Endless energy. Infinite possibilities.

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 :

- *This presentation is for information purposes only and is not to be construed as an offer or invitation or recommendation to buy or sell any securities of REC Limited ("REC"), nor shall part, or all, of this presentation form the basis of, or be relied on in connection with, any contract or investment decision in relation to any securities of REC.*
- *The user of the information contained herein will be solely responsible for own assessment of the market and the market position of REC and to conduct own analysis and will be solely responsible for forming a view of the potential future performance of the business of REC.*
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India
Power Sector
Empowering India

Generation

Generating Stations 900

Installed Capacity 349 GW

Generation Units 2200

PLF 60%

Peak Demand 177 GW

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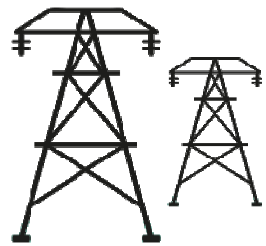
Transmission

7000 Substations

Transmission Lines
4,05,944 CKM

LINES
100 nos -765KV
>1300 nos –400KV

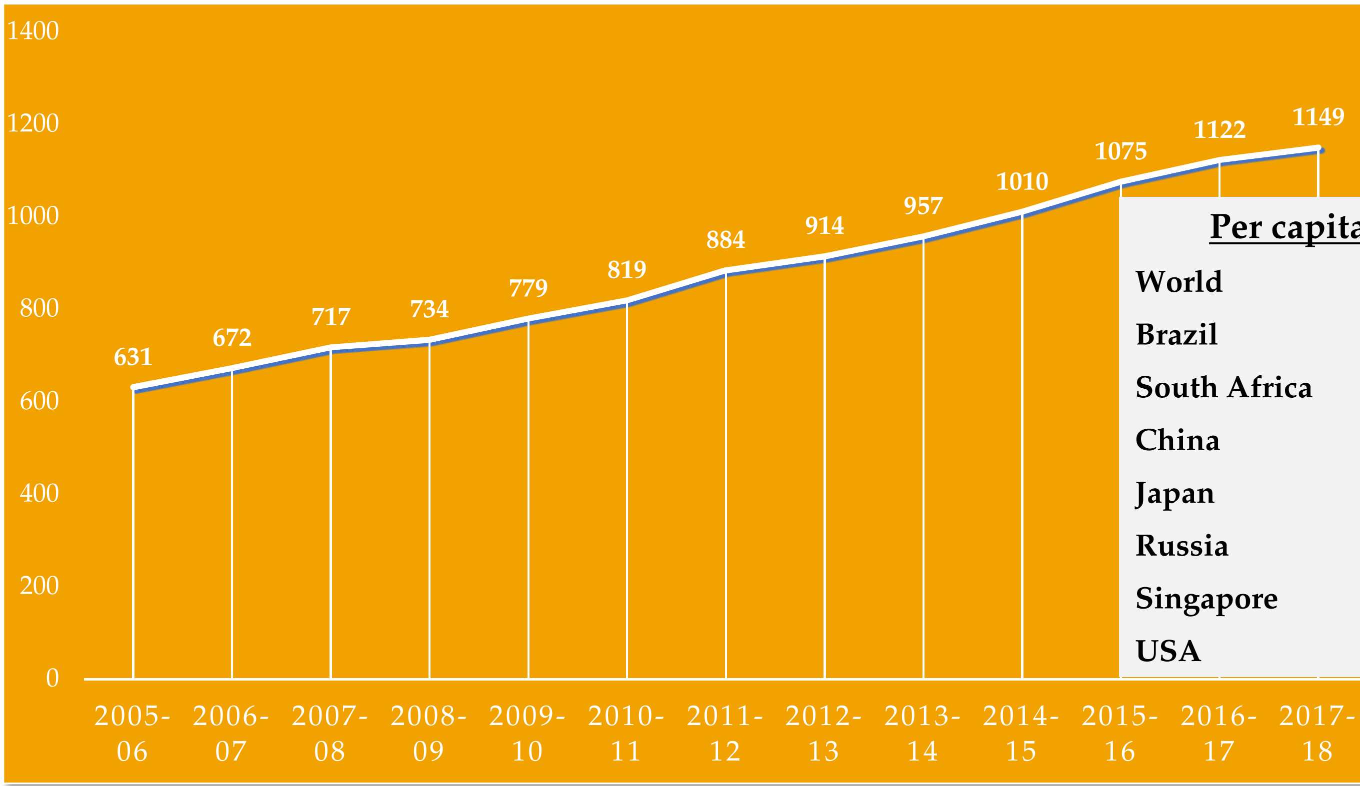


Transformation Capacity
8,25,488 MVA

LINES
>3200 nos– 220KV
10 nos – HVDC Bipole BtB

26 ISTS Transmission Licensees

Annual Per Capita Consumption of Electricity (kwh)

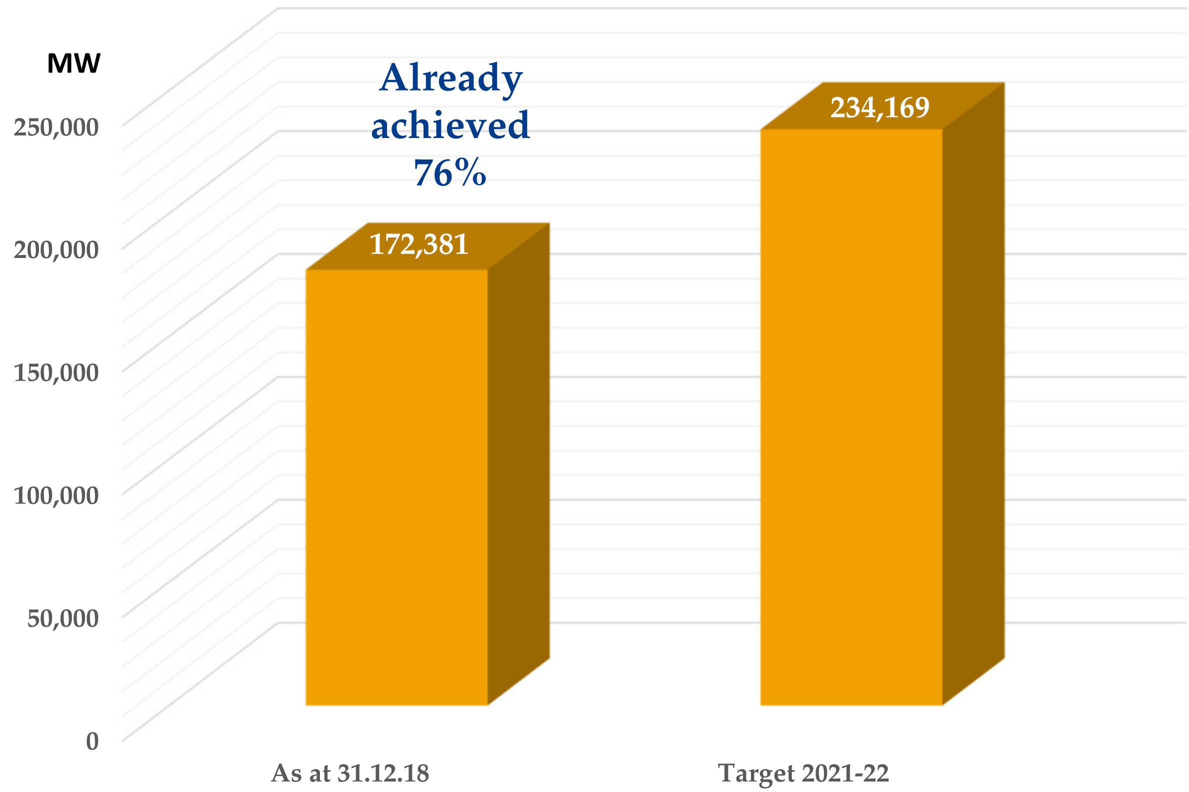


Per capita Consumption

World	-	2,674
Brazil	-	2,516
South Africa	-	3,904
China	-	4,475
Japan	-	7,371
Russia	-	7,481
Singapore	-	8,160
USA	-	12,071

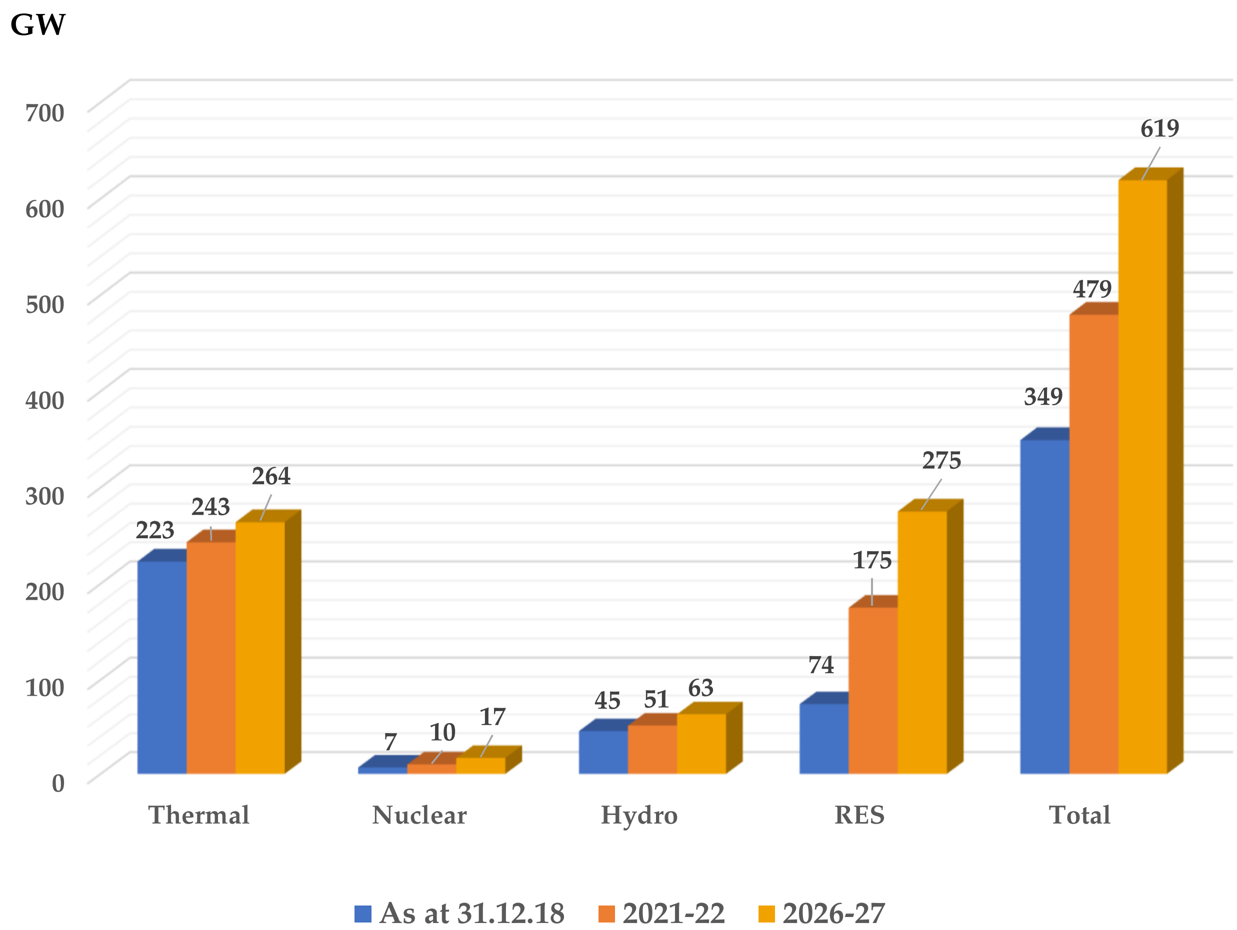
Source : CEA & Wikipedia

Estimated Demand by 2021-22 (MW)



Source : CEA

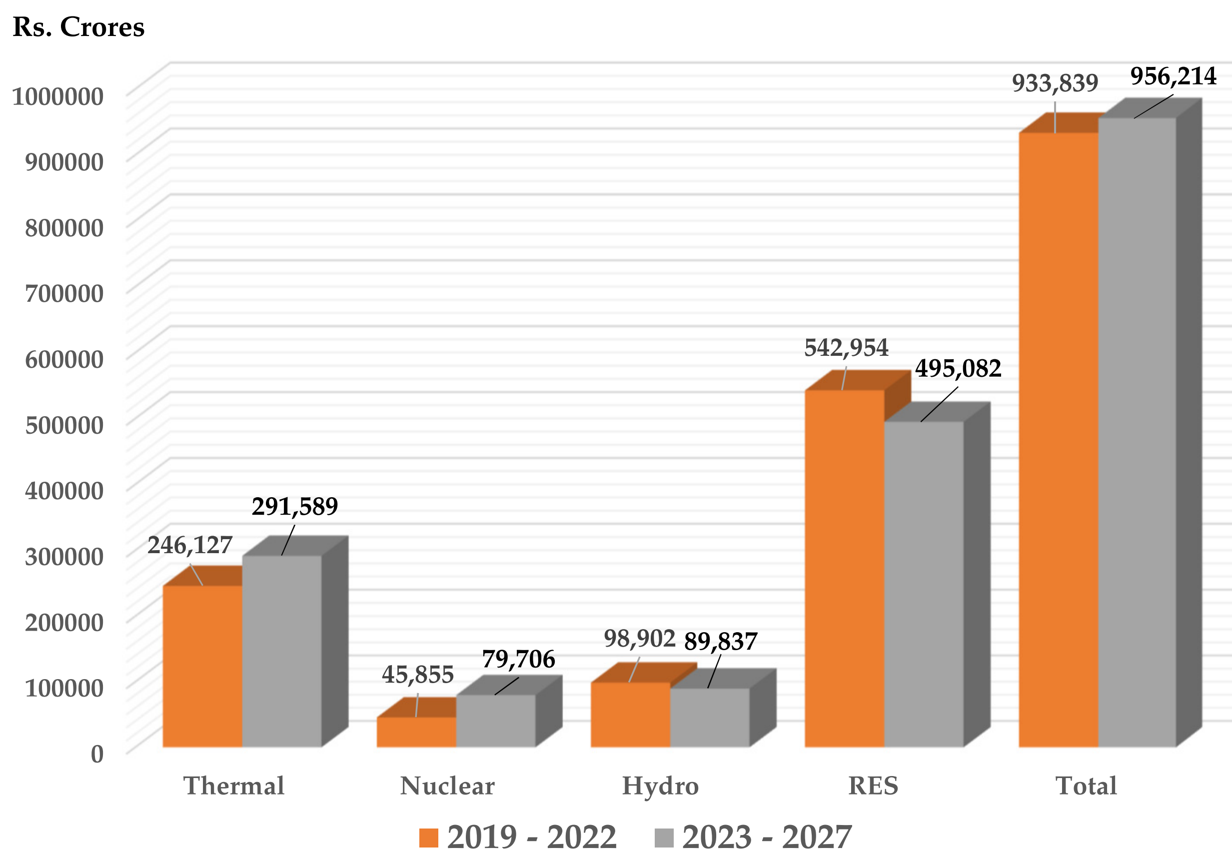
Generation Capacity by 2026-27 (GW)



Source : CEA, National Electricity Policy

Fund Requirement (Generation) by 2026-27

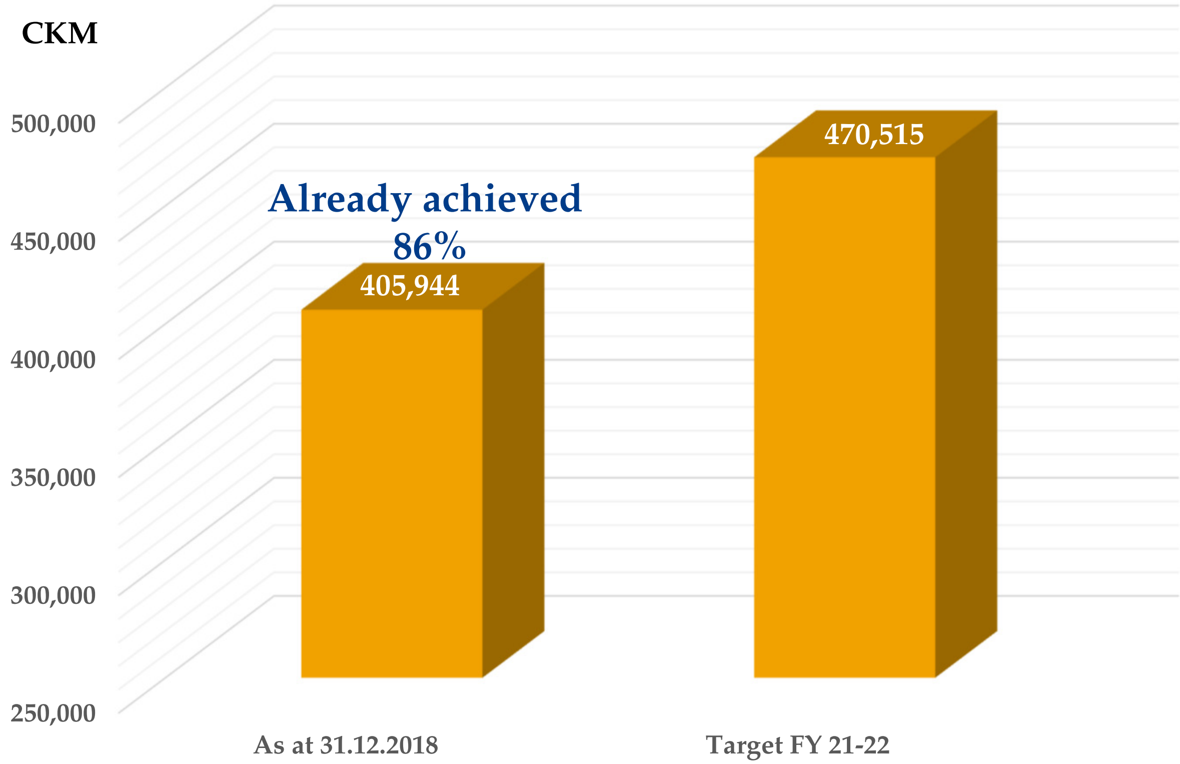
(Rs. Crores)



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

Source : CEA, National Electricity Policy

Transmission Line Capacity by 2021-22 (CKM)



Source : CEA

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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
Total Potential (GW)	100%	897.7
Wind Power (Offshore)		127
Grand Total Potential (GW)		1024.7
Source : Wind Energy Mission Doc, C-Wet , NISE estimates, MNRE		

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%
Total Installed Capacity (MW)	69,022	74,082	175,000	100%	2,75,000	100%

- 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

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

Distribution Modernization by 2019

Present	By March 2019
AT & C Loss 20.92% *	Below 15%
Gap ACS -ARR Rs.0.34/U*	Zero
Power Supply 19.9 Hrs	24X7 Power for All

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 11th 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

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Major Milestones in Long & Successful journey of more nearly 50 years

- 1969: Commenced operations to develop the power infrastructure in rural areas

- 1998: Registered as NBFC under Section 45(IA) of the RBI Act.

- 2003: Mandate broadened to finance all power segments, Generation, T&D etc.

- 2005: Appointed as the nodal agency for the Government's rural electrification programme (RGGVY)

- 2008: Conferred 'Navratna' status by Government of India
- IPO floated; GoI holding reduced to 81.82%, Over-subscribed ~27 times.

- 2010: FPO; Government holding reduced to 66.80%. Despite difficult market conditions, over-subscribed >3 times; Categorized as an IFC by RBI

- 2017: "Bharat 22" ETF GOI holding reduced to 58.32%
- Appointed as the nodal agency for "Saubhagya" Scheme
- CPSE ETF Further Fund Offer (FFO); GoI holding reduced to 58.86%.

- Dec'18: CPSE ETF FFO, GOI holding reduced to 52.85%
- Jun' 2018: "Bharat 22" ETF FFO, GOI holding reduced to 57.99%
- Jun' 2018: Migrated to Ind-AS

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

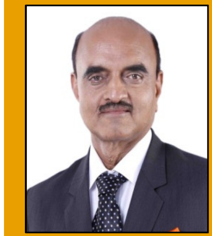
- Served SBI for >39 yrs, where elevated to position of MD & Group Executive.
- Was also on the Boards of SBICAP Securities, SBI Life Insurance, SBI General Insurance and SBI Credit Cards and subsidiaries of SBI. Is also an Independent Shareholder Director on the Board of Andhra Bank.

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.

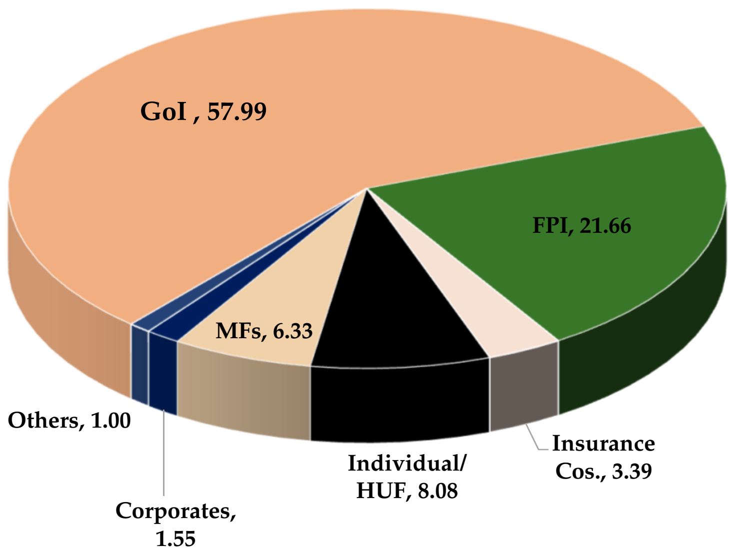


Dr. Bhagvat Kishanrao Karad
Independent Director
Medical practitioner with business acumen
On Board of REC since 17.07.2018

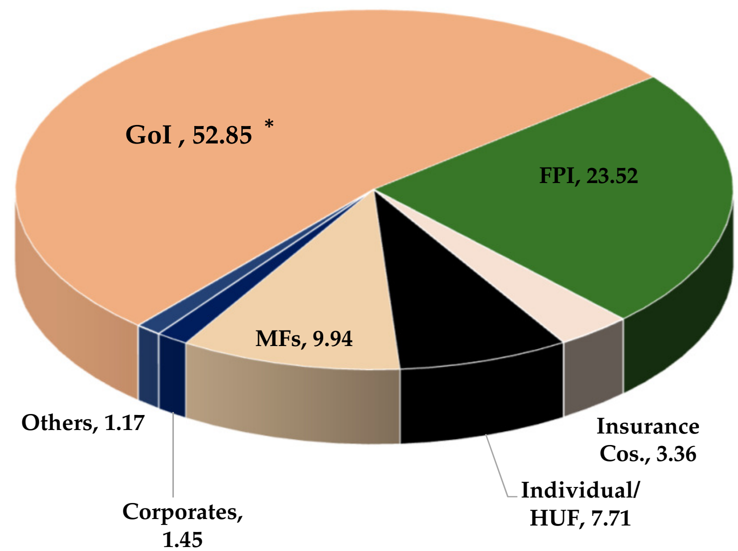
- Has been on advisory Board of Wockhardt Foundation & Aurangabad Airport Authority and advisory member for the Govt Medical College and Hospital, Aurangabad. Has been Mayor of Aurangabad Municipal Corporation twice. Due to his business acumen to run commercial organizations and experience to handle 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

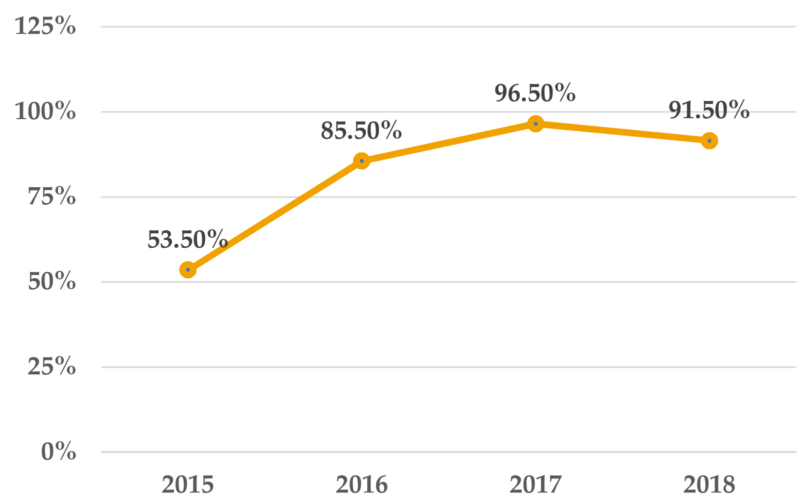
Top 10 Share holders as at December 31, 2018

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
	TOTAL	**68.03**	

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

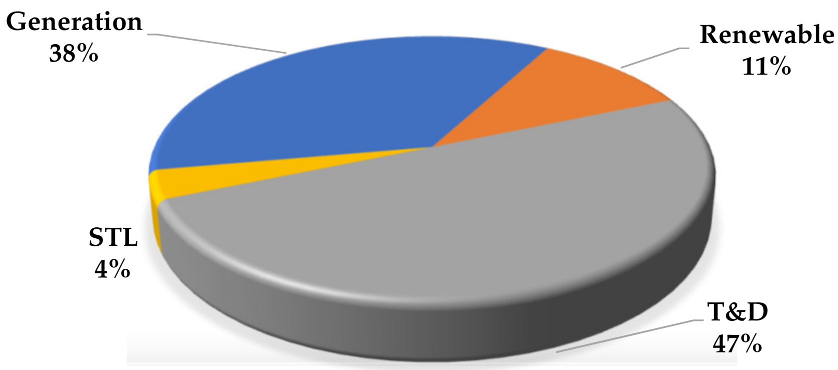


Dividend pay-out adjusted for bonus share issue of 1:1 in Sep'2016

Operational Performance

Sanctions - Composition

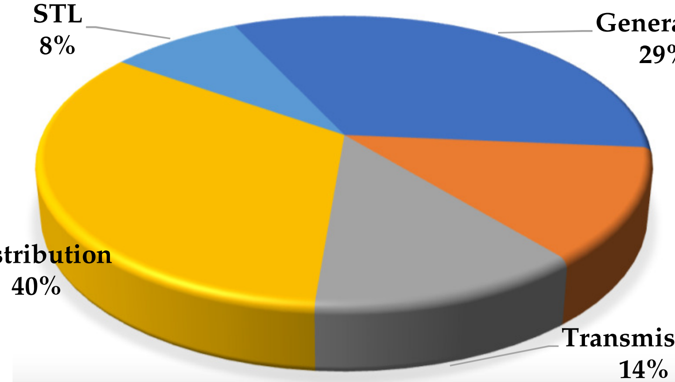
Sector-wise breakup of Sanctions in 9M FY19



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
Total Project Loans	**62,171**	**95**	**79,346**	**95**	**100,799**	**94**	**37,005**	**95**	**27,747**	**97**	**89,268**	**94**	**92,267**	**96**
Growth	*5%*		*28%*		*27%*				*-25%*				*3%*	
Short Term Loan	3,300	5	4,525	5	6,735	6	1,880	5	840	3	5785	6	4,090	4
Total Sanctions	**65,471**	**100**	**83,871**	**100**	**107,534**	**100**	**38,885**	**100**	**28,587**	**100**	**95,053**	**100**	**96,357**	**100**
Growth			*28%*		*28%*				*-26%*				*1%*	

Disbursements – Composition

Sector-wise breakup of Disbursements in 9M FY19

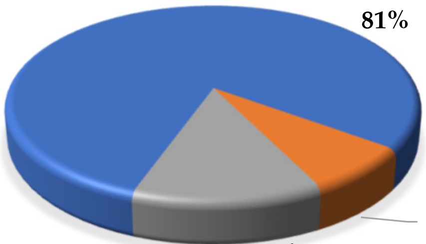


42% Project Loans
9MFY19
vs
9MFY18

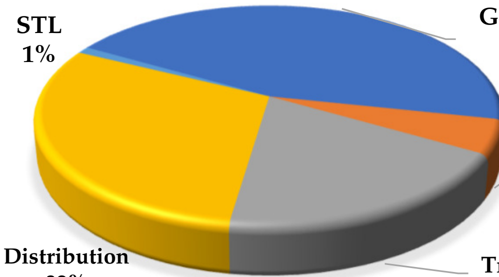
Discipline-wise	12M						Q3				9M			
	FY 16	%	FY 17	%	FY18	%	FY 18	%	FY 19	%	FY 18	%	FY 19	%
Generation	12,820	27	21,697	37	18,086	29	5,398	42	4,826	24	13,283	34	15,670	29
Renewable Energy	304	1	1,618	3	5,403	9	696	5	734	4	2,669	7	4843	9
Transmission	*8,529*	*19*	*10,520*	*18*	*6,668*	*11*	950	7	3,235	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
Total	**201,278**	**100**	**201,929**	**100**	**239,449**	**100**	**269,170**	**100**
Growth			**0%**		**19%**		**12%**	
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

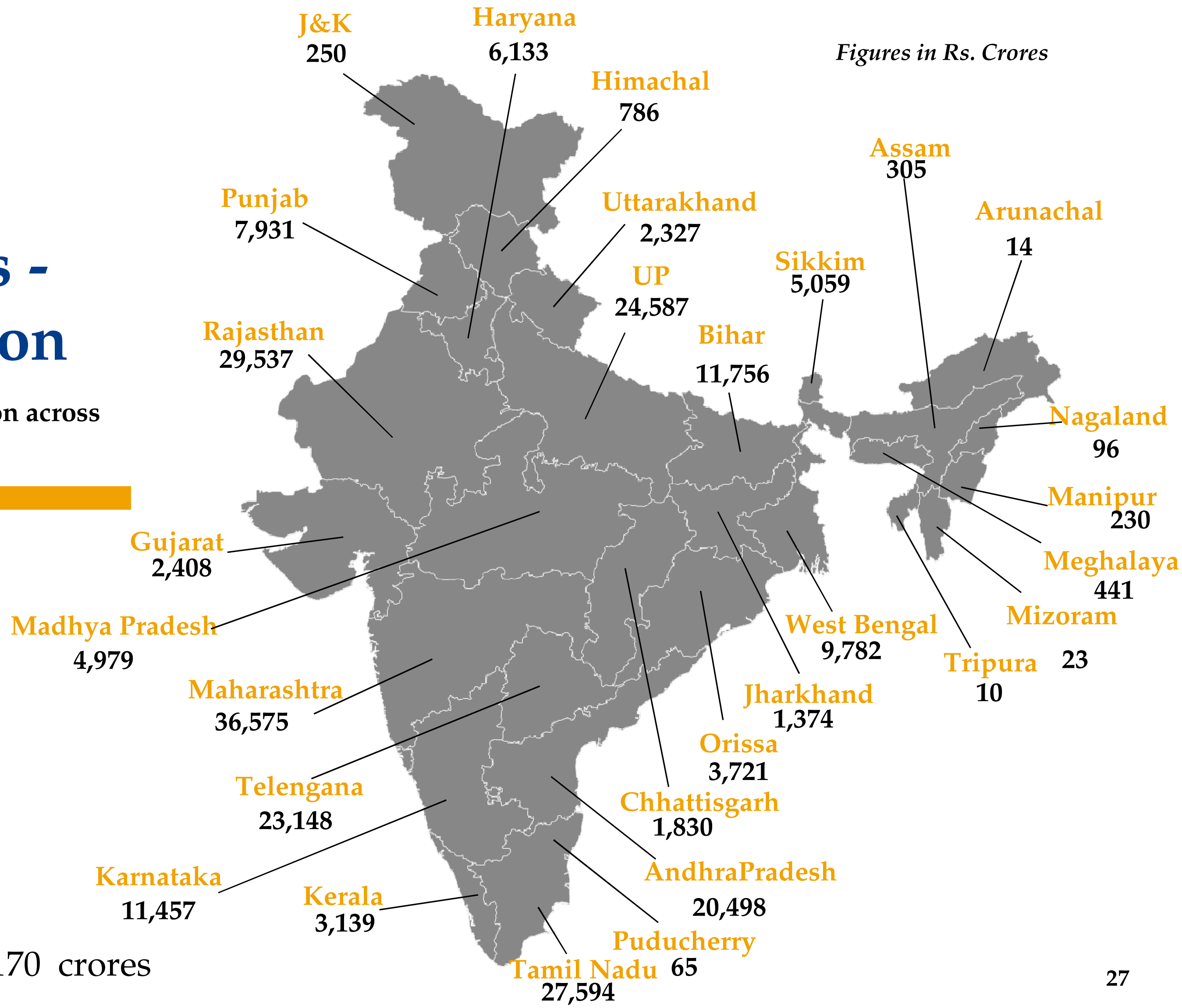
PAN India Presence with loan concentration across 28 states and 1 Union Territory

State Sector Borrowers

2,36,051

Private Sector Borrowers

33,119



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

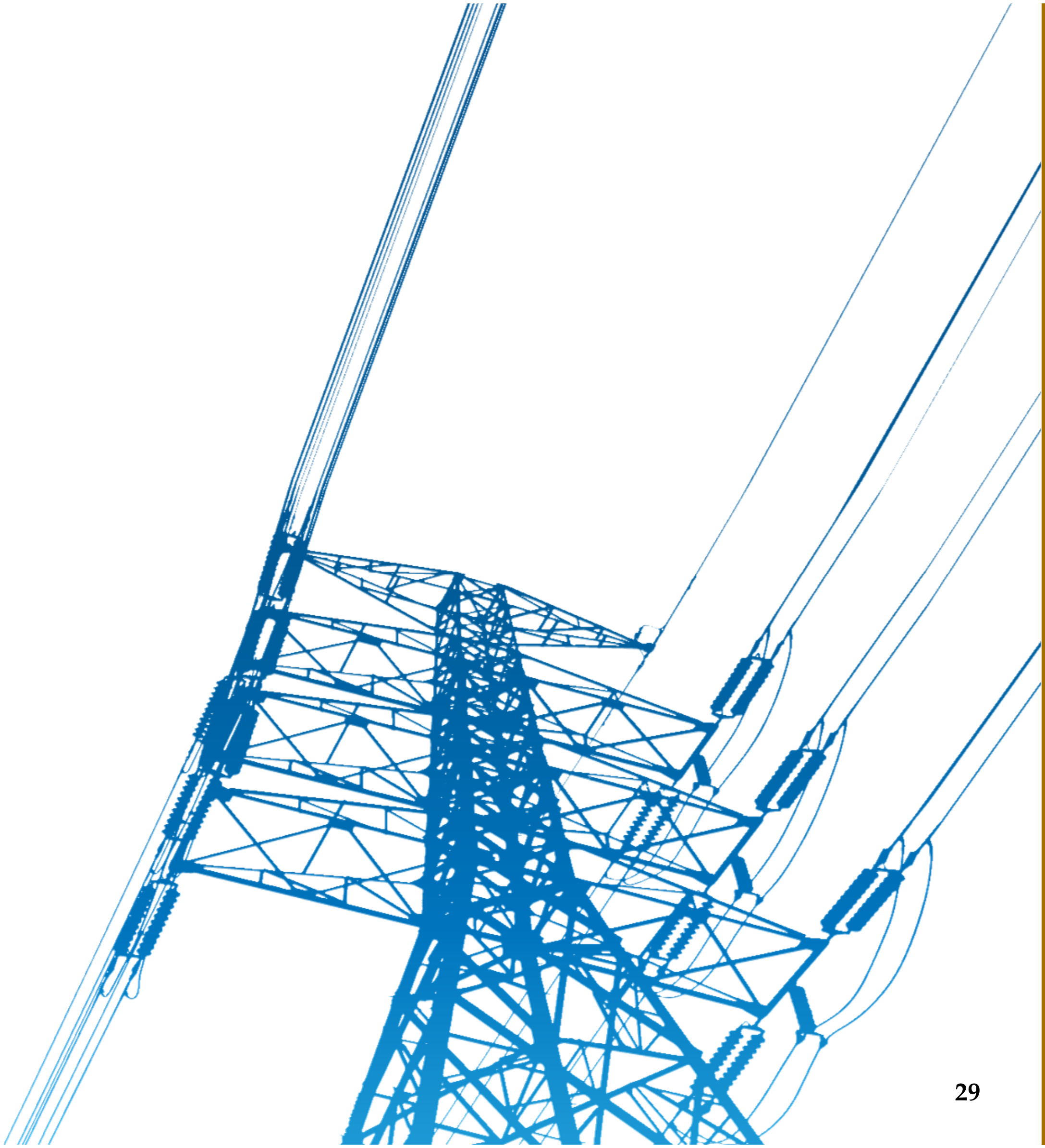
Outstanding Loans –Loan Concentration

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%
	Total	**105,515**	39.20%

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) (Stage – III)			Standard Assets (Stage – I & II)			Total Provision
		Outstanding	Provision *	Provision coverage ratio (%)	Outstanding	Provision	Provision coverage ratio (%)	
State Sector								
- 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
Total State Sector	**236,051**	**-**	**-**	**-**	**236,051**	**407**	**0.59**	**407**
Private Sector								
- 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
Total Private Sector	**33,119**	**20,387**	*** 9,721**	**47.68**	**12,732**	**1,355**	**10.64**	**11,076**
Grand Total	**269,170**	**20,387**	*** 9,721**	**47.68**	**248,783**	**1,762**	**0.71**	**11,483**

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)(viia)(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

CRISIL	ICRA	CARE Ratings	India Ratings & Research
"AAA"	"AAA"	"AAA"	"AAA"

International Ratings

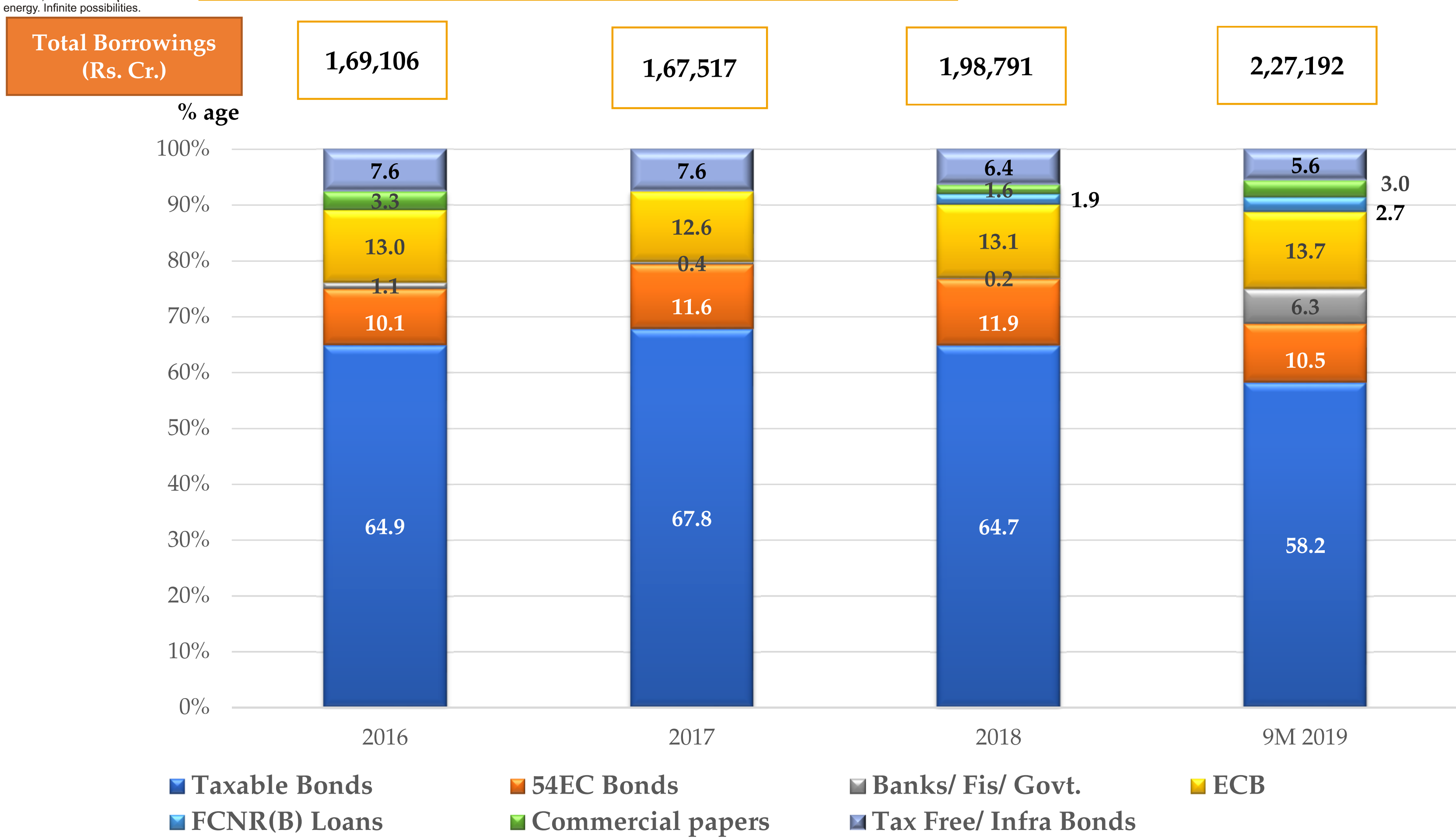
Fitch Ratings	Moody's
"BBB - "	"Baa3"

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
Grand Total	**169,106**	**167,517**	**198,791**	**227,192**
Average annualized Cost of Funds	**8.50%**	**8.13%**	**7.53%**	**7.20%**

Outstanding Borrowings



Funds Raised During The Period

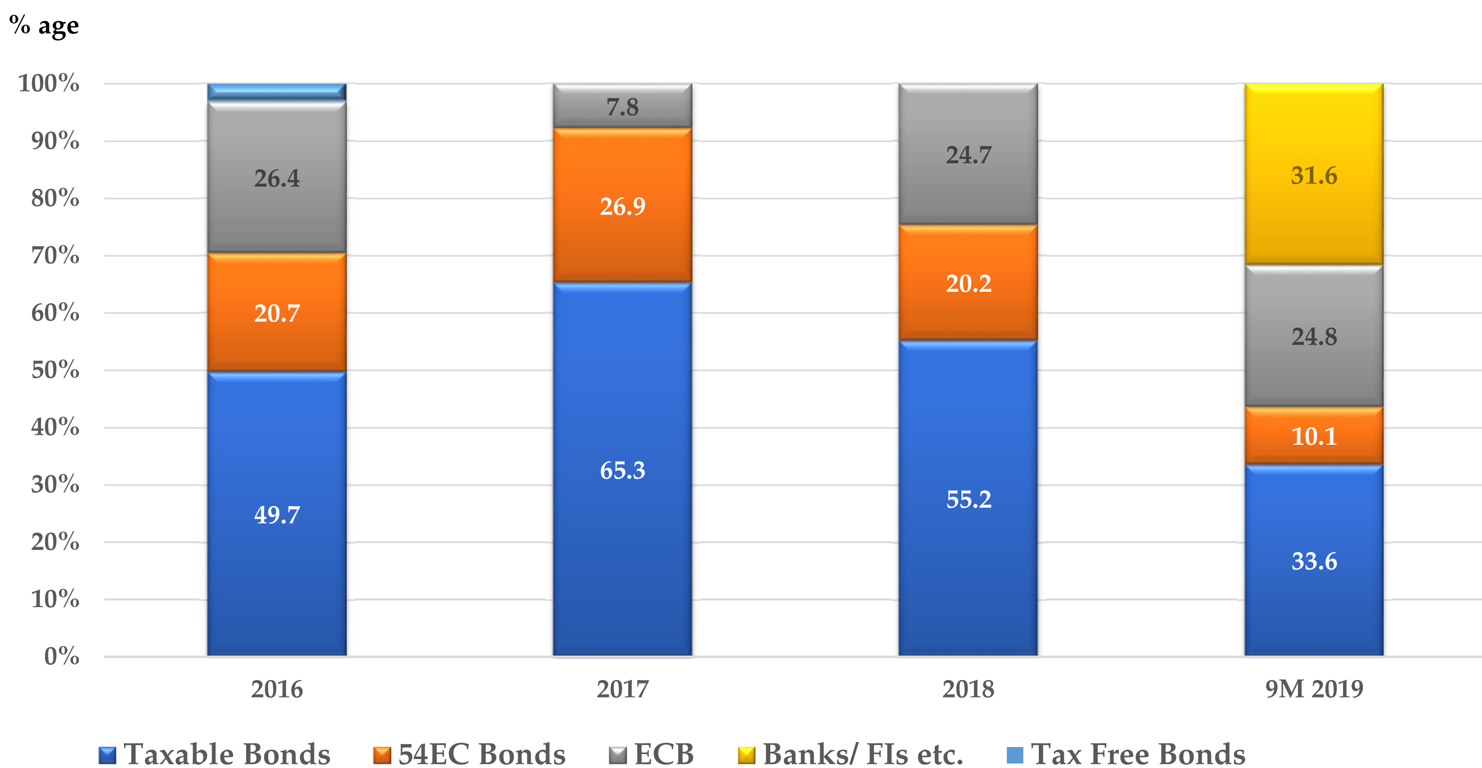
Rs. Crores

Category	12M			Q3		9M	
	FY16	FY17	FY18	FY18	FY19	FY18	FY19
(A) Long Term							
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) Short Term							
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
Total (A + B)	**52,027**	**48,412**	**63,280**	**15,714**	**36,788**	**37,866**	**58,727**

%age denotes annualized cost of borrowings mobilized

Funds Raised During The Period (Long Term)

Total Funds raised (Rs. Cr.)	2016	2017	2018	9M 2019
	31,255	28,495	47,406	44,253



Financial Highlights

Key Financial Highlights

- Total Income for 9M FY19 and Q3 FY19 stands at Rs. 19,111 crores (up 14% Y-o-Y) and Rs. 7,252 crores (up 29% Y-o-Y) respectively.
- PAT for 9M FY19 and Q3 FY19 stands at Rs. 4,508 crores (up 26% Y-o-Y) and Rs. 1275 crores (up 16% Y-o-Y) respectively.
- Loan book as at 9M FY19 stands at Rs. 2,69,170 crores as against Rs. 2,24,014 crores, growth of 20% Y-o-Y
- Provision has been made in respect of all loans assets in accordance with the Expected Credit Loss (ECL) methodology, evaluation & calculation as per Ind-AS, undertaken by an independent agency India Ratings & Research Advisory Service Pvt. Ltd.
- Provision Coverage Ratio against Credit impaired assets stands at 47.68% as at December 31, 2018. Provision of Rs. 1,763 crores, 0.71% created on the Standard Assets (Stage I and Stage II).
  No Stage III Credit Impaired Assets (NPAs) in Government Sector.
- Post-implementation of Ind-AS, Net-worth as at December 31, 2018 stands at Rs. 35,367 crores as against Rs 32,755 crores as at September 30, 2018, an increase of 8% amounting to Rs 2,612 crores
- Capital Adequacy Ratio as at December 31, 2018 stands at 16.84% (Tier – I : 14.62% & Tier – II : 2.22%)
- Return on Equity (ROE) (annualized) for 9 M FY19 stands at 17.77% as against 9M FY18 of 14.83%

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
Profit Before Tax	**1,506**	**1,830**	**4,902**	**6,466**
Tax Expense	409	555	1,321	1,959
Profit After Tax	**1,097**	**1,275**	**3,581**	**4,507**
Other Comprehensive Income/(Loss)	98	67	98	-21
Total Comprehensive Income/(Loss)	**1,195**	**1,342**	**3,679**	**4,486**

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

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
Profit under IGAAP for the period	**1,296**	**3,812**
Adjustments under Ind AS :		
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
Total Ind-AS Impact	**-199**	**-231**
Profit under Ind AS for the period	**1,097**	**3,581**
Other comprehensive income, net of tax	98	98
Total comprehensive income under Ind AS	**1,195**	**3,679**

आरईसी
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