



REC Limited

A Maharatna Company



Investor Presentation Performance Highlights Q4 and 12M FY 2022-23

More than Five Decades of
RELENTLESS GROWTH

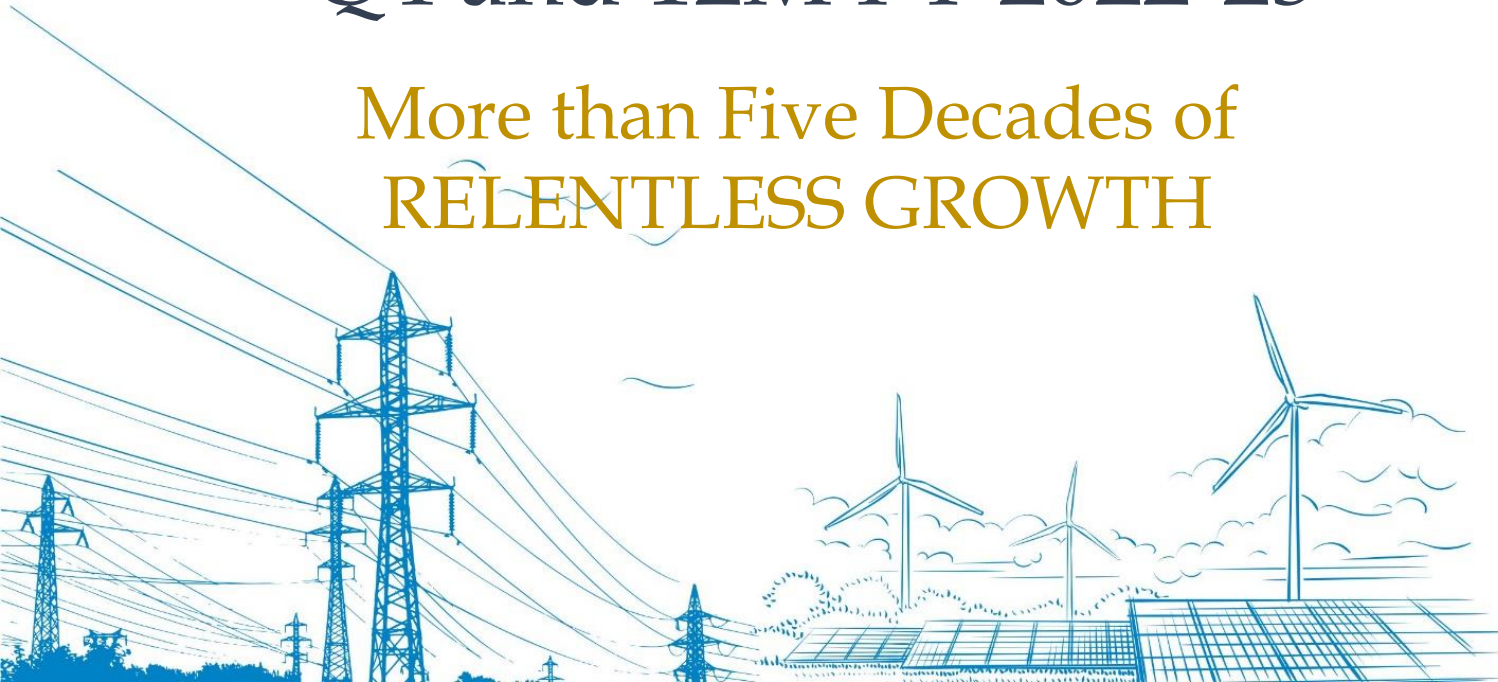


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Performance



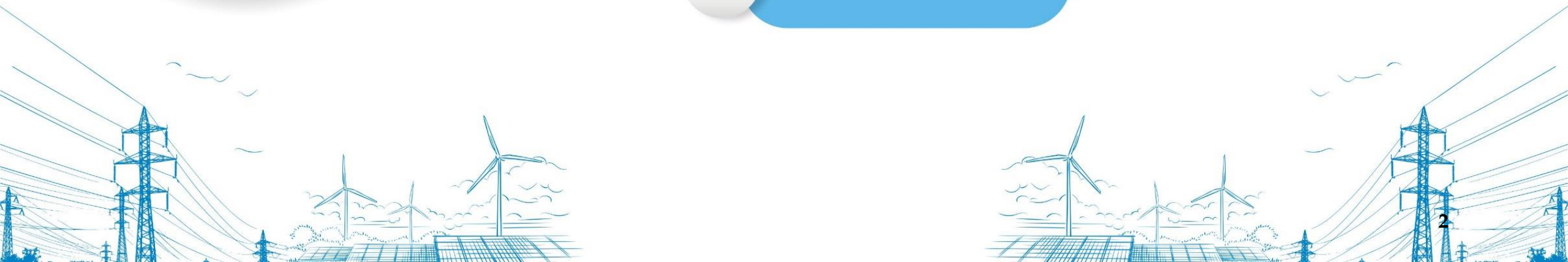
Asset Quality



Borrowing
Profile



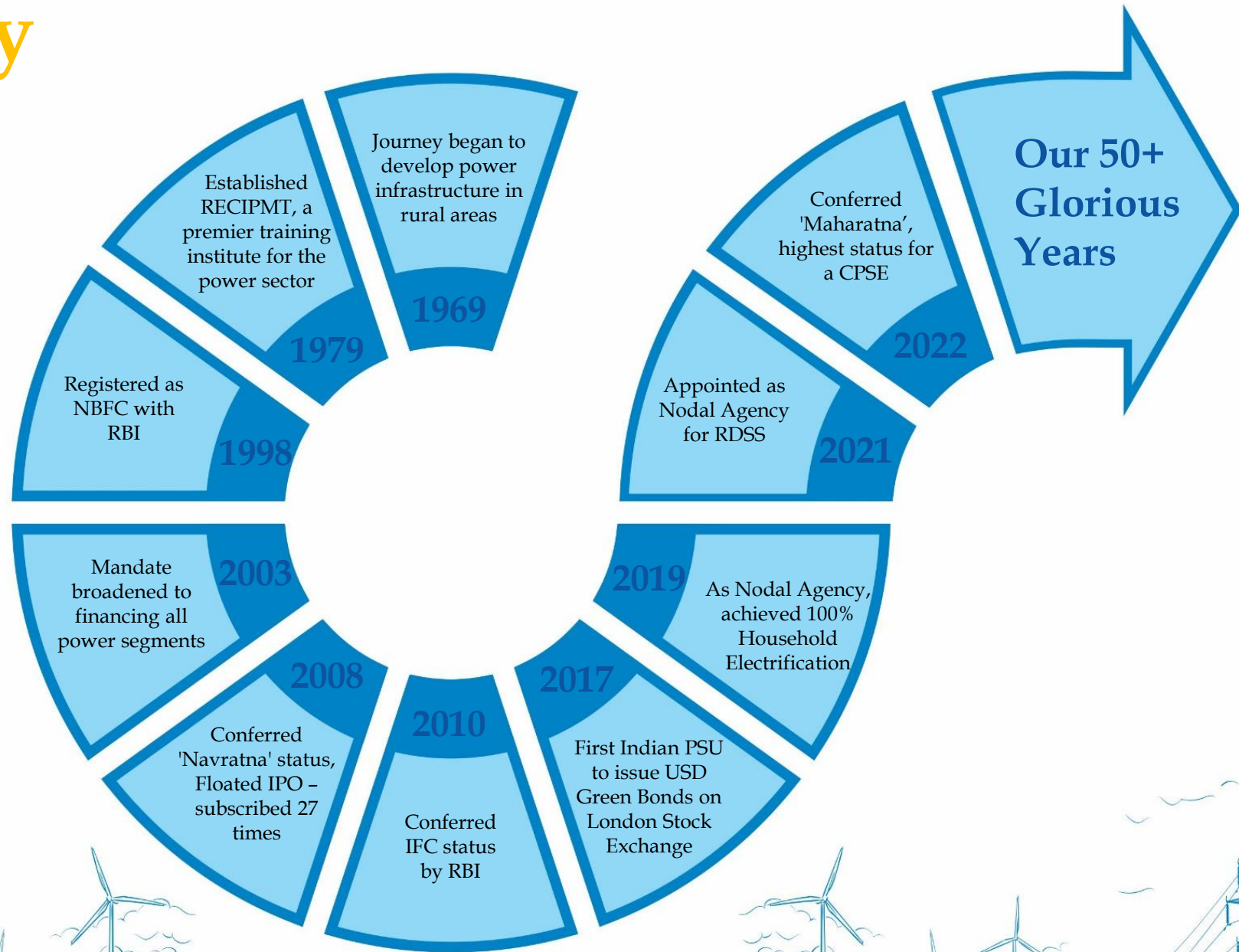
Financial
Highlights



REC Overview



REC Journey



Key Strengths



'Best PSU'

in the
Financial
Services
category by
Dun &
Bradstreet

India's 25 Most

Profitable
Companies
by
Business
Today

Ranked

53rd

in Fortune
India 500
(2022)

**'Excellence in Corporate
Governance'**

Golden
Peacock
Award
(2022)

**'Operational
Performance Excellence'**

Awarded by
Indian
Chamber of
Commerce

The jewel that illuminates the nation
shines even brighter
REC IS NOW
A MAHARATNA COMPANY



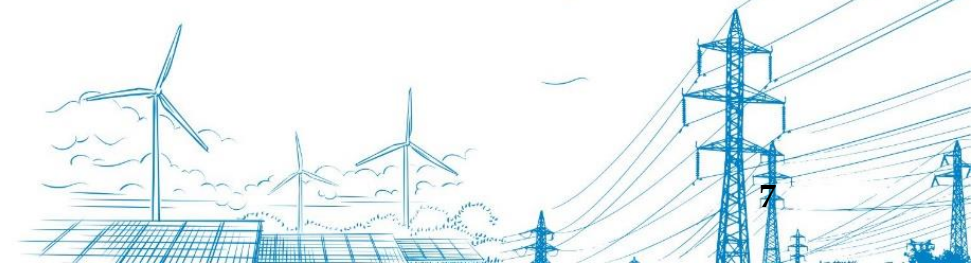
"Accorded Maharatna Status in FY 2022-23"

Maharatna - Business advantages

Give 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



Metro



Road & Highways



Ports Waterways



IT Infra/Fiber Optics



Airport



Steel Infra



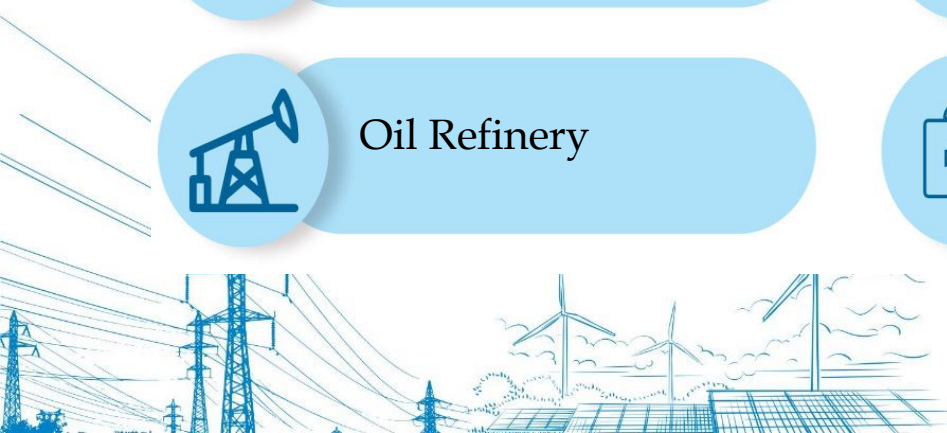
Oil Refinery



Health Sector

Diversifying the Loan Profile

**REC is now lending to
Infrastructure and Logistics
sector**

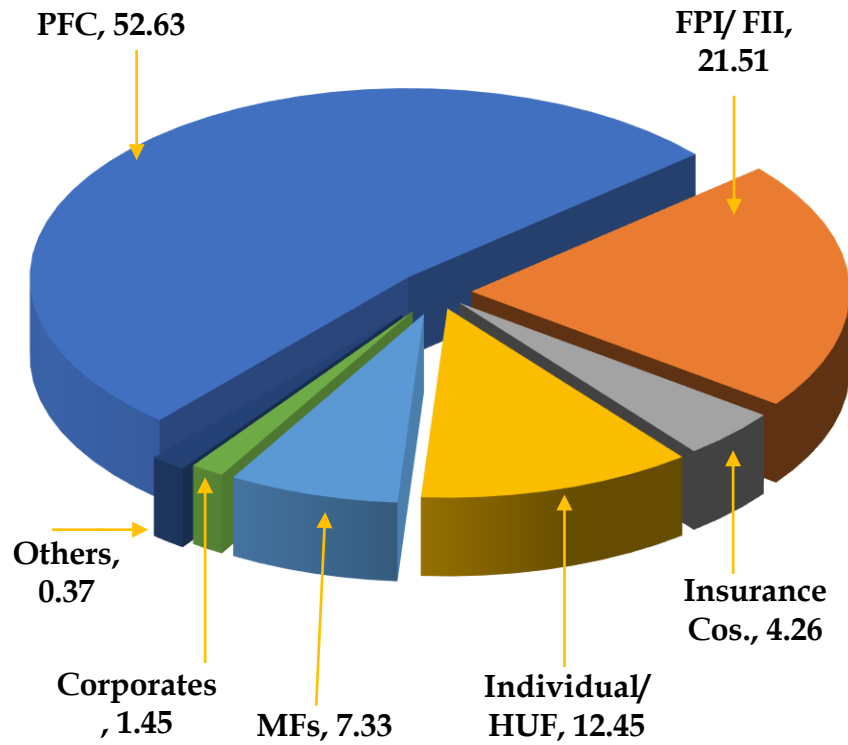


Government's Trusted Arm



Shareholders Outlook

Shareholding Pattern
as at 31.03.2023



EPS
(Annualised)
₹ 41.86

Book Value
Per Share
₹ 219.05

Bonus issued
in FY23
1:3

Dividend
Yield
12.43%*

*Dividend Yield is based on the closing share price from NSE as on 31.03.2022 i.e. Rs.92.29 (Bonus Adjusted)

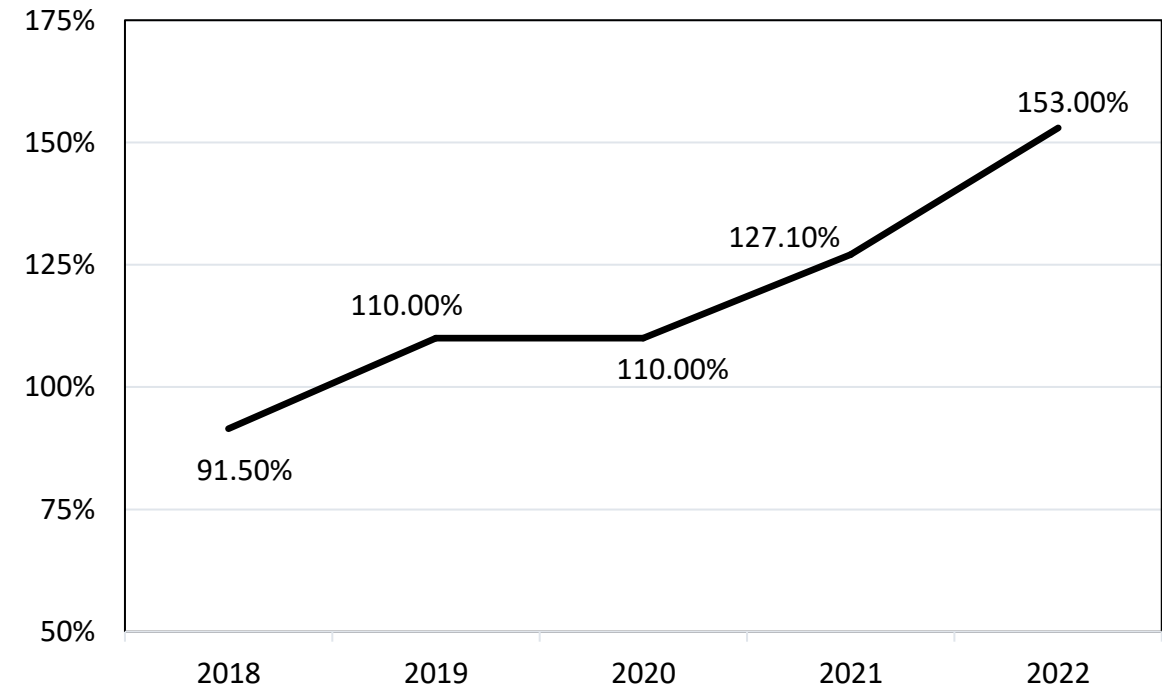
Shareholders Outlook

Top 10 Shareholders as at March 31, 2023

Rank	Particulars	Shareholding (%)
1	Power Finance Corporation Ltd	52.63
2	HDFC Trustee Company Limited	4.92
3	The WindAcre Partnership Master Fund LP	3.57
4	Life Insurance Corporation of India	1.99
5	HDFC Life Insurance Company Limited	0.97
6	India Capital Fund Limited	0.78
7	Vanguard Emerging Markets Stock Index Fund	0.65
8	Vanguard Total International Stock Index Fund	0.63
9	Stichting Depositary APG Emerging Markets Equity Pool	0.62
10	CIM Investment Fund ICAV	0.55
	TOTAL	67.31

Dividend Payout as a % of Equity Share Capital

Consistently high dividend paying company



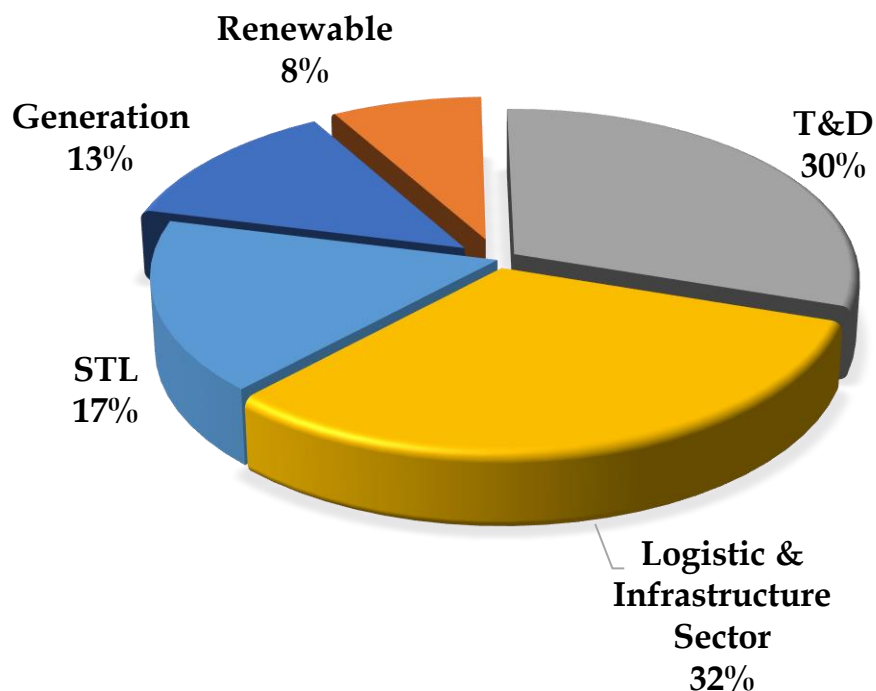
Operational Performance



Sanctions - Composition

(₹ in Crores)

Sector-wise breakup of Sanctions in 12M FY 23



Highest ever Sanctions during FY23 : ₹ 2,68,461 crores

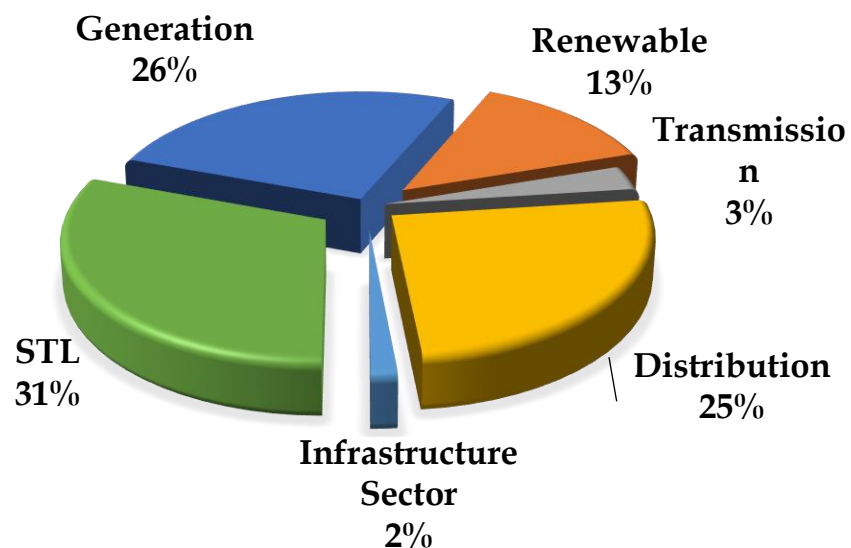


Discipline-wise	Q4				12M			
	FY 22	%	FY 23	%	FY 22	%	FY 23	%
Generation (including Power Infra Projects)	2,296	21	3,807	5	16,081	30	34,529	13
Renewables	4,188	39	350	1	14,734	27	21,371	8
T&D (including LPS)	2,869	26	3,842	5	22,135	41	81,598	30
Logistic & Infrastructure Sector	-	-	61,016	80	-	-	85,735	32
STL/ RBPf	1,471	14	6,950	9	1,471	3	45,228	17
Total Sanctions	10,824	100	75,965	100	54,421	100	2,68,461	100

Disbursements – Composition

Sector-wise breakup of Disbursements in 12M FY 23

(₹ in Crores)



**Highest ever
Disbursements during
FY23 : ₹ 96,846 crores**

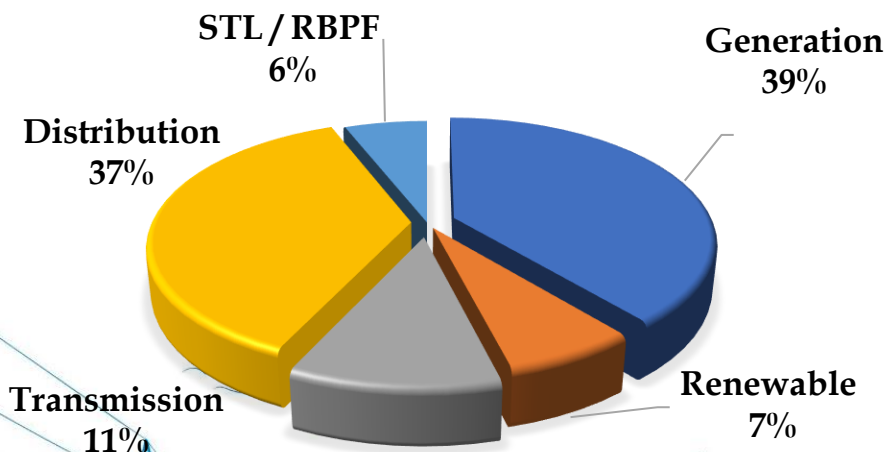
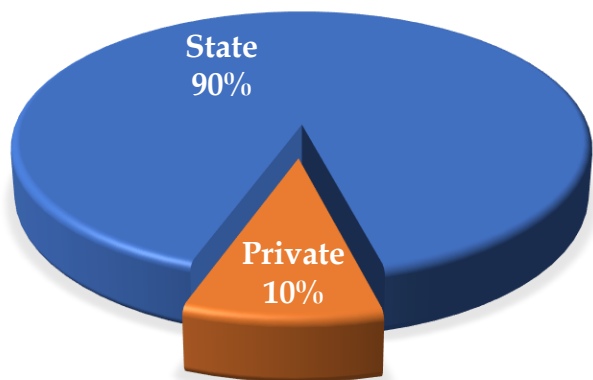


Discipline-wise	Q4				12M			
	FY 22	%	FY 23	%	FY 22	%	FY 23	%
Generation (including Power Irrigation)	5,284	34	8,310	22	20,750	32	25,050	26
Renewable	1,259	8	3,650	10	3,404	5	12,985	13
Transmission	1,287	8	712	2	7,192	11	3,050	3
Distribution	7,413	48	9,237	25	28,726	45	24,687	25
Infrastructure Sector	-	-	453	1	-	-	1,453	2
STL (including RBPF)	243	2	14,577	40	4,078	7	29,621	31
Total Disbursements	15,486	100	36,939	100	64,150	100	96,846	100

During Q4 FY 2022-23, disbursement under Late Payment Surcharge (LPS) (Category – T&D) ₹ 6,213 crores and Revolving Bill Payment Facility (RBPF) (Category – STL) ₹ 11,946 crores.

Outstanding Loans – Composition

(₹ in Crores)



Discipline-wise	As at			
	31 st March 2022		31 st March 2023	
	Amount	%	Amount	%
State	3,50,456	91	3,93,225	90
Private	34,915	9	41,787	10
Total	3,85,371	100	4,35,012	100
Generation	1,56,724	41	1,67,765	39
Renewable	18,824	5	29,073	7
Transmission	51,407	13	48,333	11
Distribution	1,56,355	40	1,61,840	37
Infrastructure Sector	-	-	1,453	-
STL / RBPF	2,061	1	26,548	6

Asset Diversification - PAN India Presence

Lending across 27 States and 1 Union Territories

State/ Joint Sector Borrowers

₹ 3,93,225 Crores

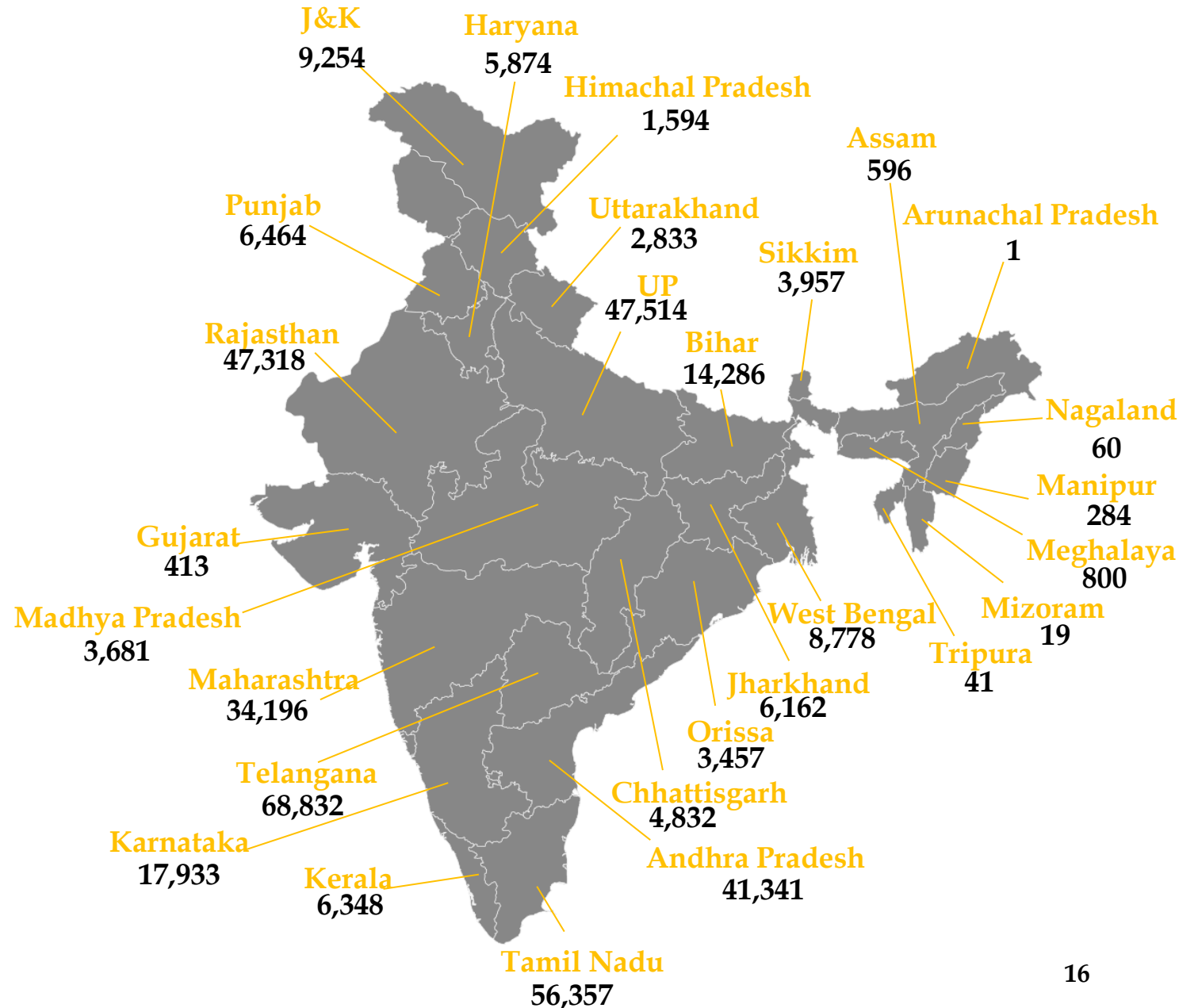
Private Sector Borrowers

₹ 41,787 Crores

Total Loan Outstanding

₹ 4,35,012 Crores

Figures in ₹ Crores



Outstanding Loans – Major Borrowers

Major Borrowers (as at March 31, 2023)

S. No.	Top Ten Borrowers	Amount Outstanding (₹ in Crores)	% of Total Loan Assets
1	Tamil Nadu Generation and Distribution Corporation Limited	42,080	9.67%
2	Uttar Pradesh Power Corporation Limited	19,027	4.37%
3	Telangana State Power Generation Corporation Limited	18,610	4.28%
4	Kaleshwaram Irrigation Project Corporation Ltd	18,009	4.14%
5	Maharashtra State Electricity Distribution Company Limited	15,530	3.57%
6	Maharashtra State Power Generation Company Limited	14,427	3.32%
7	Southern Power Distribution Company of AP Limited	13,980	3.21%
8	Telangana State Water Resources Infrastructure Development Corporation Limited	12,171	2.80%
9	Tamil Nadu Transmission Corporation Limited	12,056	2.77%
10	Jodhpur Vidhyut Vitran Nigam Limited	11,202	2.58%
	Total	1,77,092	40.71%

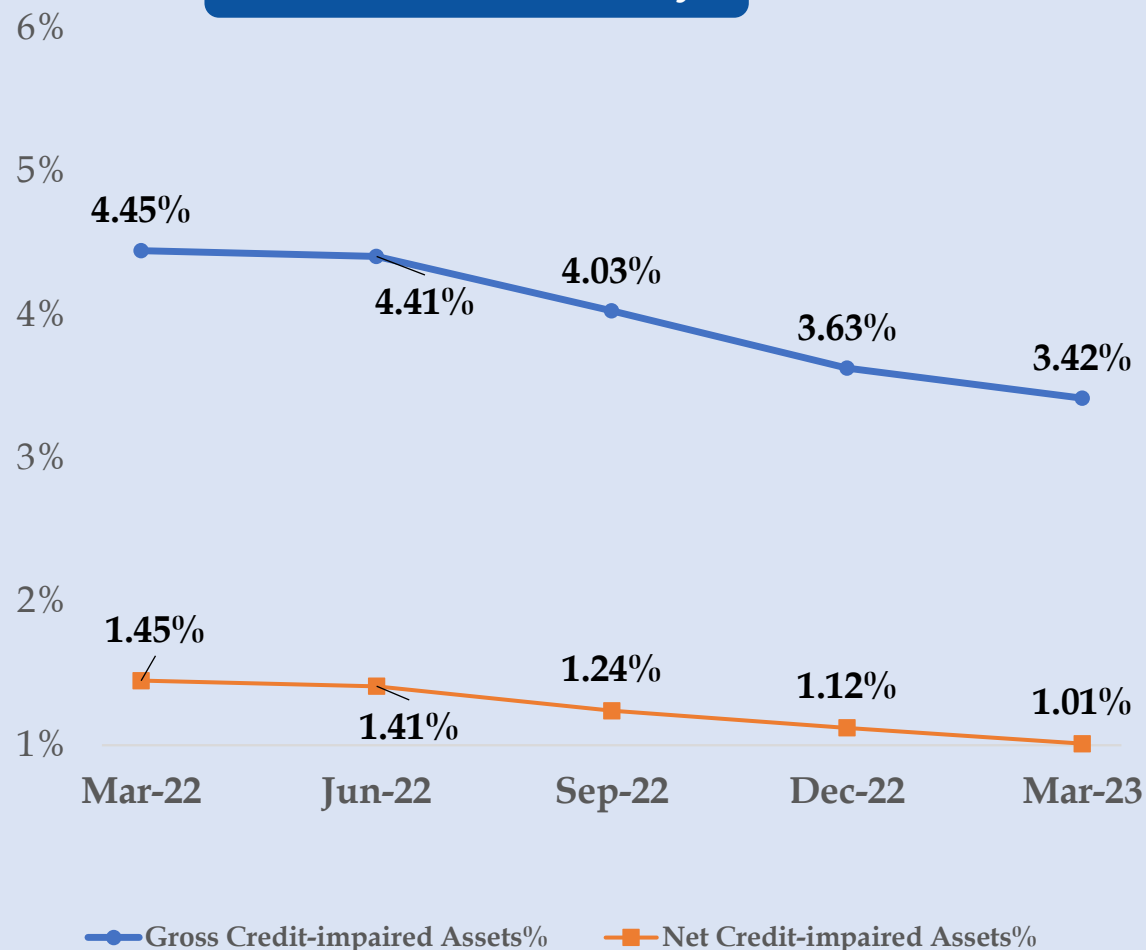
*Well-diversified asset portfolio with Top 10 borrowers accounting for ~41% of current loans.
No slippage in Top 10 accounts*

Asset Quality

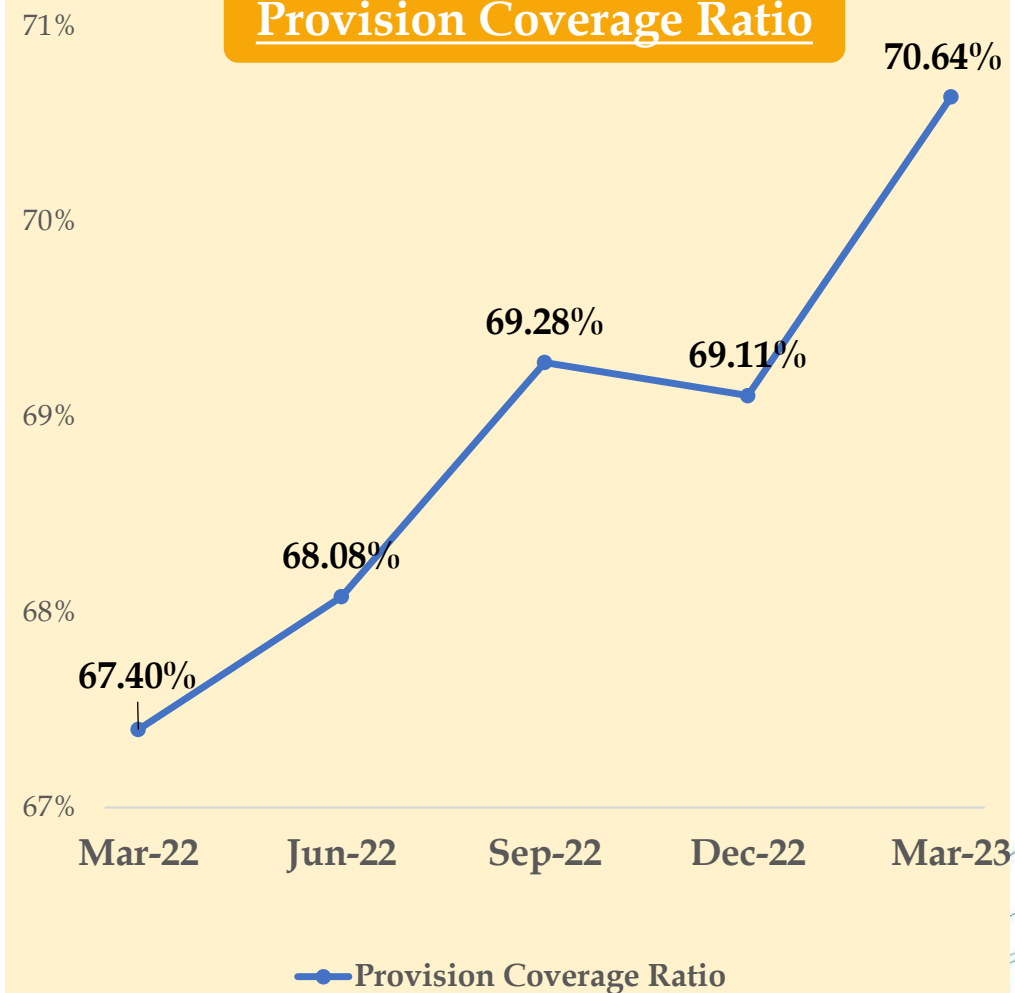


Asset Quality as at March 31, 2023

Stable Asset Quality



Provision Coverage Ratio



No New NPA during FY23.

Loan Portfolio as at March 31, 2023

(₹ 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	1,46,041	-	-		1,46,041	967	0.66%	967
- Renewable	12,156	-	-		12,156	89	0.73%	89
- Distribution	1,61,840	-	-		1,61,840	1,733	1.07%	1,733
- Transmission	45,187	-	-		45,187	181	0.40%	181
- STL / RBPF	26,548	-	-		26,548	301	1.13%	301
- Power Infrastructure	1,453	-	-		1,453	6	0.40%	6
Total State Sector	3,93,225	-	-		3,93,225	3,277	0.83%	3,277
Private Sector								
- Generation	21,724	14,229	10,146	71.30%	7,495	81	1.08%	10,227
- Renewable	16,917	663	374	56.35%	16,254	368	2.27%	742
- Transmission	3,146	-	-	-	3,146	18	0.57%	18
Total Private Sector	41,787	14,892	10,520	70.64%	26,895	467	1.74%	10,987
Grand Total	4,35,012	14,892	10,520	70.64%	4,20,120	3,744	0.89%	14,264

*In addition to the above, Reserves available in the form of Statutory Reserve u/s 45-IC of RBI Act amounting to ₹ 8,025 crores.

Credit Impaired Assets – Resolution Status



Resolution status of Credit Impaired Assets

Under NCLT

Rs.11,627 crores in NCLT

12 projects

77% provision

Outside NCLT

Rs.3,265 crores resolution pursued
outside NCLT

7 projects

47% provision

Resolution/ Upgrade during Q4FY23:

- 'ATN International Limited' with outstanding of ₹ 9.45 crores resolved under One Time Settlement (OTS), with ₹ 3.45 crores written off against ECL of ₹ 9.45 crores.
- 'Silicon Valley infotech Limited' with outstanding of ₹ 2.91 crores resolved under One Time Settlement (OTS), with ₹ 1.06 crores written off against ECL of ₹ 2.91 crores.

Borrowing Profile



Domestic Credit Ratings for Long Term Borrowings



International Issuer Ratings

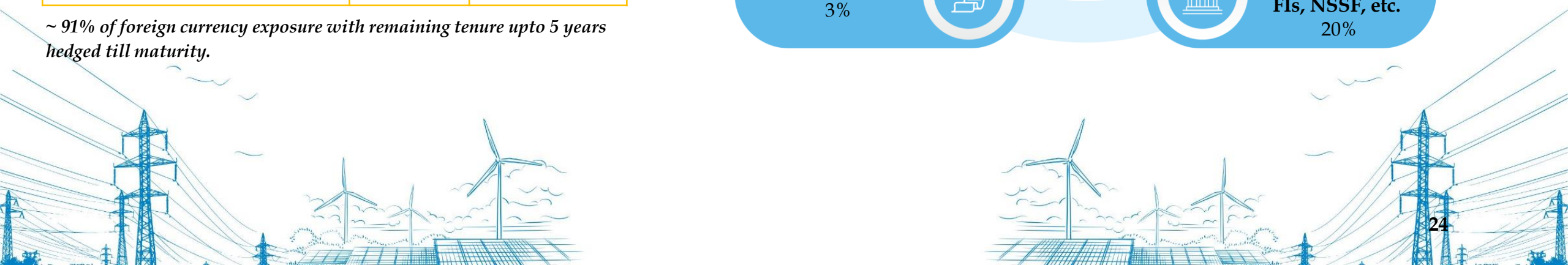


Outstanding Borrowings

(₹ in Crores)

Particulars	31 st March 2022	31 st March 2023
Corporate Bonds	152,692	1,56,868
Foreign Currency Borrowings	65,957	78,440
FCNR (B) Loans	9,855	15,424
Capital Gain Bonds	25,438	37,587
Tax Free Bonds	11,809	10,307
Commercial Papers	-	-
Loans from Banks, FIs, NSSF, etc.	61,089	75,986
Infra Bonds	4	4
Grand Total	3,26,844	3,74,616

~ 91% of foreign currency exposure with remaining tenure upto 5 years hedged till maturity.



Funds Raised During The Period

(₹ in Crores)

Category	Q4		12M	
	FY22	FY23	FY22	FY23
(A) Long Term				
Capital Gains Bonds	2,512	3,709	7,316	12,154
Institutional Bonds/ Subordinate Debt	-	11,753	9,080	25,545
Loans from Banks/FIs/ NSSF	6,550	6,861	25,850	22,911
Foreign Currency Borrowings	2,457	3,126	19,683	10,036
Total (A)	11,519	25,449	61,929	70,646
(B) Short Term				
FCNR (B) Loan	745	1,853	10,495	15,088
Commercial Papers	-	-	2,000	-
Loans from Banks (Tenor more than 6 months)	-	-	3,950	1,150
Total (B)	745	1,853	16,445	16,238
Total (A + B)	12,264	27,302	78,374	86,884

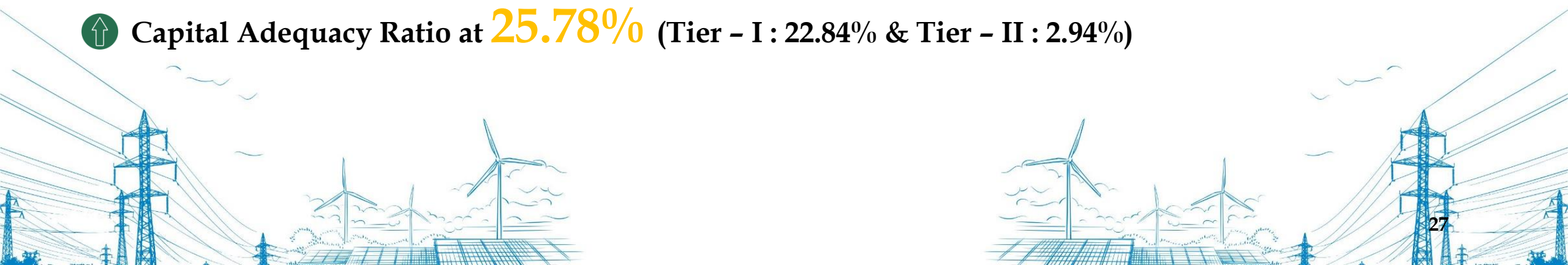
Financial Highlights



Key Financial Highlights for 12M FY23

Highest ever Annual Net Profit at ₹ 11,055 crores

- ↑ Total Income stands at ₹ 39,253 crores.
- ↑ Net Profit stands at ₹ 11,055 crores (↑ 10% YoY).
- ↑ Loan book reached to ₹ 4.35 lakh crores (↑ 13% YoY)
- ↑ Assets Quality improved with Net Credit impaired Assets at 1.01% (vs. 1.45% YoY)
- ↑ Net-worth stands at ₹ 57,680 crores (↑ 13% YoY)
- ↑ Capital Adequacy Ratio at 25.78% (Tier - I : 22.84% & Tier - II : 2.94%)



Standalone Statement of Profit & Loss

₹ in Crores

Particulars	Q4		12M	
	FY 22	FY 23	FY 22	FY 23
Interest Income on Loan assets	9,235	9,904	37,811	38,360
Less: Finance Costs **	5,353	6,497	22,053	23,738
Net Interest Income	3,882	3,407	15,758	14,622
Other Operating Income	289	240	975	802
Net notional gain/ (loss) on fair value changes	56	(31)	346	45
Other Income	21	11	98	45
Total Income (Net of Finance Cost)	4,248	3,627	17,177	15,514
Less: Translation/ transaction exchange loss/ (gain)	471	(30)	799	1,114
Less: Other costs *	190	166	480	546
Less: Impairment on financial instruments	754	(320)	3,473	115
Profit Before Tax	2,833	3,811	12,425	13,739
Less: Tax Expense	545	810	2,379	2,684
Profit After Tax	2,288	3,001	10,046	11,055
Add: Other Comprehensive Income/ (Loss)	(264)	644	(59)	(971)
Total Comprehensive Income/ (Loss)	2,024	3,645	9,987	10,084

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

**Finance Costs includes fees and commission expense.

Statement of Assets and Liabilities

₹ in Crores

Particulars	As at 31.03.2022	As at 31.12.2022	As at 31.03.2023
Assets			
(A) Financial Assets	4,06,417	4,35,235	4,60,591
Cash and bank balances	2,422	1,168	1,987
Derivative financial instruments	5,510	8,481	8,982
Loans (Ind-AS)	3,71,931	3,97,887	4,22,084
Investments	2,158	2,985	3,138
Other financial assets	24,396	24,714	24,400
(B) Non-Financial Assets	3,996	4,895	4,286
Current tax assets (net)	179	597	296
Deferred tax assets (net)	3,135	3,593	3,277
Fixed Assets	634	627	643
Other non-financial assets	48	78	70
Total Assets (A+B)	4,10,413	4,40,130	4,64,877
Liabilities			
(C) Financial Liabilities	3,59,231	3,85,094	4,06,988
Derivative financial instruments	553	922	977
Borrowings (Ind-AS)	3,33,102	3,58,976	3,80,836
Other financial liabilities	25,576	25,196	25,175
(D) Non-Financial Liabilities	196	197	209
(E) Net Worth	50,986	54,839	57,680
Equity Share Capital	1,975	2,633	2,633
Instruments entirely equity in nature	558	558	558
Other equity	48,453	51,648	54,489
Total Equity & Liabilities (C+D+E)	4,10,413	4,40,130	4,64,877

Key Ratios

Particulars	Q4		12M	
	FY 22	FY 23	FY 22	FY 23
Yield on Loan Assets (%)	10.09	9.65	10.23	9.73
Cost of Funds (%)	6.67	7.17	7.00	7.28
Interest Spread (%)	3.42	2.48	3.23	2.45
Net Interest Margin (%)	4.09	3.29	4.01	3.38
Return on Net Worth (%)	18.08	21.34	21.28	20.35
Interest Coverage Ratio (Times)	1.53	1.59	1.56	1.58
Debt Equity Ratio (Times)	6.41	6.49	6.41	6.49

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, if any, on Forex translation/transaction + Fees & Commission Expenses to daily average of borrowings

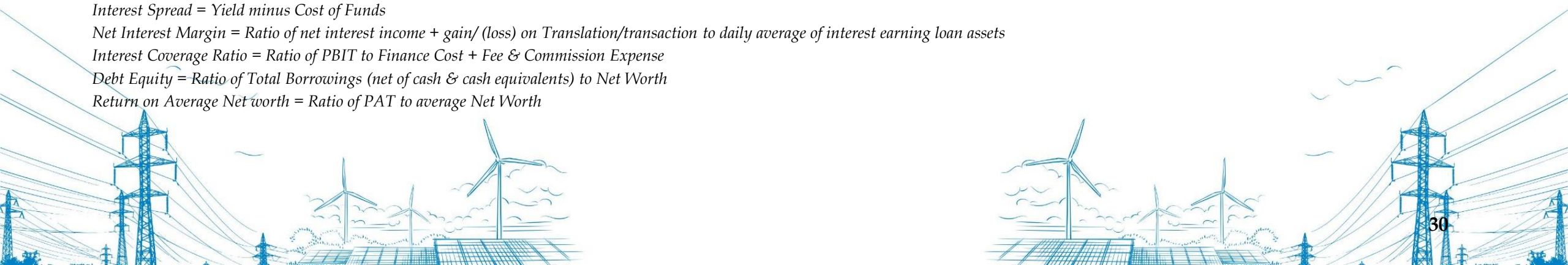
Interest Spread = Yield minus Cost of Funds

Net Interest Margin = Ratio of net interest income + gain/ (loss) on Translation/transaction 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



THANK YOU!

