

# REC Limited Media Coverage 5 March 2024

## Advertorial In Outlook Magazine





आरईसी  
REC

असीमित ऊर्जा, अनन्त संभावनाएं  
Endless energy, infinite possibilities.

A MAHARATNA COMPANY



# REC: ENERGIZING INDIA'S GROWTH STORY

*While broadening its portfolio to include non-power infrastructure, REC remains committed to helping reform and boost the power sector infrastructure, particularly green energy projects. Its loan book continues to reflect this commitment.*

REC Limited has played a pivotal role in shaping India's power sector landscape. Established in 1969 with a focus on electrifying rural India, REC has evolved into a leading NBFC to finance the entire power sector value chain, including generation, transmission, distribution, and renewable energy segments. As India's power sector is standing at the threshold of a significant transition committed to increase the green energy contribution and achieve the ambitious target of net zero emissions by 2070, REC is a key player in this journey.

## ILLUMINATING INDIA:

REC's primary mission since its inception has been to bridge the gap and electrify whole India. Through financial assistance for power projects in underserved areas, REC has significantly contributed to India's electrification drive. Our financing has helped build transmission and distribution lines, substations, and renewable energy projects, bringing light to millions of homes across the country.

Every fourth bulb illuminated in the country is financed by REC. In last 10 years, REC has disbursed Rs. 7.32 lakh crore to the power & infra sectors.

## FINANCING POWER GROWTH:

REC has emerged as a critical financial institution for the entire power sector. We provide loans for various power projects, including generation (thermal, hydro, renewable), transmission, and distribution including backward and forward linkages in Coal Blocks, Pollution Control measures to improve emission efficiency like FGD installation, Super Critical Thermal Plants etc. The loan book of REC has maintained its growth trajectory and increased to 4.97 lakh crore as on 31st December 2023 against 4.11 lakh Cr as on 31st December 2022, representing a healthy growth of 21%. Our 90% lending is in state sectors and 10% lending in private sector. The company is witnessing healthy traction in the new projects and the same is evident from the healthy growth in sanctions. The sanction during the 9M period

FY 24 achieved Rs. 3.26 lakh crore against Rs. 1.92 lakh Cr achieved during 9M FY 23 period, representing a growth of 69%. The sanctions book shall translate into the loan book in the next couple of years. In line with the Installed Capacity projections of the country to grow from 416 GW in FY 2023 to 777 GW by FY 2030, REC's total Loan Book is targeted to grow from current level of 4.97 lakh Cr to 10 lakh crore by FY 2030.

## MAHARATNA STATUS AND DIVERSIFICATION INTO NON-POWER INFRASTRUCTURE:

In September 2022, REC got Maharatna Status. Post this, Govt. allowed REC to lend to the logistics and infrastructure sectors up to 1/3rd of our total sanctions annually. Till 31st December 2023, REC sanctioned Rs. 1.27 lakh crore to non-power infrastructure sectors comprising Roads & Expressways, Metro Rail, Airports, IT Communication, Social and Commercial Infrastructure (Educational Institution, Hospitals), Ports



and Electro-Mechanical (E&M) works in respect of various other sectors like Steel, Refinery, etc. The lending mandate accorded by Ministry of Power to finance non-power infrastructure is likely to comprise around 20% of the loan book of REC by FY 2030.

## CHAMPIONING RENEWABLE ENERGY:

Renewables capacity in the country is estimated to reach 485 GW (Non-Fossil 500 GW) from current 182 GW (Non-Fossil 190 GW) by 2030. In line with this energy transition pathway of the country, REC's Renewables Loan Book is targeted to grow from current Rs. 33,253 crore to Rs. 3 lakh crore by 2030 representing a CAGR of 35%. The recent pace of sanctions in renewables confirms this target is on track

## INNOVATION AND EFFICIENCY:

REC has continuously embraced innovation to improve its services and efficiency. We have implemented online loan applications, streamlined processes, and adopted digital solutions for faster loan disbursements. Additionally, REC actively participates in the development of new financial instruments, such as green bonds, to support sustainable power projects. REC shall continue to strive to raise cheaper resources from all sources, domestic and international and provide cost effective financing products to the sector.

## FINANCIAL SUSTAINABILITY:

REC has maintained a strong financial performance, contributing to India's overall economic well-being. We have consistently achieved healthy profitability and a strong credit rating, allowing us to provide competitive financing options. REC holds the highest credit rating from CRISIL, ICRA, IRRPL & CARE and internationally rated at par with the sovereign ratings. Additionally, our focus on diversified loan portfolios helps mitigate risk and ensures long-term financial stability. It is not the only the credit growth REC is focusing but also the quality of loan assets, which is evident from the fact that no new NPA has been added during the last eight consecutive quarters and the net NPA has come down to 0.82% as at Dec'23 from 3.32% as at Mar'20. We expect, by March 2025, we shall be a Net zero NPA company.

## REC ACHIEVEMENTS OVER YEARS

- 2017 First Indian PSU to issue USD Green Bonds on London Stock Exchange.
- 2018 Achieved 100% village electrification under DDUGJY as Nodal Agency.
- 2019 Achieved 100% Household Electrification under SAUBHAGYA as Nodal Agency.
- 2021 Appointed as Nodal Agency for RDSS.
- 2022 Raised Largest-ever Syndicated Term Loan by an Indian NBFC with USD 1,175 Million Term Loan.
- 2022 Conferred Maharatna Status by the Govt. of India.
- 2022 With Government's permission forayed into Infrastructure and Logistics sector financing.
- 2023 Issued Green Bonds of USD 750 million & listed on GIFT IFSC Stock Exchanges.
- 2023 Secured place in MSCI Global Standard Index.
- 2023 Becomes the largest NBFC on standalone basis with a loan book of 4.97 lakh Cr.
- 2023 Lowest net NPA in the Industry at 0.82%.
- 2024 With market sentiment on the rise and investors showing stronger interest, ascended from Mid Cap to Large-Cap basket in the AMFI's latest list published (Jan'24).
- 2024 Issued first ever Yen denominated Green bonds by Indian PSU of JPY 61.1 Billion, which marked the largest ever Euro-Yen issuance and also non-sovereign Yen-denominated issuance ever by a South & South-East Asian issuer.
- 2024 Appointed as Project Implementing Agency for PM Surya Ghar Muft Bijlee Yojana.

## NODAL AGENCY:

REC continues to play a key strategic role in the flagship schemes for the power sector and has been nodal agency for Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA), Deen Dayal Upadhaya Gram Jyoti Yojana (DDUGJY) & National Electricity Fund (NEF) Scheme. REC has

also been made the nodal agency for the Revamped Distribution Sector Scheme (RDSS) under which Govt. targets to install 250 million smart meters by 2025. Recently, REC has also been given the responsibility of PM Surya Ghar Muft Bijli Yojana under which Govt. targets to install Roof Top Solar on 1 Crore households.

## 54EC BONDS:

REC has always carved a niche for itself with its innovative and forward thinking ideas. In 2023, the company has unveiled an array of customer centric services for the convenience of its 54EC Capital Gain Tax Exemption Bonds holder including the 'SUGAM REC' mobile app. The idea behind these innovations is to move from customer satisfaction to customer delight.

## SOCIAL IMPACT:

At the core of REC's business practices, there has been a constant endeavour to balance economic, environmental, and social growth. Through its CSR arm, the REC Foundation, the company has been actively involved in facilitating inclusive growth through projects in areas including health and wellness, women empowerment, rural development, environmental sustainability, and education among many others. Last year, REC Foundation has made major impact by supporting the training and incubation of sports talent in the country, providing medical assistance and educational facilities to the last mile, and running skilling programmes for the youth. Through these projects, REC is working constantly to create a more equitable and sustainable society, and bringing about meaningful difference in lives of the beneficiaries. REC has supported over 400 projects in healthcare, sanitation, clean water access, education and skill development, women empowerment, sports and environmental sustainability. With over Rs.1300 Crore of CSR funds disbursed, REC's cumulative commitment towards CSR activities stands at more than Rs.2000 Crore.

In conclusion, REC Limited's achievements over the past five decades have been instrumental in shaping India's power sector. From illuminating rural homes to fostering renewable energy adoption, our multifaceted efforts have empowered communities, strengthened the economy, and paved the way for a sustainable future.