



REC Limited
A Navratna Company

Investor Presentation
Performance Highlights
Q4 & 12M 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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- *The information in this presentation is being provided by REC relying on information obtained from sources believed to be reliable but does not guarantee its accuracy or completeness.*



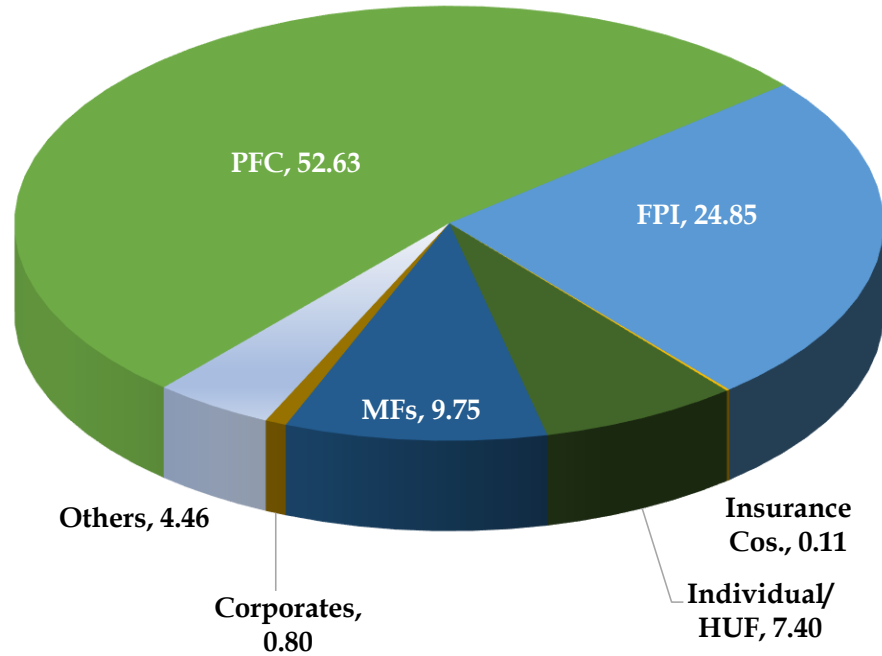
REC Overview



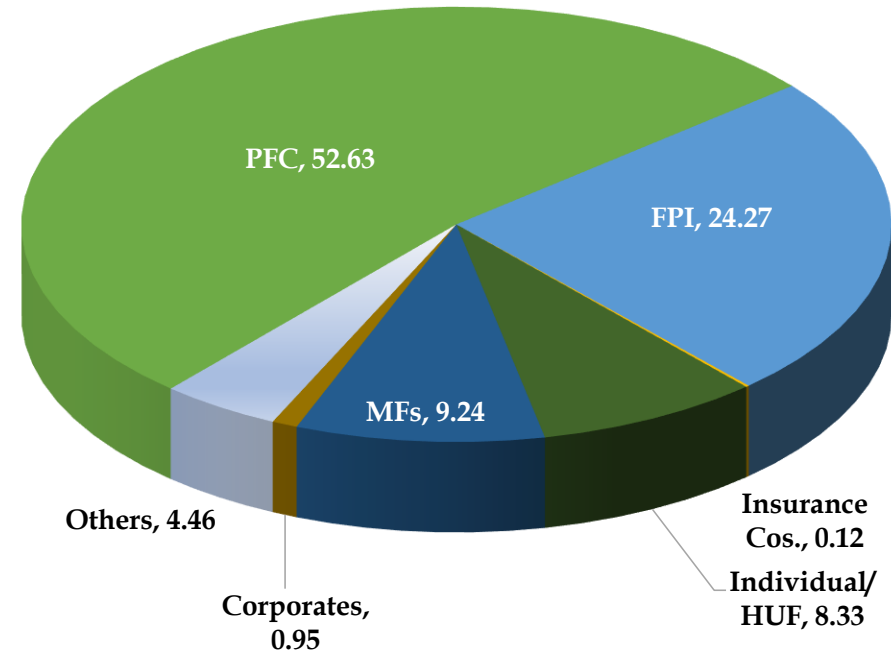


Shareholding Pattern

As at 31.12.2021



As at 31.03.2022



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

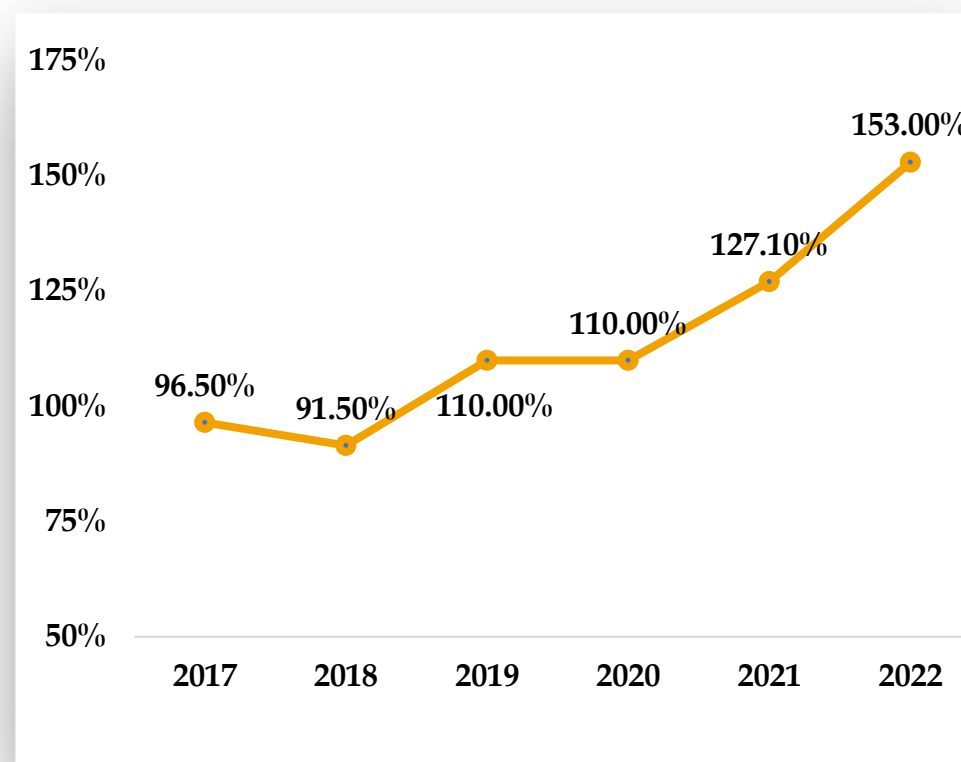
Shareholders Outlook

Top 10 Shareholders as at March 31, 2022

Rank	Particulars	Shareholding (%)
1	Power Finance Corporation Ltd	52.63
2	HDFC Trustee Company Ltd	8.05
3	The WindAcre Partnership Master Fund LP	4.35
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	0.66
8	HDFC Life Insurance Company Limited	0.63
9	Vanguard Total International Stock Index Fund	0.62
10	Morgan Stanley Asia (Singapore) PTE	0.51
	TOTAL	72.30

Dividend Payout as a % of Equity Share Capital

Consistently high dividend paying company



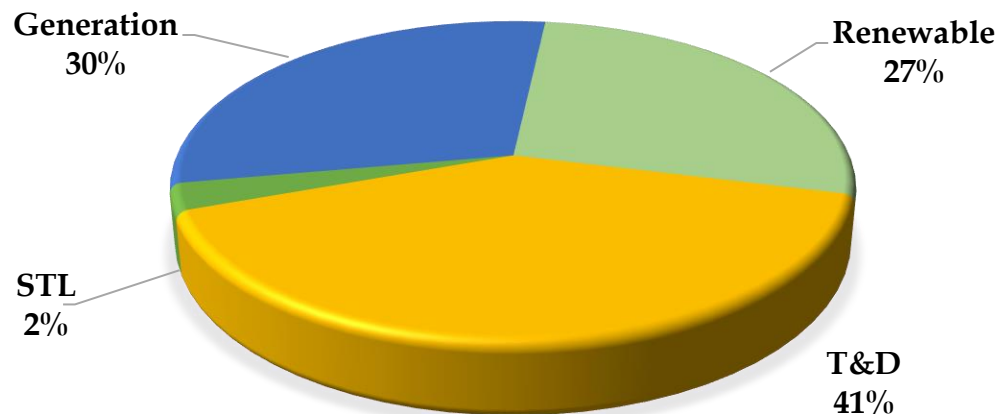
The company recommended a Final Dividend of ₹ 4.80/- per share, subject to approval of shareholders in the ensuing Annual General Meeting.

Operational Performance



Sanctions - Composition

Sector-wise breakup of Sanctions in Q4 & 12M FY 22



Total Sanctions
during the FY22
₹ 54,421 crores



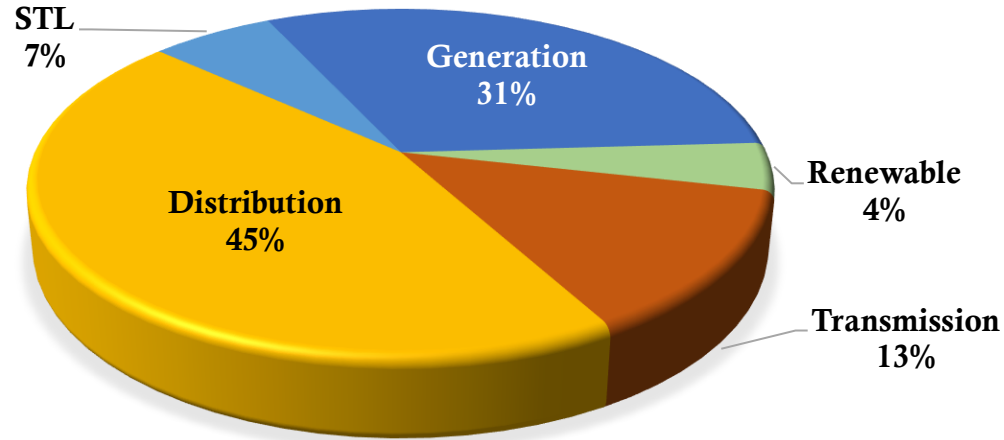
(₹ in Crores)

Discipline-wise	12M								Q4			
	FY 19	%	FY 20	%	FY 21	%	FY 22	%	FY 21	%	FY 22	%
Generation	43,282	37	57,362	52	44,301	28	16,081	30	4,834	28	2,296	21
Renewable Energy	11,875	10	7,026	6	18,212	12	14,734	27	2,325	13	4,188	39
Transmission & Distribution	56,610	49	44,555	40	91,768	59	22,135	41	10,136	59	2,869	27
Short Term Loan	4,190	4	1,965	2	540	1	1,471	2	-	-	1,471	13
Total Sanctions	115,957	100	110,908	100	154,821	100	54,421	100	17,295	100	10,824	100

During Q4 FY21, sanctioned under Atma Nirbhar Package amounting to ₹ 4,150 crores and during 12M FY21 amounting to ₹ 63,591 crores.

Disbursements – Composition

Sector-wise breakup of Disbursements in Q4 & 12M FY 22



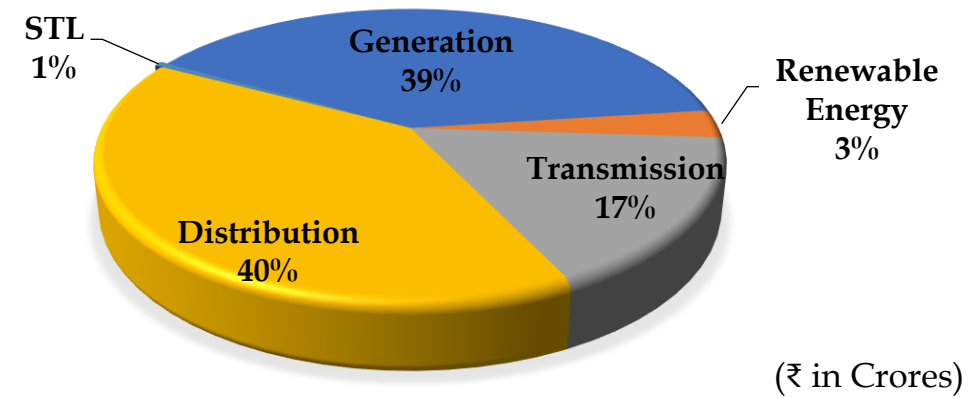
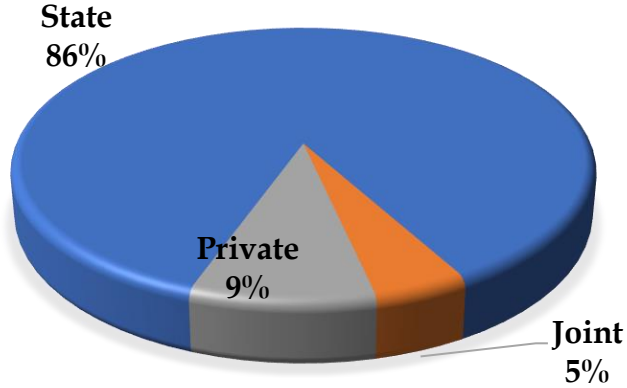
Total Disbursements
during the FY22
₹ 64,150 crores



(₹ in Crores)

Discipline-wise	12M						Q4					
	FY19	%	FY20	%	FY21	%	FY 22	%	FY 21	%	FY 22	%
Generation	20,462	29	29,301	39	26,960	29	19,907	31	9,472	31	5,442	35
Renewable Energy	6,628	9	5,699	7	3,265	3	2,824	4	686	2	914	6
Transmission	10,911	15	13,540	18	9,252	10	8,616	13	2,103	7	1,698	11
Distribution	30,324	42	25,047	33	52,670	57	28,725	45	17,631	59	7,189	46
Total Transmission & Distribution	41,235	57	38,587	51	61,922	67	37,341	58	19,734	66	8,887	57
Short Term Loan	3,840	5	2,080	3	840	1	4,078	7	300	1	243	2
Total Disbursements	72,165	100	75,667	100	92,987	100	64,150	100	30,192	100	15,486	100
Under Atmanirbhar Package	-	-	-	-	39,116		19,752		15,108		4349	

Outstanding Loans – Composition



(₹ in Crores)

Discipline-wise	As at							
	31 st March 2019		31 st March 2020		31 st March 2021		31 st March 2022	
	Amount	%	Amount	%	Amount	%	Amount	%
State	2,26,681	81	263,032	81	3,16,161	84	3,32,601	86
Joint	21,035	7	21,612	7	22,649	6	17,855	5
Private	33,494	12	37,781	12	38,608	10	34,915	9
Total	2,81,210	100	322,425	100	3,77,418	100	3,85,371	100
Generation	1,21,912	43	1,39,519	43	1,55,297	41	1,52,720	39
Renewable Energy	12,895	5	16,078	5	16,505	5	11,849	3
Transmission	52,068	19	59,641	19	61,248	16	64,880	17
Distribution	92,147	32	1,06,294	33	1,43,992	38	1,53,861	40
Total T&D	1,44,215	51	1,65,935	52	2,05,240	54	2,18,741	57
Short Term Loans	2,188	1	893	-	376	-	2,061	1

Asset Diversification - PAN India Presence

Lending across 27 States and 2 Union Territories

State/ Joint Sector Borrowers

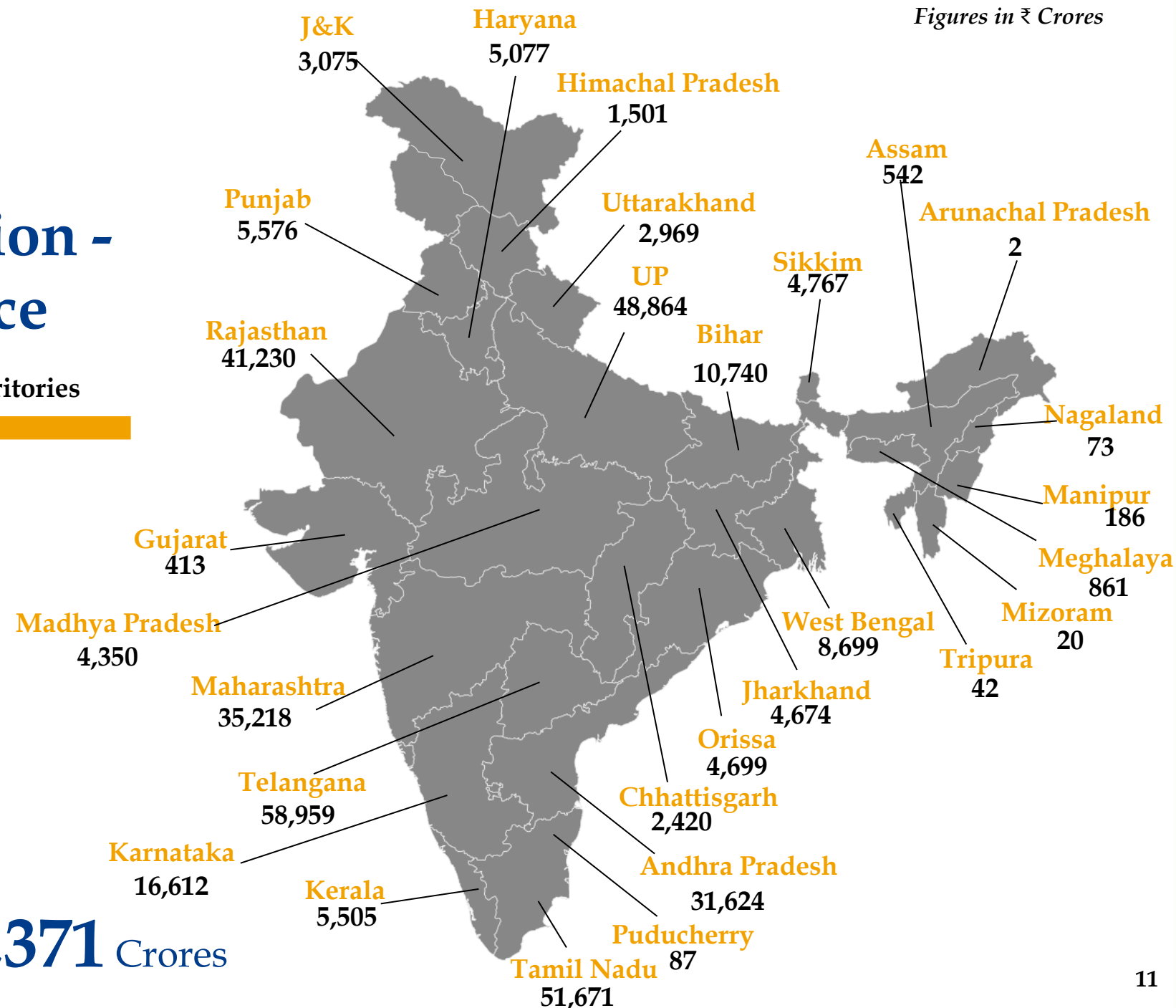
₹ 3,50,456 Crores

Private Sector Borrowers

₹ 34,915 Crores

Total Loan Outstanding ₹ 3,85,371 Crores

Figures in ₹ Crores



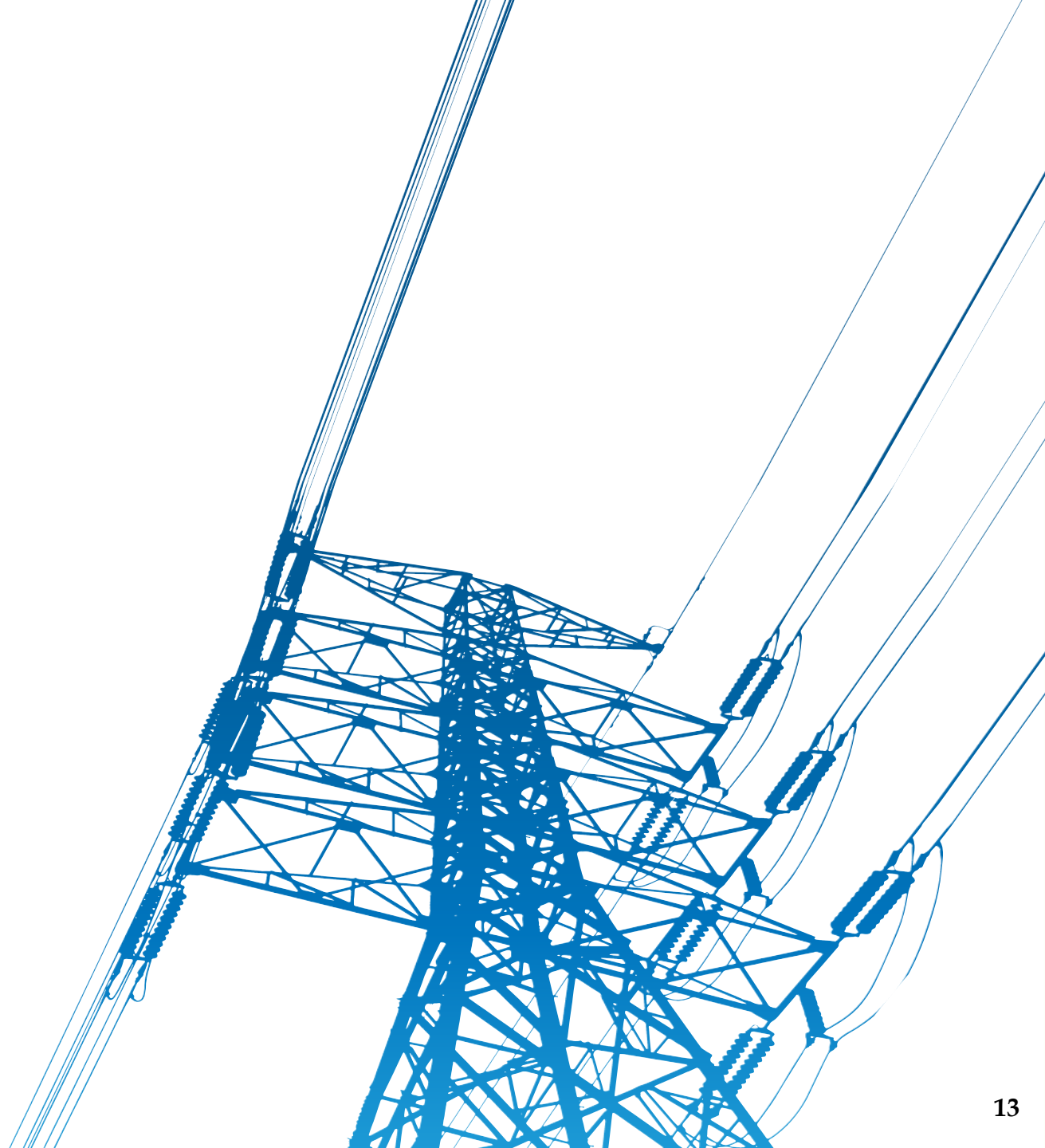
Outstanding Loans -Loan Concentration

Major Borrowers (as at March 31, 2022)

S. No.	Top Ten Borrowers	Amount Outstanding (₹ in Crores)	% of Total Loan Assets
1	Tamil Nadu Generation and Distribution Corporation Limited	37,064	9.62%
2	Uttar Pradesh Power Corporation Limited	20,561	5.34%
3	Maharashtra State Electricity Distribution Company Limited	18,827	4.89%
4	Telangana State Power Generation Corporation Limited	15,836	4.11%
5	Maharashtra State Power Generation Company Limited	13,624	3.54%
6	Kaleshwaram Irrigation Project Corporation Ltd	12,743	3.31%
7	Rajasthan Rajya Vidyut Utpadan Nigam Limited	12,321	3.20%
8	Telangana State Water Resources Infrastructure Development Corporation Limited	12,195	3.16%
9	Tamil Nadu Transmission Corporation Limited	12,063	3.13%
10	Andhra Pradesh Power Generation Corporation Limited	10,979	2.85%
	Total	1,66,213	43.15%

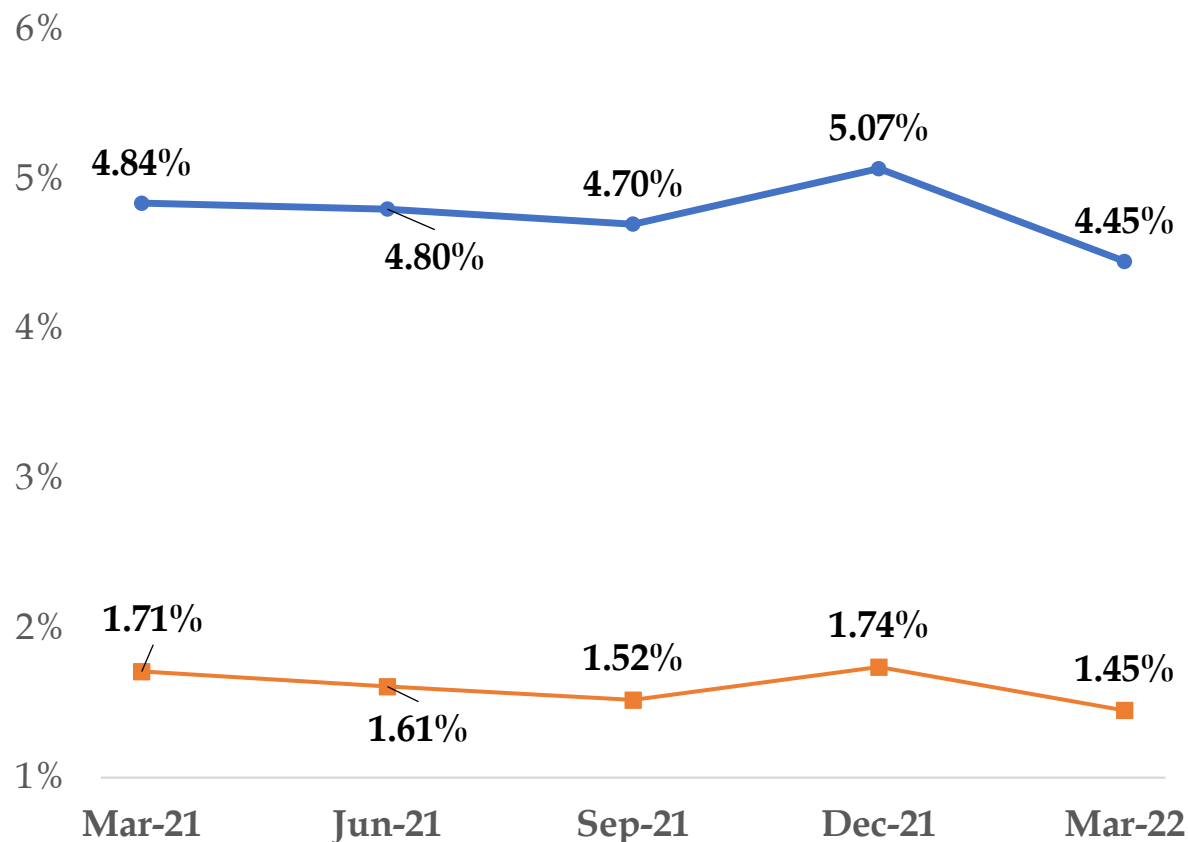
*Well-diversified asset portfolio with Top 10 borrowers accounting for ~43% of current loans.
No slippage in Top 10 accounts*

Asset Quality



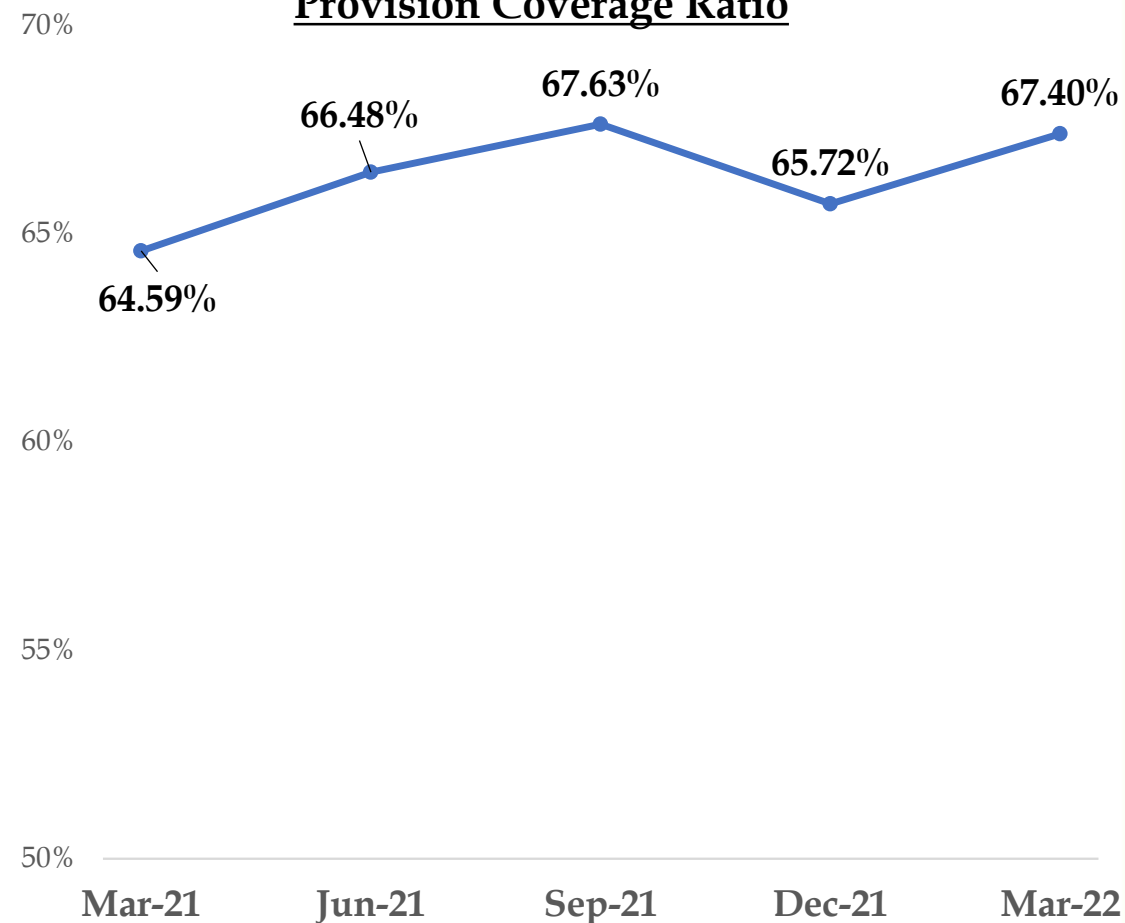
Asset Quality as at March 31, 2022

Stable Asset Quality



—●— Gross Credit-impaired Assets% —■— Net Credit-impaired Assets%

Provision Coverage Ratio



—●— Provision Coverage Ratio

Loan Portfolio as at March 31, 2022

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								
- Discoms	1,55,922	-	-	-	1,55,922	1,427	0.92	1,427
- Generation	1,29,430	-	-	-	1,29,430	980	0.76	980
- Renewables	4,045	-	-	-	4,045	32	0.79	32
- Transcos	61,059	-	-	-	61,059	245	0.40	245
Total State Sector	350,456	-	-	-	3,50,456	2,684	0.77	2,684
Private Sector								
- Generation	23,290	16,179	11,082	68.50	7,111	223	3.14	11,305
- Renewables	7,804	59	22	37.29	7,745	164	2.12	186
- Transcos	3,821	922	461	50.00	2899	68	2.35	529
Total Private Sector	34,915	17,160	11,566	67.40	17,755	455	2.56	12,021
Grand Total	385,371	17,160	11,566	67.40	368,211	3,139	0.85	14,705

*In addition to the above, Reserves available in the form of Reserve for Bad & Doubtful debts u/s 36(1)(viiia)(c) of the Income Tax Act, 1961, Reserve fund u/s 45-IC of RBI Act amounting to ₹ 6,011 crores.

Credit Impaired Assets – Resolution Status

Resolution status of Credit Impaired Assets



**Under
NCLT**

Rs.11,906 crores in NCLT

13 projects

70% provision

**Outside
NCLT**

Rs.5,254 crores resolution pursued
outside NCLT

12 projects

60% provision

During Q4 FY 22, three Credit Impaired Assets with total outstanding of ₹ 2,550 crores have been resolved through IBC proceedings.

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 March 2022	
	Amount	Amount	Amount	Amount	%
Corporate Bonds	135,184	158,148	179,989	152,692	47
Foreign Currency Borrowings	29,710	44,380	47,487	65,957	20
FCNR (B) Loans	5,048	6,973	5,329	9,855	3
Capital Gain Bonds	23,880	22,376	18,122	25,438	8
Tax Free Bonds	12,648	12,648	12,648	11,809	3
Commercial Papers	7,975	2,925	-	-	-
Loans from Banks, FIs, NSSF, etc.	24,750	32,650	58,925	61,089	19
Infra Bonds	91	16	11	4	-
Grand Total	239,286	280,116	322,511	326,844	100
Average annualized Cost of Funds*	7.55%	8.33%	7.26%	7.00%	

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

~ 85% of foreign currency exposure with remaining tenure upto 5 years hedged till maturity.

Funds Raised During The Period

(₹ in Crores)

Category	12M				Q4	
	FY19	FY20	FY21	FY22	FY21	FY22
(A) Long Term						
Capital Gains Bonds	6,652	6,157	5,312	7,316	2,287	2,512
Institutional Bonds/ Subordinate Debt	24,010	42,713	48,660	9,080	14,447	-
Loans from Banks/FIs/ NSSF	24,550	14,725	21,053	25,850	7,050	6,550
Foreign Currency Borrowings	9,734	12,403	14,847	19,683	6,722	2,457
Total (A)	64,946	75,998	89,872	61,929	30,506	11,519
(B) Short Term						
FCNR (B) Loan	4,437	5,599	5,822	10,495	1,534	745
Commercial Papers	19,393	6,029	-	2,000	2,221	-
Loans from Banks (Tenor more than 6 months)	-	2,750	3,550	3,950	2,750	-
Total (B)	23,830	14,378	9,372	16,445	6,505	745
Total (A + B)	88,776	90,376	99,244	78,374	30,301	12,264

Funds Raised During The Period (Long Term)



Financial Highlights



Key Financial Highlights

↑ Highest ever annual Net Profit at ₹ 10,046 crores ↑

- ❑ Total Income grown to ₹ 39,230 crores (↑ 11% YoY).
- ❑ Net Profit stands at ₹ 10,046 crores (↑ 20% YoY).
- ❑ Net Interest Income recorded at ₹ 15,741 crores (↑ 24% YoY).
- ❑ Loan book reached to ₹ 3.85 lakh crores (↑ 2% YoY)
- ❑ Assets Quality improved with Net Credit impaired Assets at 1.45% (vs. 1.71% YoY)
- ❑ Provision Coverage Ratio against Credit impaired assets stands at 67.40%
- ❑ Net-worth stands at ₹ 50,986 crores (↑ 17% YoY)
- ❑ Capital Adequacy Ratio at 23.61% (Tier – I : 19.58% & Tier – II : 4.03%)

Standalone Statement of Profit & Loss

₹ in Crores

Particulars	Q4		12M	
	FY 21	FY 22	FY 21	FY 22
Interest Income on Loan assets	8,810	9,235	34,230	37,811
Less: Finance Costs	5,438	5,353	21,489	22,053
Net Interest Income	3,372	3,882	12,741	15,758
Other Operating Income	91	289	585	975
Net notional gain/ (loss) on fair value changes	245	56	572	347
Other Income	4	21	23	98
Total Income (Net of Finance Cost)	3,712	4,248	13,921	17,178
Less: Translation/transaction exchange loss/(gain)	213	471	330	799
Less: Other costs *	105	190	415	481
Less: Impairment on financial instruments	698	754	2,420	3,473
Profit Before Tax	2,696	2,833	10,756	12,425
Less: Tax Expense	626	545	2,394	2,379
Profit After Tax	2,070	2,288	8,362	10,046
Add: Other Comprehensive Income/(Loss)	2	(264)	456	(59)
Total Comprehensive Income/(Loss)	2,072	2,024	8,818	9,987

* Other Costs include Fees and commission expense, 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 31.03.2022
Assets		
(A) Financial Assets	396,951	406,417
Cash and bank balances	3,070	2,422
Derivative financial instruments	2,311	5,510
Loans (Ind-AS)	365,261	371,931
Investments	1,910	2,158
Other financial assets	24,399	24,396
(B) Non-Financial Assets	3,282	3,996
Current tax assets (net)	160	179
Deferred tax assets (net)	2,438	3,135
Fixed Assets	603	634
Other non-financial assets	81	48
Total Assets (A+B)	400,233	410,413
Liabilities		
(C) Financial Liabilities	356,572	359,231
Derivative financial instruments	846	553
Borrowings (Ind-AS)	329,783	333,102
Other financial liabilities	25,943	25,576
(D) Non-Financial Liabilities	235	196
(E) Net Worth	43,426	50,986
Equity Share Capital	1,975	1,975
Instruments entirely equity in nature	558	558
Other equity	40,893	48,453
Total Equity & Liabilities (C+D+E)	400,233	410,413

Key Ratios

Particulars	Q4		12M	
	FY 21	FY 22	FY 21	FY 22
Yield on Loan Assets (%)	10.27	10.11	10.28	10.29
Cost of Funds (%)	7.07	6.67	7.26	7.00
Interest Spread (%)	3.20	3.44	3.02	3.29
Net Interest Margin (%)	3.87	4.12	3.72	4.07
Return on Net Worth (%)	19.44	18.08	21.30	21.28
Interest Coverage Ratio (Times)	1.50	1.53	1.50	1.56
Debt Equity Ratio (Times)	7.40	6.41	7.40	6.41
Earnings per Share (Annualised)	41.92	46.34	42.34	50.87
Book Value Per Share	219.89	258.17	219.89	258.17

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

Cost of funds = Ratio of finance costs + (gain)/ loss on 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

Glorious Past - Inspiring Future



YEARS AND BEYOND...

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