
Wind	26,867	32,280	60,000	24%
Small Hydro Power	4,273	4,380	5,000	3%
Biomass/Other	4,946	8,311	10,000	6%
<b>Total Installed Capacity (MW)</b>	<b>42,849</b>	<b>57,260</b>	<b>175,000</b>	<b>100%</b>

Source : CEA



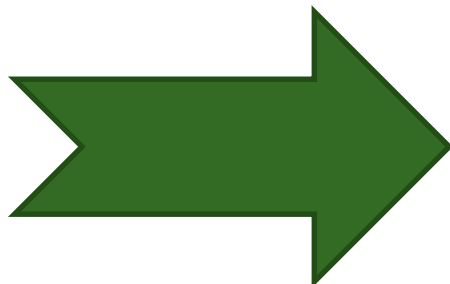
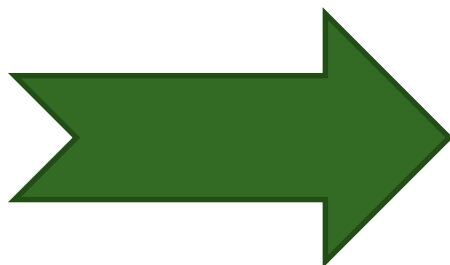
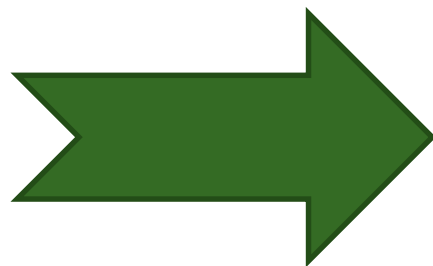
# "Power for All" – Distribution Modernization by 2019

## Present

**AT & C Loss  
24.6%**

**Gap  
ACS -ARR  
Rs.0.6/U**

**Power  
Supply  
19.9 Hrs**



## By March 2019

**Below 15%**

**Zero**

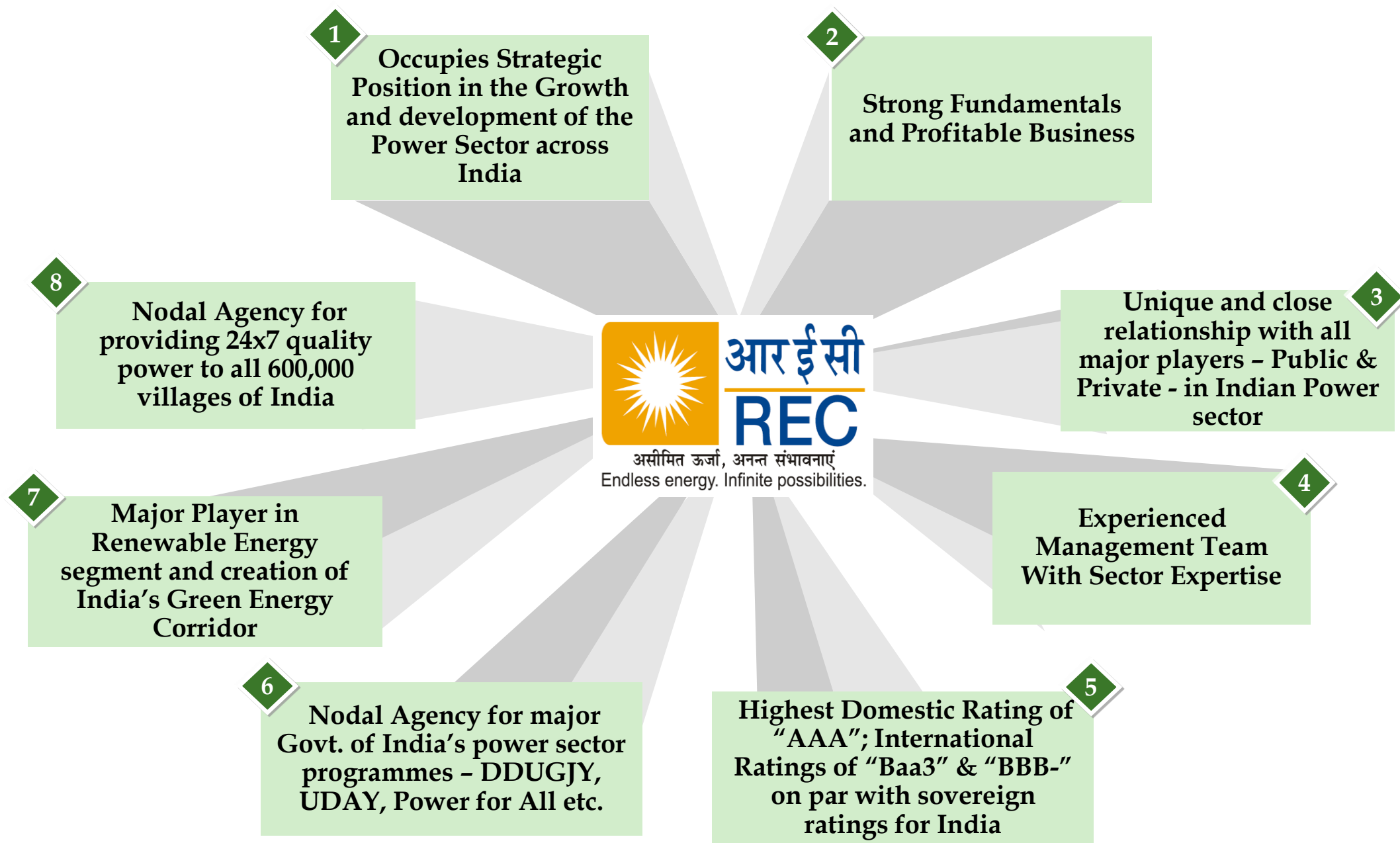
**24X7  
Power for All**



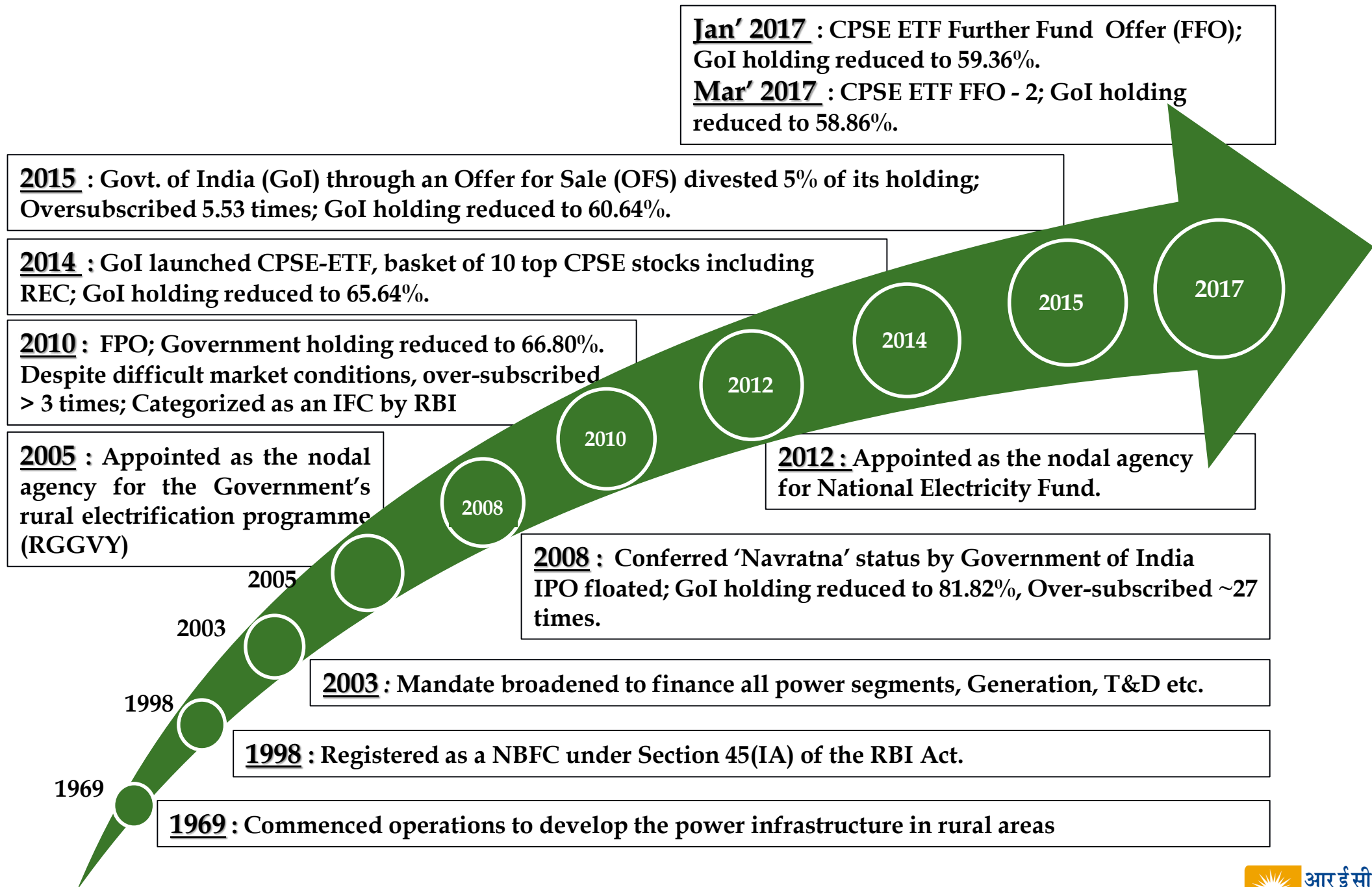


## REC Overview

# Key Strengths



# Major Milestones in Long & Successful journey of ~ 48 years



## Board of Directors – Experienced Team with sector experience



**Dr. P.V. Ramesh,  
IAS**  
*Chairman &  
Managing Director*  
**IAS officer (1985 batch)  
with rich and varied  
experience of > 31  
years**

- ❑ Was Special Chief Secretary and Development Commissioner in the Govt of AP. Also held important position of Principal Finance Secretary, Principal Secretary Department of Health & Family Welfare and Commissioner of Industries in Govt of AP. Headed the State Reorganization Department that reorganized the state of AP.
- ❑ Qualified Doctor from the Christian Medical College & Hospital, Vellore.
- ❑ Has Served in the UNO for ~13 years and also as Country Programme Manager for Asia Pacific Division of IFAD/ UNOPS, Senior Portfolio Manager for West Asia, Acting Director of UNOPS Regional Office for Southern Eastern Africa; Country Representative for UNFPA to Afghanistan; and Senior Advisor to Finance Minister of Afghanistan. Had been a staff member of IFAD, UNOPS and UNFPA



**Mr. Ajeet Kumar  
Agarwal**  
*Director (Finance)*  
**> 33 years experience  
in Finance Sector**

- ❑ Experience in the field of Financial Management and Operations encompassing organizational and financial planning, financial policy formulation, accounting, management control systems, funds management etc. Also supervise treasury & lending and advise on corporate risk management matters.
- ❑ B.Com (Hons.) from Shri Ram College of Commerce, Delhi University & Fellow Member of Institute of Chartered Accountants of India.



**Mr. Sanjeev Kumar  
Gupta**  
*Director (Technical)*  
**> 33 years experience  
in Power  
Transmission Sector**

- ❑ Extensive experience in Design & Engineering, planning & implementation & induction of new technologies in power transmission projects.
- ❑ BE (Electrical) from G.B. Pant University of Agriculture & Technology, Pant Nagar, Uttaranchal.



**Dr. Arun Kumar  
Verma**  
*Govt nominee Director*  
**Joint Secretary–Rural  
Electrification &  
Distribution, MoP**

- ❑ Previously, posted as Member Secretary of Gujarat Ecology Commission, and Project Director of World Bank funded Integrated Coastal Zone Management.
- ❑ Holds Master's degree in Physics, Ph.D. in Tribal Development Policy. Post Graduate in Public Policy & Management (PGPPM) from IIM, Bengaluru & Maxwell School of Citizenship and International Affairs, Syracuse University, USA.
- ❑ Part of the Indian Forest Services (IFS) since 1986 in the Gujarat cadre and has over 29 years of administrative and management experience.



## Board of Directors – Experienced Team with sector expirience



**Mr. Arun Singh**  
*Independent Director*  
27 years experience in  
Finance, Taxation,  
Banking &  
Management.

- ❑ Served on Board of Union Bank of India & State Bank of India. Was member of Committee of Eminent person in PGCIL. Has handled various projects of FAO, UNO and World Bank as National Consultant.
- ❑ Guest faculty of Management & Finance for Post Graduate Diploma in Management Programmes and Management Institutions.
- ❑ Member of the Institute of Chartered Accountants of India



**Professor T.T. Ram Mohan**  
*Independent Director*  
Professor of Finance  
& Accounting in  
IIM, Ahmedabad.

- ❑ Specializes in financial sector. Previously, Divisional Manager with Tata Economic Consultancy Services. Carried out policy studies for Govt and international agencies and consulting assignments in India as well as in the Gulf and the Middle East.
- ❑ B.Tech from IIT,Mumbai; PGDM from IIM, Calcutta; Ph.D from Stern School, NY University.



**Mr. Aravamudan Krishna Kumar**  
*Independent Director*  
> 40 years experience  
in all facets of  
Banking Sector

- ❑ Served SBI for >39 yrs, where elevated to position of MD & Group Executive.
- ❑ Was also on the Boards of SBICAP Securities, SBI Life Insurance, SBI General Insurance and SBI Credit Cards and subsidiaries of SBI. Is also an Independent Shareholder Director on the Board of Andhra Bank.



**Ms. Asha Swarup**  
*Independent Director*  
IAS officer (1973  
batch) Retd. with  
varied experience

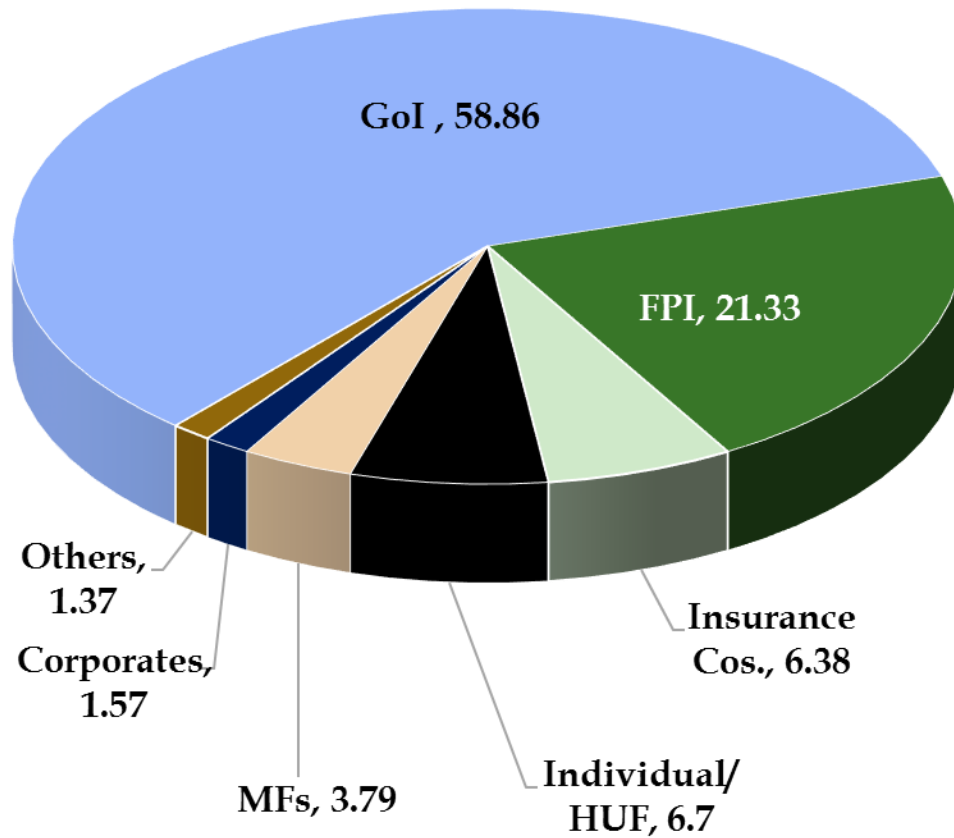
- ❑ Inducted on the Board of REC on February 08, 2017
- ❑ Has served as Secretary Ministry of I&B, Special Secy./ Addl Secy. & Financial Adviser in the Ministries of Commerce and Textiles. Chief Secretary, Principal Secy in Departments of Finance, Health, Power, Home and Chairperson of HP Power Corp, HP State Electricity Board and HP Transmission Corporation in Himachal Pradesh
- ❑ IAS officer (Retd.) of 1973 batch, PG from DU and Pearson Fellow of IDRC, Canada

REC is compliant to provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Companies Act, 2013 and “Guidelines on Corporate Governance for CPSEs, 2010” issued by the DPE, relating to composition of Board.

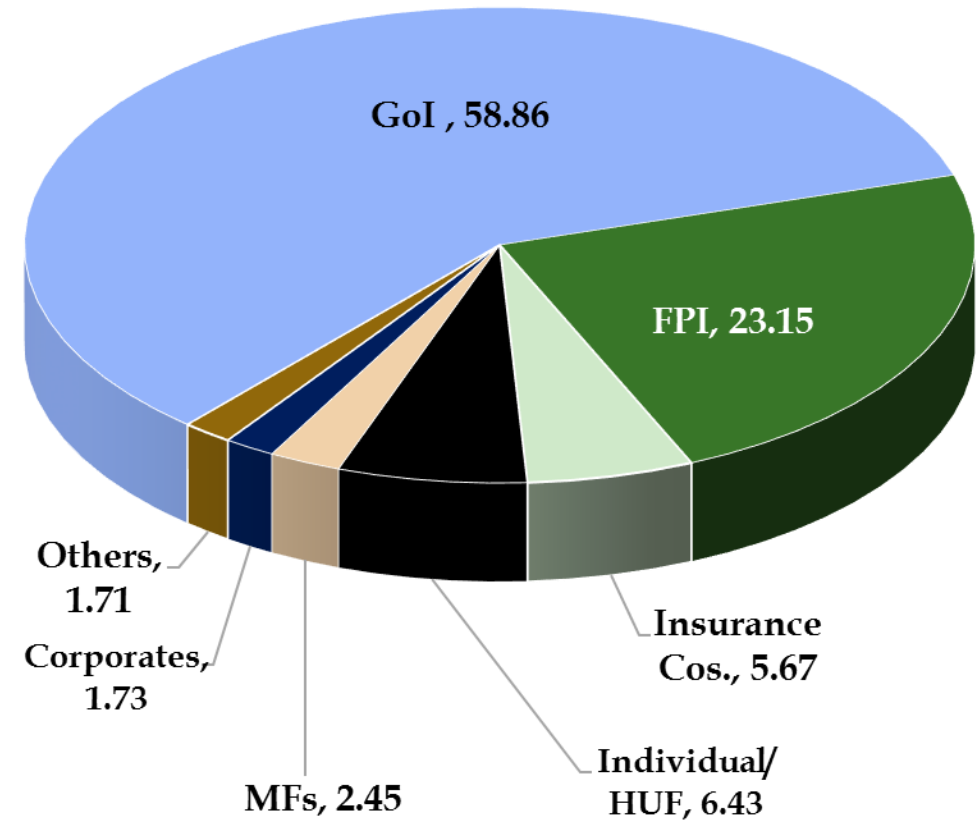


# Shareholding Pattern

As at 31.03.2017



As at 30.06.2017

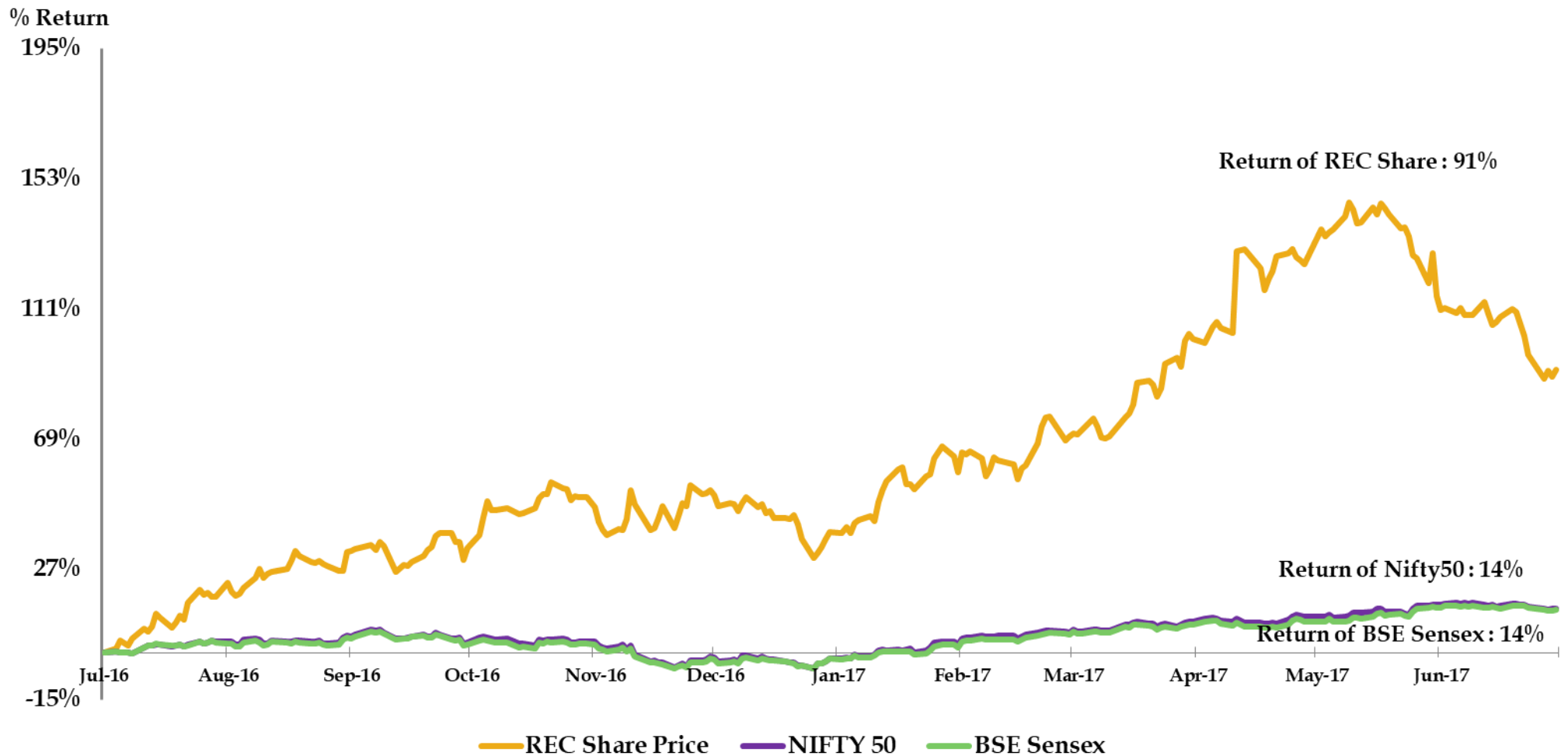


# Shareholding Pattern

## Top 10 Share holders as at June 30, 2017

Rank	Particulars	Shareholding (%)	Category
1	President of India	58.86	POI
2	Life Insurance Corporation of India	4.78	INS
3	East Bridge Capital Master Fund Limited	1.25	FPI
4	The Prudential Assurance Company Limited	1.22	FPI
5	CPSE ETF	1.15	MUT
6	Robeco Capital Growth Funds - Robeco Emerging Conservative Equities	0.73	FPI
7	GMO Implementation Fund	0.62	FPI
8	HDFC Trustee Company Limited - HDFC Equity Fund	0.59	MUT
9	Vanguard Emerging Markets Stock Index Fund	0.56	FPI
10	Life Insurance Corporation of India P & GS Fund	0.48	IFI
	<b>TOTAL</b>	<b>70.24</b>	

# Performance of REC's Share Price vis-à-vis Major Indices in Last 1 Year



## Source

REC Share & Nifty : NSE

BSE Sensex : BSE

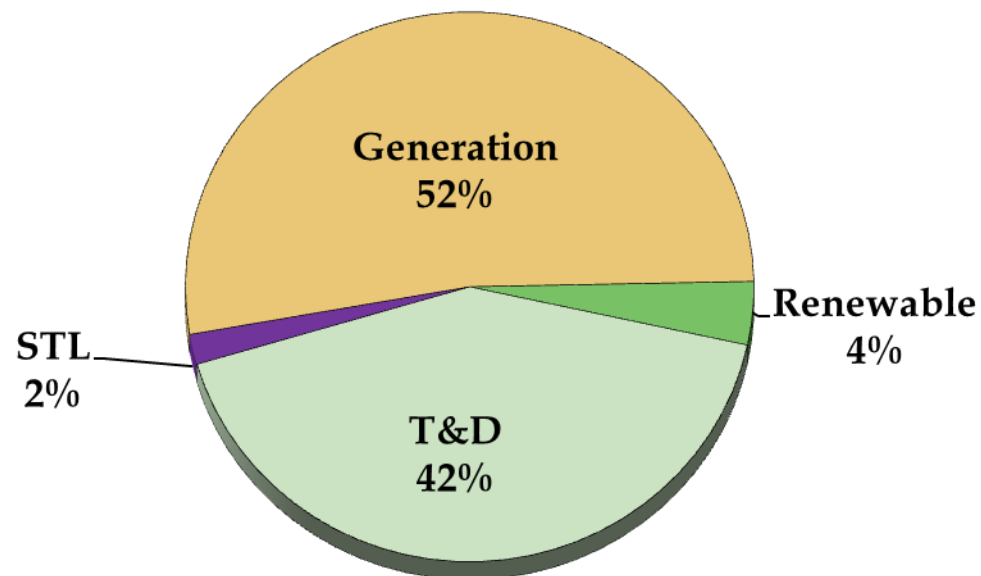
REC's stock has constantly tend to outperform the broader market and earned great returns for the equity share holders of the Company.



## Operational Performance

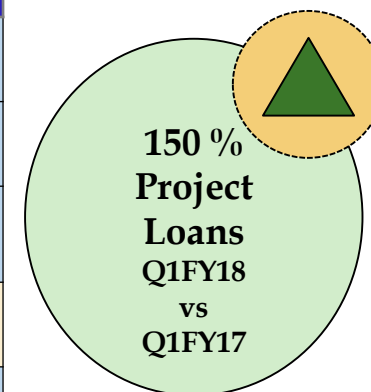
# Sanctions - Composition

Sector-wise breakup of Sanctions in Q1 FY18



Rs. Crores

Discipline-wise	12M				Q1	
	FY 14	FY15	FY16	FY17	FY 17	FY 18
Generation	28,724	23,778	27,828	28,209	8,374	17,769
Renewable Energy	295	548	2,966	2,090	170	1,258
T & D	39,446	35,135	31,377	49,047	4,763	14,241
Total Project Loans	68,465	59,461	62,171	79,346	13,307	33,268
Short Term Loan	2,275	1,960	3,300	4,525	2,575	600
Total Sanctions	70,740	61,421	65,471	83,871	15,882	33,868





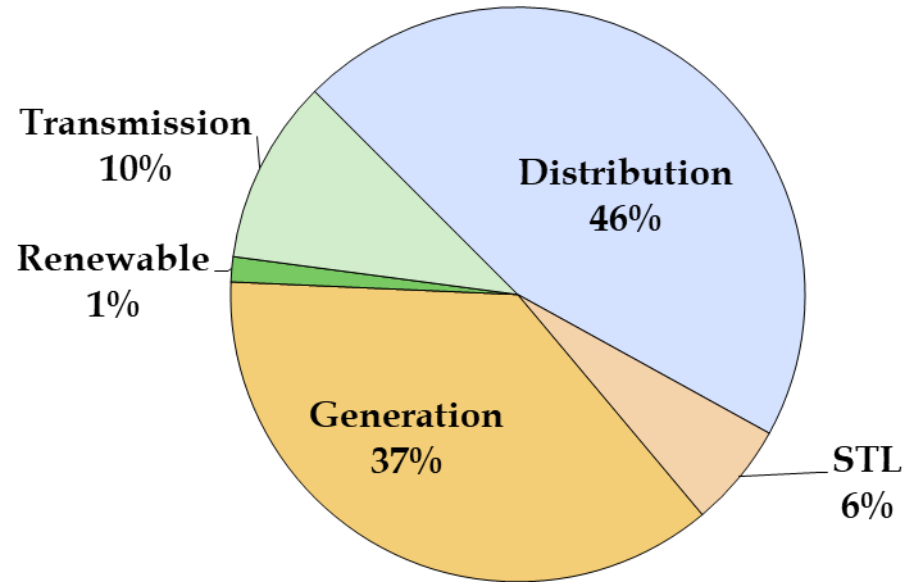
# Sanctions - Composition

## Major Projects Sanctioned in Q1FY18 (More than Rs. 500 cr)

Project	Borrower	Category	Amt (Rs. Cr)
2x660 MW Udangudi Stage-I Coal based Supercritical Thermal Power Project in Tuticorin District of Tamil Nadu	TANGEDCO	Thermal Projects	10,453
1x500 MW Thermal Power Station in Bokaro District of Jharkhand	Damodar Valley Corporation (DVC)	Thermal Projects	2,897
Special Term Loan	Rajasthan Rajya Vidyut Utpadan Nigam Limited (RRVUNL)	Loan against project supplies	2,100
Special Term Loan	Andhra Pradesh Power Generation Corporation Limited (APGENCO)	Loan against project supplies	850
Rupee Term Loan for 13 schemes	Maharashtra State Power Generation Company Limited (MSPGCL)	Generation Category Schemes	501

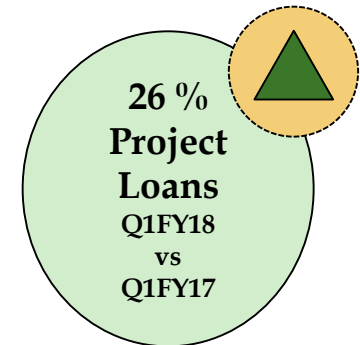
# Disbursements - Composition

## Sector-wise breakup of Disbursements in Q1 FY18



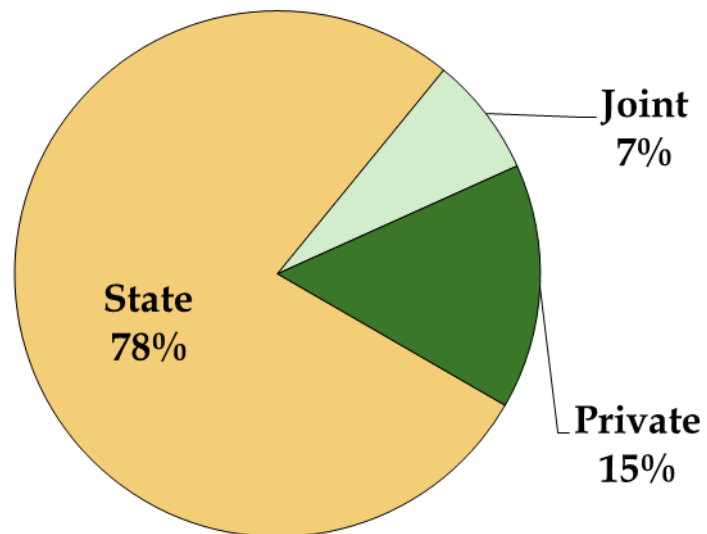
Rs. Crores

Discipline-wise	12M				Q1	
	FY 14	FY 15	FY 16	FY 17	FY17	FY18
Generation	12,854	13,828	12,820	21,697	3,917	4,706
Renewable Energy	135	295	304	1,618	157	180
Transmission	4,113	6,286	8,529	10,520	1,835	1,328
Distribution	16,855	20,159	22,173	19,429	3,658	5,820
Total Transmission & Distribution	20,968	26,445	30,702	29,949	5,493	7,148
Total Project Loans	33,957	40,568	43,826	53,264	9,567	12,034
Short Term Loan	1,589	2,250	2,200	4,775	2,125	750
Total Disbursements	35,546	42,818	46,026	58,039	11,692	12,784

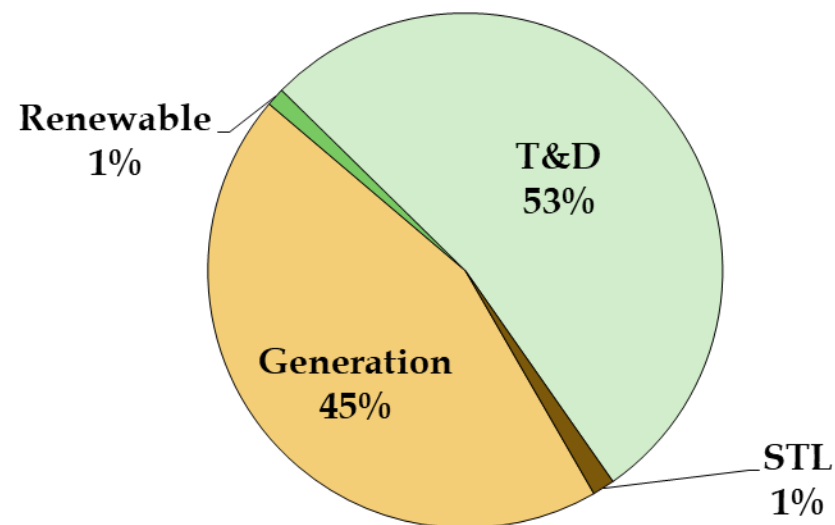


# Outstanding Loans – Composition

Customer-wise breakup of Loans as at Q1 FY18



Category-wise breakup of Loans as at Q1 FY18

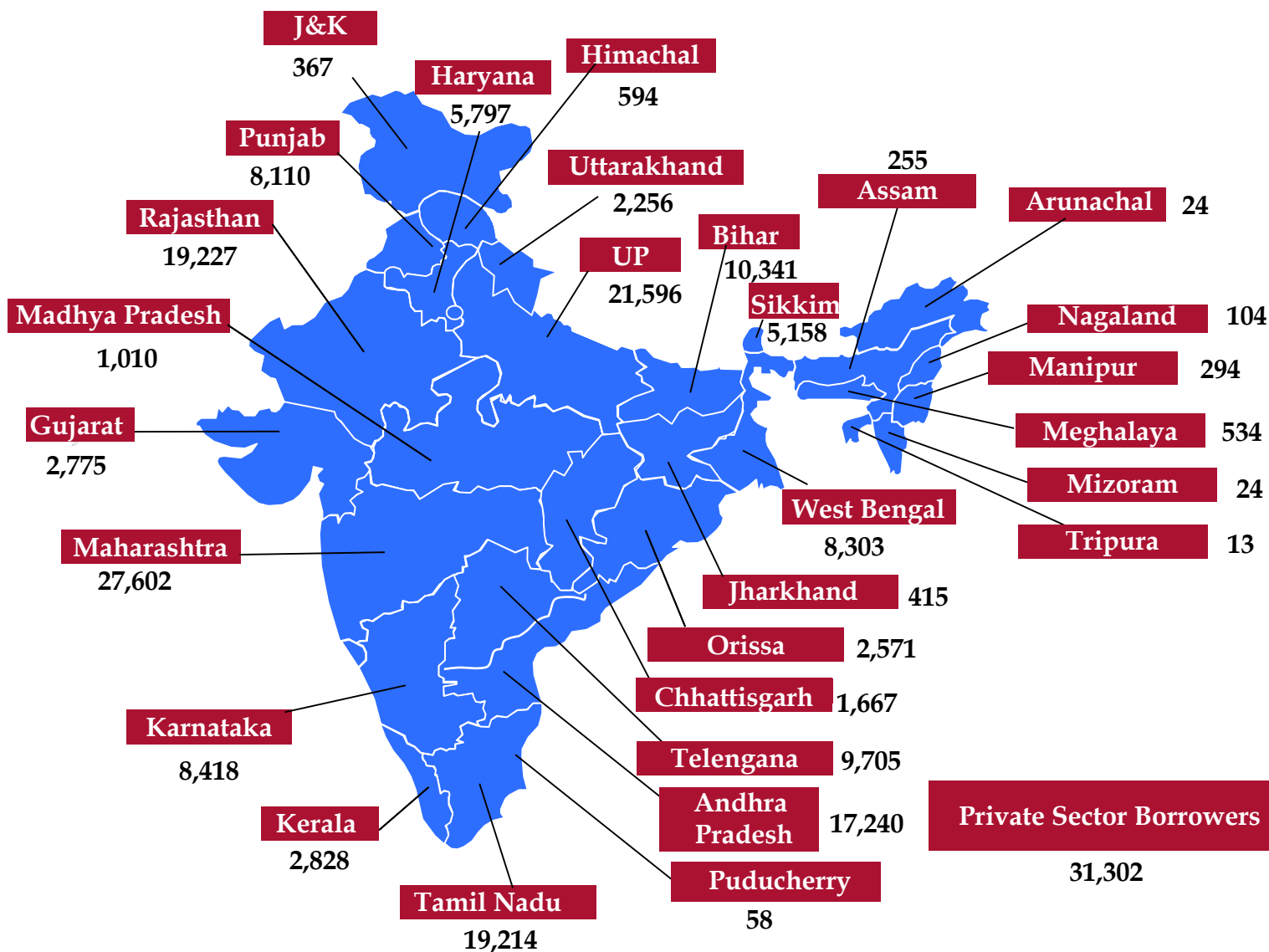


Discipline-wise	12M								Rs. Crores	
	FY 14		FY 15		FY 16		FY 17		Q1 FY18	
	Amt	%	Amt	%	Amt	%	Amt	%	Amt	%
State	1,11,179	75	1,33,712	75	1,53,941	77	1,51,976	75	1,61,185	78
Joint	13,302	8	14,629	8	16,808	8	16,728	8	15,315	7
Private	24,160	17	31,306	17	30,529	15	33,225	17	31,302	15
<b>Total</b>	<b>1,48,641</b>	<b>100</b>	<b>1,79,647</b>	<b>100</b>	<b>2,01,278</b>	<b>100</b>	<b>2,01,929</b>	<b>100</b>	<b>2,07,802</b>	<b>100</b>
Generation	64,831	43	75,618	41	82,673	40	93,601	46	92,553	45
Renewable Energy	586	1	770	1	744	1	2,224	1	2,387	1
T & D	82,100	55	1,02,162	57	1,15,939	58	1,02,515	51	1,09,974	53
Short Term Loans	1,124	1	1,097	1	1,922	1	3,589	2	2,888	1

\* Outstanding Loans are after pre-payments under UDAY totalling to Rs. 42,700 crores

# Outstanding Loans - Asset Diversification

PAN India Presence with loan concentration across 28 states and 1 Union Territory



Total Loan Outstanding - Rs. 2,07,802 crores

# Outstanding Loans - Loan Concentration

## Major Borrowers (as on June 30, 2017)

S.No.	Top Ten Borrowers	Amount Outstanding (Rs Cr.)	% of Total Loan Assets
1	Maharashtra State Power Generation Company Limited	13,456	6.48%
2	Maharashtra State Electricity Distribution Company Limited	9,985	4.80%
3	Rajasthan Rajya Vidyut Utpadan Nigam Limited	8,725	4.20%
4	Tamil Nadu Generation and Distribution Corporation	7,453	3.59%
5	Uttar Pradesh Power Transmission Corporation Limited	7,149	3.44%
6	Nabinagar Power Generating Co. Pvt Ltd	7,038	3.39%
7	Tamil Nadu Transmission Corporation (TANTRANSCO)	6,443	3.10%
8	Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited	5,758	2.77%
9	Andhra Pradesh Southern Power Distribution Company Limited (APSPDCL)	5,587	2.69%
10	NTPC Tamil Nadu Energy Company Ltd.	5,318	2.56%
	<b>Total</b>	<b>76,910</b>	<b>37.01%</b>

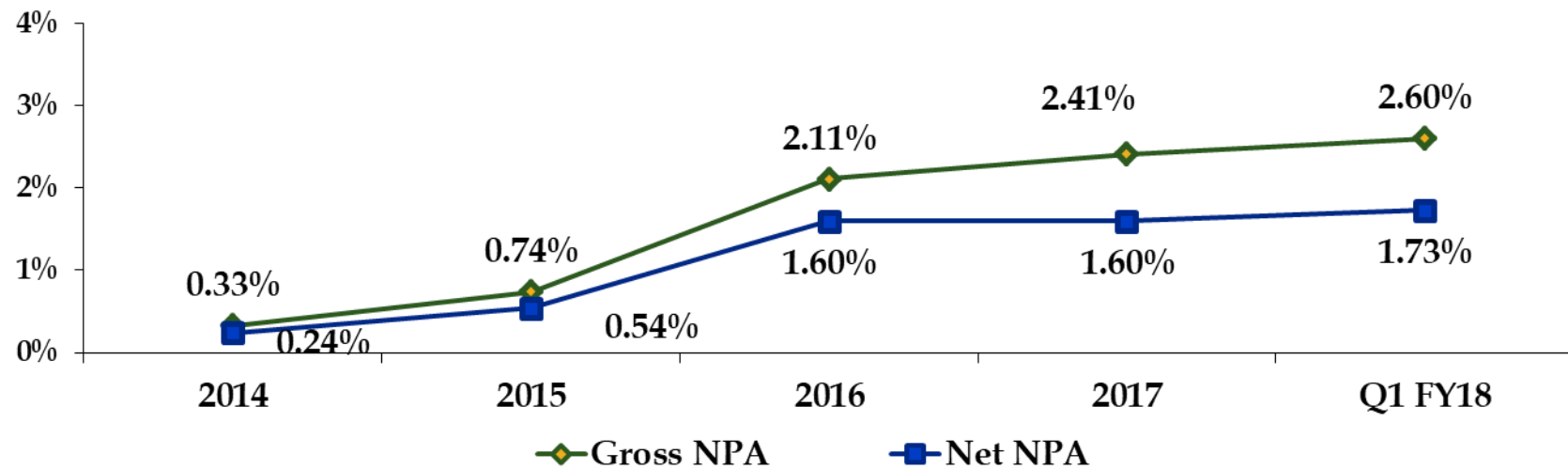
*Well diversified asset portfolio with Top 10 borrowers accounting for ~37% of current loans and no single borrower group accounting for more than 7% of total loan book*





## Asset Quality

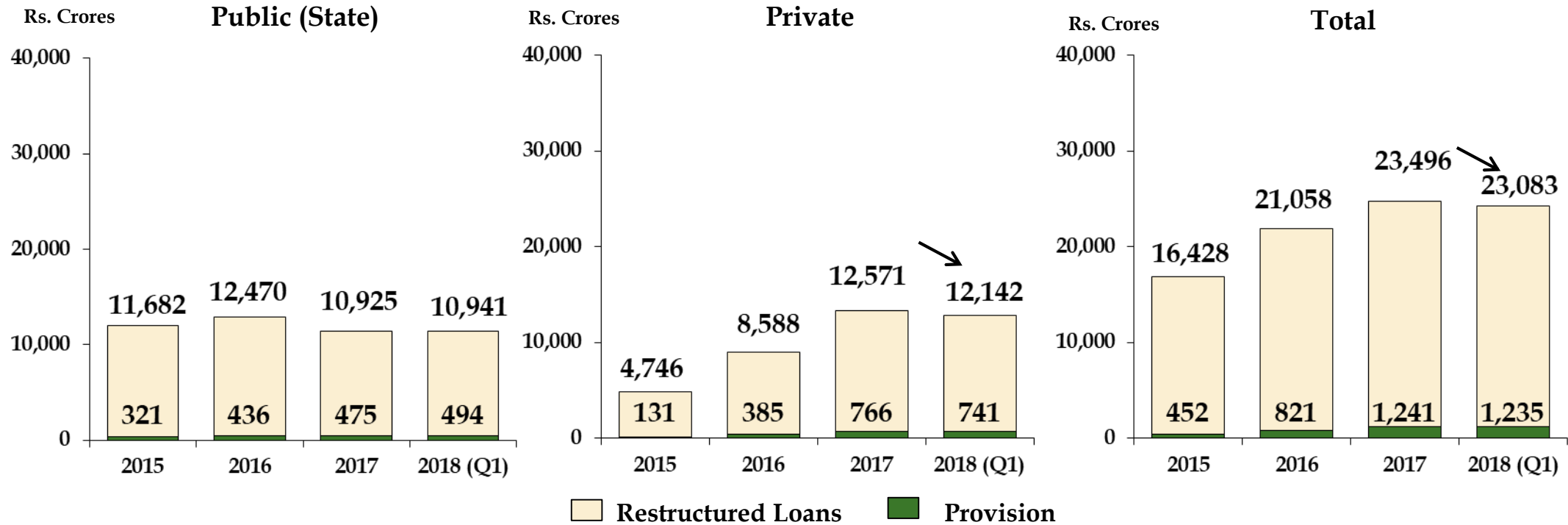
## Non-Performing Loan Assets



Figures : Rs. Crores

Particulars	12M				Q1
	FY 14	FY 15	FY 16	FY 17	FY18
Loan outstanding	1,48,641	1,79,647	2,01,278	2,01,929	2,07,802
Gross NPA	490	1,335	4,243	4,873	5,412
Provision	137	365	1,013	1,639	1,821
Net NPA	353	970	3,230	3,234	3,591

# Asset Quality - Restructured Loan Assets



Figures : Rs. Crores

Particulars	12M			Q1
	FY 15	FY 16	FY 17	FY 18
Public (State Sector)	11,682	12,470	10,925	10,941
Provision - Public	321	436	475	494
Private	4,746	8,588	12,571	12,142
Provision - Private	131	385	766	741
Total Restructured Assets	16,428	21,058	23,496	23,083
Total Provision	452	821	1,241	1,235



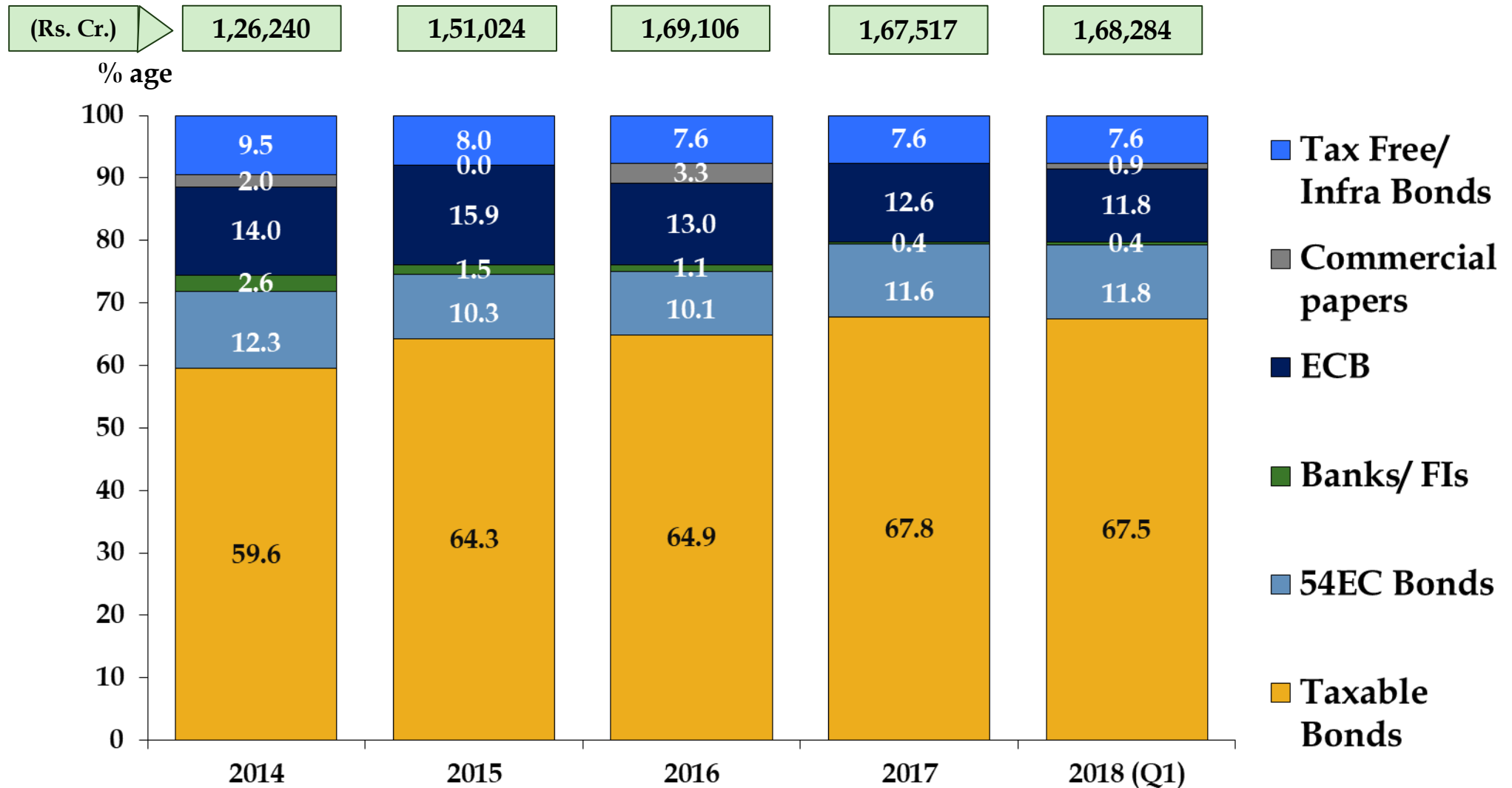
## Borrowing Profile

# Outstanding Borrowings

Rs. Crores

Particulars	12M				Q1
	FY 14	FY 15	FY 16	FY 17	FY 18
Institutional, Subordinate & Zero Coupon Bonds	75,289	97,068	1,09,678	1,13,449	1,13,472
Foreign Currency Borrowings	17,621	24,028	21,924	21,081	19,912
Capital Gain Bonds	15,493	15,591	17,164	19,477	19,890
Tax Free Bonds	11,649	11,649	12,648	12,648	12,648
Commercial Papers	2,540	-	5,600	-	1,500
Banks, FIs, etc.	3,272	2,312	1,850	750	750
Infra Bonds	376	376	242	112	112
Grand Total	1,26,240	1,51,024	1,69,106	1,67,517	1,68,284
Average annualized Cost of Funds	8.31%	8.36%	8.50%	8.13%	7.98%

# Outstanding Borrowings



Approx. 87% of the ECBs are Hedged till maturity.  
 Average maturity period of the outstanding borrowings is approx. 4.02 years

# Funds Raised During The Period

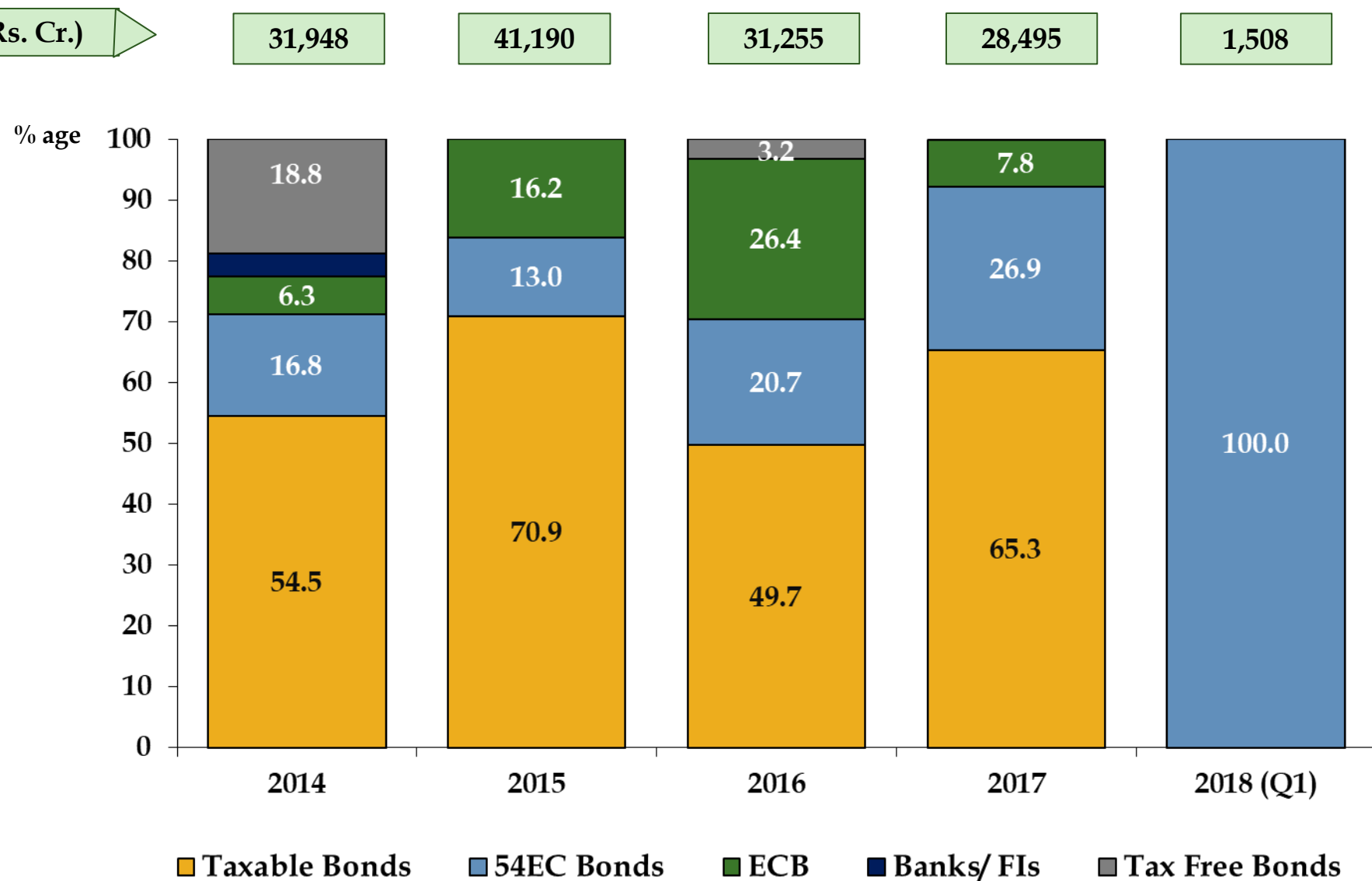
Rs. Crores

Category	12M				Q1	
	FY14	FY15	FY16	FY17	FY 17	FY 18
<b>(A) Long Term</b>						
Capital Gains Bonds	5,350	5,338	6,477	7,663	1,626	1,508
Tax Free Bonds	6,000	-	1,000	-	-	-
Institutional Bonds/ Subordinate Debt	17,403	29,200	15,526	18,600	-	-
Banks, FIs, etc.	1,195	-	-	-	-	-
Foreign Currency Borrowings	2,000	6,652	8,252	2,232	-	-
Total (A)	31,948	41,190	31,255	28,495	1,626	1,508
	8.43%	8.07%	7.01%	6.85%	6.00%	5.25%
<b>(B) Short Term</b>						
Commercial papers	4,986	5,894	20,772	19,917	6,057	1,476
Total (A + B)	36,934	47,084	52,027	48,412	7,683	2,984

*%age denotes annualized cost of borrowings mobilized*



# Funds Raised During The Period



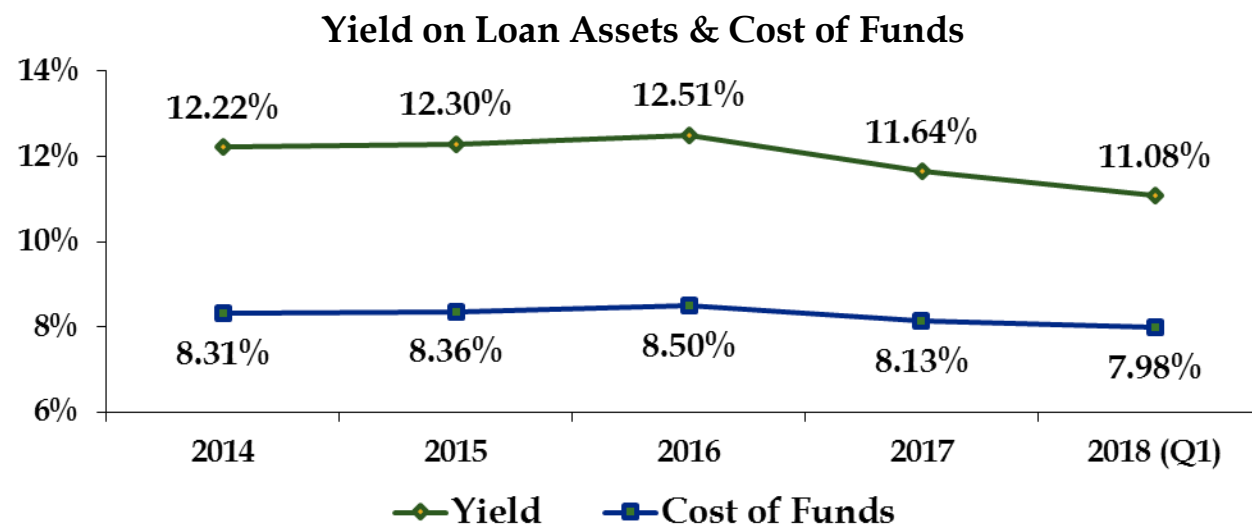


## Financial Highlights

# Key Financial Highlights

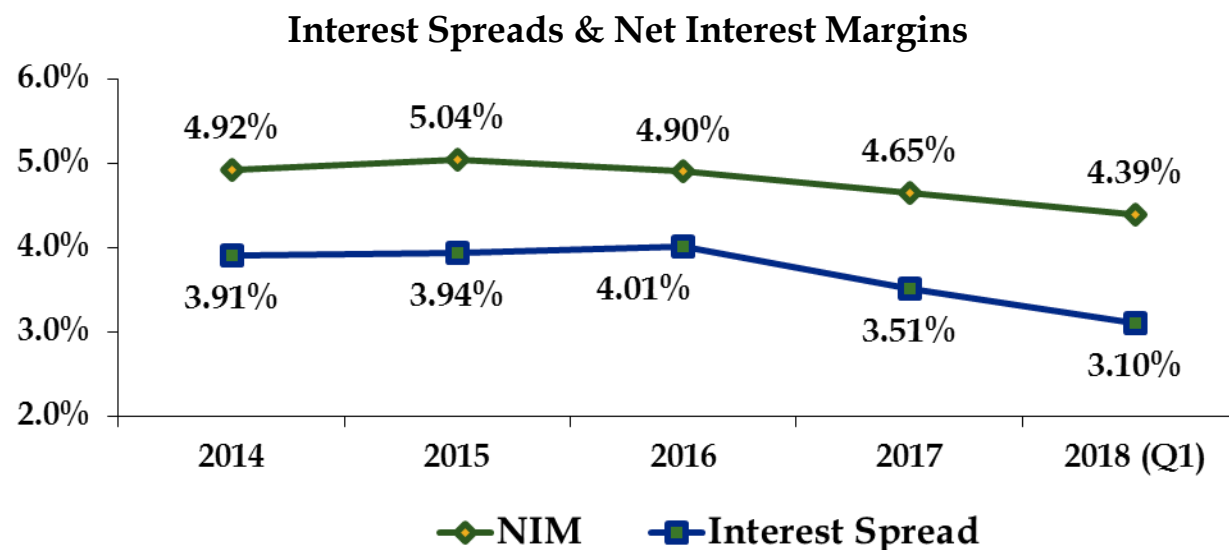
- ❑ Total Income for Q1 FY18 stands at Rs. 5,662 cr against Q1 FY17 of Rs. 6,051 cr.
- ❑ PBT for Q1 FY18 is Rs. 1,890 cr against Rs. 2,053 cr. in Q1 FY17.
- ❑ PAT for Q1 FY18 is Rs. 1,301 cr against Rs. 1,421 cr for Q1 FY17.
- ❑ Net worth as at end of Q1 FY18 increased to Rs. 34,614 cr against Rs. 29,952 cr as at end of Q1 FY17, registering a growth of 16%.
- ❑ Loan Book as at as at end of Q1 FY18 increased to Rs. 2,07,802 cr against Rs. 1,88,835 cr as at end of Q1 FY17, registering a growth of 10%.
- ❑ Outstanding borrowings at end of Q1 FY18 stands at Rs. 1,68,284cr.
- ❑ As at end of Q1 FY18 Gross NPAs stood at 2.60% as against 2.55% as at Q1 FY17.

# Key Financial Highlights



*Yield = Ratio of interest income to average interest earning loan assets*

*Cost of funds = Ratio of finance costs to average borrowings, without foreign exchange fluctuation gain/loss amortized.*

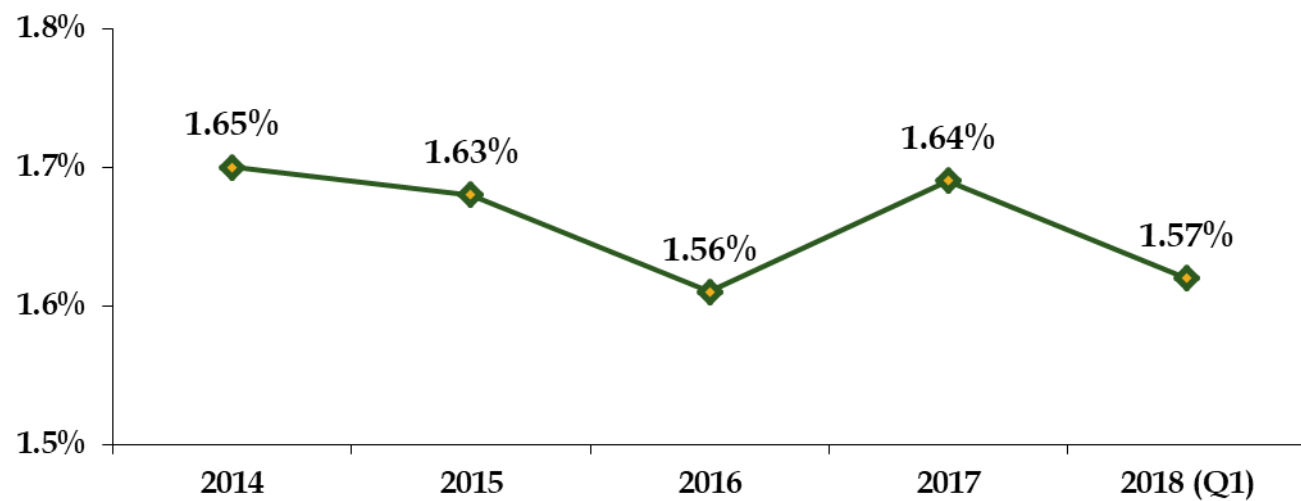


*Interest Spread = Yield minus Cost of Funds*

*Net Interest Margin = Ratio of net interest income to average interest earning loan assets*

# Key Financial Highlights

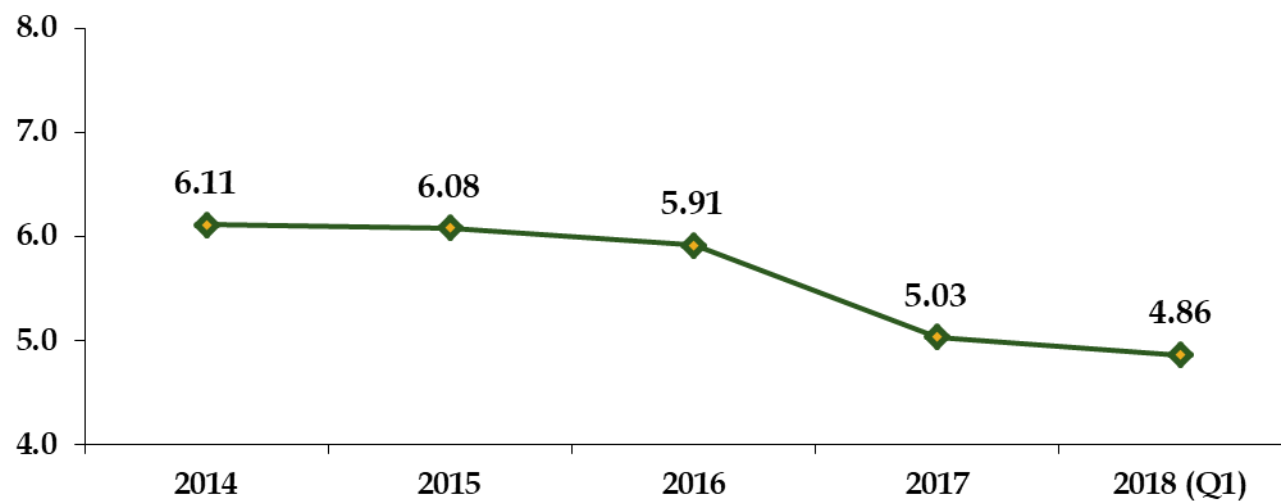
## Interest Coverage Ratio



*Interest Coverage Ratio = Ratio of Profit before Interest & Tax to Profit Before Tax*

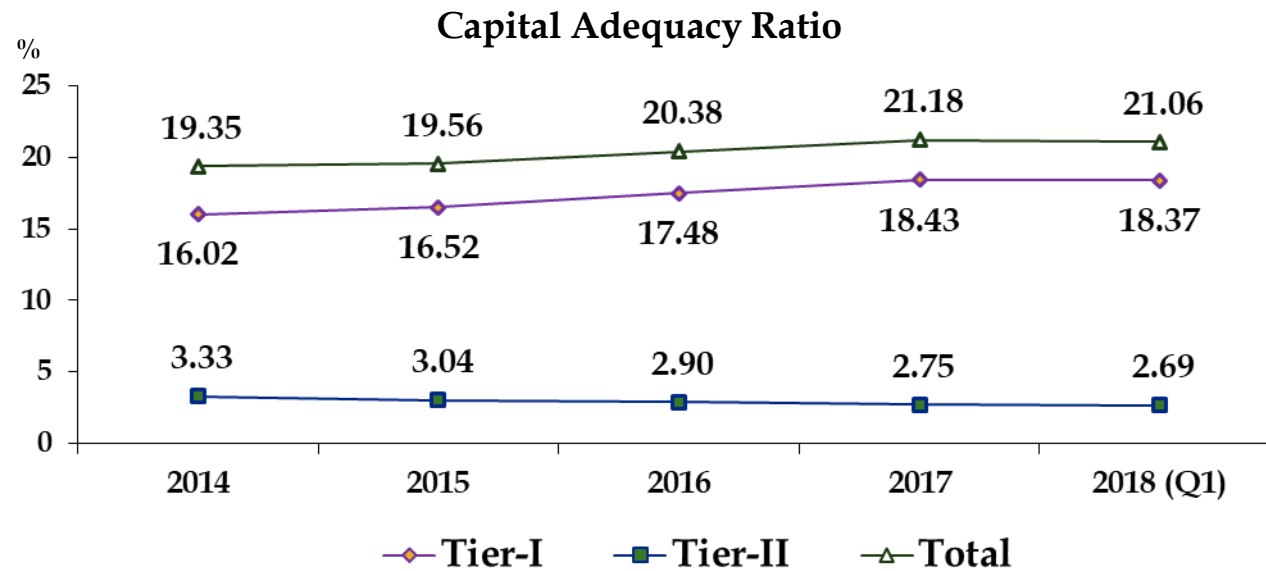
Times

## Debt Equity Ratio



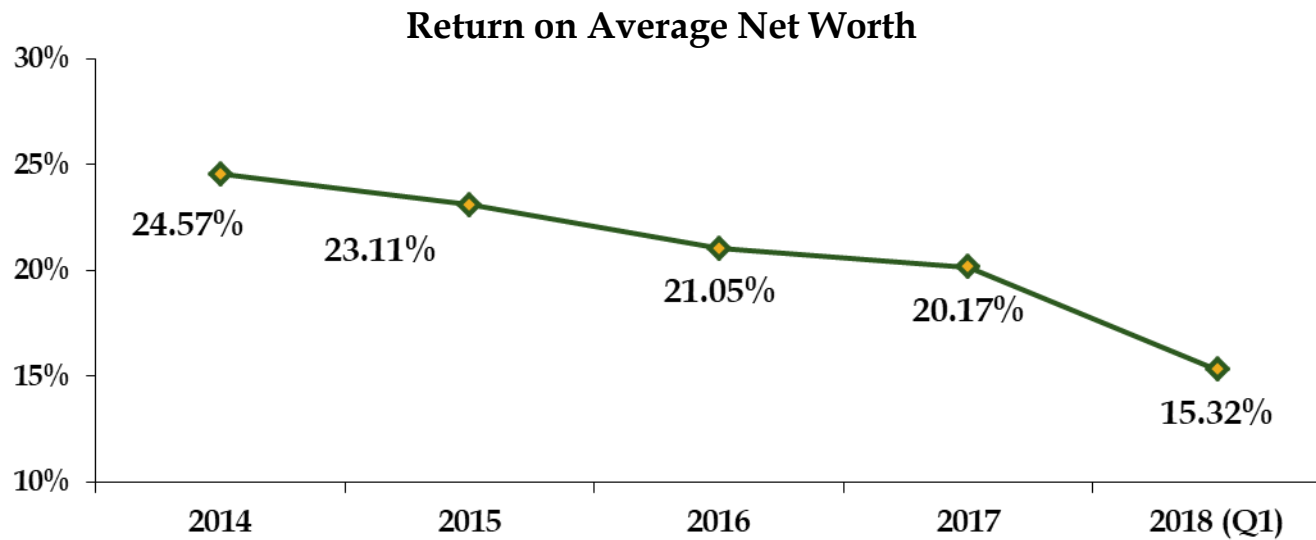
*Debt Equity = Ratio of Total Borrowings to Net Worth*

# Key Financial Highlights



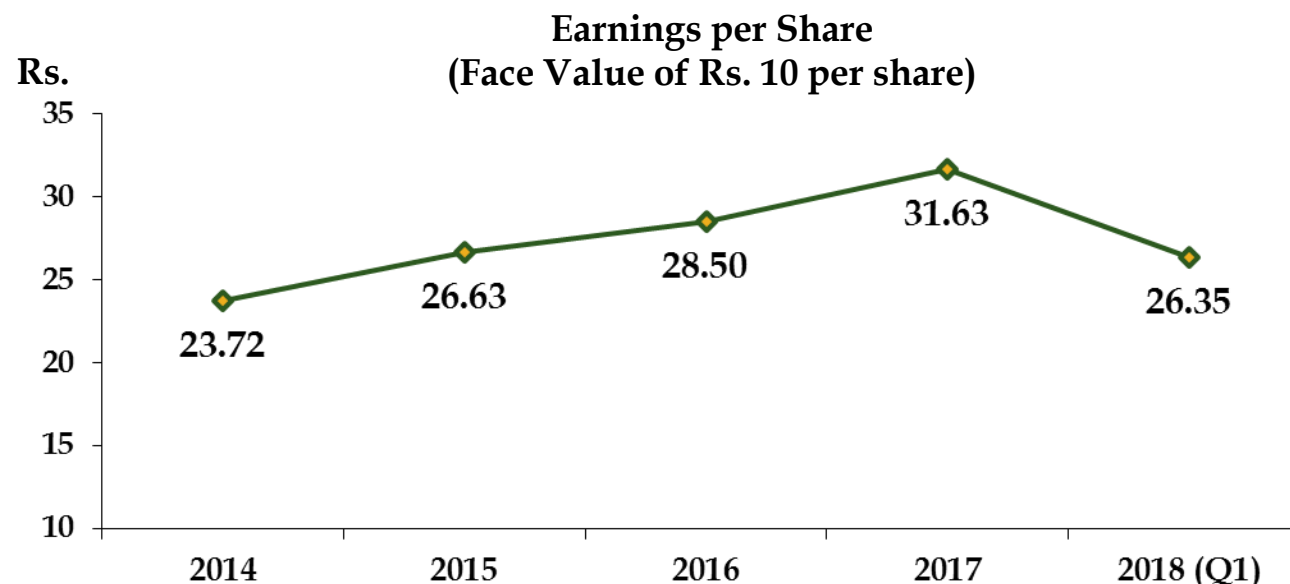
*Minimum Requirement as per RBI Guidelines : 15%*

*Capital Adequacy ratio = Ratio of Owned Funds to Risk Weighted Assets*

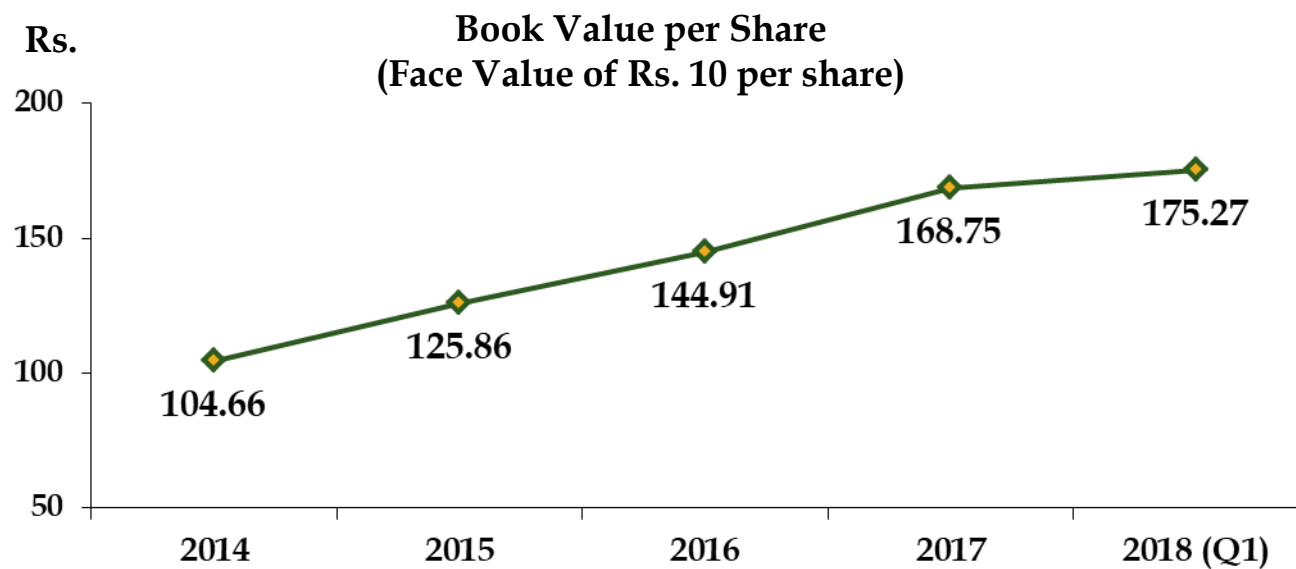


*Return on Average Net worth = Ratio of PAT to average Net Worth*

# Key Financial Highlights



*Earnings per Share = Ratio of PAT to outstanding Equity shares.*



*Book Value per share = Ratio of Net worth to outstanding Equity shares.*



# Standalone Balance Sheet (abridged)

Rs. Crores

Particulars	12M				Q1
	FY 14	FY 15	FY 16	FY 17	FY 18
<b><u>Liabilities</u></b>					
Shareholders Funds	20,669	24,857	28,618	33,326	34,614
Borrowings	1,26,240	1,51,024	1,69,106	1,67,517	1,68,284
Deferred Tax Liabilities (Net)	174	107	50	40	56
Other Liabilities	5,770	7,187	8,579	8,353	9,307
<b>Total Liabilities</b>	<b>1,52,853</b>	<b>1,83,175</b>	<b>2,06,353</b>	<b>2,09,236</b>	<b>2,12,261</b>
<b><u>Assets</u></b>					
Fixed Assets (Net)	82	81	150	181	195
Investments	1708	1,613	2,467	2,696	2829
Loan Assets (Net of Provisions)	1,48,504	1,79,282	2,00,265	2,06,163	2,05,981
Other Assets	2,559	2,199	3,471	196	3,256
<b>Total Assets</b>	<b>1,52,853</b>	<b>1,83,175</b>	<b>2,06,353</b>	<b>2,09,236</b>	<b>2,12,261</b>

*Previous year figures have been suitably rearranged, regrouped and reclassified so as to make them comparable*

# Standalone Profit & Loss Statement

Rs. Crores

Particulars	12M				Q1	
	FY14	FY15	FY16	FY 17	FY 17	FY 18
Interest Income	16,806	20,072	23,471	22,936	5,890	5,463
Less: Finance Costs	10,039	11,845	14,283	13,775	3,553	3,343
Net Interest Income	6,767	8,227	9,188	9,161	2,337	2,120
Other Operating Income	212	157	168	415	64	108
Other Income	103	159	118	745	97	91
Other costs *	239	313	323	351	88	86
Provision for Bad & Doubtful debts and Investments	312	803	1,106	1,109	253	206
Provision for Restructured Standard Loans					58	(6)
Provision for Standard Loans **					46	143
Profit Before Tax	6,531	7,427	8,045	8,861	2,053	1,890
Tax Expense	1,847	2,167	2,417	2,615	632	589
Profit After Tax	4,684	5,260	5,628	6,246	1,421	1,301
Dividend (incl. interim)	938	1,057	1,689	1,382	-	-
Dividend Distribution Tax	159	212	341	277	-	-
Total (Dividend + Dividend Distribution Tax)	1,097	1,269	2,030	1,659	-	-

\* Other Costs include Employee Benefit Expenses, CSR Expenses, Depreciation & amortization expense and Other Expenses.

\*\* Provision for Standard Loans amounting to Rs. 87 Crores has been created @ 0.40% in Q1 FY 18 itself instead of creating it in phased manner during the Financial Year 2017-18, as against 0.35% maintained till March 31, 2017



*Thank You!*