



REC Limited
A Navratna Company

Investor Presentation
Performance Highlights
Q3 & 9M FY 22



**More than Five Decades of
RELENTLESS GROWTH**

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- *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.*
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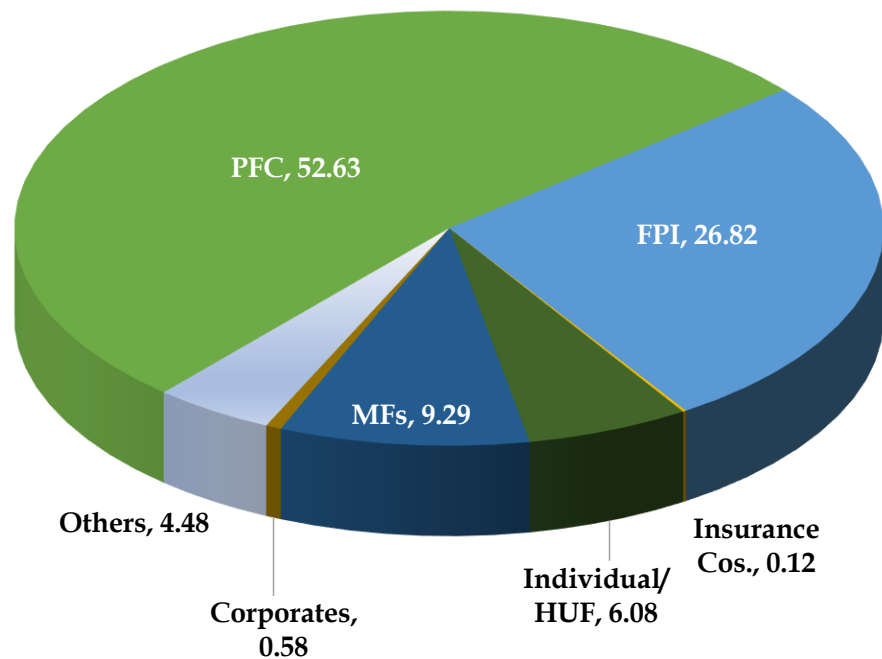
REC Overview



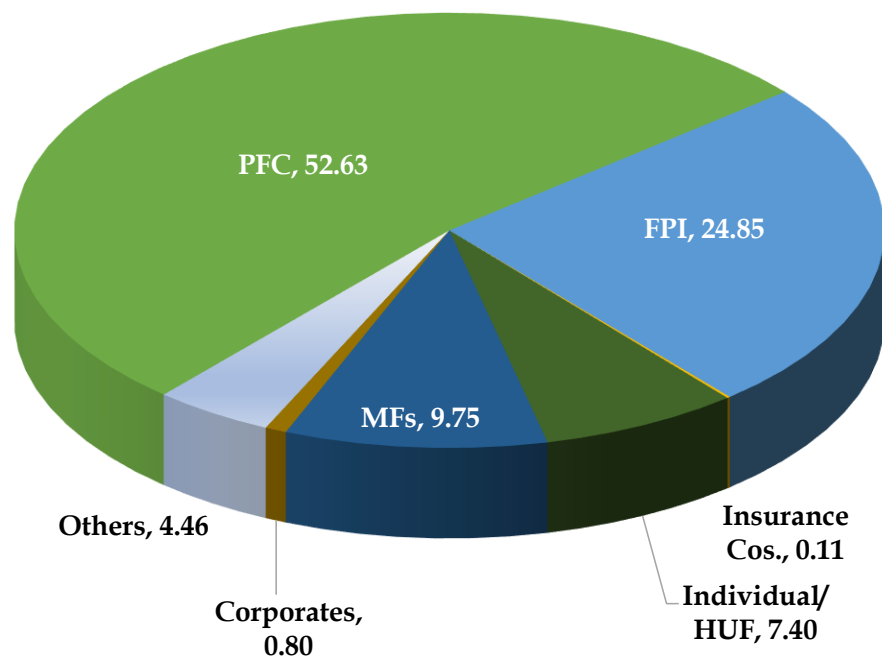


Shareholding Pattern

As at 30.09.2021



As at 31.12.2021



Foreign Portfolio Investors (FPIs) have stayed invested in REC and consistently held more than 20% of REC's equity shares.

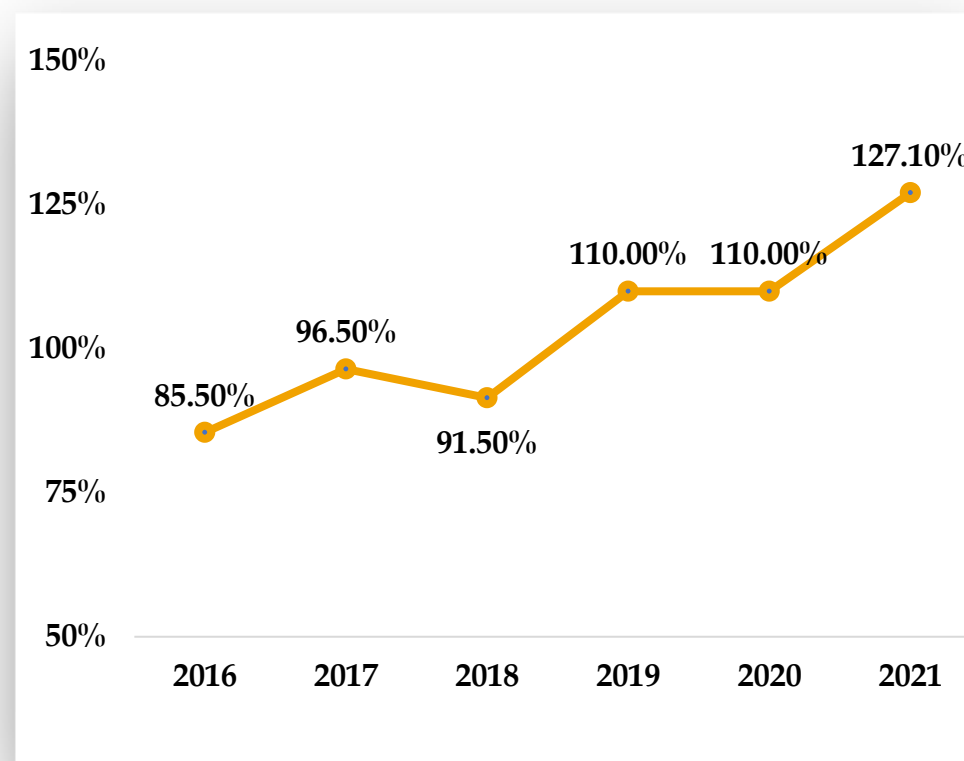
Shareholders Outlook

Top 10 Shareholders as at December 31, 2021

Rank	Particulars	Shareholding (%)
1	Power Finance Corporation Ltd	52.63
2	HDFC Trustee Company Ltd	8.16
3	The WindAcre Partnership Master Fund LP	4.31
4	Life Insurance Corporation Of India	2.85
5	The Prudential Assurance Company Limited	1.15
6	India Capital Fund Limited	0.85
7	Vanguard Emerging Markets Stock Index Fund	0.64
8	HDFC Life Insurance Company Limited	0.63
9	Vanguard Total International Stock Index Fund	0.62
10	Morgan Stanley Asia (Singapore) PTE	0.55
	TOTAL	72.39

Dividend Payout as a % of Equity Share Capital

Consistently high dividend paying company



Declared 3rd Interim Dividend of ₹ 6/- per share with 16 Feb 2022 as record date.

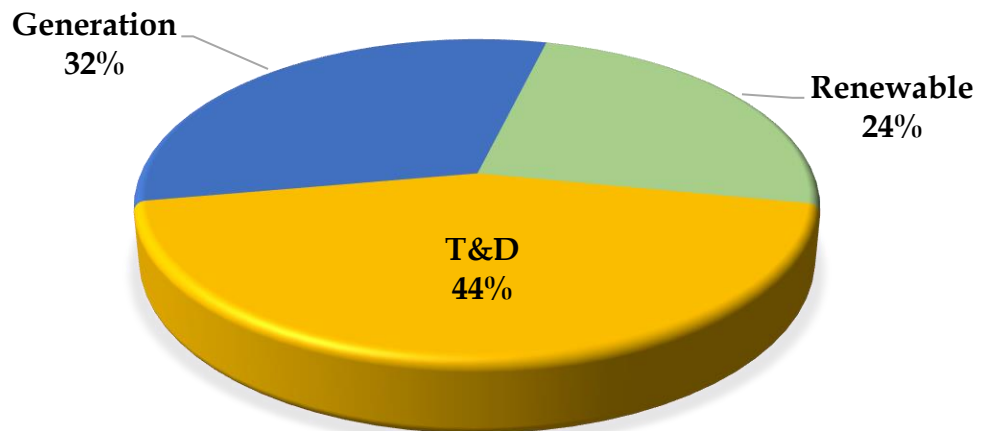
Total Interim Dividend for FY 2021-22 is ₹ 10.50 per equity share

Operational Performance



Sanctions - Composition

Sector-wise breakup of Sanctions in Q3& 9M FY 22



Total Sanctions
during 9M FY22
Rs. 43,597 crores



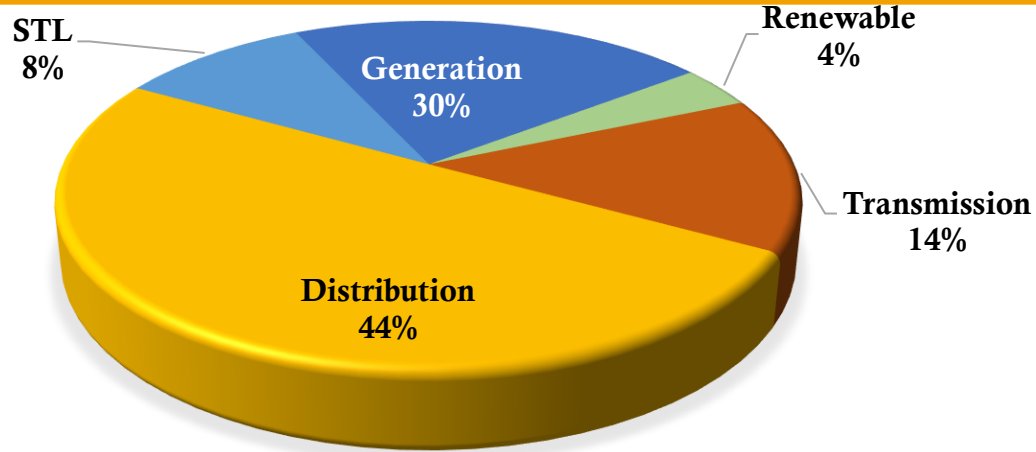
(₹ in Crores)

Discipline-wise	12M						Q3				9M			
	FY 19	%	FY 20	%	FY 21	%	FY 21	%	FY 22	%	FY 21	%	FY 22	%
Generation	43,282	37	57,362	52	44,301	29	16,607	60	5,539	61	39,468	29	13,785	32
Renewable Energy	11,875	10	7,026	6	18,212	12	1,704	6	621	7	15,887	12	10,546	24
Transmission & Distribution	56,610	49	44,555	40	91,768	59	9,295	34	2,965	32	81,631	59	19,266	44
Short Term Loan	4,190	4	1,965	2	540	-	-	-	-	-	540	-	-	-
Total Sanctions	115,957	100	110,908	100	154,821	100	27,606	100	9,125	100	137,526	100	43,597	100

During Q3 FY 2020-21, sanctioned under Atma Nirbhar Package amounting to Rs. 5,028 crores and during 9M FY21 amounting to Rs. 59,441 crores.

Disbursements – Composition

Sector-wise breakup of Disbursements in Q3 & 9M FY 22



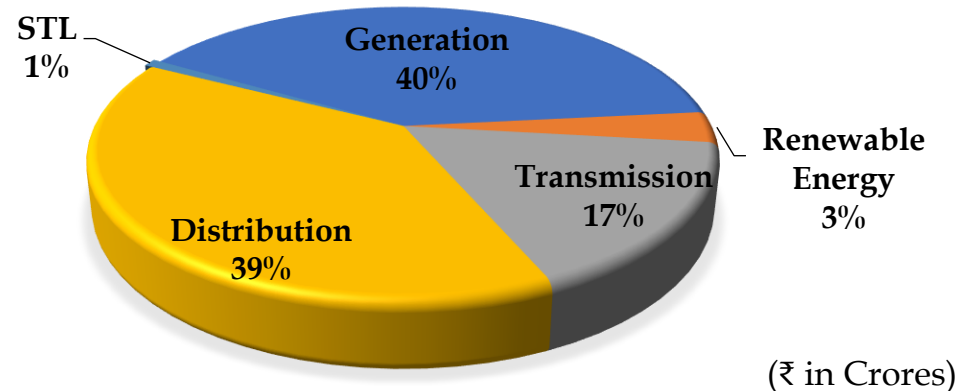
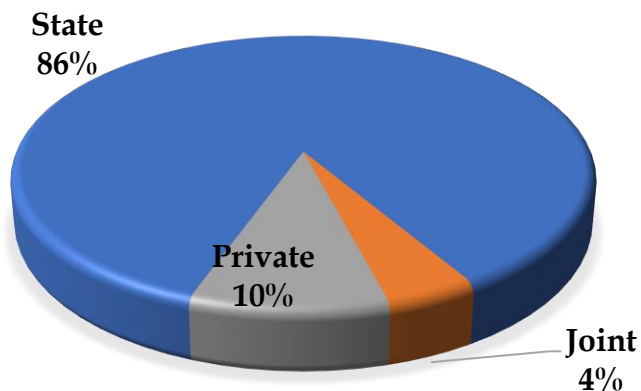
Total Disbursements
during 9M FY22
Rs. 48,664 crores



(₹ in Crores)

Discipline-wise	12M						Q3				9M			
	FY19	%	FY20	%	FY21	%	FY 21	%	FY 22	%	FY 21	%	FY 22	%
Generation	20,462	29	29,301	39	26,960	29	5,765	31	6,504	55	17,488	28	14,465	30
Renewable Energy	6,628	9	5,699	7	3,265	3	427	2	470	4	2,579	4	1,910	4
Transmission	10,911	15	13,540	18	9,252	10	1,719	9	1,614	14	7,149	11	6,918	14
Distribution	30,324	42	25,047	33	52,670	57	10,787	58	3,051	26	35,039	56	21,536	44
Total Transmission & Distribution	41,235	57	38,587	51	61,922	67	12,506	67	4,665	39	42,188	67	28,454	58
Short Term Loan	3,840	5	2,080	3	840	1	-	-	200	2	540	1	3,835	8
Total Disbursements	72,165	100	75,667	100	92,987	100	18,698	100	11,839	100	62,795	100	48,664	100
Under Atmanirbhar Package	-	-	-	-	39,116		8,839		1,010		24,007		15,404	

Outstanding Loans – Composition



(₹ in Crores)

Discipline-wise	As at							
	31 st March 2019		31 st March 2020		31 st March 2021		31 st December 2021	
	Amount	%	Amount	%	Amount	%	Amount	%
State	2,26,681	81	263,032	81	3,16,161	84	3,33,078	86
Joint	21,035	7	21,612	7	22,649	6	17,527	4
Private	33,494	12	37,781	12	38,608	10	38,155	10
Total	2,81,210	100	322,425	100	3,77,418	100	3,88,760	100
Generation	1,21,912	43	1,39,519	43	1,55,297	41	1,55,765	40
Renewable Energy	12,895	5	16,078	5	16,505	5	13,254	3
Transmission	52,068	19	59,641	19	61,248	16	64,633	17
Distribution	92,147	32	1,06,294	33	1,43,992	38	1,51,966	39
Total T&D	1,44,215	51	1,65,935	52	2,05,240	54	2,16,599	56
Short Term Loans	2,188	1	893	-	376	-	3,142	1

Asset Diversification - PAN India Presence

Lending across 27 States and 2 Union Territories

State/ Joint Sector Borrowers

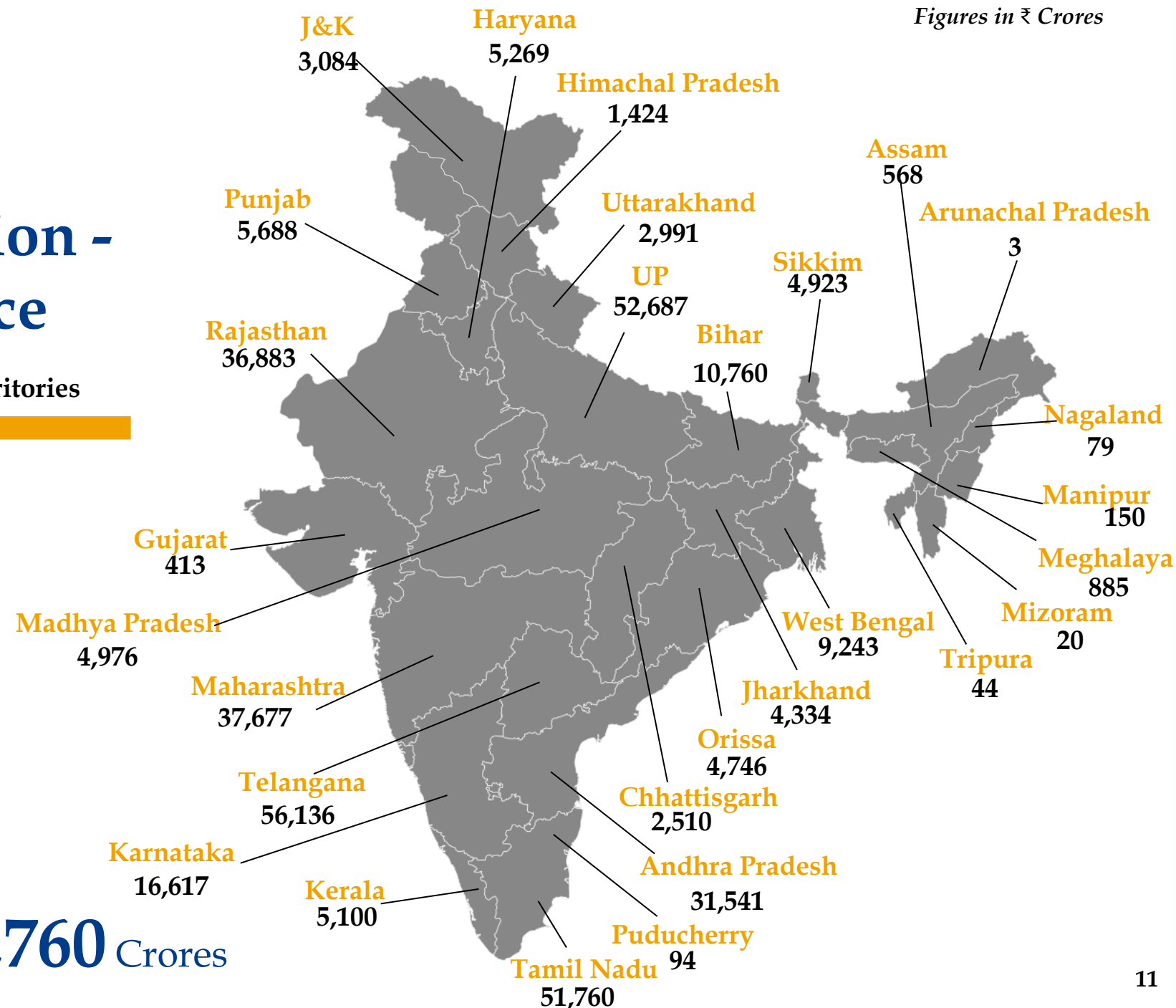
₹ 3,50,605 Crores

Private Sector Borrowers

₹ 38,155 Crores

Total Loan Outstanding ₹ 3,88,760 Crores

Figures in ₹ Crores



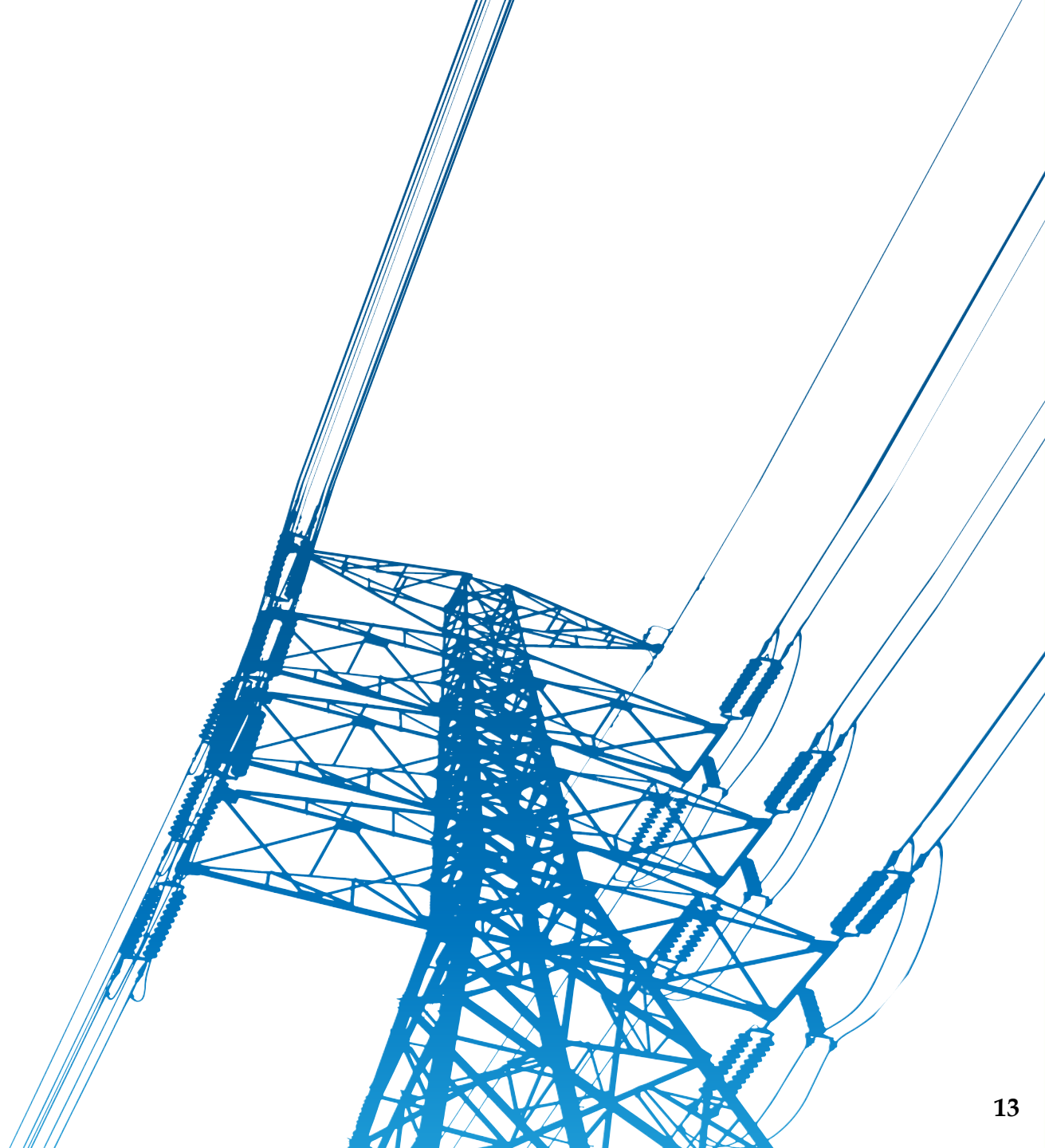
Outstanding Loans -Loan Concentration

Major Borrowers (as at December 31, 2021)

S. No.	Top Ten Borrowers	Amount Outstanding (₹ in Crores)	% of Total Loan Assets
1	Tamil Nadu Generation and Distribution Corporation Limited	36,913	9.50%
2	Uttar Pradesh Power Corporation Limited	21,220	5.46%
3	Maharashtra State Electricity Distribution Company Limited	20,933	5.38%
4	Telangana State Power Generation Corporation Limited	15,172	3.90%
5	Maharashtra State Power Generation Company Limited	13,980	3.60%
6	Rajasthan Rajya Vidyut Utpadan Nigam Limited	12,852	3.31%
7	Tamil Nadu Transmission Corporation Limited	12,229	3.15%
8	Telangana State Water Resources Infrastructure Development Corporation Limited	12,106	3.11%
9	Andhra Pradesh Power Generation Corporation Limited	10,908	2.81%
10	UP Rajya Vidyut Utpadan Nigam Limited	10,093	2.60%
	Total	1,66,406	42.82%

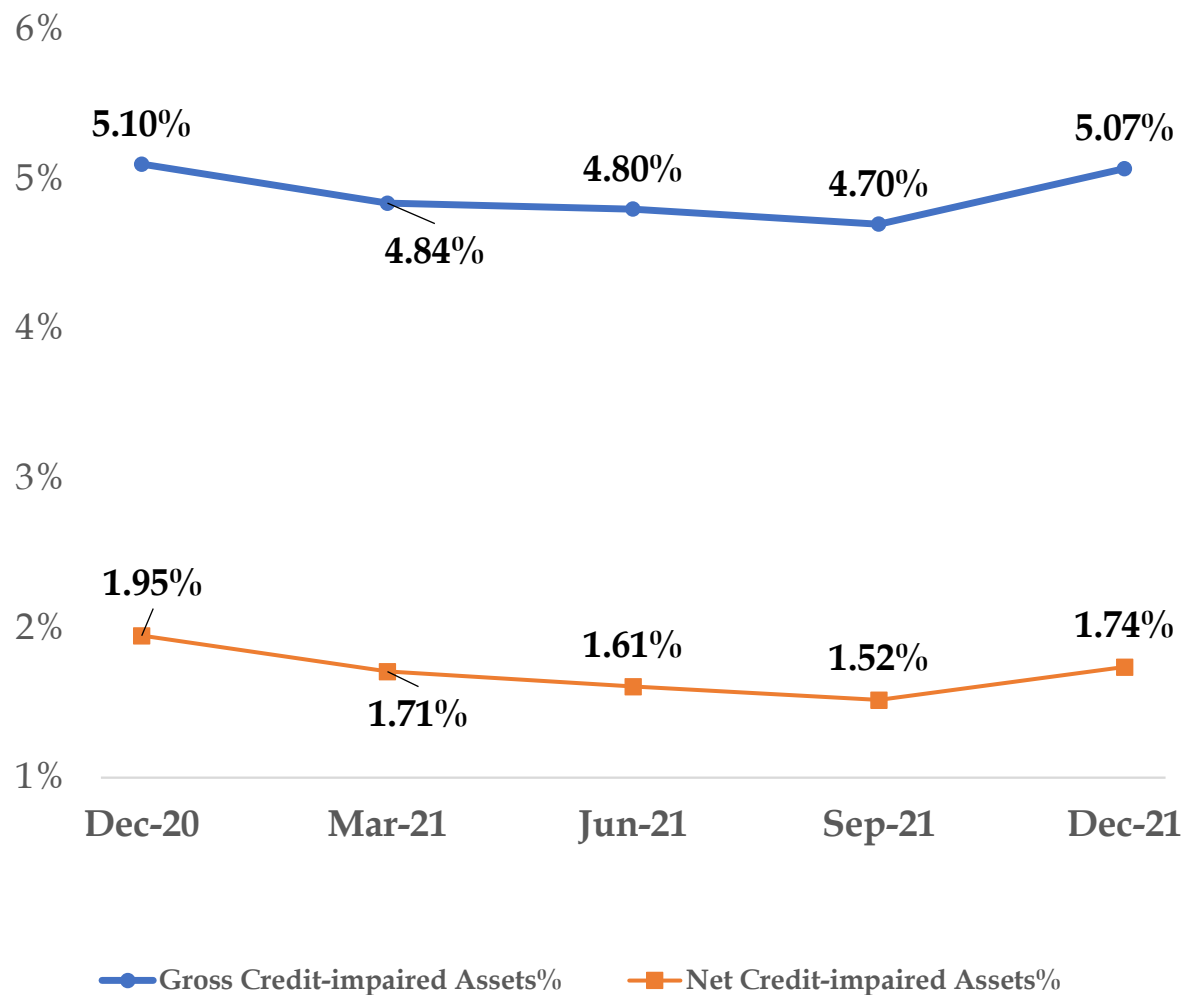
*Well-diversified asset portfolio with Top 10 borrowers accounting for ~43% of current loans.
No slippage in Top 10 accounts*

Asset Quality

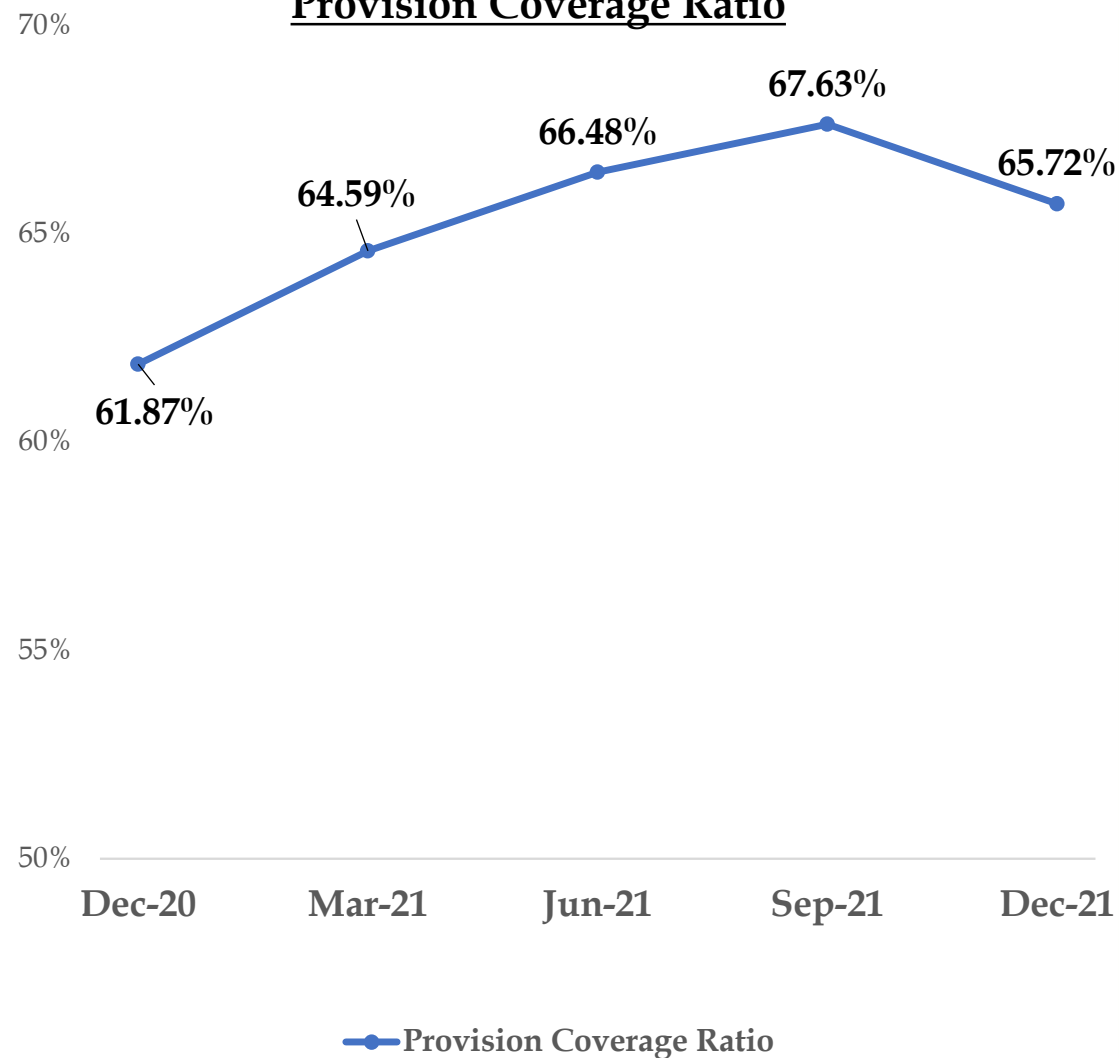


Asset Quality as at December 31, 2021

Stable Asset Quality



Provision Coverage Ratio



Loan Portfolio as at December 31, 2021

Figures : ₹ in Crores

Particulars	Loan O/s	Credit Impaired Assets (Stage - III)			Standard Assets (Stage - I & II)			Total ECL*
		O/s	ECL	Provision coverage ratio (%)	O/s	ECL	Provision coverage ratio (%)	
State Sector								
- Gencos	1,30,288	-	-	-	1,30,288	880	0.67	880
- Renewables	4,262	-	-	-	4,262	22	0.52	22
- Transcos	60,947	-	-	-	60,947	244	0.40	244
- Discoms	1,55,108	-	-	-	1,55,108	1,366	0.88	1,366
Total State Sector	3,50,605	-	-	-	3,50,605	2,512	0.72	2,512
Private Sector								
- Genco	25,477	18,727	12,472	66.60	6,750	168	2.49	12,640
- Transcos	3,686	922	461	50.00	2,764	53	1.92	514
- Renewables	8,992	66	24	36.36	8,926	150	1.68	174
Total Private Sector	38,155	19,715	12,957	65.72	18,440	371	2.01	13,328
Grand Total	388,760	19,715	12,957	65.72	369,045	2,883	0.78	15,840

*In addition to the above, Reserves available in the form of Reserve for Bad & Doubtful debts u/s 36(1)(viii)(c) of the Income Tax Act, 1961, Reserve fund u/s 45-IC of RBI Act amounting to ₹ 7,445 crores.

Credit Impaired Assets – Resolution Status

Resolution status of Credit Impaired Assets



Under NCLT

Rs.12,365 crores in NCLT

15 projects

72% provision

Outside NCLT

Rs.7,350 crores resolution pursued
outside NCLT

13 projects

55% provision

Borrowing Profile

Domestic Credit Ratings for Long Term Borrowings

			
"AAA"	"AAA"	"AAA"	"AAA"

International Issuer Ratings

	
"BBB- "	"Baa3"

Outstanding Borrowings

(₹ in Crores)

Particulars	As at				
	31 st March 2019	31 st March 2020	31 st March 2021	31 st December 2021	
	Amount	Amount	Amount	Amount	%
Corporate Bonds	135,184	158,148	179,989	163,857	49
Foreign Currency Borrowings	29,710	44,380	47,487	64,162	19
FCNR (B) Loans	5,048	6,973	5,329	8,916	3
Capital Gain Bonds	23,880	22,376	18,122	22,925	7
Tax Free Bonds	12,648	12,648	12,648	12,648	4
Commercial Papers	7,975	2,925	-	2,000	-
Loans from Banks, FIs, NSSF, etc.	24,750	32,650	58,925	61,398	18
Infra Bonds	91	16	11	11	-
Grand Total	239,286	280,116	322,511	335,917	100
Average annualized Cost of Funds	7.16%	7.31%	7.13%	6.87%	

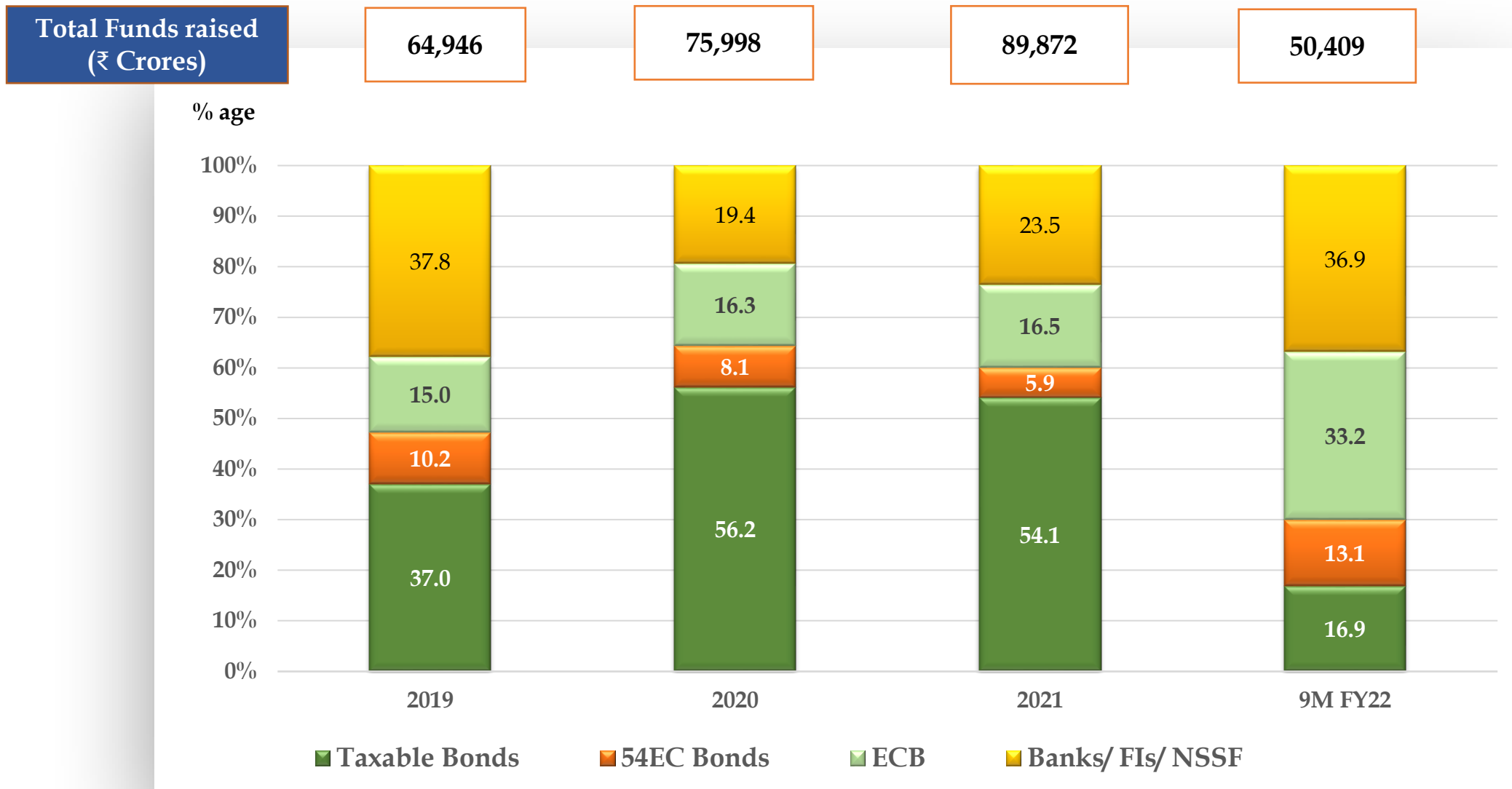
~ 60% of foreign currency exposure with remaining tenure upto 5 years hedged till maturity.

Funds Raised During The Period

(₹ in Crores)

Category	12M			Q3		9M	
	FY19	FY20	FY21	FY21	FY22	FY21	FY22
(A) Long Term							
Capital Gains Bonds	6,652	6,157	5,312	1,210	1,700	3,047	4,803
Institutional Bonds/ Subordinate Debt	24,010	42,713	48,660	12,359	5,080	34,213	9,080
Loans from Banks/FIs/ NSSF	24,550	14,725	21,053	3,138	10,550	14,003	19,300
Foreign Currency Borrowings	9,734	12,403	14,847	-	9,357	8,126	17,226
Total (A)	64,946	75,998	89,872	16,707	26,687	59,389	50,409
(B) Short Term							
FCNR (B) Loan	4,437	5,599	5,822	4,677	3,574	5,821	9,750
Commercial Papers	19,393	6,029	-	-	2,000	-	2,000
Loans from Banks (Tenor more than 6 months)	-	2,750	3,550	7,425	600	13,200	3,950
Total (B)	23,830	14,378	9,372	12,102	6,174	19,021	15,700
Total (A + B)	88,776	90,376	99,244	28,809	32,861	78,410	66,109

Funds Raised During The Period (Long Term)



Financial Highlights



Key Financial Highlights

↑ Highest ever Quarterly Net Profit at ₹ 2,773 crores ↑

- ❑ Total Income grown to ₹ 29,629 crores (↑ 13% YoY).
- ❑ Net Profit stands at ₹ 7,758 crores (↑ 23% YoY).
- ❑ Net Interest Income recorded at ₹ 12,005 crores (↑ 26% YoY).
- ❑ Loan book reached to ₹ 3.89 lakh crores (↑ 9% YoY)
- ❑ Assets Quality improved with Net Credit impaired Assets at 1.74% (vs. 1.95% YoY)
- ❑ Provision Coverage Ratio against Credit impaired assets stands at 65.72%
- ❑ Net-worth stands at ₹ 50,258 crores (↑ 20% YoY)
- ❑ Capital Adequacy Ratio at 23.22% (Tier – I : 19.01% & Tier – II : 4.21%)

Standalone Statement of Profit & Loss

₹ in Crores

Particulars	Q3		9M	
	FY 21	FY 22	FY 21	FY 22
Interest Income on Loan assets	8,825	9,654	25,557	28,717
Less: Finance Costs	5,446	5,549	16,051	16,700
Net Interest Income	3,379	4,105	9,506	12,017
Other Operating Income	97	106	358	545
Net notional gain/ (loss) on fair value changes	120	247	328	291
Other Income	5	32	18	76
Total Income (Net of Finance Cost)	3,601	4,490	10,210	12,929
Less: Translation/transaction exchange loss/ (gain)	(23)	115	117	328
Less: Other costs *	84	104	311	290
Less: Impairment on financial instruments	730	819	1,722	2,719
Profit Before Tax	2,810	3,452	8,060	9,592
Less: Tax Expense	547	679	1,768	1,834
Profit After Tax	2,263	2,773	6,292	7,758
Add: Other Comprehensive Income/ (Loss)	182	157	454	205
Total Comprehensive Income/(Loss)	2,445	2,930	6,746	7,963

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

Statement of Assets and Liabilities

₹ in Crores

Particulars	As at 31.03.2021	As at 31.12.2021
Assets		
(A) Financial Assets	396,951	414,997
Cash and bank balances	3,070	10,650
Derivative financial instruments	2,311	3,376
Loans (Ind-AS)	365,261	374,226
Investments	1,910	2,037
Other financial assets	24,399	24,708
(B) Non-Financial Assets	3,282	3,793
Current tax assets (net)	160	161
Deferred tax assets (net)	2,438	2,925
Fixed Assets	603	630
Other non-financial assets	81	77
Total Assets (A+B)	400,233	418,790
Liabilities		
(C) Financial Liabilities	356,572	368,180
Derivative financial instruments	846	666
Borrowings (Ind-AS)	329,783	342,187
Other financial liabilities	25,943	25,327
(D) Non-Financial Liabilities	235	352
(E) Net Worth	43,426	50,258
Equity Share Capital	1,975	1,975
Instruments entirely equity in nature	558	558
Other equity	40,893	47,725
Total Equity & Liabilities (C+D+E)	400,233	418,790

Key Ratios

Particulars	Q3		9M	
	FY 21	FY 22	FY 21	FY 22
Yield on Loan Assets (%)	10.58	10.46	10.69	10.52
Cost of Funds (%)	7.18	6.68	7.33	6.87
Interest Spread (%)	3.40	3.78	3.36	3.65
Net Interest Margin (%)	4.06	4.41	3.93	4.31
Return on Net Worth (%)	22.08	22.63	21.84	22.08
Interest Coverage Ratio (Times)	1.52	1.62	1.50	1.57
Debt Equity Ratio (Times)	7.31	6.49	7.31	6.49
Earnings per Share (Annualised)	45.84	56.16	42.48	52.37
Book Value Per Share	211.40	254.48	211.40	254.48

Yield = Ratio of interest income on Loan Asset to average interest earning loan assets

Cost of funds = Ratio of finance costs + (gain)/ loss on Translation/transaction + Fees & Commission Expenses to average borrowings.

Interest Spread = Yield minus Cost of Funds

Net Interest Margin = Ratio of net interest income + gain/ (loss) on Translation/transaction to average interest earning loan assets

Interest Coverage Ratio = Ratio of PBIT to Finance Cost + Fee & Commission Expense

Debt Equity = Ratio of Total Borrowings (net of cash & cash equivalents) to Net Worth

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

Thank You

Glorious Past - Inspiring Future



YEARS AND BEYOND...

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