

FINANCING INDIA'S POWER & PROGRESS STORY



Investor Presentation Performance Highlights for Q4 & 12M FY 2023-24



Table of Contents



1. REC Overview



2. Operational Performance



3. Asset Quality



4. Borrowing Profile



5. Financial Highlights



आर ई सी
REC

असीमित ऊर्जा, अनंत संभावनाएँ
Endless energy. Infinite possibilities.

A MAHARATNA COMPANY

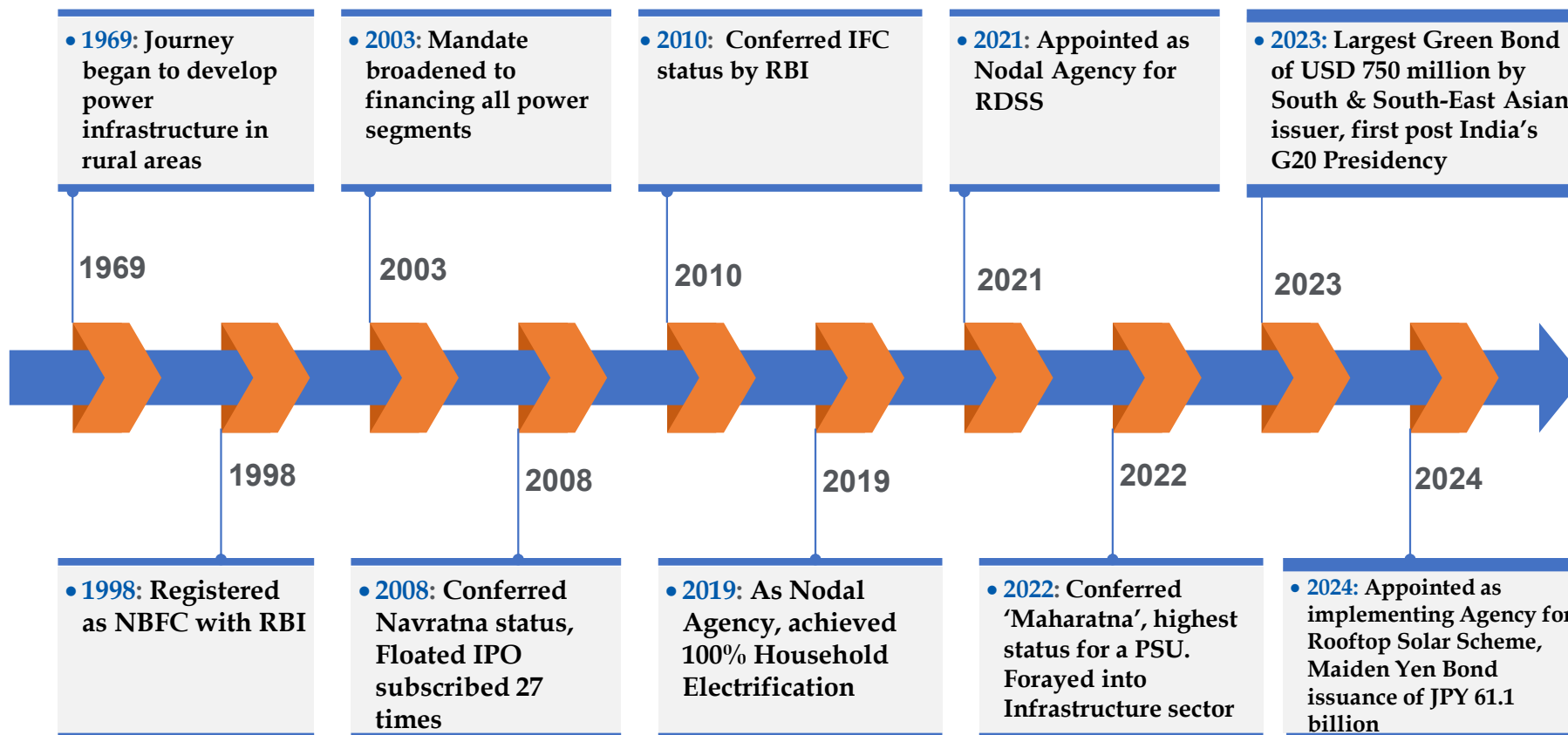
FINANCING INDIA'S POWER & PROGRESS STORY



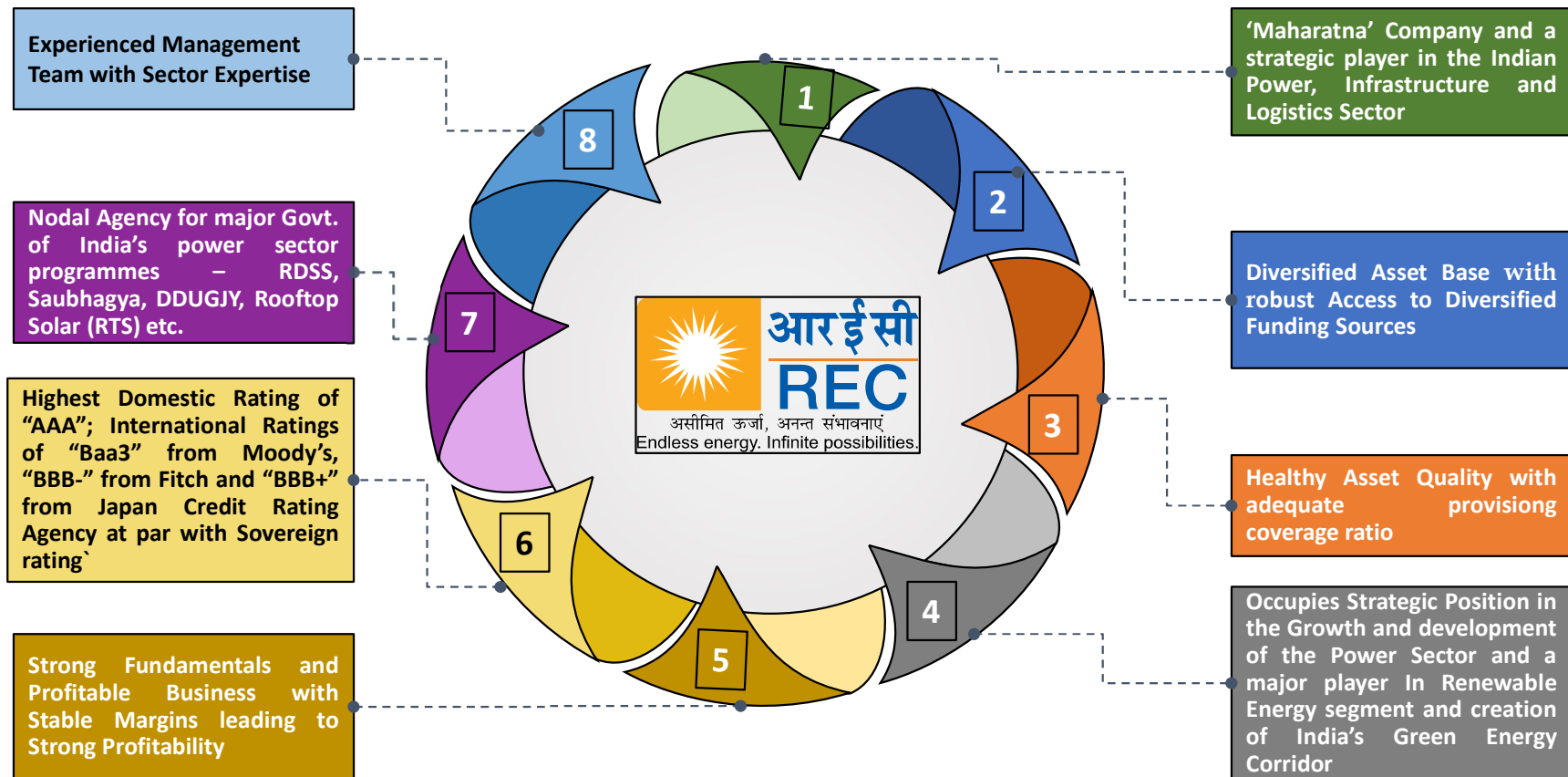
1. REC Overview



REC Journey



Key Strengths



Awards and Accolades

Awarded 'Plaque' under 'Financial Services Sector (Other than Banking and Insurance)' category at the ICAI Awards for Excellence in Financial Reporting for FY 2022-23

'Golden Peacock Award'

For Risk
Management
(FY 23)

'Asset Triple A Awards'

Best Green
Bond
Sustainable
Finance

'ASSOCHAM Award'

Best Employer
In
Diversity and
Inclusion

'SKOCH ESG Award 2024'

Renewable
Energy
Financing
Category

'Operational Performance Excellence'

Awarded by
Indian
Chamber of
Commerce

'India's Top 20'

Profitable
Companies by
Money
Control

Maharatna Status (accorded in FY 2022-23)



REC is amongst the Coveted Few Indian PSUs



Maharatna

- Highest rank for top-performing PSUs in India
- Total of 13 PSUs accorded this status



Navratna

- 2nd highest rank of top-performing PSUs in India
- Total of 19 PSUs accorded this status



Miniratna I

- 3rd highest rank of PSUs in India
- Total of 54 PSUs accorded this status



Miniratna II

- 4th rank of PSUs in India
- Total of 11 PSUs accorded this status

Maharatna – Business advantages



Gives greater operational & financial autonomy



Allows strategic investments by incorporating JVs, Subsidiaries and M&A activities in India and abroad



Accelerating growth and supporting Govt's vision for power sector

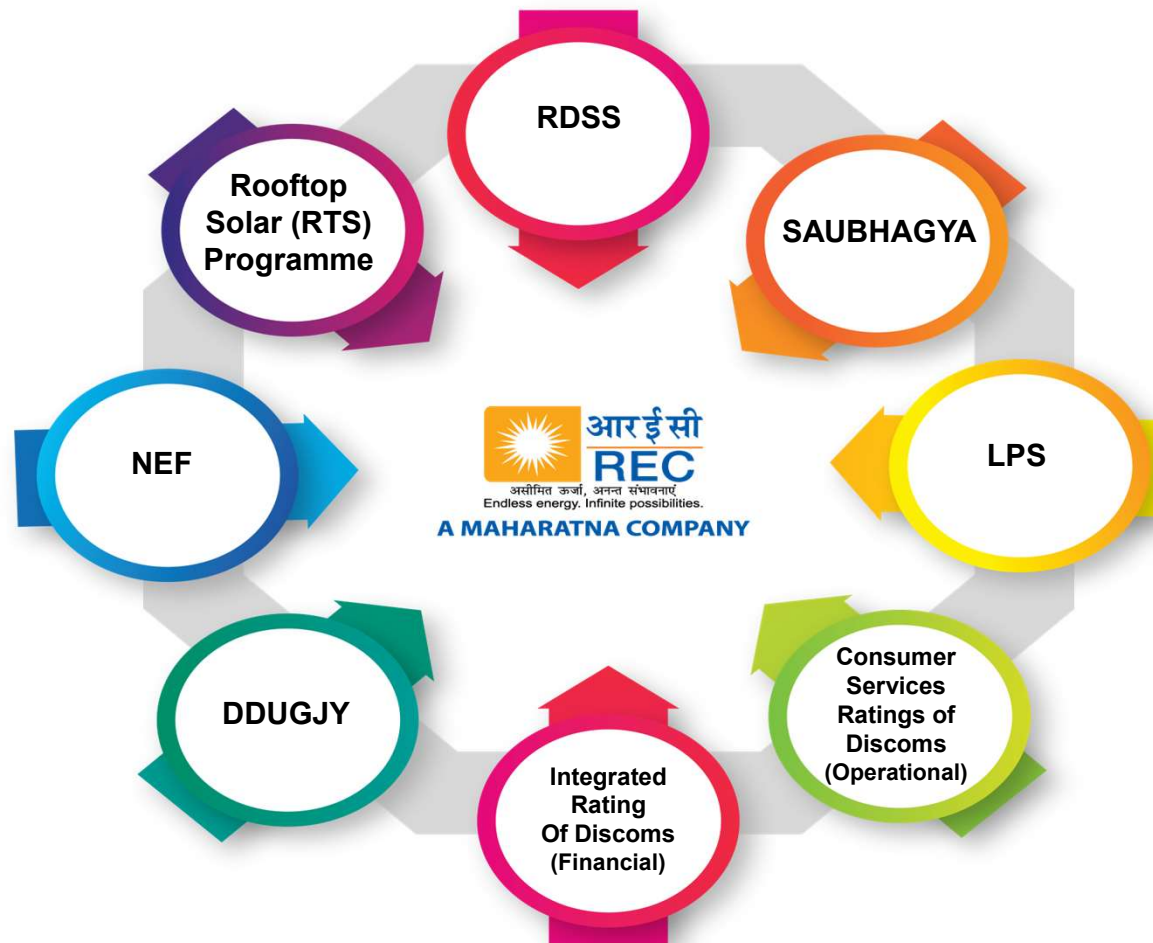
Forayed into Infra Sector:

For Nation's Accelerated Development

REC has diversified its loan portfolio with a mandate of up to 33% loans in the Infrastructure and Logistics sector

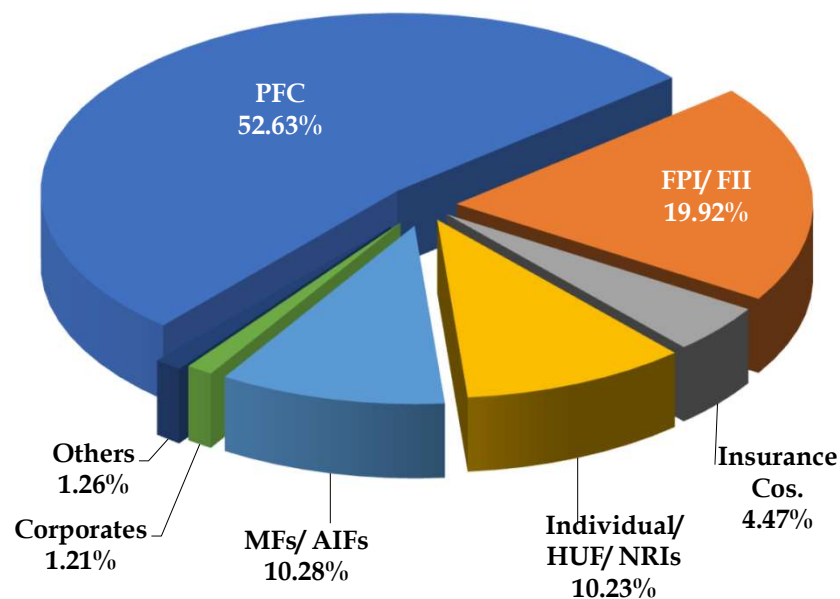


Government's Trusted Arm



Shareholders Outlook

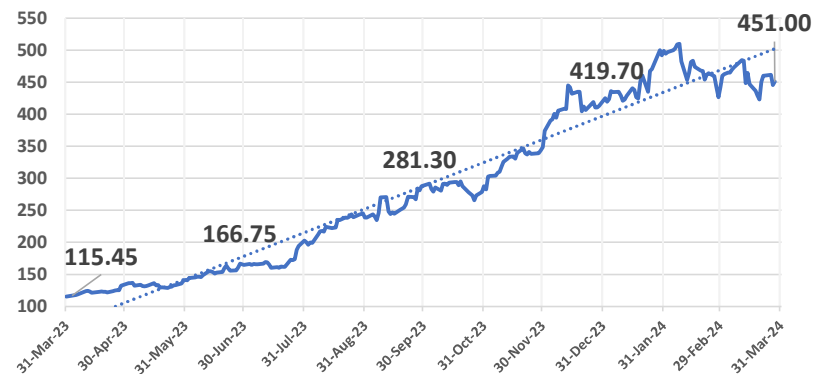
Shareholding Pattern as at 31.03.2024



**Earning
per Share
Rs. 53.11**

**Book Value
per Share
Rs. 261.22**

Consistent increase in share price from Rs. 115.45 as on Mar 31, 2023 to Rs. 451 as on March 28, 2024, increase of ~ 291%



**Total Shareholder Return (TSR) during 2023-24 – 300%
(excluding final dividend)**

FPIs/ FIIs have reposed faith in REC and have consistently held ~ 20% since IPO in 2008

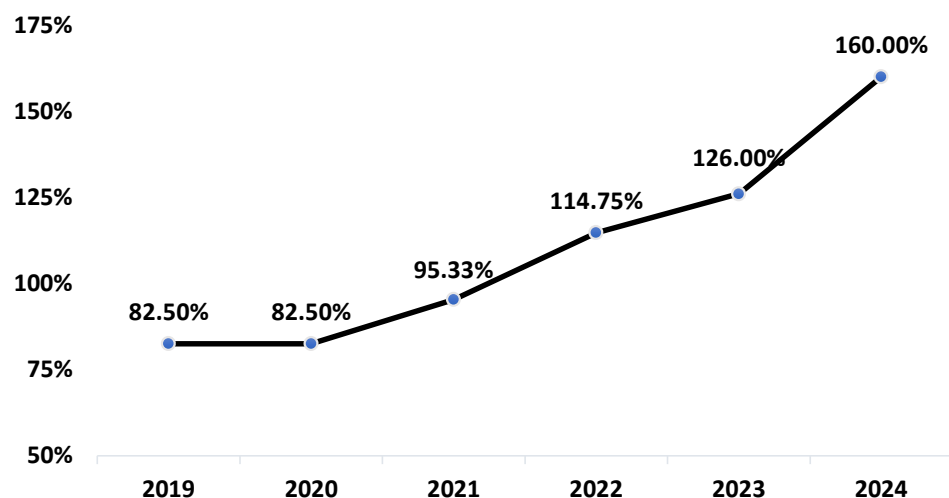
Shareholders Outlook cont..

Top 10 Shareholders as at March 31, 2024

Rank	Particulars	Shareholding (%)
A	Power Finance Corporation Ltd	52.63
B	Other than PFC (Top 10 shareholders)	
1	HDFC Balanced Advantage Fund	1.27
2	Government of Singapore	1.12
3	HDFC Mid-Cap Opportunities Fund	0.99
4	TATA AIG General Insurance Company Limited	0.77
5	SBI Life Insurance Co. Ltd	0.75
6	Life Insurance Corporation of India	0.71
7	Vanguard Total International Stock Index Fund	0.65
8	Vanguard Emerging Markets Stock Index Fund (A Series of Vanguard International Equity Index Funds)	0.64
9	Government Pension Fund Global	0.53
10	HDFC Life Insurance Company Limited	0.46
B	Sub Total (Top 10 shareholders other than PFC)	7.89
A + B	TOTAL (including PFC shareholding)	60.52

Dividend Payout as a % of Equity Share Capital

Consistently high dividend paying company



The BoD REC has in its meeting held on 30.04.2024 recommended final dividend of Rs. 5 Per share for FY 2024, making total dividend of Rs. 16 Per share of Rs. 10

- Dividend adjusted for Bonus in the ratio of 1:3 in Aug 2022
- Actual dividend 110.00%, 110.00%, 127.10% and 153.00% pre bonus for the year 2019, 2020, 2021 & 2022

FINANCING INDIA'S POWER & PROGRESS STORY

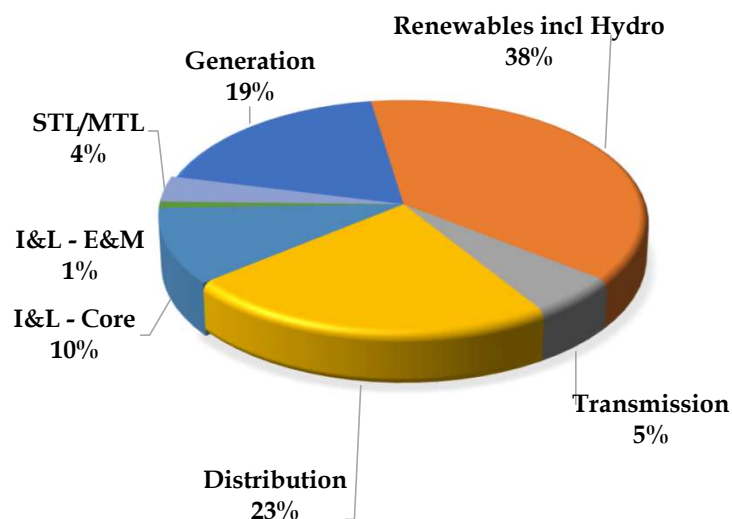


2. Operational Performance



Sanctions - Composition

Sector-wise breakup of Sanctions in 12M FY24



Highest ever yearly Sanctions during FY24 of Rs.3,58,816 crores



(Rs. in Crores)

Discipline-wise in	Q4				12 M			
	FY 23	%	FY 24	%	FY 23	%	FY 24	%
Generation	3,129	4	3,710	11	30,912	12	67,112	19
Renewables incl Large Hydro	350	1	11,462	35	21,554	8	1,36,516	38
Transmission	866	1	657	2	8,464	3	19,690	5
Distribution	9,930	13	13,598	41	1,13,586	42	82,304	23
a) Distribution Capex	1,949	3	7,847	24	15,943	6	41,533	12
b) LPS & LIS *	2,381	3	1,401	4	57,190	21	16,021	4
c) RBPF **	5,600	7	4,350	13	40,453	15	15,350	4
d) Special Loan	-	-	-	-	-	-	9,400	3
I&L - Core ***	57,340	75	500	2	60,801	23	37,455	10
I&L - E&M ****	3,000	4	-	-	26,469	10	3,114	1
STL/MTL	1,350	2	2,948	9	6,675	2	12,625	4
Total Sanctions	75,965	100	32,875	100	2,68,461	100	3,58,816	100
Increase in 12M FY24 over 12M FY23					34%			
Increase in Renewables incl Large Hydro in 12M FY24 over 12M FY23					533%			

* LPS – Late payment surcharge

* LIS – Liquidity infusion scheme

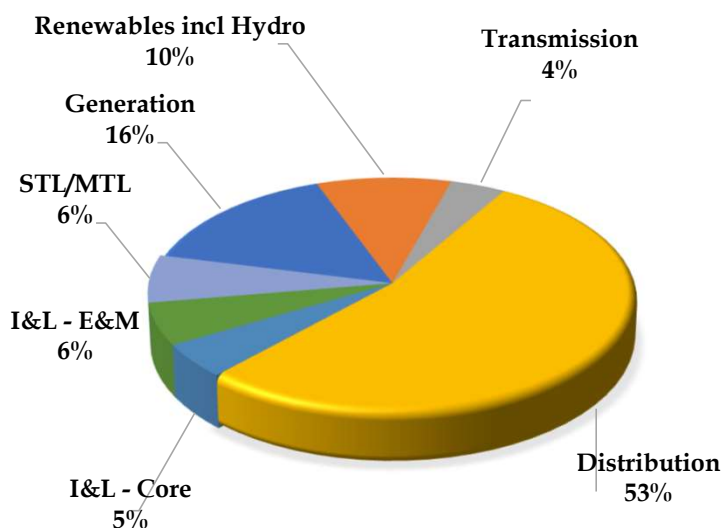
** RBPF - Revolving Bills Payment Facility

*** I&L – Infrastructure & Logistics

**** Electrical and Mechanical

Disbursements - Composition

Sector-wise breakup of Disbursements in 12M FY24



Highest ever yearly Disbursements during
FY24 Rs. 1,61,462 crores



(Rs. in Crores)

Discipline-wise	Q4				12 M			
	FY 23	%	FY 24	%	FY 23	%	FY 24	%
Generation	6,939	19	4,179	11	18,054	19	25,054	16
Renewables incl Large Hydro	2,798	8	6,167	16	11,227	12	16,024	10
Transmission	712	2	1,916	5	3,050	3	6,566	4
Distribution	21,183	57	20,989	53	50,847	52	86,291	53
a) Distribution Capex	3,024	8	2,373	6	8,509	9	9,254	6
b) LPS & LIS *	6,213	17	1,735	4	16,177	16	23,960	14
c) RBPF **	11,946	32	16,881	43	26,161	27	53,077	33
I&L - Core ***	-	-	831	2	-	-	7,676	5
I&L - E&M ****	4,175	11	3,028	7	10,007	10	9,339	6
STL/MTL	1,132	3	2,264	6	3,661	4	10,512	6
Total Disbursements	36,939	100	39,374	100	96,846	100	1,61,462	100
Increase in 12M FY24 over 12M FY23							67%	

* LPS – Late payment surcharge

* LIS – Liquidity infusion scheme

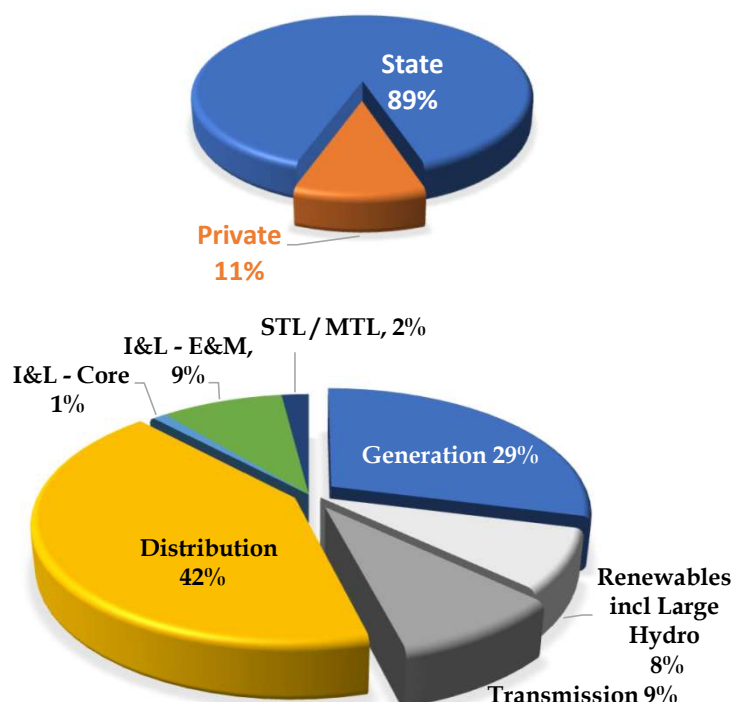
** RBPF - Revolving Bills Payment Facility

*** I&L – Infrastructure & Logistics

**** Electrical and Mechanical

Outstanding Loans – Composition

(Rs. in Crores)



Discipline-wise	As at					
	31 st March 2022		31 st March 2023		31 st March 2024	
	Amount	%	Amount	%	Amount	%
State	3,50,456	91	3,93,225	90	4,54,647	89
Private	34,915	9	41,787	10	54,724	11
Total	3,85,371	100	4,35,012	100	5,09,371	100
Generation	1,26,449	33	1,32,517	30	1,45,271	29
Renewables incl Large Hydro	19,187	5	27,095	6	38,971	8
Transmission	51,259	13	48,327	11	48,046	9
Distribution	1,54,851	40	1,85,806	43	2,14,672	42
a) Distribution Capex	97,506	25	90,287	21	85,515	17
b) LPS & LIS *	-	-	16,147	4	39,317	8
c) RBPF **	-	-	24,194	6	38,420	7
d) Special Loan	57,345	15	55,178	12	51,420	10
I&L - Core ***	-	-	-	-	7,676	1
I&L - E&M ****	28,659	7	38,248	9	45,875	9
STL/MTL	4966	2	3,019	1	8,860	2
Increase in Loan book over previous year	2%		13%		17%	

* LPS – Late payment surcharge, * LIS – Liquidity infusion scheme, ** RBPF – Revolving Bills Payment Facility,
*** I&L – Infrastructure & Logistics, **** E&M – Electrical & Mechanical

Loan book has grown at a healthy rate of 17% YoY

PAN INDIA PRESENCE - LOAN ASSETS

Lending across 28 States

State/ Joint Sector Borrowers

Rs. **4,54,647** Crores

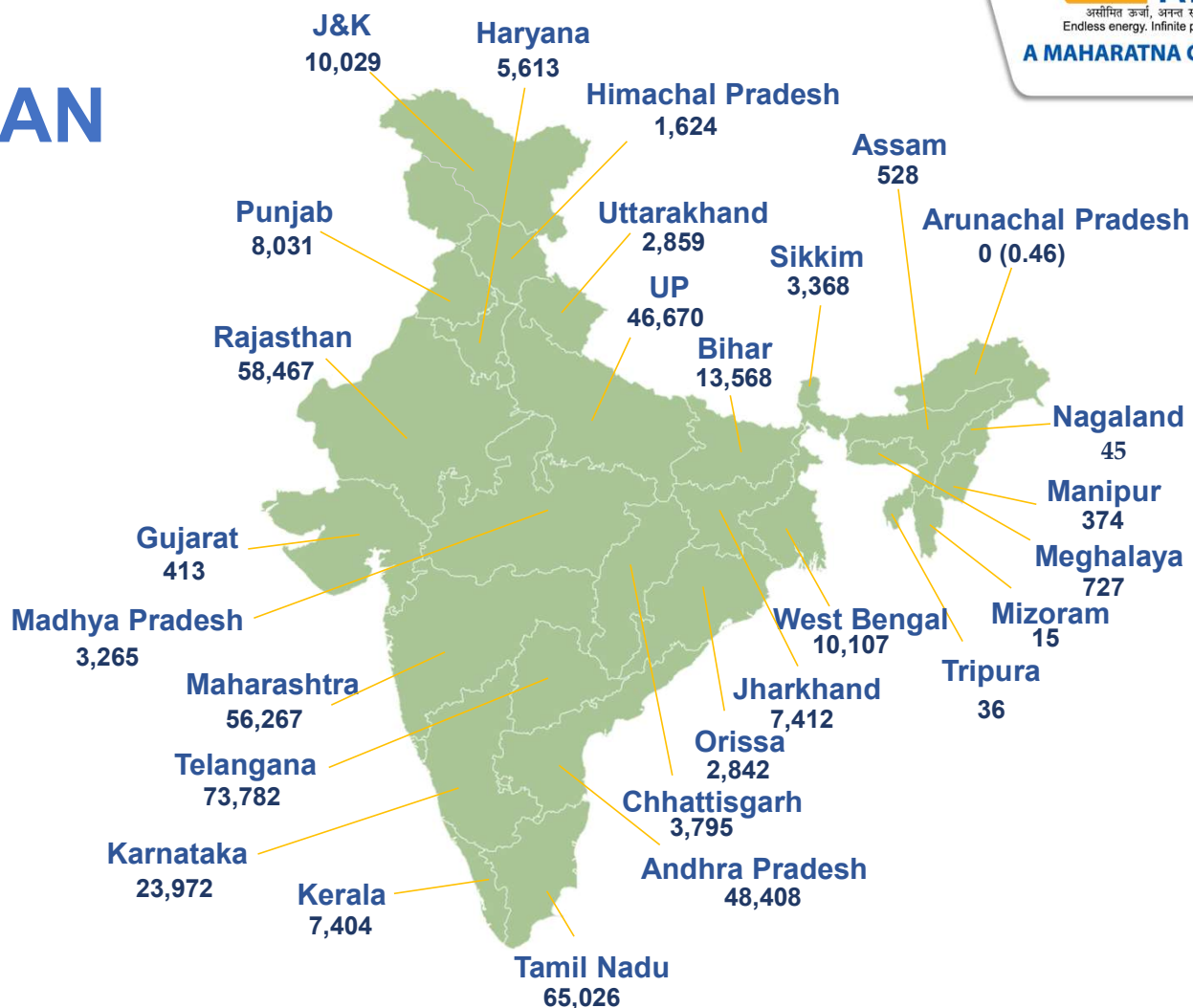
Private Sector Borrowers

Rs. **54,724** Crores

Total Loan Outstanding

Rs. **5,09,371** Crores

Figures in Rs. Crores



Endless energy. Infinite possibilities.

A MAHARATNA COMPANY

Outstanding Loans – Major Borrowers

Major State Borrowers (as at March 31, 2024)

S. No.	Top Ten Borrowers	Amount Outstanding (Rs. in Crores)	% of Total Loan Assets
1	Tamil Nadu Generation and Distribution Corporation Limited	50,792	9.97
2	Maharashtra State Electricity Distribution Company Limited	25,565	5.02
3	Telangana State Power Generation Corporation Limited	17,585	3.45
4	Kaleshwaram Irrigation Project Corporation Ltd	17,422	3.42
5	Andhra Pradesh Southern Power Distribution Company Limited	17,034	3.34
6	Uttar Pradesh Power Corporation Limited	16,871	3.31
7	Telangana State Southern Power Distribution Company Limited	14,474	2.84
8	Jodhpur Vidhyut Vitran Nigam Limited	14,357	2.82
9	Maharashtra State Power Generation Company Limited	14,260	2.80
10	Jaipur Vidyut Vitran Nigam Limited	14,198	2.79
	Total	2,02,558	39.76

- Well-diversified asset portfolio with Top 10 borrowers accounting for ~40% of the outstanding loans.
- None of the top 10 borrowers account for more than ~ 10% of the total Loan Book
- No slippage in Top 10 accounts

FINANCING INDIA'S POWER & PROGRESS STORY

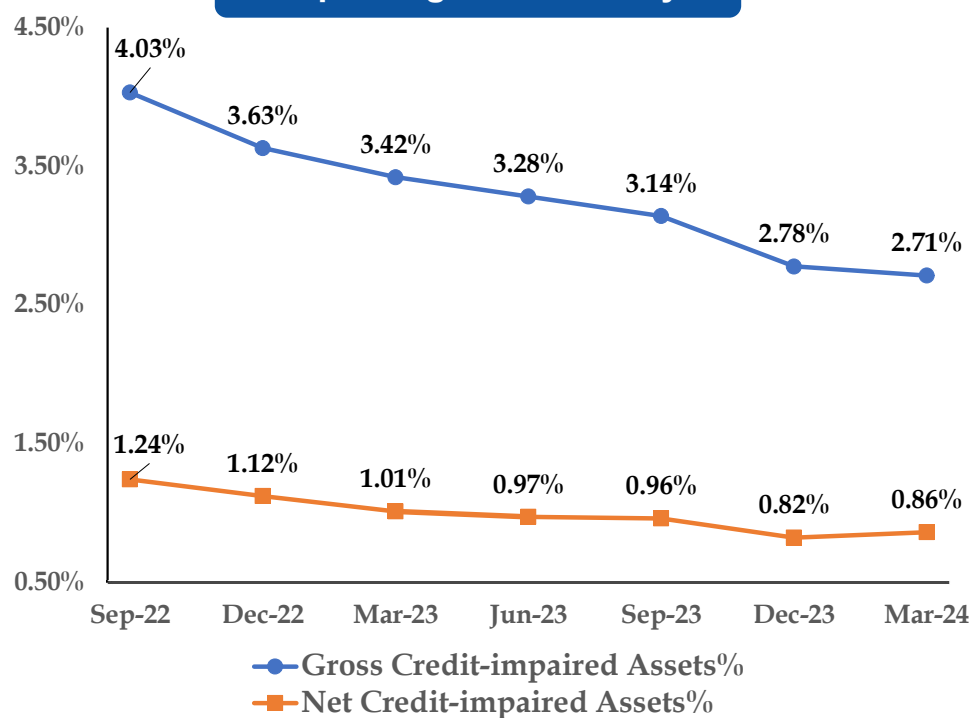


3. Asset Quality



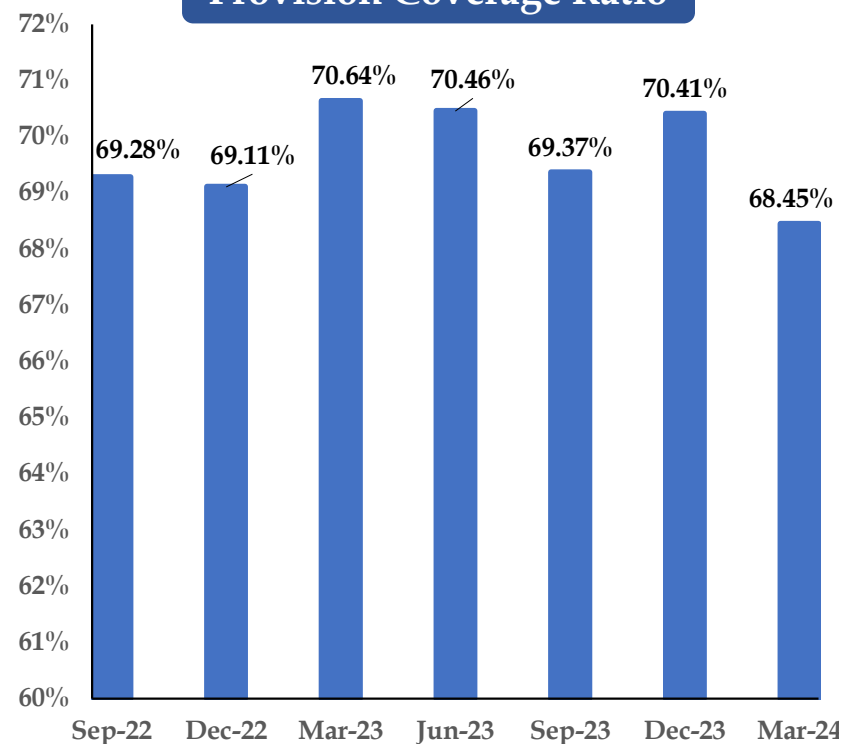
Asset Quality as at March 31, 2024

Improving Asset Quality



➤ No New NPAs during last 9 quarters

Provision Coverage Ratio



Loan Portfolio as at March 31, 2024

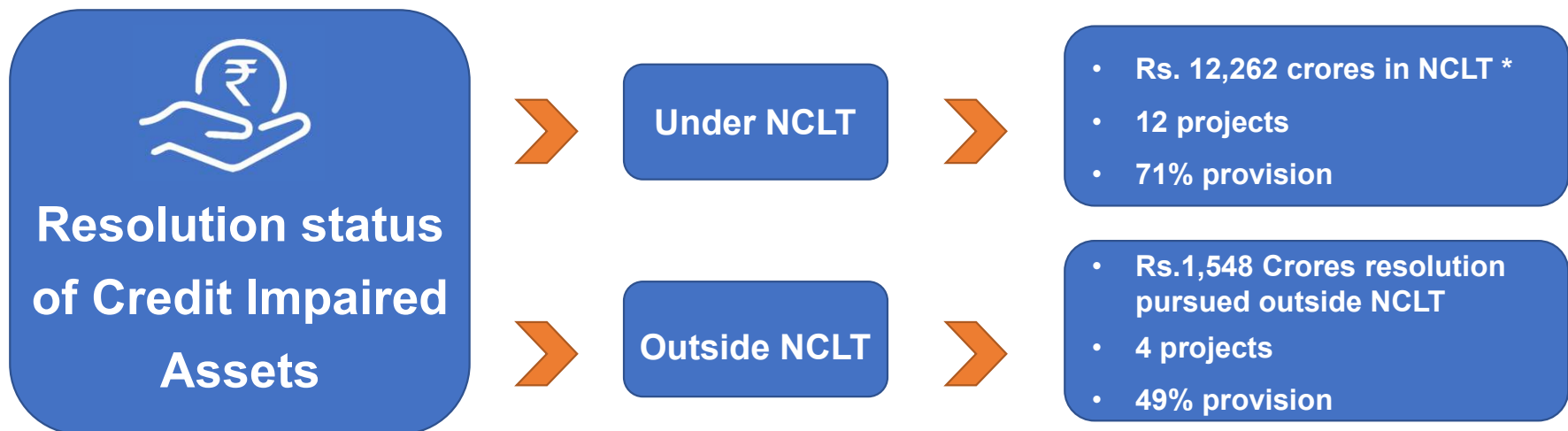
(Rs. in Crores)

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								
- Generation	1,23,422	-	-	-	1,23,422	620	0.50%	620
- Renewables incl Large Hydro	10,897	-	-	-	10,897	52	0.48%	52
- Transmission	44,323	-	-	-	44,323	19	0.04%	19
- Distribution	2,14,672	-	-	-	2,14,672	1,691	0.79%	1,691
a) Distribution Capex	85,515	-	-	-	85,515	509	0.60%	509
b) LPS & LIS *	39,317	-	-	-	39,317	250	0.64%	250
c) RBPF **	38,420	-	-	-	38,420	293	0.76%	293
d) Special Loan	51,420	-	-	-	51,420	639	1.24%	639
- I&L – Core ***	7,088	-	-	-	7,088	4	0.06%	4
- I&L - E&M ****	45,450	-	-	-	45,450	170	0.37%	170
- STL/MTL	8,795	-	-	-	8,795	42	0.48%	42
Total State Sector	4,54,647	-	-	-	4,54,647	2,598	0.57%	2,598
Private Sector								
-Generation	21,849	13,517	9,196	68.03%	8,332	53	0.63%	9,249
-Renewables incl Large Hydro	28,074	293	258	88.05%	27,780	246	0.89%	504
-Transmission	3,723	-	-	-	3,723	28	0.75%	28
-I&L – Core ***	588	-	-	-	588	2	0.34%	2
-I&F - E&M ****	425	-	-	-	425	-	0.06%	-
-STL	65	-	-	-	65	-	0.30%	-
Total Private Sector	54,724	13,810	9,454	68.45%	40,913	329	0.80%	9,783
Grand Total	5,09,371	13,810	9,454	68.45%	4,95,560	2,927	0.59%	12,381

* LPS – Late payment surcharge , * LIS – Liquidity infusion scheme, ** RBPF - Revolving Bills Payment Facility, *** I&L – Infrastructure & Logistics, **** E&M – Electrical & Mechanical

In addition to the above, Reserves available in the form of Statutory Reserve u/s 45-IC of RBI Act and Reserve for Bad & Doubtful debts u/s 36(1)(viiia) of the Income Tax Act, 1961 amounting to ₹ 11,517 crores.

Credit Impaired Assets – Resolution Status



* In respect of two of the stressed assets, Nagai Power and Lanco Amarkantak, with aggregate outstanding of Rs. 2,775 crores, the resolution plan has already been filed with NCLT and the order is awaited from NCLT

FINANCING INDIA'S POWER & PROGRESS STORY



4. Borrowing Profile



Credit Ratings for Long Term Borrowings

Long-term International Ratings

MOODY'S

Baa3 (Stable)–Key Highlights

- ✓ REC Limited (REC) remains strategically important to the Indian power sector and plays a key role in implementing the central government policy initiatives.
- ✓ REC finances all segments of domestic power infrastructure projects, covering transmission, distribution and generation facilities throughout the country, with a focus on rural electrification projects.

FitchRatings

BBB- (Stable)–Key Highlights

- ✓ REC remains an important government-related entity (GRE) due to its strategic role in supporting India's power sector. Hence, Fitch believes the government has strong incentive to provide extraordinary support to REC, if needed.



Japan Credit Rating Agency, Ltd.

BBB+ (Stable)–Key Highlights

REC plays a very important role in the implementation of the Government of India's (GOI) power sector plans. The ratings strongly reflect the country's creditworthiness and are in line with the Republic of India's Long-term Issuer Ratings (FC: BBB+/Stable and LC: BBB+/Stable). It is based on REC's strong capital and personal relationship with GOI, its important position as an institution that financially supports the development of power infrastructure across India, and its strong integration with GOI, supported by its position as a Nodal agency for power policy initiatives in India.

Long-term Domestic Ratings

CRISIL
An S&P Global Company

"AAA"



"AAA"

CARE Ratings
Professional Risk Opinion

"AAA"

IndiaRatings & Research
A Fitch Group Company

"AAA"

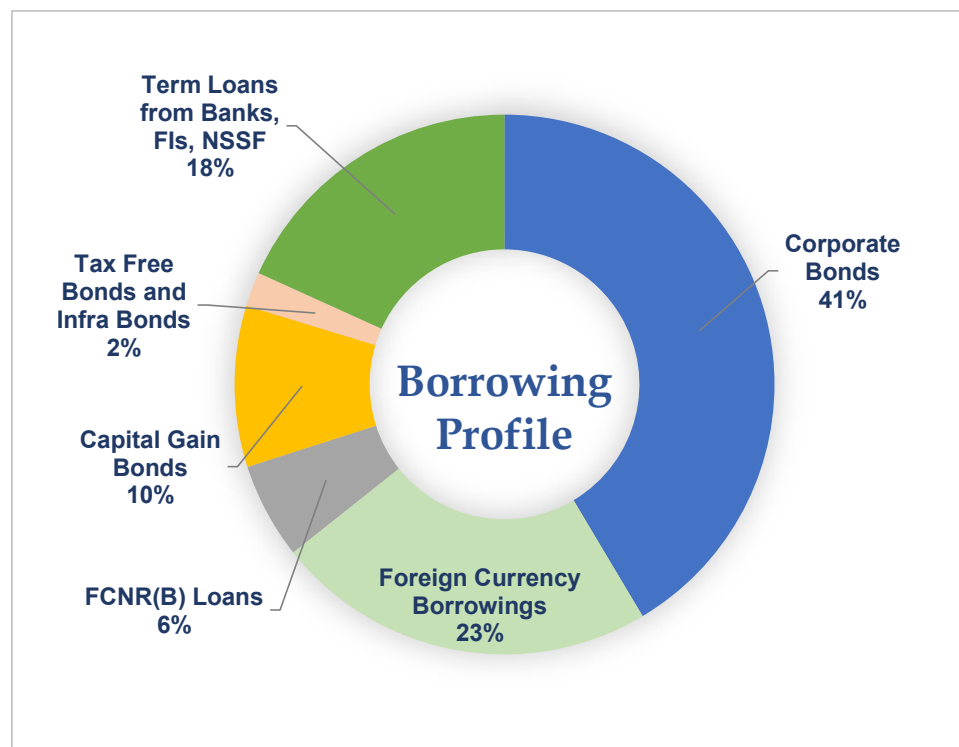
Perpetual Debt Instruments also rated "AAA" by CARE Ratings and CRISIL

Outstanding Borrowings

(Rs. in Crores)

Particulars	31 st March 2023	31 st March 2024
(A) Domestic Borrowings		
Corporate Bonds	1,56,868	1,81,471
Loans from Banks, FIs, NSSF, etc.	75,986	79,806
Capital Gain Bonds	37,587	42,356
Tax Free Bonds	10,307	8,999
Infra Bonds	4	4
(A) Sub Total Domestic Borrowing	2,80,752	3,12,636
Foreign Currency Borrowings		
Bonds and Term Loans	78,440	1,00,169
FCNR (B) Loans	15,424	25,139
(B) Sub Total Foreign Currency Borrowings	93,864	1,25,308
Grand Total	3,74,616	4,37,944

- 99% of total foreign currency borrowings have been hedged till maturity
- Foreign Currency Borrowings account for 29% of the outstanding borrowing as on 31st March 2024 as compared to 25% as on 31st March 2023.



- Access to multiple sources of funding with a mix of international and domestic sources to meet the business growth
- One of the four Companies allowed to raise low-cost Capital Gains Tax Exemption Bonds

Funds Raised During the Period

(Rs. in Crores)

Category	Q4		12M	
	FY23	FY24	FY23	FY24
(A) Long Term				
Capital Gains Bonds	3,709	3,384	12,154	11,421
Institutional Bonds/ Subordinate Debt	11,753	9,375	25,545	42,447
Loans from Banks/FIs/ NSSF	6,861	-	22,911	19,500
Foreign Currency Borrowings	3,126	11,869	10,036	36,961
Total (A)	25,449	24,628	70,646	1,10,329
(B) Short Term				
FCNR (B) Loan	1,853	2,667	15,088	25,093
Commercial Papers	-	-	-	7,735
Loans from Banks (Tenor more than 6 months)	-	-	1,150	3,600
Total (B)	1,853	2,667	16,238	36,428
Total (A + B)	27,302	27,295	86,884	1,46,757

- Funds raised from Foreign Currency Borrowings {including FCNR(B) loans} during 12M FY 24 account for 42% as against 29% in 12M FY 23

REC raised USD Green bond of USD 750 million in April 2023, largest by any South and South East Asian issuer and exclusively listed at GIFT IFSC stock exchanges

MAIDEN
YEN GREEN BOND
ISSUANCE OF
JPY 61.1 BILLION
IN JANUARY 2024
LARGEST
¥en DENOMINATED
ISSUANCE FROM INDIA

FINANCING INDIA'S POWER & PROGRESS STORY



5. Financial Highlights



Key Financial Highlights - 12M FY24 vs 12M FY 23

Highest ever Annual Net Profit of ₹ 14,019 crores

- ↑ Total Income stands at ₹47,214 crores vs ₹39,253 crores (↑ 20% YoY)
- ↑ Net Interest Income stands at ₹16,167 crores vs ₹13,714 crores (↑ 18% YoY)
- ↑ Net Profit stands at ₹14,019 crores vs ₹11,055 crores (↑ 27% YoY)
- ↑ Total Comprehensive Income ₹15,063 crores vs ₹10,084 crores (↑ 49% YoY)
- ↑ Loan book reached to ₹5.09 lakh crores vs ₹4.35 lakh crores (↑17% YoY)
- ↑ Assets Quality improved with Net Credit impaired Assets at 0.86% vs. 1.01% YoY
- ↑ Net-worth stands at ₹68,783 crores vs ₹57,680 crores (↑19% YoY)
- ↑ Capital Adequacy Ratio at 25.82% (Tier – I : 23.32% & Tier – II : 2.50%)

Key Ratios

Particulars	Q4		12M	
	FY 23	FY 24	FY 23	FY 24
Yield on Loan Assets (%)	9.65	10.03	9.73	9.99
Cost of Funds (%)	7.17	7.14	7.28	7.13
Interest Spread (%)	2.48	2.89	2.45	2.86
Net Interest Margin (%)	3.29	3.60	3.38	3.57
Return on Net Worth (%)	21.34	24.06	20.35	22.17
Interest Coverage Ratio (Times)	1.59	1.65	1.58	1.59
Debt Equity Ratio (Times)	6.49	6.37	6.49	6.37

The yield on loans has improved in 12M FY24 vs 12M FY23 to 9.99% from 9.73% due to realignment of interest rates amongst borrowers. The cost of borrowings on the other hand has come down to 7.13% from 7.28%. This is due to judicious mix of borrowing inspite of geopolitical issues and interest rates having increased substantially during the corresponding period. All the parameters have improved, resulting in better 12M FY24 ratios

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

Cost of funds = Ratio of finance costs + loss (gain) on Forex translation/transaction + loss (gain) on Fair Value changes + Fees & Commission Expenses to daily average of borrowings

Interest Spread = Yield minus Cost of Funds

Net Interest Margin = Ratio of net interest income + gain/ (loss) on Translation/transaction + gain (loss) on Fair Value changes to daily average of 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

Standalone Statement of Profit & Loss

Rs. in Crores

Particulars	Q4		12M	
	FY 23	FY 24	FY 23	FY 24
Interest Income on Loan assets	9,904	12,168	38,360	45,659
Less: Finance Costs *	6,502	7,905	23,754	29,974
Net Interest Income	3,402	4,263	14,606	15,685
Other Operating Income	240	309	803	1,013
Net notional gain/ (loss) on fair value changes	-31	136	45	474
Other Income	11	30	45	68
Total Income (Net of Finance Cost)	3,622	4,738	15,499	17,240
Less: Translation/transaction exchange loss/(gain)	-30	60	1,114	167
Less: Other costs **	161	243	531	651
Less: Impairment on financial instruments	-320	-712	115	-1,358
Profit Before Tax	3,811	5,147	13,739	17,780
Less: Tax Expense	810	1,131	2,684	3,761
Profit After Tax	3,001	4,016	11,055	14,019
Add: Other Comprehensive Income/(Loss)	644	1,167	-971	1,044
Total Comprehensive Income/(Loss)	3,645	5,183	10,084	15,063

* Finance Costs includes fees and commission expense

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

Standalone Statement of Assets and Liabilities

Particulars	As at 31.03.2023	As at 31.03.2024
Assets		
(1) Financial Assets		
Cash and bank balances	1,987	2,499
Derivative financial instruments	8,982	12,482
Loans (Ind-AS)	4,22,084	4,99,192
Investments	3,138	5,320
Other financial assets	24,400	24,425
Total Financial Assets (1)	4,60,591	5,43,918
(2) Non-Financial Assets		
Current tax assets (net)	296	294
Deferred tax assets (net)	3,277	2,485
Property, Plant & Equipment, Capital Work-in-Progress, Other Intangible assets	643	655
Other non-financial assets	70	88
Total Non-Financial Assets (2)	4,286	3,522
Total Assets (1+2)	4,64,877	5,47,440
Liabilities and Equity		
Liabilities		
(1) Financial Liabilities		
Derivative financial instruments	977	760
Debt Securities	2,36,949	2,66,110
Borrowings other than Debt Securities	1,37,114	1,72,092
Subordinated Liabilities	6,773	7,412
Other financial liabilities	25,175	31,840
Total Financial Liabilities (1)	4,06,988	4,78,214
(2) Non-Financial Liabilities		
Current Tax Liabilities (Net)	-	66
Provisions	111	137
Other non-financial liabilities	99	240
Total Non-Financial Liabilities (2)	210	443
(3) Equity		
Equity Share Capital	2,633	2,633
Instruments entirely equity in nature	558	558
Other equity	54,488	65,592
Total Equity (3)	57,679	68,783
Total Liabilities and Equity (1+2+3)	4,64,877	5,47,440

thank you



असीमित ऊर्जा, अनन्त संभावनाएँ
Endless energy. Infinite possibilities.

A MAHARATNA COMPANY