



# REC Limited

(Formerly Rural Electrification Corporation Limited)

## A Navratna Enterprise of Govt. of India

Investor Presentation  
Performance Highlights  
Q3 & 9M FY 19

Lighting up lives through composite financial solutions.....

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*Disclaimer :*

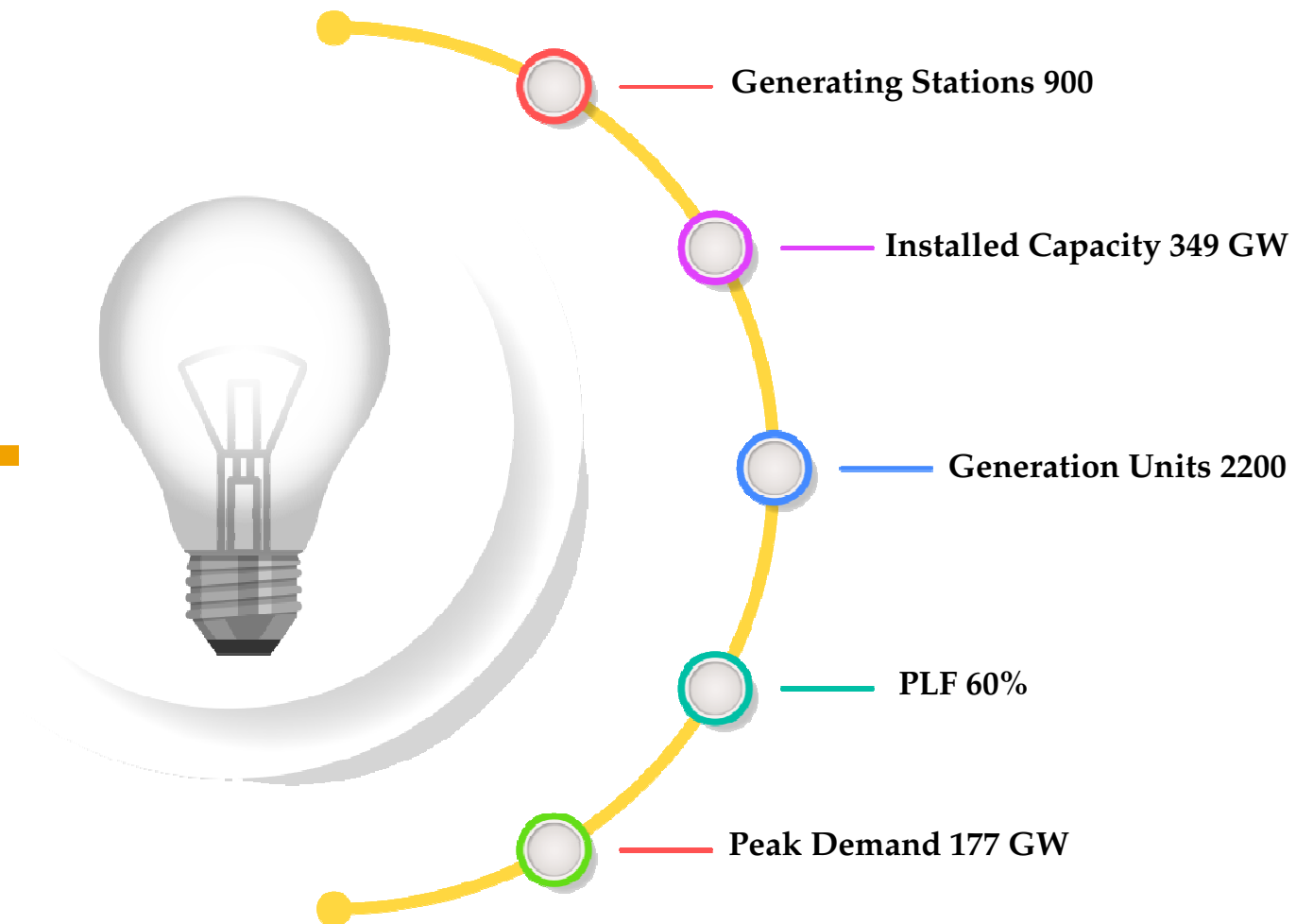
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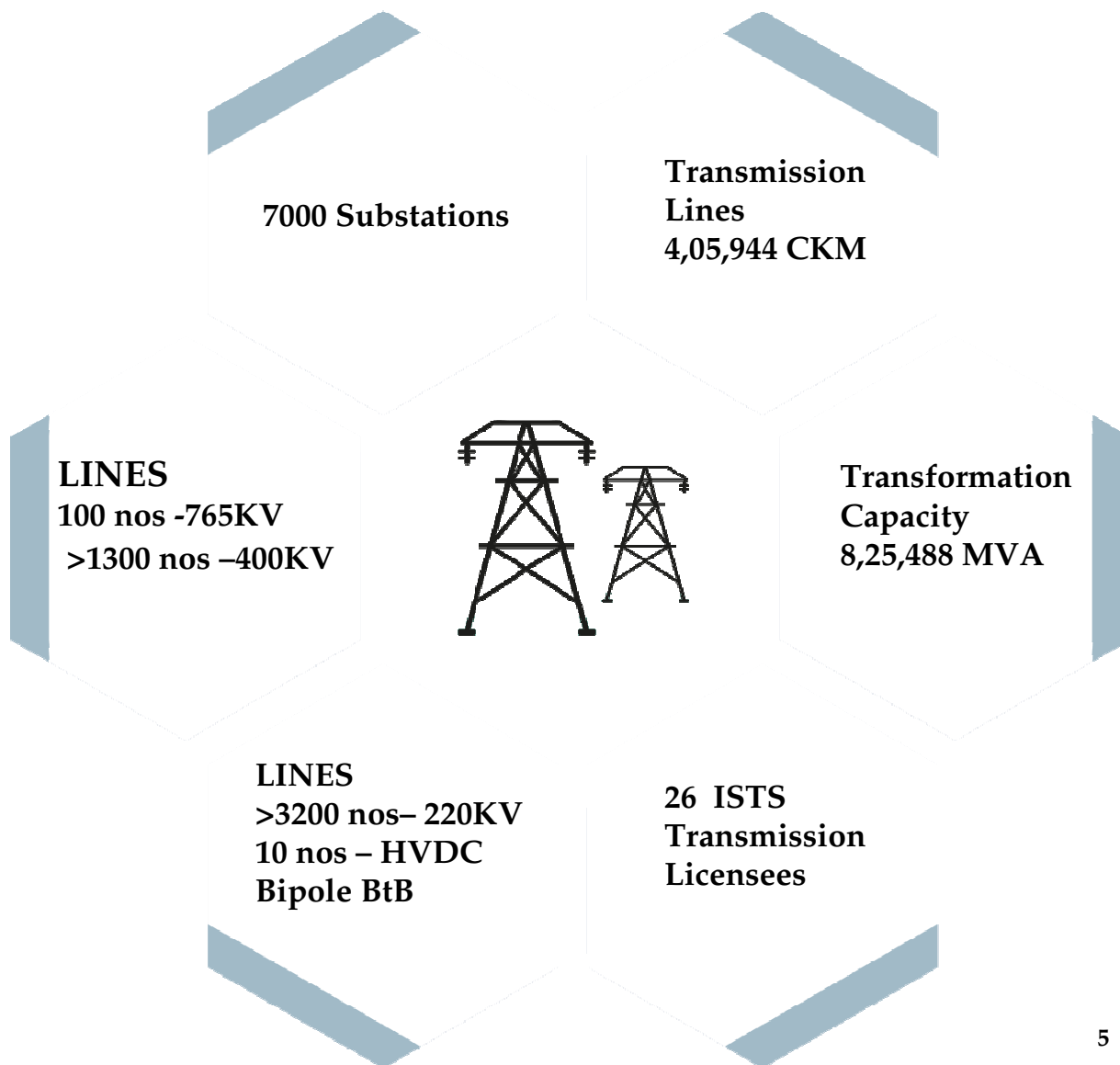
# India Power Sector Empowering India



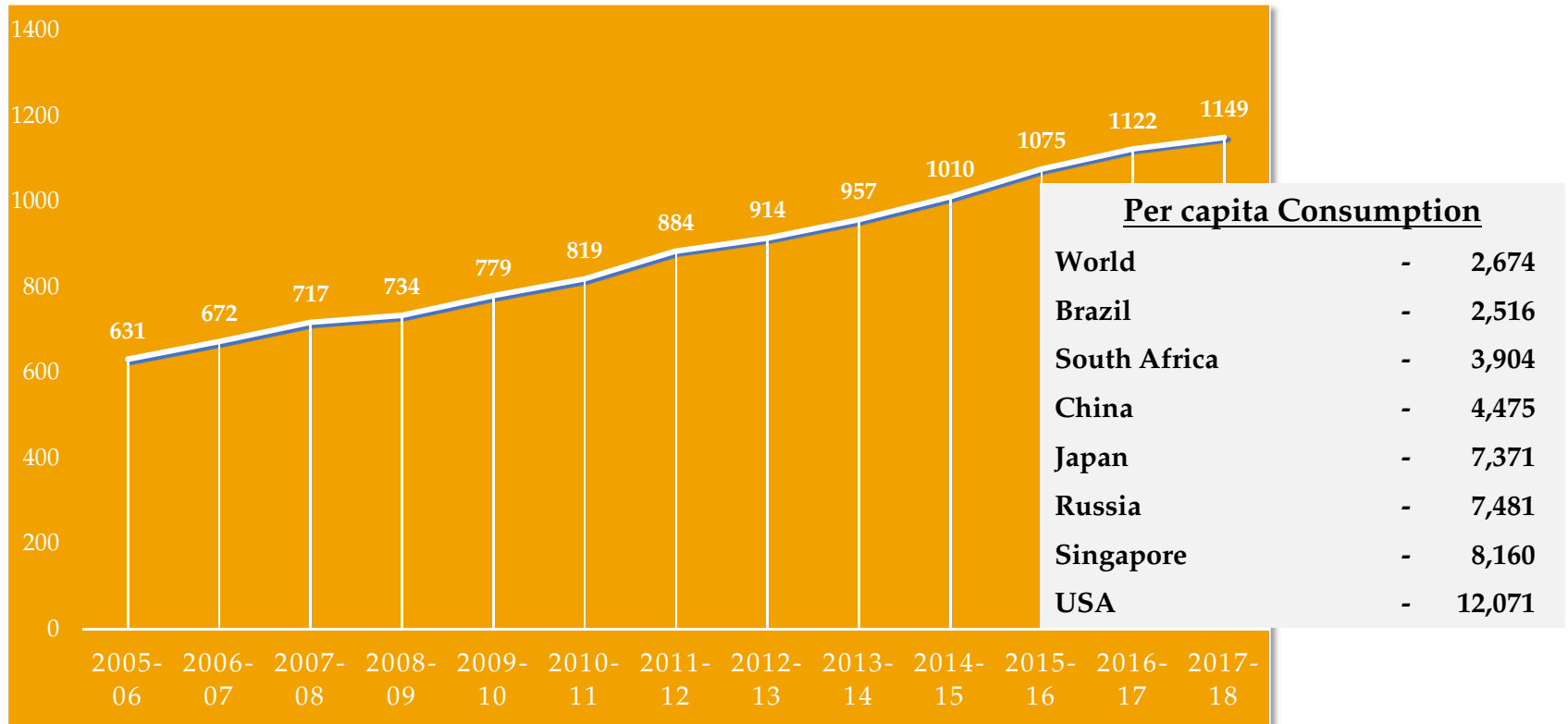
# Generation



## Transmission

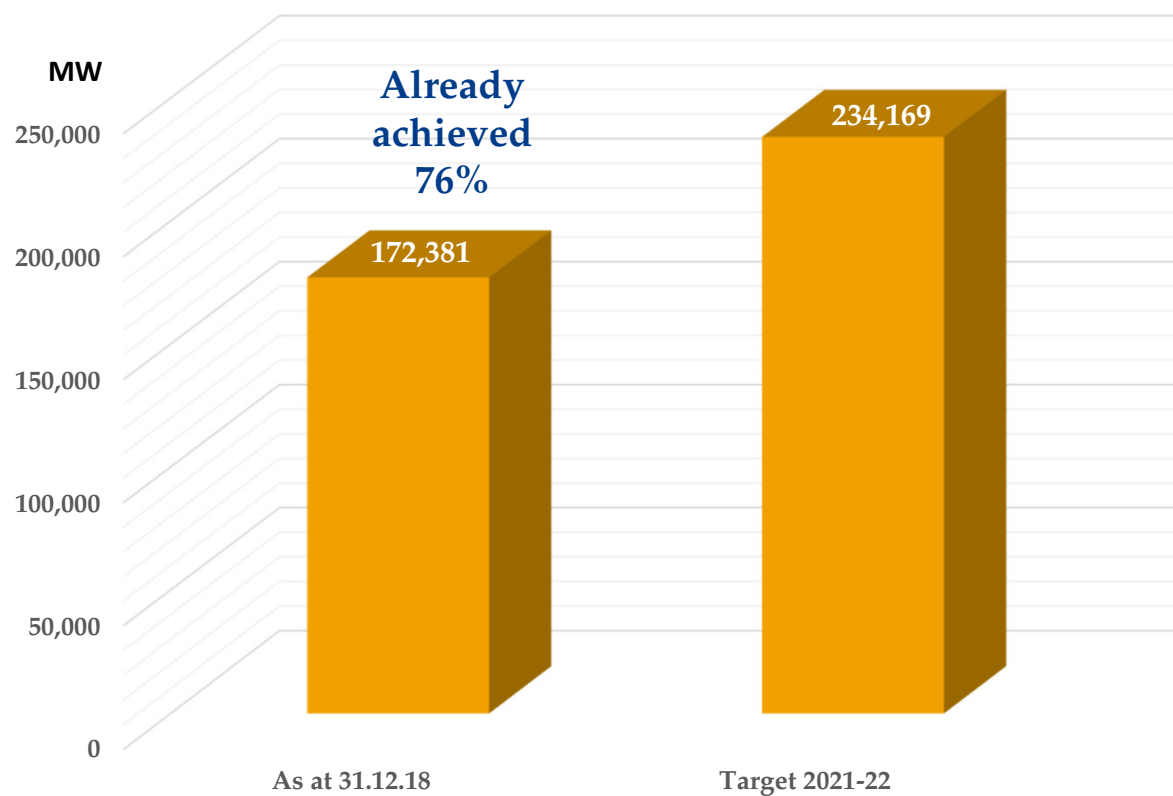


# Annual Per Capita Consumption of Electricity (kwh)



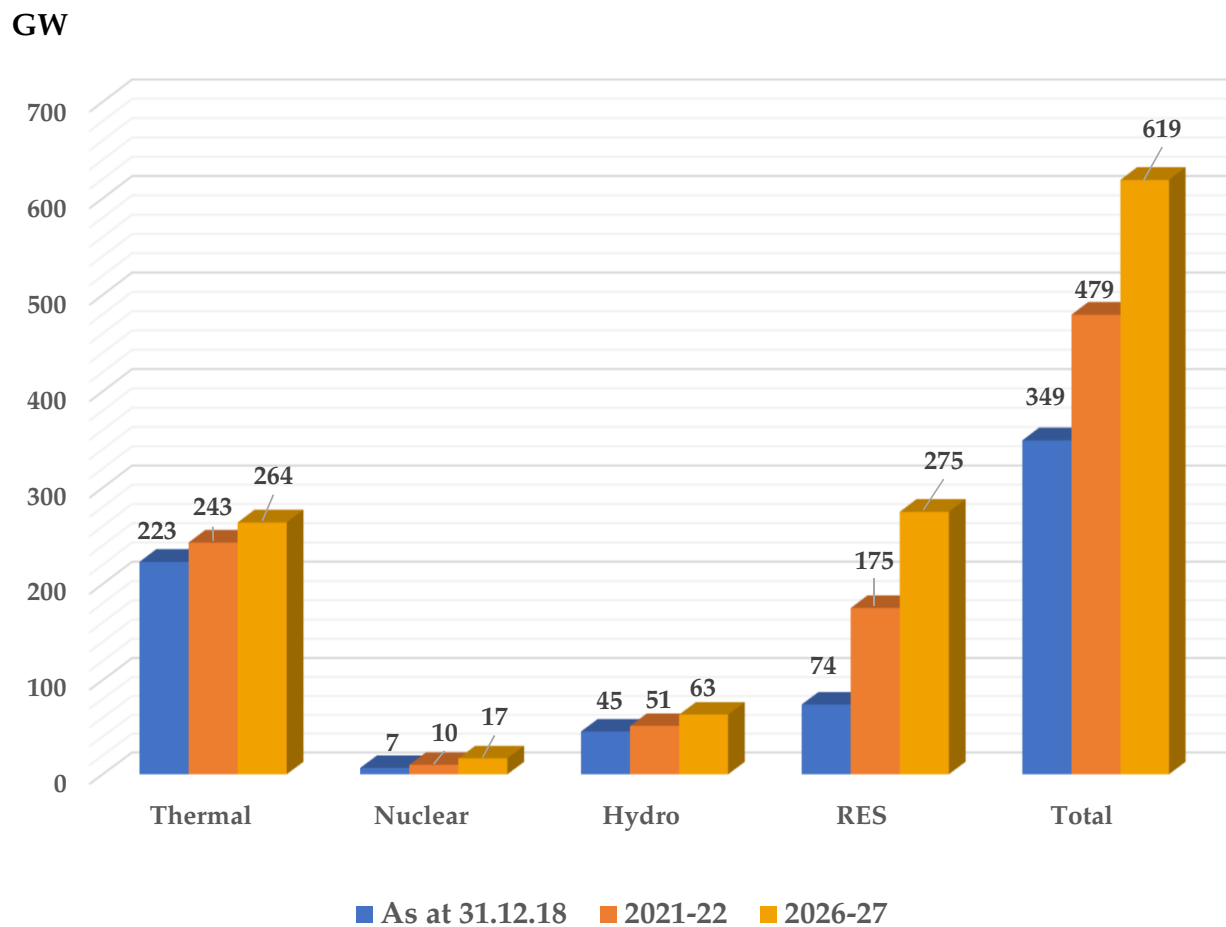
Source : CEA & Wikipedia

## Estimated Demand by 2021-22 (MW)



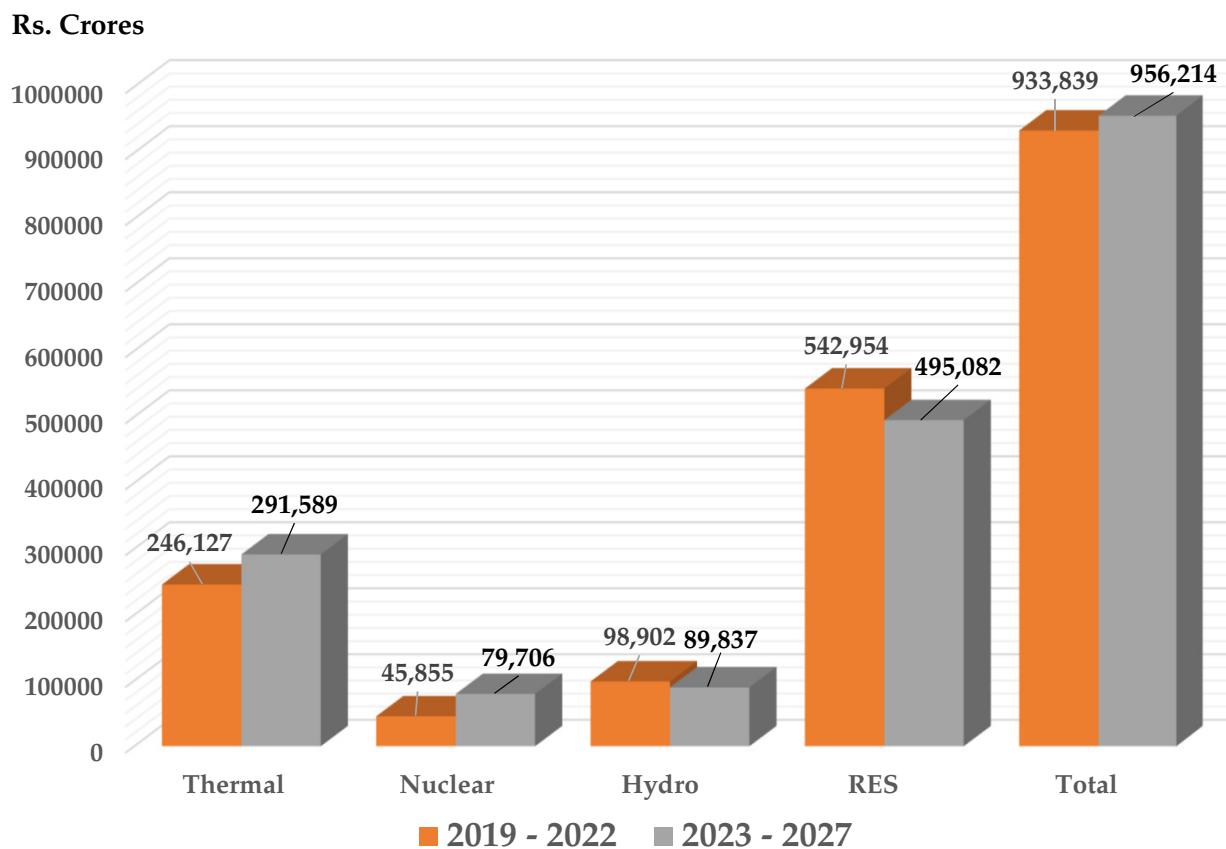
Source : CEA

# Generation Capacity by 2026-27 (GW)



Source : CEA, National Electricity Policy

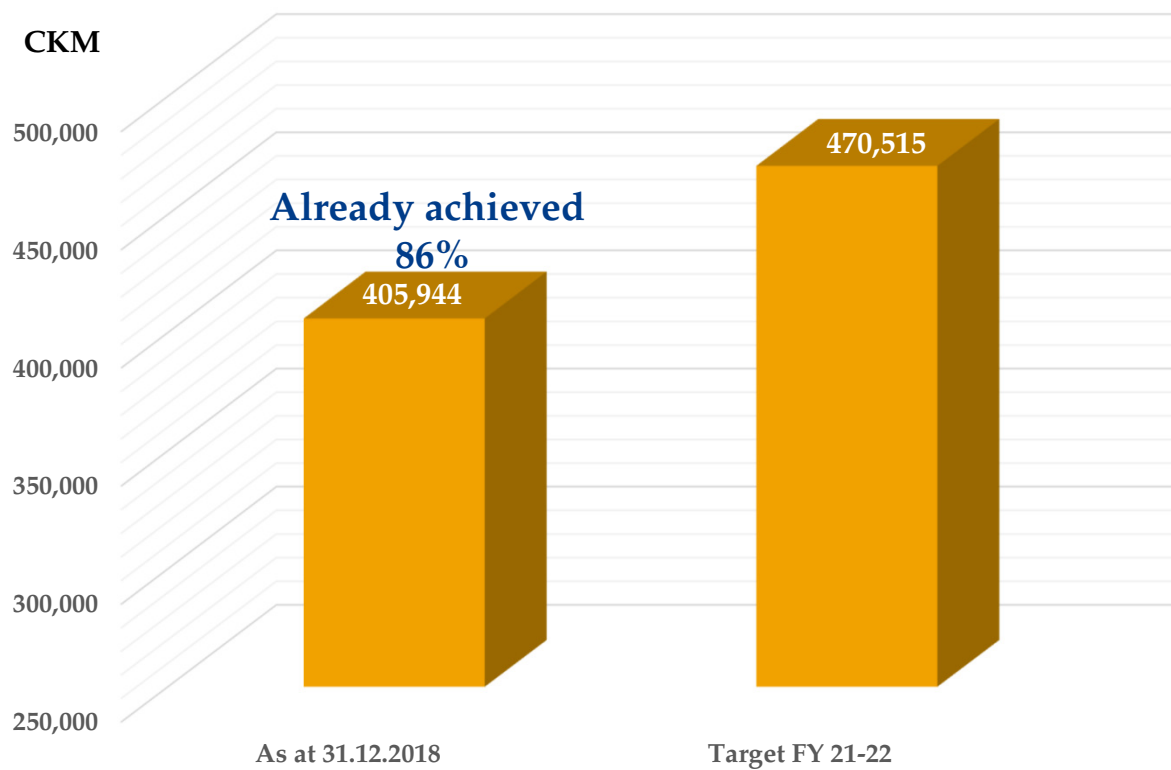
# Fund Requirement (Generation) by 2026-27 (Rs. Crores)



Source : CEA, National Electricity Policy

Estimated fund requirement for generation capacity addition – **INR 18,90,053 Crores** from 2018-19 to 2026-27

## Transmission Line Capacity by 2021-22 (CKM)



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 |               |                |

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

| Particulars                          | Installed Capacity 31.03.2018 | Installed Capacity 31.12.2018 | Target 2022    |             | Expected 2027 (NEP) |             |
|--------------------------------------|-------------------------------|-------------------------------|----------------|-------------|---------------------|-------------|
| Solar >1 MW                          | 21,651                        | 25,212                        | 100,000        | 57%         | 1,50,000            | 55%         |
| Wind                                 | 34,046                        | 35,138                        | 60,000         | 24%         | 1,00,000            | 36%         |
| Small Hydro Power                    | 4,486                         | 4,518                         | 5,000          | 3%          | 8,000               | 3%          |
| Biomass/Other                        | 8,839                         | 9,214                         | 10,000         | 6%          | 17,000              | 6%          |
| <b>Total Installed Capacity (MW)</b> | <b>69,022</b>                 | <b>74,082</b>                 | <b>175,000</b> | <b>100%</b> | <b>2,75,000</b>     | <b>100%</b> |

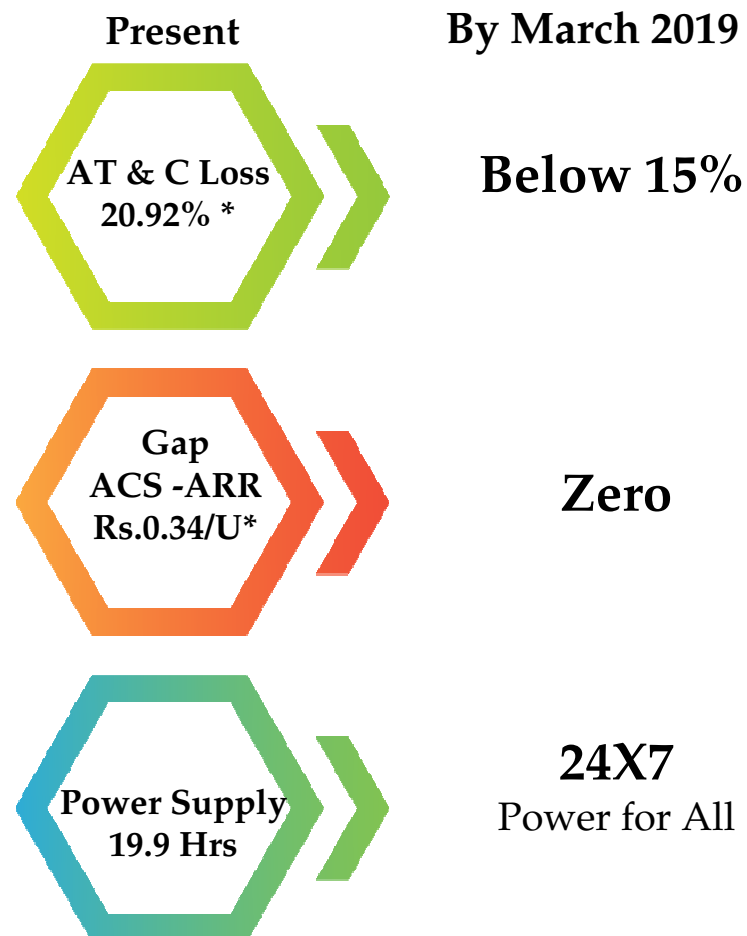
**Target 2022 of 175 GW**  
**< 20% of total potential**  
**and estimated 2027**  
**< 30% of total potential**



# Distribution Modernization by 2019

Does not include data of Mizoram, Nagaland, Andaman and Nicobar Islands, Lakshadweep

\* Source : <https://www.uday.gov.in>



# SAUBHAGYA

Universal access to Quality Power for All

## Overview

- W.e.f 11<sup>th</sup> October 2017, Govt. of India launched Rs. 16,350 crores household electrification scheme named Pradhan Mantri Sahaj Bijli Har Ghar Yojana (translated as the Prime Minister's Programme to provide easy electricity access to all households), or 'Saubhagya' )
- Objective of the 'Saubhagya' is to provide energy access to all by last mile connectivity and electricity connections to all remaining un-electrified households in rural as well as urban areas estimated to be around 3.96 crores households.
- Projects under the scheme are sanctioned based on the Detailed Project Reports to be submitted by the States, prepared by the State DISCOMs / Power Department and sanctioned by an inter-ministerial Monitoring Committee headed by the Secretary (Power), Government of India
- Considering an average load of 1 KW per household and average uses of load for 8 hours in a day, estimated rise in demand for power after inclusion of all households will be about 28,000 MW. With the enhancement of income and habit of using electricity, the demand of electricity is bound to increase
- Access to electricity is also expected to boost power-based ancillary economic and business activities, which will further increase the demand for power

## Financial Support under the Saubhagya Scheme

| Agency  | Nature of Support | Quantum of Support (% of Project Cost) |                         |
|---|-------------------|--|-------------------------|
|   |                   | Other than Special Category States     | Special Category States |
| Government of India   | Grant             | 60%                                    | 85%                     |
| Utility / State Contribution  | Own Fund          | 10%                                    | 5%                      |
| Loan (FIs/Banks)  | Loan              | 30%                                    | 10%                     |
| Additional Grant from GoI on achievement of prescribed milestones                         | Grant             | 50% of loan component                  | 50% of loan component   |
| Maximum Grant by GoI (including additional grant on achievement of prescribed milestones) | Grant             | 75%                                    | 90%                     |

REC is the Nodal Agency for operationalization of the Saubhagya scheme throughout India

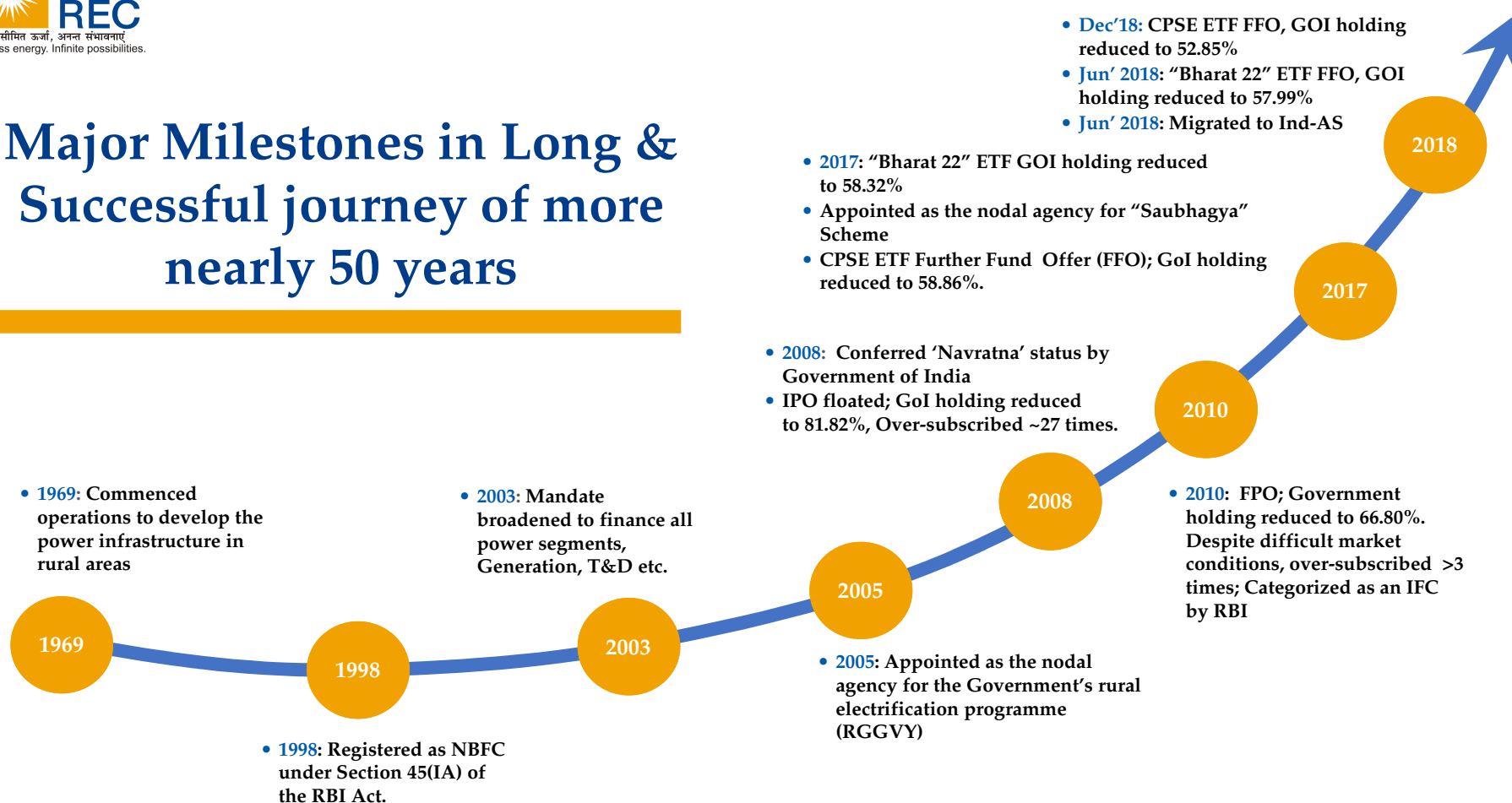
# REC Overview



## Key Strengths



## Major Milestones in Long & Successful journey of more nearly 50 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 > 33 years  
On Board of REC since  
05.01.2017

- Was Principal Finance Secretary / Additional Chief Secretary and Development Commissioner to Government of Andhra Pradesh for five years.
- Substantial expertise & experience in development assistance management (Government, UNOPS, UNFPA, IFAD, World Bank, DFID, DANIDA, UNICEF, etc.), resource mobilisation, financial management; delivering high quality technical assistance (UNDP, UNICEF, UNCTAD, UNIDO, World Bank, DANIDA, DFID etc.); effective management of international procurement and efficient contract administration (World Bank, UNOPS, UNOIP, Government), and international development agencies, governments, financial institutions, corporate enterprises, NGOs, and research institutions.
- Held senior diplomatic assignments including, UNFPA Country Representative in Afghanistan; Director UNOPS; UNOPS / World Bank Senior Advisor; UNOPS / IFAD Senior Country Programme Manager; UNOPS Senior Portfolio Manager; Staff Officer in IFAD and UNOPS HQ; represented UNOPS in undg at New York and IFAD in consultative group meetings.
- Physician with distinction in medicine and surgery from CMC Vellore, Tamil Nadu, India.



**Mr. Ajeet Kumar Agarwal**  
*Director (Finance)*

> 34 years experience  
in Finance Sector  
On Board of REC since  
01.08.2012

- 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.

# Board of Directors

Experienced Team with sector experience



**Mr. Sanjeev Kumar Gupta**

*Director (Technical)*

> 34 years experience  
in Power

Transmission Sector

*On Board of REC since*

*16.10.2015*

- 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*

JS(RE), MoP

>29 years of  
administrative &

management experience

*On Board of REC since*

*06.10.2015*

- 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 experience



**Professor T.T. Ram Mohan**

*Independent Director*

Professor of Finance & Accounting in IIM, Ahmedabad.

*On Board of REC since 13.11.2015*

- 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

*On Board of REC since 13.11.2015*

- 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.

# Board of Directors

Experienced Team with sector experience

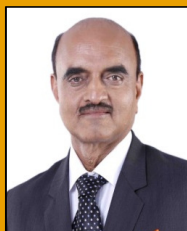


**Ms. Asha Swarup**  
*Independent Director*

IAS officer (1973 batch) Retd. with varied experience

*On Board of REC since 08.02.2017*

- 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.



**Dr. Bhagvat Kishanrao Karad**  
*Independent Director*

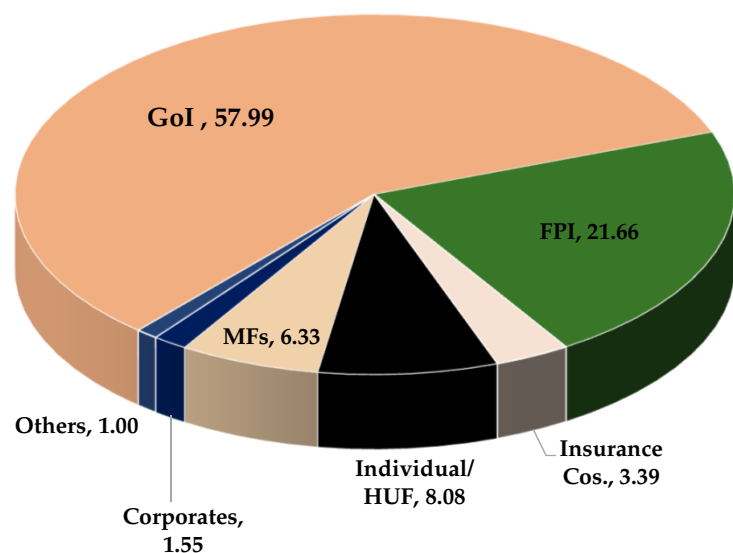
Medical practitioner with business acumen

*On Board of REC since 17.07.2018*

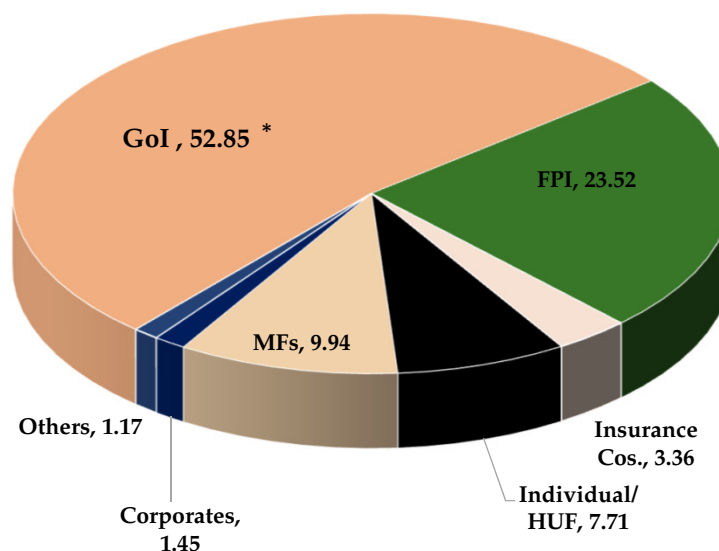
- Has been on advisory Board of Wockhardt Foundation & Aurangabad Airport Authority and advisory member for the Govt Medical College and Hospital, Aurangabad. Has been Mayor of Aurangabad Municipal Corporation twice. Due to his business acumen to run commercial organizations and experience to handle various social responsibilities, especially in Rural Maharashtra, he has gained knack in addressing socio-economic issues and writing as well as recommending policies to the concerned departments in the State Government especially for projects related to rural India. Serving as acting Chairman of Marathwada Statutory Development Board (MSDB)
- Pediatric Surgeon (M.B.B.S, M.S in General Surgery and F.C.P.S. M.Ch. in Pediatric Surgery).

# Shareholding Pattern

As at 30.09.2018



As at 31.12.2018



Govt. of India, has divested 5.14% of equity share capital of REC under CPSE ETF Further Fund Offer 3 (FFO 3) in December 2018. Accordingly, as on date, Govt. of India holds 52.85% of the paid up share capital of REC.

The Cabinet Committee on Economic Affairs (CCEA), on 6th December 2018, has given its 'In Principle' approval for strategic sale of the Govt. of India's existing shareholding in REC to Power Finance Corporation Ltd.

# Shareholders Outlook

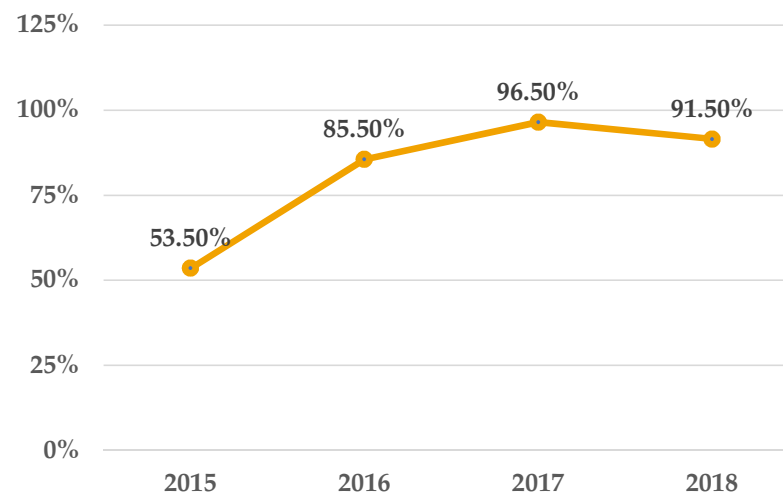
## Top 10 Share holders as at December 31, 2018

| Rank | Particulars  | Shareholding (%) | Category |
|------|--|------------------|----------|
| 1    | President of India   | 52.85            | POI      |
| 2    | CPSE ETF   | 3.16             | MUT      |
| 3    | Life Insurance Corporation of India                              | 2.3              | INS      |
| 4    | HDFC Trustee Company Limited - HDFC Balanced Advantage Fund      | 2.27             | MUT      |
| 5    | HDFC Trustee Company Limited - HDFC Equity Fund                  | 1.74             | MUT      |
| 6    | The Prudential Assurance Company Limited                         | 1.53             | FPI      |
| 7    | Eastspring Investments - Developed and Emerging Asia Equity Fund | 0.96             | FPI      |
| 8    | India Capital Fund Limited                                       | 0.89             | FPI      |
| 9    | HDFC Trustee Company Ltd. - HDFC Top 100 Fund                    | 0.77             | MUT      |
| 10   | HDFC Trustee Company Ltd - HDFC midcap Opportunities fund        | 0.65             | MUT      |
|      | <b>TOTAL</b>   | <b>68.03</b>     |          |

POI = President of India; INS = Insurance Companies ; FPI = Foreign Portfolio Investors;  
MUT = Mutual Fund

## Dividend Payout as a % of Equity Share Capital

Consistently high dividend paying company



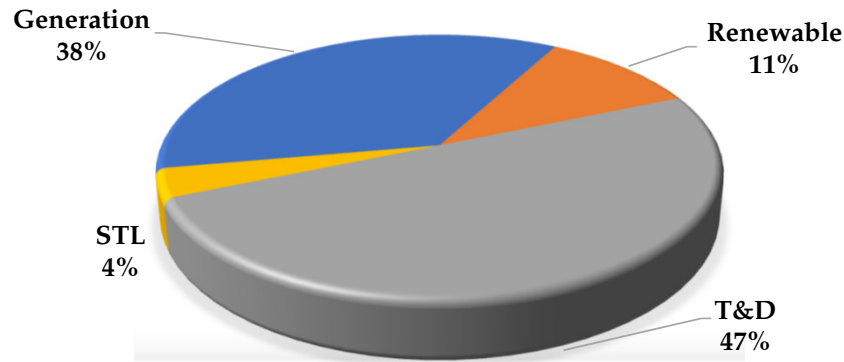
Dividend pay-out adjusted for bonus share issue of 1:1 in Sep'2016

# Operational Performance



# Sanctions - Composition

Sector-wise breakup of Sanctions in 9M FY19

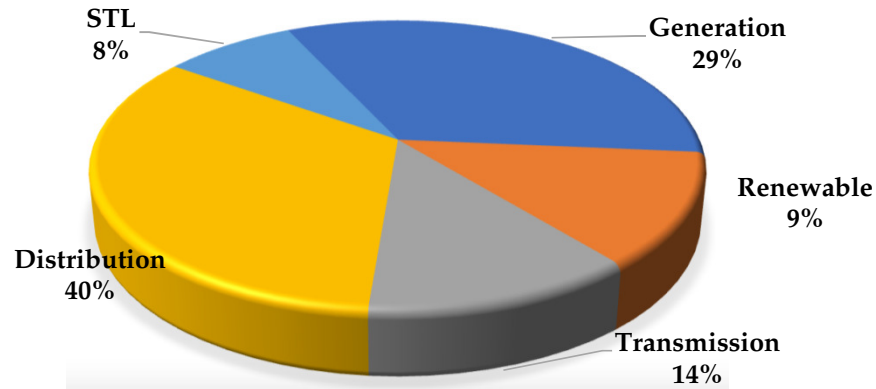


3% Project Loans  
9MFY19  
vs  
9MFY18

| Discipline-wise             | 12M           |            |               |            |                |            | Q3            |            |               |            | 9M            |            |               |            |
|-----------------------------|---------------|------------|---------------|------------|----------------|------------|---------------|------------|---------------|------------|---------------|------------|---------------|------------|
|                             | FY16          | %          | FY17          | %          | FY 18          | %          | FY 18         | %          | FY 19         | %          | FY 18         | %          | FY 19         | %          |
| Generation                  | 27,828        | 43         | 28,209        | 34         | 53,224         | 49         | 25,580        | 65         | 14,832        | 52         | 49,384        | 52         | 36,362        | 38         |
| Renewable Energy            | 2,966         | 5          | 2,090         | 2          | 7,034          | 7          | 1,494         | 4          | 4,905         | 17         | 4,864         | 5          | 10,288        | 11         |
| Transmission & Distribution | 31,377        | 47         | 49,047        | 59         | 40,541         | 38         | 9,931         | 26         | 8,010         | 28         | 35,020        | 37         | 45,617        | 47         |
| <b>Total Project Loans</b>  | <b>62,171</b> | <b>95</b>  | <b>79,346</b> | <b>95</b>  | <b>100,799</b> | <b>94</b>  | <b>37,005</b> | <b>95</b>  | <b>27,747</b> | <b>97</b>  | <b>89,268</b> | <b>94</b>  | <b>92,267</b> | <b>96</b>  |
| <i>Growth</i>               | 5%            |            | 28%           |            | 27%            |            |               |            | -25%          |            |               |            | 3%            |            |
| Short Term Loan             | 3,300         | 5          | 4,525         | 5          | 6,735          | 6          | 1,880         | 5          | 840           | 3          | 5,785         | 6          | 4,090         | 4          |
| <b>Total Sanctions</b>      | <b>65,471</b> | <b>100</b> | <b>83,871</b> | <b>100</b> | <b>107,534</b> | <b>100</b> | <b>38,885</b> | <b>100</b> | <b>28,587</b> | <b>100</b> | <b>95,053</b> | <b>100</b> | <b>96,357</b> | <b>100</b> |
| <i>Growth</i>               |               |            | 28%           |            | 28%            |            |               |            | -26%          |            |               |            | 1%            |            |

# Disbursements – Composition

## Sector-wise breakup of Disbursements in 9M FY19



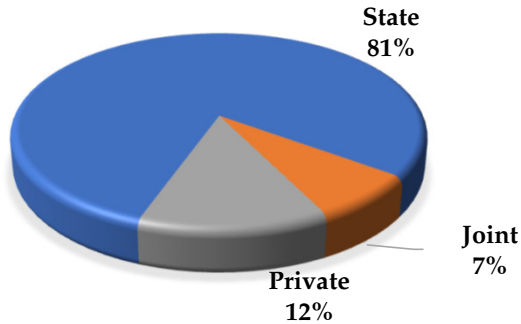
42% Project Loans  
 9MFY19  
 vs  
 9MFY18



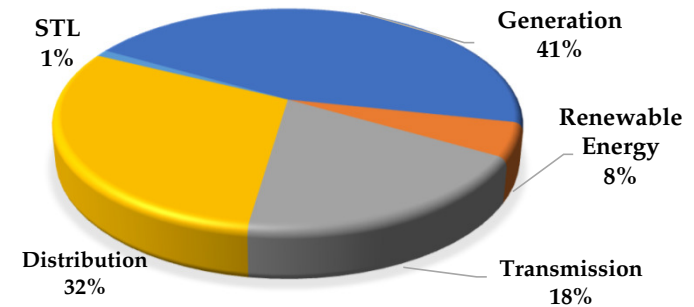
| Discipline-wise                   | 12M    |     |        |     |        |     | Q3     |     |        |     | 9M     |     |        |     |
|-----------------------------------|--------|-----|--------|-----|--------|-----|--------|-----|--------|-----|--------|-----|--------|-----|
|                                   | FY 16  | %   | FY 17  | %   | FY18   | %   | FY 18  | %   | FY 19  | %   | FY 18  | %   | FY 19  | %   |
| Generation                        | 12,820 | 27  | 21,697 | 37  | 18,086 | 29  | 5,398  | 42  | 4,826  | 24  | 13,283 | 34  | 15,670 | 29  |
| Renewable Energy                  | 304    | 1   | 1,618  | 3   | 5,403  | 9   | 696    | 5   | 734    | 4   | 2,669  | 7   | 4843   | 9   |
| Transmission                      | 8,529  | 19  | 10,520 | 18  | 6,668  | 11  | 950    | 7   | 3,235  | 16  | 4,193  | 11  | 7,237  | 14  |
| Distribution                      | 22,173 | 48  | 19,429 | 34  | 24,920 | 40  | 3,649  | 29  | 10,042 | 51  | 14,078 | 35  | 20,929 | 40  |
| Total Transmission & Distribution | 30,702 | 67  | 29,949 | 52  | 31,588 | 51  | 4,599  | 36  | 13,277 | 67  | 18,271 | 46  | 28,166 | 54  |
| Total Project Loans               | 43,826 | 95  | 53,264 | 92  | 55,077 | 89  | 10,693 | 83  | 18,837 | 95  | 34,223 | 87  | 48,679 | 92  |
| Growth                            |        |     | 22%    |     | 3%     |     |        |     | 76%    |     |        |     | 42%    |     |
| Short Term Loan                   | 2,200  | 5   | 4,775  | 8   | 6,635  | 11  | 2,199  | 17  | 890    | 5   | 5,204  | 13  | 3,590  | 8   |
| Total Disbursements               | 46,026 | 100 | 58,039 | 100 | 61,712 | 100 | 12,892 | 100 | 19,727 | 100 | 39,427 | 100 | 52,269 | 100 |
| Growth                            |        |     | 26%    |     | 6%     |     |        |     | 53%    |     |        |     | 33%    |     |

# Outstanding Loans – Composition

**Customer-wise  
breakup  
of Loans as at  
31.12.2018**



**Category-wise  
breakup of  
Loans as at  
31.12.2018**



| Discipline-wise  | 12M            |            |                |            |                |            | Q3 & 9M        |            |
|------------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|
|                  | FY 16          |            | FY 17          |            | FY18           |            | FY19           |            |
|                  | Amt            | %          | Amt            | %          | Amt            | %          | Amt            | %          |
| State            | 153,941        | 77         | 151,976        | 75         | 186,445        | 78         | 216,259        | 81         |
| Joint            | 16,808         | 8          | 16,728         | 8          | 19,798         | 8          | 19,792         | 7          |
| Private          | 30,529         | 15         | 33,225         | 17         | 33,206         | 14         | 33,119         | 12         |
| <b>Total</b>     | <b>201,278</b> | <b>100</b> | <b>201,929</b> | <b>100</b> | <b>239,449</b> | <b>100</b> | <b>269,170</b> | <b>100</b> |
| <b>Growth</b>    |                |            | <b>0%</b>      |            | <b>19%</b>     |            | <b>12%</b>     |            |
| Generation       | 86,980         | 43         | 100,441        | 50         | 108,442        | 46         | 109,623        | 41         |
| Renewable Energy | 1,000          | 1          | 2,447          | 1          | 7,506          | 3          | 21,642         | 8          |
| Transmission     | 35,289         | 18         | 42,520         | 21         | 45,558         | 19         | 49,787         | 18         |
| Distribution     | 76,087         | 37         | 52,933         | 26         | 72,295         | 30         | 85,490         | 32         |
| Total T&D        | 111,376        | 55         | 95,453         | 47         | 117,853        | 49         | 135,277        | 50         |
| Short Term Loans | 1,922          | 1          | 3,588          | 2          | 5,648          | 2          | 2,628          | 1          |

# Outstanding Loans - Asset Diversification

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

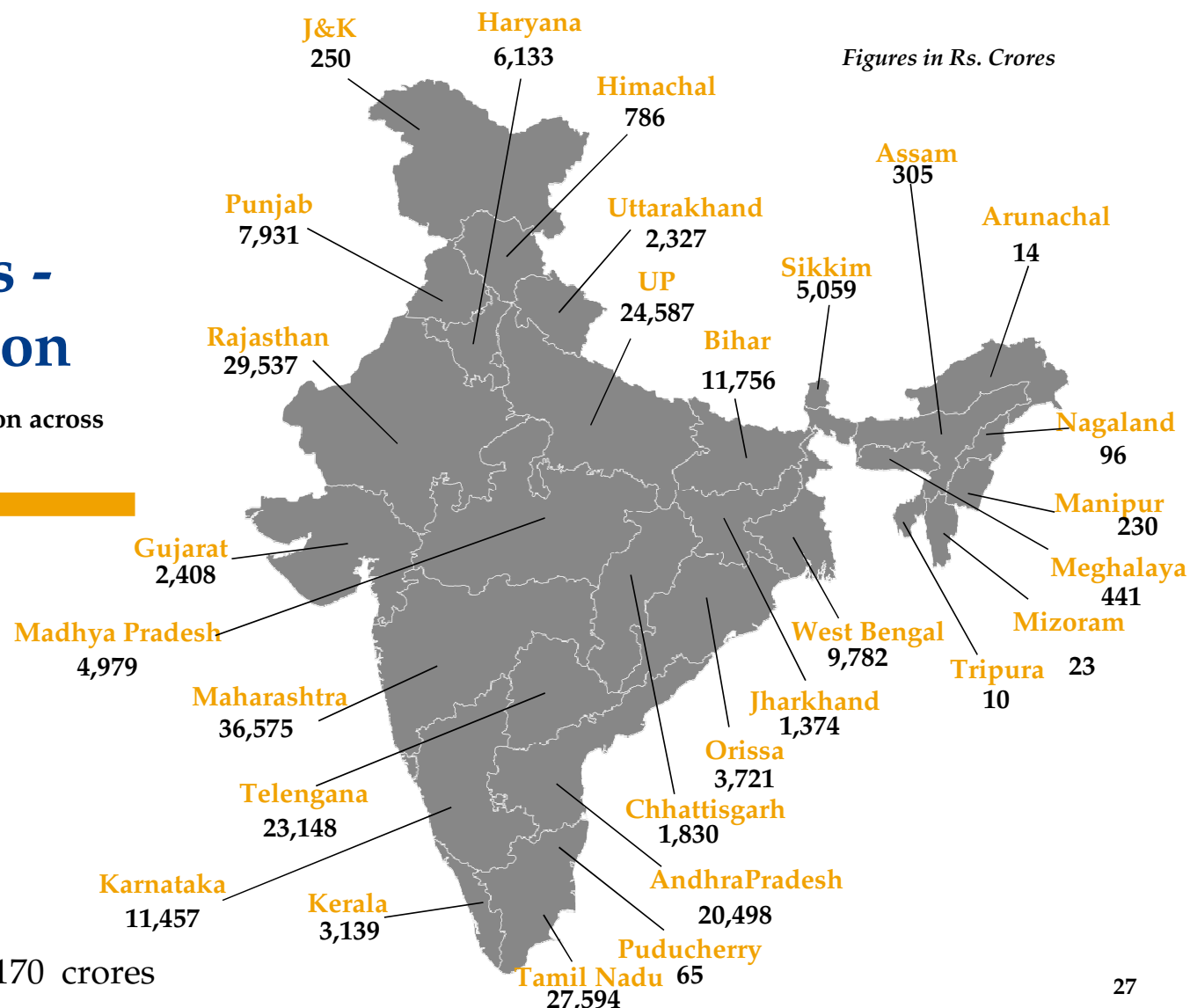
State Sector Borrowers

**2,36,051**

Private Sector Borrowers

**33,119**

Total Loan Outstanding – Rs. 2,69,170 crores



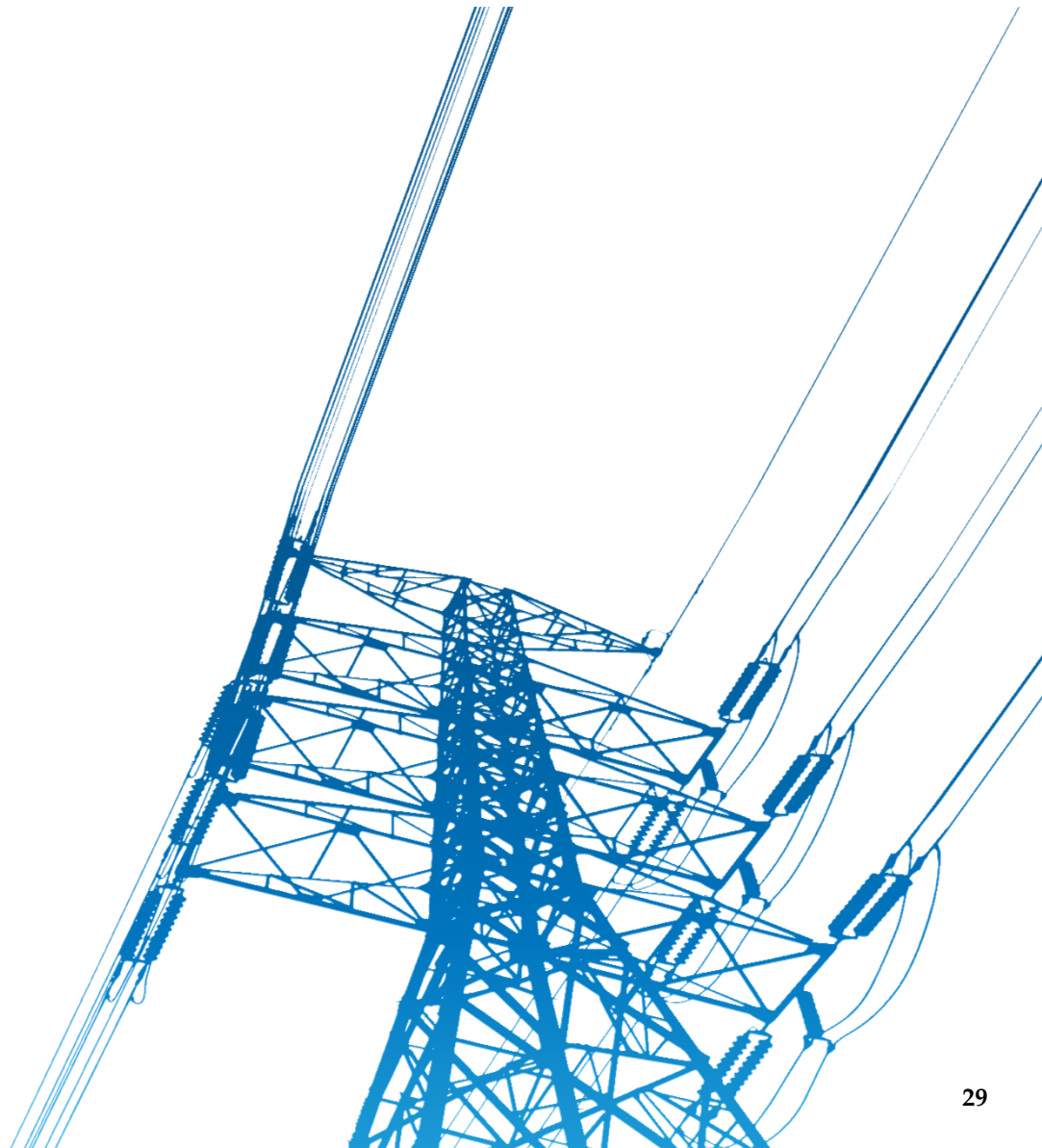
# Outstanding Loans –Loan Concentration

## Major Borrowers (as on December 31, 2018)

| S.No. | Top Ten Borrowers  | Amount Outstanding (Rs Cr.) | % of Total Loan Assets |
|-------|--|-----------------------------|------------------------|
| 1     | Maharashtra State Electricity Distribution Company Limited           | 19,918                      | 7.40%                  |
| 2     | Tamil Nadu Generation and Distribution Corporation                   | 13,841                      | 5.14%                  |
| 3     | Rajasthan Rajya Vidyut Utpadan Nigam Limited                         | 12,227                      | 4.54%                  |
| 4     | Maharashtra State Power Generation Company Limited                   | 12,176                      | 4.52%                  |
| 5     | Telangana Power Generation Corporation                               | 9,492                       | 3.53%                  |
| 6     | Tamil Nadu Transmission Corporation (TANTRANSCO)                     | 8,959                       | 3.33%                  |
| 7     | Nabinagar Power Generating Co. Pvt Ltd                               | 8,713                       | 3.24%                  |
| 8     | Andhra Pradesh Power Generation Corporation (APGENCO)                | 8,600                       | 3.19%                  |
| 9     | Uttar Pradesh Power Transmission Corporation Limited                 | 6,833                       | 2.54%                  |
| 10    | Andhra Pradesh Southern Power Distribution Company Limited (APSPDCL) | 4,755                       | 1.77%                  |
|       | <b>Total</b>   | <b>105,515</b>              | <b>39.20%</b>          |

*Well diversified asset portfolio with Top 10 borrowers accounting for ~39% of current loans and no single borrower accounting for more than ~ 7% of total loan book*

# Asset Quality



# Asset Quality & Provision Coverage

As at December 31, 2018

Figures : Rs. Crores

| Utility                     | Total Loan Outstanding | Credit Impaired Assets (NPAs)<br>(Stage – III) |                |                              | Standard Assets<br>(Stage – I & II) |              |                              | Total Provision |
|-----------------------------|------------------------|--|----------------|------------------------------|-------------------------------------|--------------|------------------------------|-----------------|
|                             |                        | Outstanding                                    | Provision *    | Provision coverage ratio (%) | Outstanding                         | Provision    | Provision coverage ratio (%) |                 |
| <b>State Sector</b>         |                        |  |                |                              |                                     |              |                              |                 |
| - Gencos                    | 91,777                 | -  | -              | -                            | 91,777                              | 128          | 0.14                         | 128             |
| - Renewables                | 8,404                  | -  | -              | -                            | 8,404                               | 14           | 0.14                         | 14              |
| - Transcos                  | 47,754                 | -  | -              | -                            | 47,754                              | 16           | 0.03                         | 16              |
| - Discoms                   | 88,116                 | -  | -              | -                            | 88,116                              | 249          | 0.28                         | 249             |
| <b>Total State Sector</b>   | <b>236,051</b>         | <b>-</b>                                       | <b>-</b>       | <b>-</b>                     | <b>236,051</b>                      | <b>407</b>   | <b>0.59</b>                  | <b>407</b>      |
| <b>Private Sector</b>       |                        |  |                |                              |                                     |              |                              |                 |
| - Genco                     | 27,141                 | 18,255   | 9,203          | 50.41                        | 8,886                               | 1,321        | 14.87                        | 10,524          |
| - Transcos                  | 2,034                  | 2,034  | 480            | 23.60                        | -                                   | -            | -                            | 480             |
| - Renewables                | 3,944                  | 98   | 38             | 38.78                        | 3,846                               | 34           | 0.87                         | 72              |
| <b>Total Private Sector</b> | <b>33,119</b>          | <b>20,387</b>                                  | <b>* 9,721</b> | <b>47.68</b>                 | <b>12,732</b>                       | <b>1,355</b> | <b>10.64</b>                 | <b>11,076</b>   |
| <b>Grand Total</b>          | <b>269,170</b>         | <b>20,387</b>                                  | <b>* 9,721</b> | <b>47.68</b>                 | <b>248,783</b>                      | <b>1,762</b> | <b>0.71</b>                  | <b>11,483</b>   |

| NPAs  | Value  | %    |
|-------|--------|------|
| Gross | 20,387 | 7.57 |
| Net   | 10,666 | 3.96 |

\* Additional Provision available in the form of Provision against Standard Assets, Reserve for Bad & Doubtful debts u/s 36(1)(viii)(c) of the Income Tax Act, 1961 and Reserve fund u/s 45-IC of RBI Act amounting to Rs. 5,647 crores

# Borrowing Profile

## National Ratings

|   |   |   |   |
|---|---|---|---|
| <br><b>“AAA”</b> | <br><b>“AAA”</b> | <br><b>“AAA”</b> | <br><b>“AAA”</b> |
|---|---|---|---|

## International Ratings

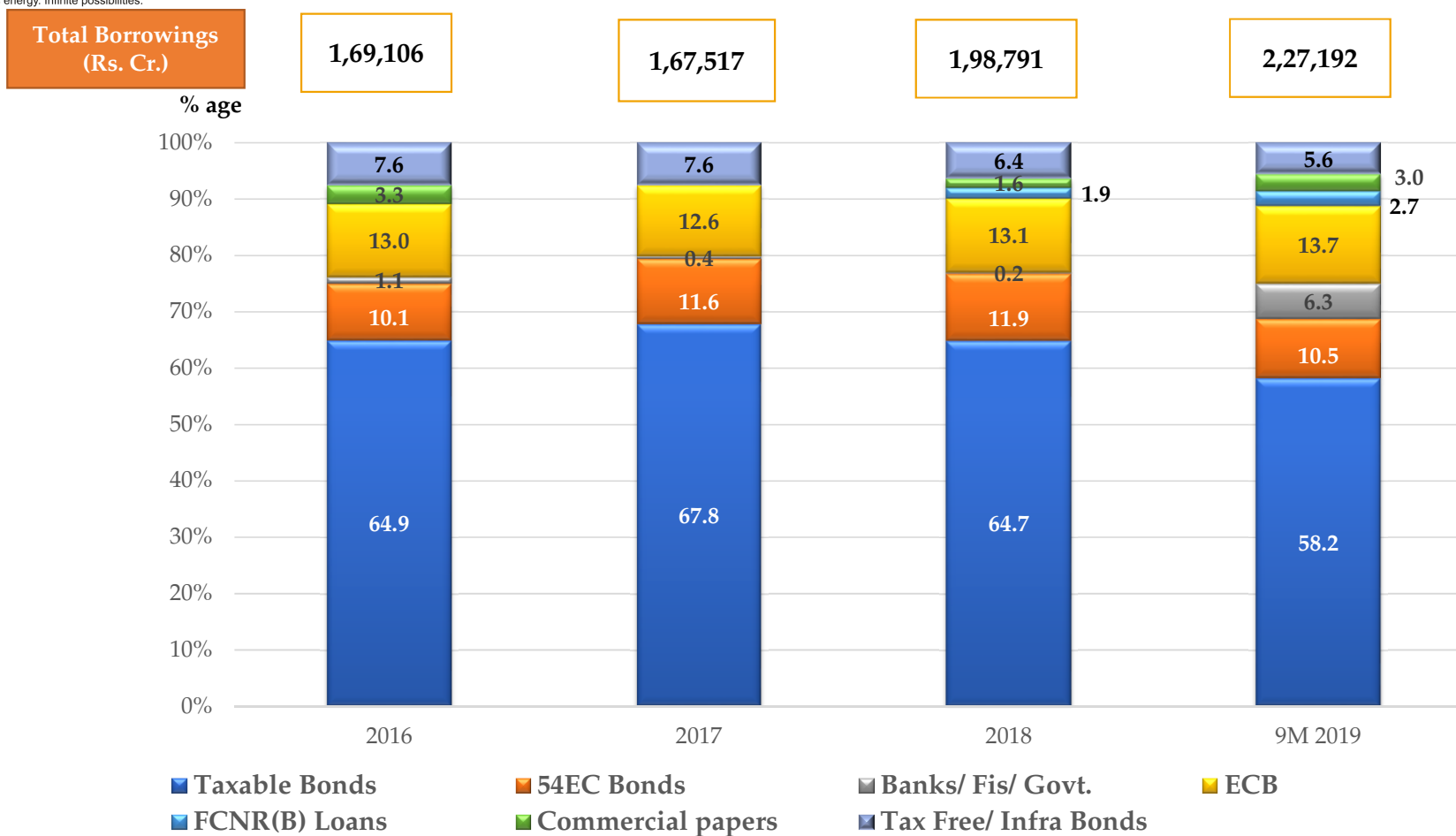
|  |  |
|--|--|
| <br><b>“BBB - ”</b> | <br><b>“Baa3”</b> |
|--|--|

# Outstanding Borrowings

Rs. Crores

| Particulars                                    | 12M            |                |                | Q3 & 9M        |
|--|----------------|----------------|----------------|----------------|
|  | FY 16          | FY 17          | FY 18          | FY 19          |
| Institutional, Subordinate & Zero Coupon Bonds | 109,678        | 113,449        | 128,871        | 132,389        |
| Foreign Currency Borrowings                    | 21,924         | 21,081         | 25,996         | 31,086         |
| FCNR (B) Loans                                 | -              | -              | 3,811          | 6,078          |
| Capital Gain Bonds                             | 17,164         | 19,477         | 23,705         | 23,931         |
| Tax Free Bonds                                 | 12,648         | 12,648         | 12,648         | 12,648         |
| Commercial Papers                              | 5,600          | -              | 3,250          | 6,750          |
| Banks, FIs, Govt., etc.                        | 1,850          | 750            | 400            | 14,200         |
| Infra Bonds                                    | 242            | 112            | 110            | 110            |
| <b>Grand Total</b>                             | <b>169,106</b> | <b>167,517</b> | <b>198,791</b> | <b>227,192</b> |
| <b>Average annualized Cost of Funds</b>        | <b>8.50%</b>   | <b>8.13%</b>   | <b>7.53%</b>   | <b>7.20%</b>   |

# Outstanding Borrowings



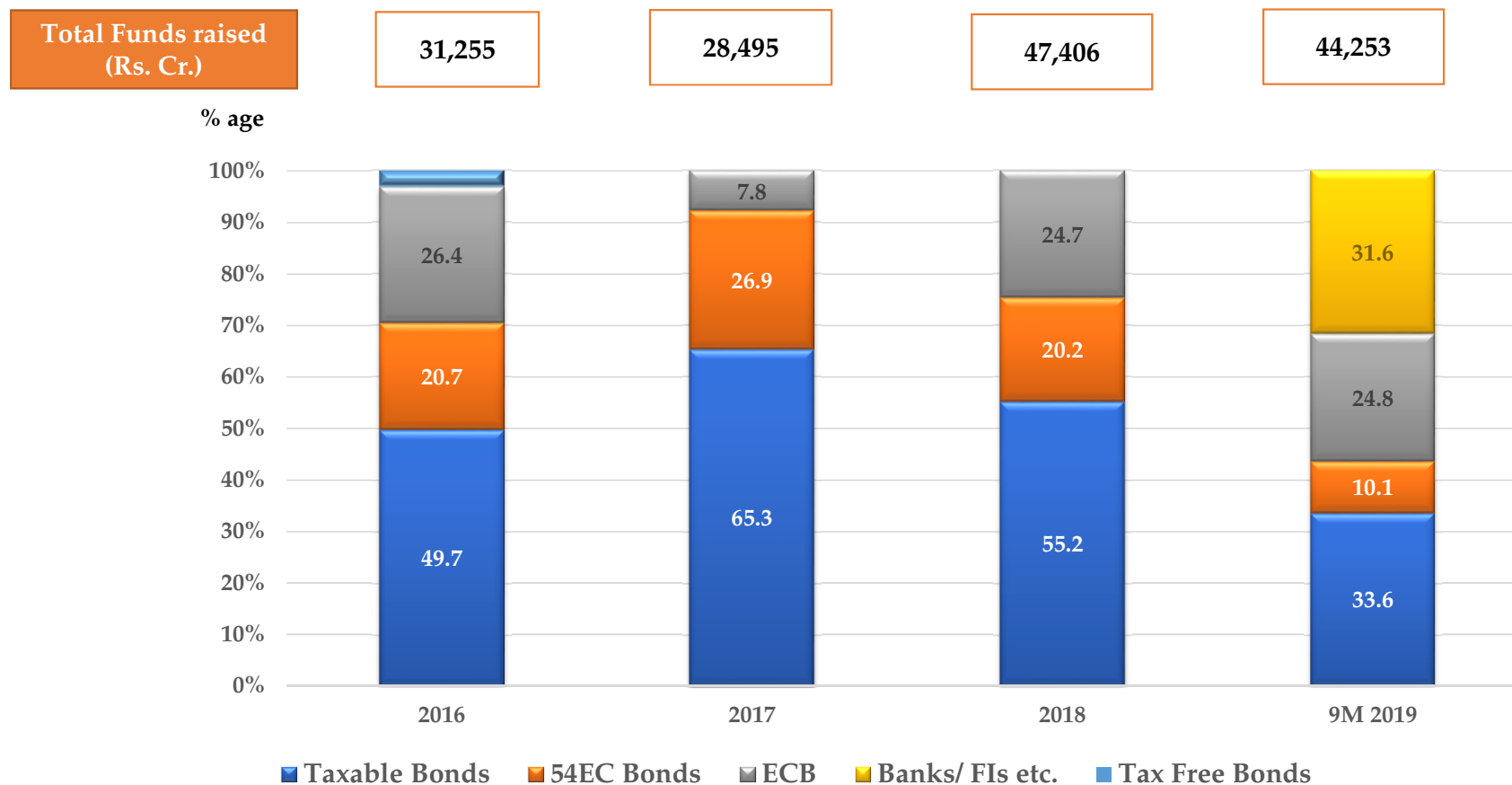
# Funds Raised During The Period

Rs. Crores

| Category                              | 12M           |               |               | Q3            |               | 9M            |               |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                       | FY16          | FY17          | FY18          | FY18          | FY19          | FY18          | FY19          |
| (A) <u>Long Term</u>                  |               |               |               |               |               |               |               |
| Capital Gains Bonds                   | 6,477         | 7,663         | 9,565         | 2,016         | 1,554         | 5,428         | 4,453         |
| Tax Free Bonds                        | 1,000         | -             | -             | -             | -             | -             | -             |
| Institutional Bonds/ Subordinate Debt | 15,526        | 18,600        | 26,145        | 10,120        | 9,849         | 16,425        | 14,849        |
| Term Loans from Banks/ Fis/Govt.      | -             | -             | -             | -             | 11,700        | -             | 14,000        |
| Foreign Currency Borrowings           | 8,252         | 2,232         | 11,696        | 2,935         | 7,087         | 7,137         | 10,951        |
| Total (A)                             | 31,255        | 28,495        | 47,406        | 15,071        | 30,190        | 28,990        | 44,253        |
|                                       | 7.01%         | 6.85%         | 6.17%         | 6.62%         | 8.13%         | 6.05%         | 8.06%         |
| (B) <u>Short Term</u>                 |               |               |               |               |               |               |               |
| FCNR (B) Loan                         | -             | -             | 3,759         | 643           | -             | 1285          | -             |
| Commercial papers                     | 20,772        | 19,917        | 12,115        | 0             | 6,598         | 7,591         | 14,474        |
| Total (B)                             | 20,772        | 19,917        | 15,874        | 643           | 6,598         | 8,876         | 14,474        |
| <b>Total (A + B)</b>                  | <b>52,027</b> | <b>48,412</b> | <b>63,280</b> | <b>15,714</b> | <b>36,788</b> | <b>37,866</b> | <b>58,727</b> |

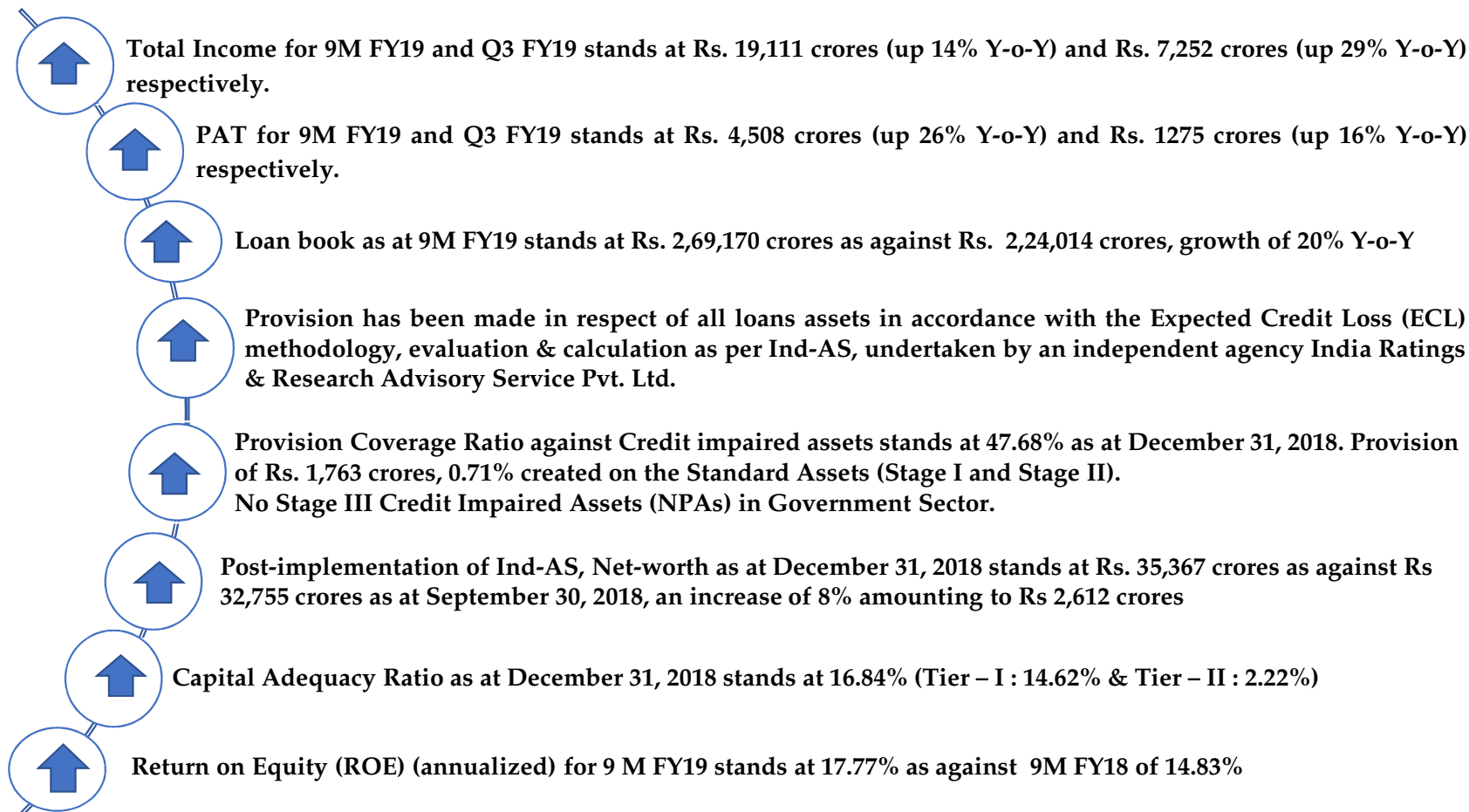
%age denotes annualized cost of borrowings mobilized

# Funds Raised During The Period (Long Term)





# Key Financial Highlights



# Standalone Statement of Profit & Loss

Rs. Crores

| Particulars                              | Q3           |              | 9M           |              |
|--|--------------|--------------|--------------|--------------|
|  | FY 18        | FY 19        | FY 18        | FY 19        |
| Interest Income                          | 5,479        | 6,567        | 16,337       | 18,234       |
| Less: Finance Costs                      | 3,291        | 4,089        | 9,731        | 11,501       |
| Net Interest Income                      | 2,188        | 2,478        | 6,606        | 6,733        |
| Other Operating Income                   | 152          | 685          | 447          | 877          |
| Other Income                             | 6            | 5            | 8            | 20           |
| Total Income                             | 5,637        | 7,257        | 16,792       | 19,131       |
| Other costs *                            | 745          | 1,312        | 1,084        | 941          |
| Impairment loss on financial assets      | 95           | 26           | 1,075        | 223          |
| <b>Profit Before Tax</b>                 | <b>1,506</b> | <b>1,830</b> | <b>4,902</b> | <b>6,466</b> |
| Tax Expense                              | 409          | 555          | 1,321        | 1,959        |
| <b>Profit After Tax</b>                  | <b>1,097</b> | <b>1,275</b> | <b>3,581</b> | <b>4,507</b> |
| Other Comprehensive Income/(Loss)        | 98           | 67           | 98           | -21          |
| <b>Total Comprehensive Income/(Loss)</b> | <b>1,195</b> | <b>1,342</b> | <b>3,679</b> | <b>4,486</b> |

\* Other Costs include Net Transaction/ Transaction exchange loss, Fee and Commission Expense, Net loss on Fair Value Change, Employee Benefit Expenses, CSR Expenses, Depreciation & amortization expense and Other Expenses

# Statement of Assets and Liabilities

Rs. Crores

| Particulars                          | As at 31.12.2018       |
|--------------------------------------|------------------------|
| <b>Assets</b>                        |                        |
| <b>(A) Financial Assets</b>          | <b><u>276,729</u></b>  |
| Cash and Bank                        | 2,460                  |
| Derivative financial instruments     | 2,250                  |
| Loans                                | 258,379                |
| Investments                          | 2,564                  |
| Other financial assets               | 11,076                 |
| <b>(B) Non-Financial Assets</b>      | <b><u>2,737.00</u></b> |
| Current tax assets (net)             | 0                      |
| Deferred tax assets (net)            | 2,377                  |
| Fixed Assets (as per Ind-AS)         | 318                    |
| Other non-financial assets           | 42                     |
| <b>Total Assets (A+B)</b>            | <b>279,466</b>         |
| <b>Liabilities</b>                   |                        |
| <b>(C) Financial Liabilities</b>     | <b><u>243,716</u></b>  |
| Derivative financial instruments     | -                      |
| Borrowings as per Ind-AS             | 232,404                |
| Other financial liabilities          | 11,312                 |
| <b>(D) Non-Financial Liabilities</b> | <b><u>383</u></b>      |
| <b>(E) Equity</b>                    | <b><u>35,367</u></b>   |
| Equity Share Capital                 | 1,975                  |
| Other equity                         | 33,392                 |
| <b>Total Liabilities (C+D+E)</b>     | <b>279,466</b>         |

# Key Ratios

| Particulars  | Q3     |        | 9M     |
|--|--------|--------|--------|
|  | FY 18  | FY 19  | FY 19  |
| Yield on Interest bearing Loan Assets (%)          | 10.73  | 11.05  | 10.51  |
| Cost of Funds (%)                                  | 7.36   | 7.65   | 7.20   |
| Interest Spread (%)                                | 3.37   | 3.40   | 3.31   |
| Net Interest Margin (%)                            | 4.29   | 4.25   | 3.93   |
| Return on Net Worth (%)                            | 13.31  | 14.97  | 17.77  |
| Interest Coverage Ratio (Times)                    | 1.46   | 1.45   | 1.56   |
| Debt Equity Ratio (Times)                          | 5.39   | 6.42   | 6.42   |
| Earning per Share (Face Value Rs. 10 per share)    | 5.55   | 6.45   | 22.82  |
| Book Value Per Share (Face Value Rs. 10 per share) | 171.14 | 179.08 | 179.08 |

*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, without foreign exchange fluctuation gain/loss amortized to average interest earning loan assets*

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

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

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

## Reconciliation of Net Profit for quarter and 9M ended on December 31, 2017

Rs. Crores

| Particulars   | Q3 FY18      | 9M FY18      |
|---|--------------|--------------|
| <b>Profit under IGAAP for the period</b>  | <b>1,296</b> | <b>3,812</b> |
| <b>Adjustments under Ind AS :</b>   |              |              |
| Adjustment on account of Expected Credit Loss   | 111          | -237         |
| Adjustment on account of MTM accounting for derivatives   | -456         | -426         |
| Adjustment on account of effective interest rate on financial liabilities and financial assets  | -23          | -48          |
| Changes in Fair Value of Investments through Other Comprehensive Income (OCI)                   | 0            | 20           |
| Re-measurement gains/(losses) on defined benefit plans through Other Comprehensive Income (OCI) | 0            | 4            |
| Other Misc. adjustments   | 0            | 2            |
| Tax impact  | 169          | 454          |
| <b>Total Ind-AS Impact</b>  | <b>-199</b>  | <b>-231</b>  |
| <b>Profit under Ind AS for the period</b>   | <b>1,097</b> | <b>3,581</b> |
| Other comprehensive income, net of tax  | 98           | 98           |
| <b>Total comprehensive income under Ind AS</b>  | <b>1,195</b> | <b>3,679</b> |

# Thank You