

# Powering Growth Empowering the Nation



## MISSION/VISION & OBJECTIVES

### MISSION/VISION

- (i) To facilitate availability of electricity for accelerated growth and for enrichment of quality of life of rural and urban population.
- (ii) To act as a competitive, client-friendly and development oriented organization for financing and promoting projects covering power generation, power conservation, power transmission and power distribution network in the country.

### OBJECTIVES

In furtherance of the Mission, the main objectives to be achieved by the Corporation are:

1. To promote and finance projects aimed at integrated system improvement, power generation, promotion of decentralized and non-conventional energy sources, energy conservation, renovation and maintenance, power distribution with focus on pumpset energisation, implementation of Deendayal Upadhyaya Gram Jyoti Yojana, a Government of India scheme.
2. To expand and diversify into other related areas and activities like financing of decentralized power generation projects, use of new and renewable energy sources, consultancy services, transmission, sub-transmission and distribution systems, renovation, modernization & maintenance etc. for optimization of reliability of power supply to rural and urban areas including remote, hill, desert, tribal, riverine and other difficult/remote areas.
3. To mobilize funds from various sources including raising of funds from domestic and international agencies and sanction loans to the State Electricity Boards, Power Utilities, State Governments, Rural Electric Cooperatives, Non-Government Organizations (NGOs) and private power developers.
4. To optimize the rate of economic and financial returns for its operations while fulfilling the corporate goals viz. (i) laying of power infrastructure; (ii) power load development; (iii) rapid socio-economic development of rural and urban areas; and (iv) technology up-gradation.
5. To ensure client satisfaction and safeguard customers' interests through mutual trust and self respect within the organization as well as with business partners by effecting continuous improvement in operations and providing the requisite services.
6. To assist State Electricity Boards/Power Utilities/State Governments, Rural Electric Cooperatives and other loanes by providing technical guidance, consultancy services and training facilities for formulation of economically and financially viable schemes and for accelerating the growth of rural and urban India.

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## COMPANY INFORMATION

### Board of Directors

**Dr. P V Ramesh**  
Chairman & Managing Director

**Dr. Arun Kumar Verma**  
Government Nominee Director

**Professor T.T. Ram Mohan**  
Part time Non Official Independent Director

**Shri Ajeet Kumar Agarwal**  
Director (Finance)

**Shri Arun Singh**  
Part time Non Official Independent Director

**Smt. Asha Swarup**  
Part time Non Official Independent Director

**Shri Sanjeev Kumar Gupta**  
Director (Technical)

**Shri Aravamudan Krishna Kumar**  
Part time Non Official Independent Director

### Chief Vigilance Officer

Dr. Sunita Singh

### Company Secretary

Shri J. S. Amitabh

### Registered & Corporate Office

Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003, India.

Tel: 011- 24365161, Fax: 011 -24360644

E-mail : [complianceofficer@recil.in](mailto:complianceofficer@recil.in) Website : [www.recindia.nic.in](http://www.recindia.nic.in)

CIN : L40101DL1969GOI005095

### Shares listed at

National Stock Exchange of India Limited  
BSE Limited

### Depositories

National Securities Depository Limited  
Central Depository Services (India) Limited

### Statutory Auditors

Raj Har Gopal & Co., Chartered Accountants  
A.R. & Co., Chartered Accountants

### Secretarial Auditor

Sanjay Grover & Associates,  
Practicing Company Secretaries

### Wholly Owned Subsidiaries of REC

REC Power Distribution Company Limited (RECPDCL)  
REC Transmission Projects Company Limited (RECTPCL)

### Wholly Owned Subsidiaries of RECTPCL

Dinchang Transmission Limited  
ERSS XXI Transmission Limited  
Ghatampur Transmission Limited  
WR-NR Power Transmission Limited

### Bankers

Axis Bank  
Bank of India  
Canara Bank  
Corporation Bank  
Dena Bank

HDFC Bank  
ICICI Bank  
IDBI Bank  
IndusInd Bank  
RBL Bank

Reserve Bank of India  
State Bank of India  
Union Bank of India  
Vijaya Bank  
Yes Bank

### Registrar & Share Transfer Agent (For Equity & Debt Securities)

Karvy Computershare Private Limited,  
Karvy Selenium Tower-B, Plot 31-32,  
Gachibowli Financial District,  
Nanakramguda, Hyderabad-500032, India.  
Tel : 040-67161500, 040-67161586,  
: 040-67161635  
Fax : 040- 23420814  
E-mail : [einward.ris@karvy.com](mailto:einward.ris@karvy.com)  
Website : [www.karvycomputershare.com](http://www.karvycomputershare.com)

### Registrar & Share Transfer Agent (Debt Securities)

Beetal Financial & Computer  
Services (P) Limited,  
Beetal House, 3<sup>rd</sup> Floor, 99 Madangir,  
Behind Local Shopping Centre, Near Dada  
Harsukhdas Mandir, New Delhi-110062  
Tel : 011-29961281-83  
Fax : 011-29961284  
E-mail : [recbonds@gmail.com](mailto:recbonds@gmail.com)  
: [beetal@beetalfinancial.com](mailto:beetal@beetalfinancial.com)

Link Intime India Private Limited,  
C-101, 247 Park, L.B.S. Marg,  
Vikhroli (West), Mumbai - 400083  
Tel : 022 - 4918 6200  
Fax : 022 - 4918 6060  
E-mail : [bond.helpdesk@linkintime.co.in](mailto:bond.helpdesk@linkintime.co.in)

## BOARD OF DIRECTORS



**DR. P V RAMESH**  
Chairman & Managing Director



**SHRI AJEET KUMAR AGARWAL**  
Director (Finance)



**SHRI SANJEEV KUMAR GUPTA**  
Director (Technical)



**DR. ARUN KUMAR VERMA**  
Government Nominee Director



**SHRI ARUN SINGH**  
Part time Non Official  
Independent Director



**SHRI ARAVAMUDAN  
KRISHNA KUMAR**  
Part time Non Official  
Independent Director



**PROFESSOR T.T. RAM MOHAN**  
Part time Non Official  
Independent Director



**SMT. ASHA SWARUP**  
Part time Non Official  
Independent Director



## PERFORMANCE HIGHLIGHTS

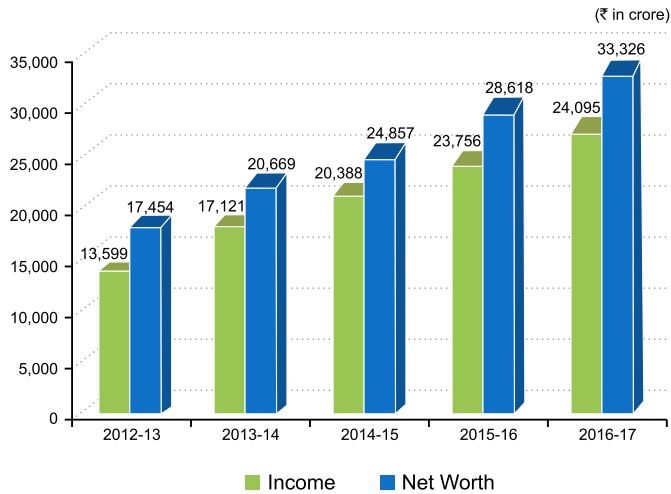
### CONSISTENT GROWTH OVER 10 YEARS

Particulars	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
<b>SHAREHOLDERS' FUND</b>										
(at the end of the year) (₹ in crore)										
Equity Share Capital	1974.92	987.46	987.46	987.46	987.46	987.46	987.46	987.46	858.66	858.66
Reserves & Surplus	31350.67	27630.30	23869.57	19682.00	16466.92	13575.58	11801.16	10092.88	5331.42	4509.05
<b>Net Worth</b>	<b>33325.59</b>	<b>28617.76</b>	<b>24857.03</b>	<b>20669.46</b>	<b>17454.38</b>	<b>14563.04</b>	<b>12788.62</b>	<b>11080.34</b>	<b>6190.08</b>	<b>5367.71</b>
<b>BORROWINGS</b> (₹ in crore)										
From Government of India	-	-	3.07	7.93	15.14	24.64	36.13	49.42	64.74	81.92
Bonds/Debentures	145686.84	139732.73	124683.85	102806.71	85249.04	71372.20	51208.53	40857.14	32631.48	24089.61
From Financial Institutions	750	1100	1450	2995	4020	4370	4720	4070	3350	3500
Foreign Currency Borrowings	21080.55	21923.72	24028.20	17621.15	15238.19	10698.09	7605.90	2076.37	1493.67	1048.45
Term Loans from Banks	-	-	125.00	269.40	788.80	1091.54	6469.14	5811.43	4801.05	4434.80
Commercial Papers	-	5600.00	-	2540.00	980.00	-	-	2450.00	1295.00	-
Short-Term/Demand Loans	-	749.93	734.00	-	1500.00	2500.00	-	630.00	1300.00	1128.00
<b>Total</b>	<b>167517.39</b>	<b>169106.38</b>	<b>151024.12</b>	<b>126240.19</b>	<b>107791.17</b>	<b>90056.47</b>	<b>70039.70</b>	<b>55944.36</b>	<b>44935.94</b>	<b>34282.78</b>
Fund Mobilization	28495.18	31254.92	41189.82	36934.37	30759.16	29709.36	25855.35	24028.24	14895.00	8377.23
<b>FINANCING OPERATIONS</b> (During the year) (₹ in crore)										
Number of projects approved	997	625	609	1035	1031	1091	658	492	506	881
Financial assistance sanctioned	83870.82	65471.10	*61421.37	*70739.48	*79470.49	*51296.77	*66419.98	*45357.36	*40745.84	*46769.76
Disbursements	66076.15	50630.81	46446.82	37969.99	40183.06	30593.30	28517.11	27127.14	22277.86	16303.70
Repayments by borrowers	57388.24	24394.48	11812.63	14260.45	13345.92	8119.69	8772.58	5806.54	5119.36	5600.24
Outstanding at the end of the year	201928.68	201278.29	179646.94	148641.10	127355.52	101426.26	81725.45	65978.75	50652.81	38614.83
<b>ACHIEVEMENTS</b> (in Nos.)										
<b>Electrification of un-electrified villages</b>										
During the year	6015	7108	1405	1197	2587	7934	18306	18374	12056	9301
Upto end of the year	122159	116144	109524	108280	107083	104496	96562	78256	59882	47826
<b>Release of free Electricity Connections to BPL Households</b>										
During the year	2242763	1439144	759377	961730	1296541	3444902	5883355	4718468	3084788	1621182
Upto end of the year	25468200	23225437	21833995	21683554	20721824	19425283	15980381	10097026	5378558	2293770
<b>WORKING RESULTS</b> (₹ in crore)										
Total income	24095.35	23756.28	20388.05	17120.80	13598.67	10509.07	8495.26	6707.60	4931.28	3537.66
Finance Costs	13775.12	14283.12	11844.61	10038.46	8083.76	6431.35	4851.01	3912.85	2898.70	2072.75
Provisions and Contingencies	1109.47	1089.85	802.96	312.02	130.68	52.27	0.22	0.22	2.37	39.99
Other Expenses	345.02	332.65	306.68	234.99	216.53	229.32	164.72	145.27	112.17	111.11
Depreciation	5.04	5.45	6.76	4.21	3.75	3.27	3.03	2.15	1.36	1.39
Profit Before Tax	8860.70	8045.21	7427.04	6531.12	5163.95	3792.86	3476.28	2647.11	1916.68	1312.42
Provision for Taxation	2614.94	2417.55	2167.17	1847.42	1346.33	975.83	906.35	645.69	644.60	452.27
Profit After Tax	6245.76	5627.66	5259.87	4683.70	3817.62	2817.03	2569.93	2001.42	1272.08	860.15
Dividend on Equity	*1382.44	1688.55	1056.58	938.09	814.65	740.59	740.59	603.21	386.40	257.60

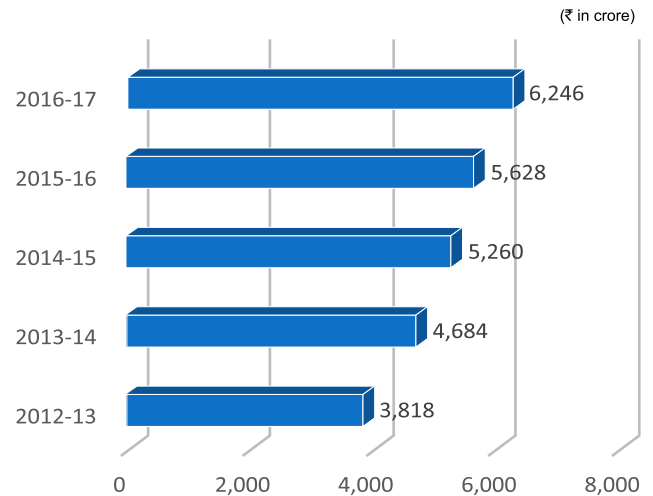
\* Excluding Sanctions under DDUGJY - RE and DDG.

\* Excludes proposed final dividend @ ₹ 2.65 per equity share.

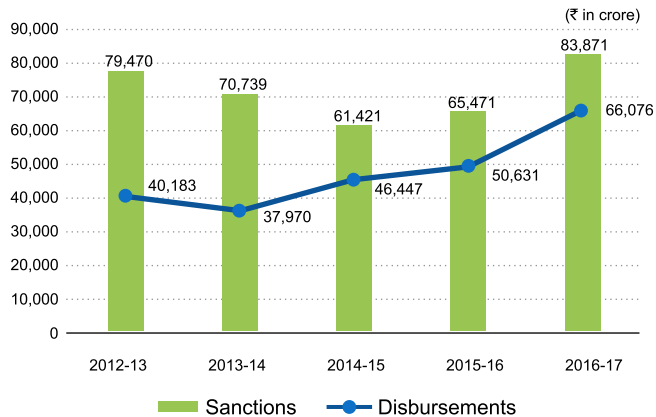
### PERFORMANCE GROWTH



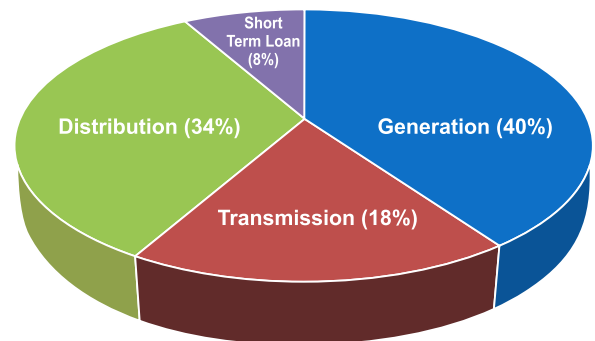
### PROFIT AFTER TAX



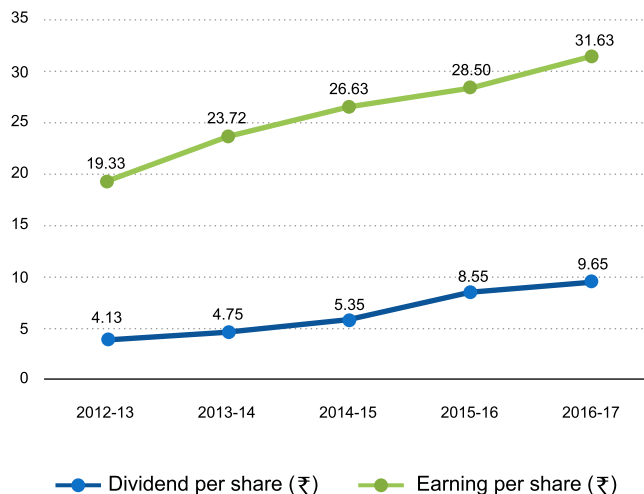
### GROWTH IN SANCTIONS & DISBURSEMENTS



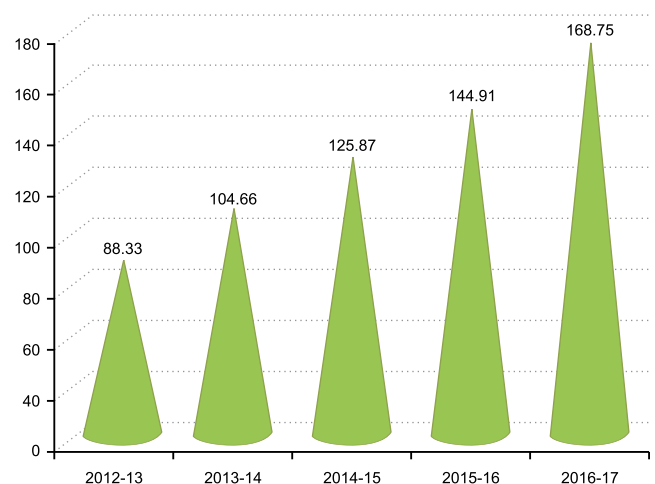
### SECTOR-WISE DISBURSEMENTS DURING FY 2016-17



### EPS vs. DIVIDEND



### BOOK VALUE PER SHARE (₹)



Figures for EPS, Dividend and Book Value for the previous years adjusted in line with issue of Bonus shares in the ratio 1:1 by REC during the financial year 2016-17

## CHAIRMAN'S MESSAGE



### Dear Stakeholders,

It is my privilege to present to you the 48<sup>th</sup> Annual Report of REC. Your Company continues to be the leading public financial institution of India, funding the power infrastructure development across the nation. This year too, REC performed exceptionally well and demonstrated consistent growth on all parameters. Despite the challenging times and ever-changing dynamics of the power sector, REC is well-placed and well-poised for meeting the challenges and harnessing the emerging business opportunities in the short-term as well as the longer-term.

On the global economic front, there are optimistic signs in terms of investment, manufacturing and trade. As per IMF estimates, the world growth is on an upward trajectory, from 3.1% in 2016 to 3.5% in 2017 to 3.6% projected for 2018. The reasons behind this upward growth momentum are stronger economic activity, expectations of a more robust demand, reduced deflationary pressures, and optimistic financial markets. However, stronger recovery is held back due to structural problems like low productivity growth, high-income inequality and signs of protectionism. As of now, the world needs stronger international economic collaboration and renewed

multilateral efforts to achieve sustained global economic integration.

The Indian economy continues to maintain robust growth and remains a bright spot in the global development landscape. In the last three years, India has witnessed several reforms, positive policy actions, substantial trade gain and a range of supply-side measures. As per IMF estimates, Indian economy is likely to grow by 7.2% in financial year 2017-18 and 7.7% in financial year 2018-19. However, strain on the balance sheets of financial and corporate sector, sluggish private investment and weak external demand continue to pose challenges to the economy. Nevertheless, country is making significant strides in supporting sustainable longer-term growth. The introduction of Goods and Services Tax (GST) has been a historic reform, which is likely to raise India's medium-term growth above 8 per cent. Though the banking and financial sector has been subdued with rising NPAs, the Government has been supportive with a series of policy measures to address the challenges.

Global energy outlook is demonstrating a transition to green energy, with increased focus on energy efficiency. The world energy mix is rapidly shifting towards cleaner and lower carbon fuels such as solar power, wind power and hydro power. The governments all over the world are making it a key focus area to promote the use of renewable energy, in order to meet climate change needs as well as to provide affordable, reliable and cleaner energy to their citizens.

### Power Sector Scenario

Power is one of the most important drivers of economic growth. The Indian Power Sector has seen a transformational growth in the last three years, on account of a series of reform and policy measures implemented by the government, coupled with surge in investment, rising consumption and unwavering focus on village and household electrification. Decisive steps have been taken by the government across the power value chain, which have resulted in surplus power, increased fiscal discipline and greater efficiency in utilities, sufficient coal availability and unprecedented growth in the clean energy market. As on March 31, 2017, the installed power generating capacity in the country was 326.8 GW. The transmission capacity in the country also saw a high growth, with the length of total transmission lines at the end of Fiscal 2017 standing at 3.67 lakh cKm.

From a scenario characterised by shortages and lack of quality supply, India has surplus power available in real time at affordable rates on the power exchange. Further, the distribution scenario in the country is improving rapidly, with the benefits of reform programmes like Ujwal DISCOM Assurance Yojana (UDAY) starting to show results. On the renewable energy front, the country's orientation to become a low carbon economy is also evident with costs of solar and wind power falling to record lows. As the power sector reforms continue, India has moved up several notches from 99<sup>th</sup> to 26<sup>th</sup> rank, in terms of World Bank's global electricity accessibility ranking.

The financial year 2016-17 saw an addition of 24,761 MW in the generation capacity, of which 58% came from renewable energy; 31% came from thermal energy and the balance from other sources. For the first time in financial year 2016-17, the capacity addition in renewable energy segment outstripped that of the capacity addition in conventional energy segment. The actual electric energy generation during 2017 fiscal was 1,160 BUs, against 1,107 BUs in the previous fiscal. The aggregate Power Supply Deficit for 2017 fiscal dropped to 0.7% and Peak Power Deficit also reduced to 1.6%, showing improvement in the power supply situation. The National Grid in the country is now one of the largest operating synchronous grids in the world. India's National Grid is also synchronously interconnected to Bhutan and Nepal and asynchronously linked to Bangladesh.



These achievements would not have been possible without the policy and reform initiatives taken by the Government. The Government has taken several measures for improving the thermal sector, such as streamlining the process of coal block allocation, improvement in coal availability and supply, quality checks of coal at mine-end and plant-end, beneficiation of coal at coal washeries and redefining of coal linkages, to name a few. On the hydro power front, some of the steps taken by the Government were to exempt hydro projects from competitive bidding till 2022, allowing flexibility to developers in depreciation rates and time-of-day tariff and allowing distribution licensees to extend long term PPAs by additional 15 years beyond the normally allowed 35 years. Furthermore, Renewable Energy has become a key focus area of the power sector. The Government has set a target of adding 175 GW of renewable energy capacity by 2022 and to increase the share of renewable energy to 40% of the total installed capacity by year 2030.

Further, to facilitate integration of such large scale renewable power into the grid, multiple green corridors are being established in the country and new ICT technologies i.e., SCADA/ automation, smart & intelligent grid are being adopted across generation, transmission and distribution for ensuring seamless flow of power with reliability, security and efficiency. Besides, new technologies in the areas of large battery storage, electrical mobility and charging infrastructure in the country will open new vistas in clean technology and climate control.

In a nutshell, the power sector has seen significant reforms in the past few years and the sector is brimming with emerging opportunities. REC is prepared to harness these emerging opportunities for the best interests of all its stakeholders.

### Performance Highlights

Your Company continues to register growth on key fronts of sanctions, disbursements and profits. During the financial year 2016-17, the Company sanctioned a total loan assistance of ₹ 83,870.82 crore, as compared to ₹ 65,471.10 crore in the last financial year. Further, during the financial year 2016-17, the Company disbursed a total loan amount of ₹ 58,038.61 crore, as against ₹ 46,025.83 crore in the last financial year. In addition to that, ₹ 8,037.54 crore of Government of India grant has been disbursed to the States under DDUGJY during the financial year 2016-17.

The Operating Income of the Company on standalone basis for financial year 2016-17 was ₹ 23,350.79 crore, as against ₹ 23,638.35 crore in the last financial year. Net Profit for the financial year 2016-17 was ₹ 6,245.76 crore, as against ₹ 5,627.66 crore in the last financial year. Further, REC's Net Worth as on March 31, 2017 was ₹ 33,325.59 crore, which was 16% higher than the Net Worth of ₹ 28,617.76 crore as on March 31, 2016.

The Loan Asset Book of your Company as on March 31, 2017 was ₹ 2,01,928.67 crore as compared to ₹ 2,01,278.29 crore as on March 31, 2016. The Non-Performing Assets of REC continue to be at low levels. As on March 31, 2017, the Gross NPAs of the Company were ₹ 4,872.68 crore, which were 2.41% of the Gross Loan Assets and Net NPAs as on March 31, 2017 were ₹ 3,237.34 crore, which were 1.62% of the Net Loan Assets. Further, no doubtful loans have been rescheduled by the Company during the financial year 2016-17. The Company achieved a recovery rate of 97.56% for the financial year 2016-17.

During the year under review, the Company mobilized ₹ 28,495.18 crore from the market, which included ₹ 7,662.92 crore by way of Capital Gain Tax Exemption Bonds, ₹ 18,600 crore by way of Institutional Bonds and ₹ 2,232.26 crore (i.e. USD 330 million) from External Commercial Borrowings. Further, an amount of ₹ 19,916.85 crore was also raised through Commercial Papers.

The domestic debt instruments of the Company continued to enjoy "AAA" rating, i.e., the highest rating assigned by CRISIL, CARE, India Ratings & Research and ICRA. The Company enjoys international credit rating equivalent to sovereign rating of India from international credit rating agencies Moody's and Fitch, which is "Baa3" and "BBB-", respectively. The overall weighted average annualized interest rate of borrowing for the funds raised during financial year 2016-17 was 6.79% p.a. and for the borrowings outstanding on March 31, 2017, it was 8.02% p.a. As a result, your Company was able to deliver debt financing at competitive rates.

### Dividend

In addition to interim dividend of ₹ 7.00 per share paid in March, 2017, the Board of Directors of your Company have recommended final dividend of ₹ 2.65 per share for the financial year 2016-17, which is subject to approval of the Shareholders in the ensuing annual general meeting. The total dividend for the financial year 2016-17 will work out to ₹ 9.65 per share, representing 96.5% of the increased paid-up share capital base after Bonus Issue by the Company, as against ₹ 17.10 per share representing 171% of the paid-up share capital of the Company in the previous year. The decrease in the percentage of dividend from previous year is due to issue of Bonus Equity Shares by the Company in the ratio of 1:1 during the financial year 2016-17. The total dividend pay-out for the financial year 2016-17 will amount to ₹ 1,905.80 crore excluding dividend distribution tax.

### Financing Power Projects

The Company has been providing funding assistance for power generation projects, in both conventional energy and renewable energy spaces. Your Company also plays an active role in creation and improvement of the infrastructure for Transmission & Distribution network in the country. Further, as the Nodal agency of DDUGJY scheme of the Government of India, your Company also contributes to the socio-economic responsibility of village electrification and household electrification.

### Financing Generation Projects

During the financial year 2016-17, your Company sanctioned 22 nos. of Generation/ R&M loans including 6 nos. of additional loan assistance with total financial outlay of ₹ 28,208.93 crore including consortium financing with other financial institutions. Further, the Company disbursed an amount of ₹ 21,697.61 crore during the year under review towards generation projects.

### **Financing Transmission and Distribution Projects**

During the financial year 2016-17, your Company sanctioned 924 nos. of T & D schemes involving a total loan assistance of ₹ 40,953.12 crore. This included primary power evacuation schemes associated with generating plants, system improvement schemes, schemes for procurement & installation of equipment/materials like meters, transformers, conductors, tower material, cables, etc., Government approved schemes like DDUGJY and IPDS and infrastructure schemes for providing electricity access to various categories of consumers including agriculture. The total disbursement under T & D schemes during the year under review was ₹ 26,270.30 crore.

### **Financing Renewable Energy and Other Projects**

During the financial year 2016-17, your Company sanctioned loan assistance of ₹ 2,089.77 crore to 16 new grid-connected Renewable Energy projects with installed generation capacity aggregating to 367 MW, which included 11 solar photo-voltaic projects aggregating to 280 MW; 4 small hydro power projects of 61 MW and 1 wind energy project of 26 MW. The total cost of these projects aggregates to ₹ 3,035.53 crore. Further, during the financial year 2016-17, the total disbursement towards renewable energy projects was ₹ 1,617.68 crore. Your Company is poised for a major leap in financing renewable projects in the times ahead.

### **Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY)**

REC is the Nodal agency for implementation of “Deen Dayal Upadhyaya Gram Jyoti Yojana” (DDUGJY scheme), which is an integrated scheme for strengthening all aspects of the rural power distribution system. It is a flagship programme of the Government of India supplementing overall rural development and facilitating towards “24x7 Power for All” in the country through defined project components. All erstwhile RE schemes (including Rajiv Gandhi Grameen Vidyutikaran Yojana i.e., RGGVY) have been subsumed in DDUGJY.

The Hon'ble Prime Minister had announced on August 15, 2015, that all remaining 18,452 Un-Electrified (UE) villages in the country would be electrified within 1,000 days. The Ministry of Power has taken up the electrification of all UE villages on Mission mode and assigned the responsibility for coordinating and monitoring the implementation of DDUGJY to REC. The Company has deployed ‘Gram Vidyut Abhiyantas’ (GVAs) i.e., young electrical engineers in the field for milestone based monitoring of village electrification works and developed ‘GARV App’, an online application for transparent and accountable monitoring.

In addition to village electrification, the emphasis has been laid on household electrification. To achieve this, updated GARV App was launched in December 2016 for monitoring the household electrification in all 5.97 lakh villages in the country. Further, in the portal, a feature named SAMVAD has been provided, to facilitate the general public to raise their queries and interact with the officials of DISCOMs, thus establishing transparency and accountability.

### **Ujwal DISCOM Assurance Yojana (UDAY)**

The Government of India had announced the “Ujwal DISCOM Assurance Yojana” (UDAY scheme) in financial year 2015-16, which aims at financial turnaround, revival and revitalisation of Power Distribution Companies (DISCOMs), and also ensures a sustainable permanent solution to the problem of DISCOMs, which were reeling under debt of ₹ 4.3 lakh crore and accumulated losses of ₹ 3.8 lakh crore.

REC is acting as the nodal agency for UDAY scheme. Through the UDAY scheme, DISCOMs are provided with the opportunity to break even in 2-3 years through the following initiatives:

- Improving operational efficiencies of DISCOMs
- Reduction of cost of power
- Reduction in interest cost of DISCOMs
- Enforcing financial discipline on DISCOMs through alignment with State Finances.
- Reducing the technical and commercial losses
- Reducing the gap between cost of supply and the revenue realised.

For the UDAY scheme, REC has developed a state-of-the-art web portal and an online App for monitoring the performance of State DISCOMs. 26 States and 1 Union Territory have joined the scheme and out of these, 16 States have participated for financial restructuring while 10 States and 1 Union Territory have participated only for operational improvements. Bonds to the tune of ₹ 2.32 lakh crore have been issued by the States and DISCOMs. The States have taken over the DISCOM debt to the tune of ₹ 2.09 lakh crore.

It is pertinent to mention that after the implementation of UDAY scheme, significant positive results have started to emerge for the DISCOMs. The average AT&C losses and gap between ACS and ARR of UDAY States have shown a declining trend. In addition to these benefits, lower interest burden is also contributing towards better bottom line for DISCOMs.

### **Subsidiary Companies and Joint Ventures**

The Company has two wholly-owned subsidiaries, to provide value-added services to the clients, including the business of consultancy in the areas of transmission, distribution, bid process transaction advisory services, project management, project implementation, quality assurance, etc. The subsidiaries include:

- ✓ REC Transmission Projects Company Limited (RECTPCL); and
- ✓ REC Power Distribution Company Limited (RECPDCL).