

**आर ई सी**  
**REC**

असीमित ऊर्जा, अनन्त संभावनाएं  
Endless energy. Infinite possibilities.

# LIGHTING LIVES

## FUNDING FORTUNES



## Mission / Vision and Objectives

### Mission / Vision

1. To facilitate availability of electricity for accelerated growth and for enrichment of quality of life of rural and urban population.
2. 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 loanees 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

<b>Board of Directors</b>	<b>Shri Sanjay Malhotra</b> Chairman and Managing Director	<b>Shri Sanjeev Kumar Gupta</b> Director (Technical)
	<b>Shri Ajoy Choudhury</b> Director (Finance)	<b>Shri Tanmay Kumar</b> Government Nominee Director
	<b>Shri Praveen Kumar Singh</b> Nominee Director of PFC	
<b>Chief Vigilance Officer</b>	Dr. Sunita Singh	
<b>Company Secretary</b>	Shri J.S. Amitabh	
<b>Corporate Identification Number</b>	L40101DL1969GOI005095	
<b>Registered Office</b>	Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003, India. Tel: +91-11-4309 1500 / 1501   Fax: +91-11-2436 0644	
<b>Corporate Office</b>	Plot No. I-4, Sector 29, Gurugram, Haryana-122001, India. Tel: +91-124-444 1300	
<b>Corporate Website &amp; Email</b>	Website: <a href="http://www.recindia.nic.in">www.recindia.nic.in</a>   E-mail: <a href="mailto:contactus@recl.in">contactus@recl.in</a>	
<b>Equity Shares listed on</b>	National Stock Exchange of India Limited   BSE Limited	
<b>Depositories</b>	National Securities Depository Limited   Central Depository Services (India) Limited	
<b>Statutory Auditors</b>	S.K. Mittal & Co., Chartered Accountants   O.P. Bagla & Co. LLP., Chartered Accountants	
<b>Secretarial Auditors</b>	Hemant Singh & Associates, Company Secretaries	
<b>Wholly Owned Subsidiaries of REC</b>	<b>REC Power Development and Consultancy Limited (RECPDCL)</b> (Formerly known as REC Power Distribution Company Limited)	
	Chandil Transmission Limited* Koderma Transmission Limited* Dumka Transmission Limited* Mandar Transmission Limited* Kallam Transmission Limited* (* wholly owned subsidiaries of RECPDCL.)	Gadag Transmission Limited* Rajgarh Transmission Limited* Bidar Transmission Limited* MP Power Transmission Package-I Limited* MP Power Transmission Package-II Limited*
<b>Bankers</b>	Axis Bank Bank of Baroda Canara Bank HDFC Bank	HSBC Bank ICICI Bank IDBI Bank IndusInd Bank
		Reserve Bank of India State Bank of India Union Bank Yes Bank
<b>Registrar &amp; Transfer Agents (For Equity Shares / Bonds)</b>	<b>KFin Technologies Private Limited</b> Selenium Tower B, Plot Nos. 31 & 32, Gachibowli Financial District, Nanakramguda, Hyderabad-500032	
	<b>For Equity Shares</b> Phone: 1-800-309-4001 Email: <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a> , <a href="mailto:balaji.reddy@kfintech.com">balaji.reddy@kfintech.com</a> Website: <a href="http://www.kfintech.com">www.kfintech.com</a>	<b>For Bonds</b> Phone: 1-800-309-4001 Email: <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a> , <a href="mailto:gopalakrishna.kvs@kfintech.com">gopalakrishna.kvs@kfintech.com</a> Website: <a href="http://www.kfintech.com">www.kfintech.com</a>
	<b>Beetal Financial &amp; Computer Services (P) Limited</b> Beetal House, 3 <sup>rd</sup> floor, 99 Madangir, Behind LSC, New Delhi-110062	
	<b>For Bonds</b> Phone: +91-11-2996 1281-83 Email: <a href="mailto:recbonds2@gmail.com">recbonds2@gmail.com</a> , <a href="mailto:beetalrta@gmail.com">beetalrta@gmail.com</a> Website: <a href="http://www.beetalfinancial.com">www.beetalfinancial.com</a>	

# BOARD OF DIRECTORS



**Shri Sanjay Malhotra**  
Chairman and Managing Director



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



**Shri Ajoy Choudhury**  
Director (Finance)



**Shri Tanmay Kumar**  
Government Nominee Director



**Shri Praveen Kumar Singh**  
Nominee Director of PFC



## SENIOR MANAGEMENT TEAM



**Dr. Sunita Singh**  
Chief Vigilance Officer



**Smt. Kalpana Kaul**  
Executive Director  
HR, Corporate  
Communications  
& Public Relations



**Shri T.S.C. Bosh**  
Executive Director  
Corporate Planning,  
IT, PMG, RECIPMT,  
Rajbhasha, Joint  
CEO-RECPDCL



**Shri G.S. Bhati**  
Executive Director  
Program Management  
(Technical) and Quality  
Assurance



**Shri V.K. Singh**  
Executive Director  
Private Sector Project  
Management and  
Renewable Energy



**Shri R. Lakshmanan**  
Executive Director  
PMD (Coordination), State  
Sector Projects, Stressed  
Asset Management and  
CEO-RECPDCL



**Shri J.S. Amitabh**  
Executive Director &  
Company Secretary



**Shri Fuzail Ahmed**  
Executive Director  
Program Management  
(Technical)



**Shri Sanjay Kumar**  
Executive Director  
Finance (Resources,  
Banking & Treasury)



**Shri S.L. Batta**  
Executive Director  
Law



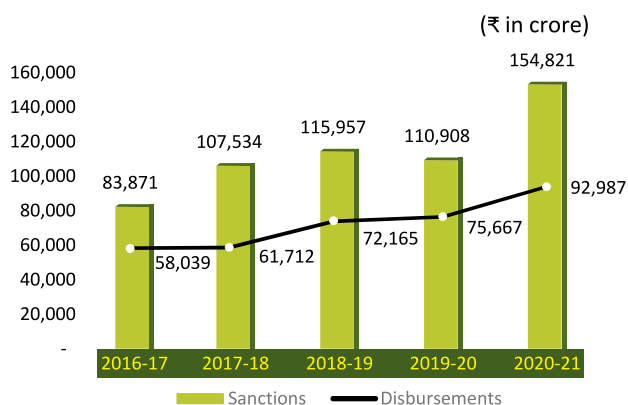
**Shri R.P. Vaishnav**  
Executive Director  
Finance (Loans, Recovery,  
Investments, Retirement  
Trusts & Financial Policies)



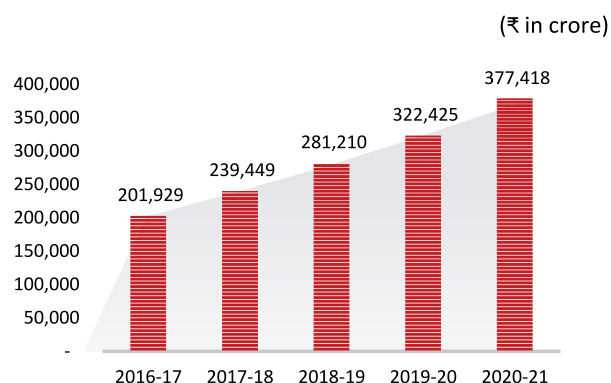
**Dr. Kajal**  
Executive Director  
Government Programmes,  
Administration, Estates  
and REC Foundation

## PERFORMANCE HIGHLIGHTS

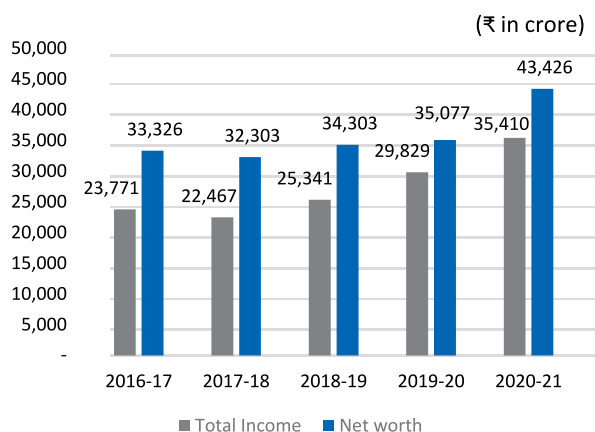
### Sanctions & Disbursements



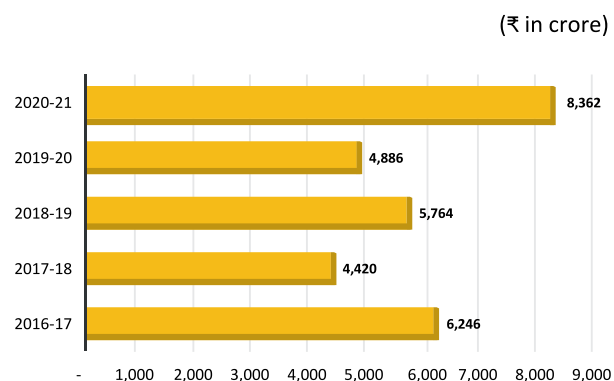
### Loan Book



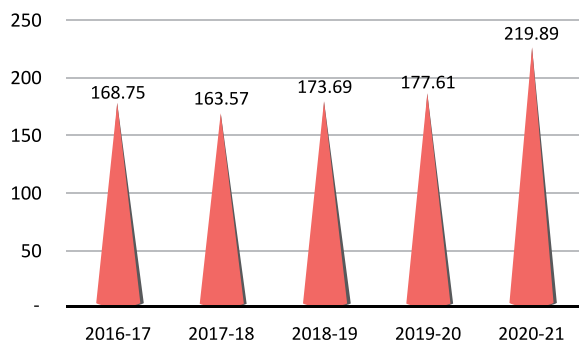
### Total Income & Net Worth



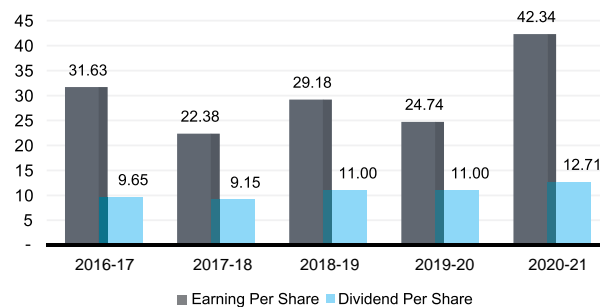
### Profit After Tax



### Book Value Per Share (₹)



### EPS vs. Dividend (₹)



## PERFORMANCE HIGHLIGHTS

### CONSISTENT GROWTH OVER 10 YEARS

Particulars	2020-21 (as per Ind-AS)	2019-20 (as per Ind-AS)	2018-19 (as per Ind-AS)	2017-18 (as per Ind-AS)	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
<b>SHAREHOLDERS' FUND (₹ in crore) (at the end of the year)</b>										
Equity Share Capital	1,974.92	1,974.92	1,974.92	1,974.92	1,974.92	987.46	987.46	987.46	987.46	987.46
Instruments Entirely Equity In Nature	558.40	-	-	-	-	-	-	-	-	-
Other Equity/Reserves & Surplus	40,893.05	33,101.64	32,328.02	30,328.23	31,350.67	27,630.30	23,869.57	19,682.00	16,466.92	13,575.58
<b>Net Worth (₹ in crore)</b>	<b>43,426.37</b>	<b>35,076.56</b>	<b>34,302.94</b>	<b>32,303.15</b>	<b>33,325.59</b>	<b>28,617.76</b>	<b>24,857.03</b>	<b>20,669.46</b>	<b>17,454.38</b>	<b>14,563.04</b>
<b>BORROWINGS (₹ in crore)</b>										
From Government of India/NSSF	10,000.00	10,000.00	5,000.00	-	-	-	3.07	7.93	15.14	24.64
Bonds/Debentures	2,04,119.67	1,88,538.25	1,71,803.83	1,65,334.89	1,45,686.84	1,39,732.73	1,24,683.85	1,02,806.71	85,249.04	71,372.20
From Financial Institutions	5,800.00	1,000.00	1,200.00	400.00	750.00	1,100.00	1,450.00	2,995.00	4,020.00	4,370.00
Foreign Currency Borrowings	47,486.43	44,378.49	31,368.12	27,530.08	21,080.55	21,923.72	24,028.20	17,621.15	15,238.19	10,698.09
Term Loans from Banks	29,938.58	18,899.78	18,550.00	-	-	-	125.00	269.40	788.80	1,091.54
Commercial Papers	-	2,925.00	7,975.00	3,250.00	-	5,600.00	-	2,540.00	980.00	-
Short-Term/Demand Loans/Others	25,166.32	14,374.33	3,389.50	2,276.54	-	749.93	734.00	-	1,500.00	2,500.00
<b>Total</b>	<b>3,22,511.00</b>	<b>2,80,115.85</b>	<b>2,39,286.45</b>	<b>1,98,791.51</b>	<b>1,67,517.39</b>	<b>1,69,106.38</b>	<b>1,51,024.12</b>	<b>1,26,240.19</b>	<b>1,07,791.17</b>	<b>90,056.47</b>
Fund Mobilization	99,244.53	84,358.12	69,383.22	51,164.89	28,495.18	31,254.92	41,189.82	36,934.37	30,759.16	29,709.36
<b>FINANCING OPERATIONS (₹ in crore) (During the year)</b>										
Projects approved (in nos.)	441	727	914	895	997	625	609	1,035	1,031	1,091
Financial assistance sanctioned	1,54,820.87	1,10,907.99	1,15,957.35	1,07,534.05	83,870.82	65,471.10	61,421.37	70,739.48	79,470.49	51,296.77
Disbursements*	97,928.11	82,140.83	91,827.56	72,281.19	66,076.15	50,630.81	46,446.82	37,969.99	40,183.06	30,593.30
Repayments by borrowers	37,994.03	34,454.15	30,405.09	24,191.82	57,388.24	24,394.48	11,812.63	14,260.45	13,345.92	8,119.69
Outstanding at the end of the year	3,77,418.15	3,22,424.68	2,81,209.68	2,39,449.34	2,01,928.68	2,01,278.29	1,79,646.94	1,48,641.10	1,27,355.52	1,01,426.26
<b>WORKING RESULTS (₹ in crore)</b>										
Total Income	35,410.44	29,829.13	25,341.16	22,467.35	23,770.58	23,756.28	20,388.05	17,120.80	13,598.67	10,509.07
Finance Costs including Net Exchange Loss, Fees & Commission Expenses	21,829.29	21,380.39	16,197.11	13,381.06	13,450.35	14,283.12	11,844.61	10,038.46	8,083.76	6,431.35
Provisions and Contingencies/Impairment on financial instruments	2,419.62	889.56	240.33	2,297.12	1,109.47	1,089.85	802.96	312.02	130.68	52.27
Net loss on fair value changes	-	-	348.52	573.37	-	-	-	-	-	-
Other Expenses	395.87	565.89	447.53	326.00	345.02	332.65	306.68	234.99	216.53	229.32
Depreciation	9.53	10.00	7.17	5.65	5.04	5.45	6.76	4.21	3.75	3.27
Profit Before Tax	10,756.13	6,983.29	8,100.50	5,884.15	8,860.70	8,045.21	7,427.04	6,531.12	5,163.95	3,792.86
Provision for Taxation/Tax Expenses	2,394.35	2,097.13	2,336.78	1,464.26	2,614.94	2,417.55	2,167.17	1,847.42	1,346.33	975.83
Profit After Tax	8,361.78	4,886.16	5,763.72	4,419.89	6,245.76	5,627.66	5,259.87	4,683.70	3,817.62	2,817.03
Other Comprehensive Income for the Period	456.52	(549.79)	(60.54)	4.24	-	-	-	-	-	-
Total Comprehensive Income	8,818.30	4,336.37	5,703.18	4,424.13	-	-	-	-	-	-
Dividend on Equity	#2,510.12	2,172.41	2,172.41	1,807.05	1,905.80	1,688.55	1,056.58	938.09	814.65	740.59

\* This includes disbursement of loans as well as grant/subsidy under Government schemes

# This also includes Final Dividend of ₹1.71 per equity share of ₹10/- each, as recommended by the Board of Directors for FY 2020-21, which is subject to approval of shareholders at ensuing AGM.



## MESSAGE FROM THE CHAIRMAN



### Dear Shareholders,

It is my privilege to present to you the 52<sup>nd</sup> Annual Report of your Company. Despite the challenges posed by Covid-19 pandemic, I am happy to report that your Company has performed impressively on all fronts during the financial year 2020-21.

The pandemic has led to an evolution of human behavior and corporate management. The future belongs to those who can achieve seamless communication, reduce vertical hierarchies and have robust systems to garner business intelligence. Your Company is investing keenly in becoming a future-ready organization.

In the energy sector, we are witnessing a transition like never before. The demand for electricity is increasing, supported by the picking up of economic activity and enhanced electrification in rural areas. There is a clear movement towards green energy. The Government is implementing various reforms to make the sector modern, efficient and sustainable. These initiatives in the power sector are likely to enhance the consumer experience and also the overall quality of life.

Your Company has championed 'rural electrification' since its incorporation in 1969, when it used to energize irrigation pump-sets to support the Green Revolution. Five decades later, your Company's funding illuminates every fourth bulb in India. With a consistent track record of serving the power sector, your Company remains committed to support the reforms agenda of the Government.

### ECONOMIC OVERVIEW

The global economy is still weathering the setback caused by Covid-19. Most of the economic activities have been hit by reduced personal interaction, uncertainty about economic landscape, lesser investments, changed methods of imparting education and slowdown in the international trade & tourism. It will take some time, before trade and industry resume to their pre-pandemic levels.

The United States was able to avert economic disaster with significant fiscal and monetary policy response. China, on the other hand, saw a rapid yet uneven recovery driven by manufacturing and exports. Prospects for emerging market and developing economies have been generally marked down for 2021. Eventually, the recovery in global economy would be dependent on widespread vaccination and moving ahead with cautious optimism.

The Indian economy is also making a steady comeback from the Covid shock, with the help of comprehensive policy interventions by the Government. Since the onset of the pandemic, the RBI has introduced a slew of measures including moratorium on term loan instalments, deferment of interest on working capital facilities, easing of working capital financing, extension of resolution timelines for stressed assets and asset classification standstill by excluding the moratorium by lending institutions. These measures and many other reliefs provided by the Government have helped in easing out the pressure on the economy.

As per the International Monetary Fund (IMF), India is likely to emerge as the world's fastest-growing major economy, with growth forecast of 9.5% for the financial year 2021-22. IMF also expects India's gross domestic product (GDP) growing by 8.5% in the financial year 2022-23. The factors, which would play a crucial role in sustaining the economic recovery, are successful containment of Covid-19 besides continued discretionary spending.

### POWER SECTOR SCENARIO

As power comes under essential services, the impact of Covid-19 on the consumption of power was limited. Still, the sector faced issues like delayed project execution schedules, pressure on finances and liquidity crunch. The sector withstood these challenges with strong policy support from the Government and sectoral reforms.

As of March 2021, the total installed capacity of power stations in India stood at 382 GW. The focus is gradually shifting from conventional sources of power to renewable energy sources. Financial year 2021-22 may see higher levels of economic activity, thereby increasing the demand for power. At the same time, uncertainty owing to the pandemic and restrictions on movements across regions, may pose a risk to the demand for power.

In the past few years, the transmission sector has witnessed an unprecedented growth, with private players enacting an important role in achieving the country's grid expansion targets. Transmission utilities, at the Centre as well as State level, are expected to invest significantly in new technologies to make the grid more reliable, resilient, secure and smart.

The distribution sector has witnessed several reforms in the last few years, aimed at bringing competitiveness and efficiency in the sector. India has already kick-started the process of privatization of its power distribution companies in union territories. This would usher in more competition, forcing discoms to improve their performance standards and adopt a more consumer-centric approach.

In May 2020, the Central Government announced a liquidity infusion scheme for discoms under *Atmanirbhar Bharat*, in the backdrop of the pandemic. Under this scheme, REC and PFC have extended special long-term transitional loans at concessional rates to discoms, against their receivables from State Governments in the form of electricity dues and subsidy not disbursed, to enable them to clear their outstanding dues towards central public sector undertakings, generation & transmission companies, independent power producers and renewable energy generators.

### FLAGSHIP GOVERNMENT PROGRAMMES

Your Company is the nodal agency for *Deendayal Upadhyaya Gram Jyoti Yojana* i.e., DDUGJY, a flagship scheme of the Ministry of Power, Government of India launched in December 2014, covering all aspects of rural power distribution, facilitating towards achievement of '24x7 Power For All' in rural areas of the country through defined project components. Your Company is also the nodal agency for operationalization of SAUBHAGYA scheme, i.e., *Pradhan Mantri Sahaj Bijli Har Ghar Yojana* launched in financial year 2017-18 for universal household electrification.

It is noteworthy that all census inhabited villages in the country became electrified as on April 28, 2018. Further, electricity connections have been provided to over 2.82 crore households till March 31, 2021, under SAUBHAGYA, DDUGJY and State Government schemes.

Recently, your Company has prepared a *Report on Key Regulatory Parameters* for all discoms, under Power Sector Reform Programme. The report provides compilation, benchmarking and comparative assessment of key regulatory parameters, giving a comprehensive overview of how the respective power distribution utilities are faring and what corrective measures need to be taken.

Under the guidance of Ministry of Power, your Company has also developed a framework for 'Discom Consumer Service Index', whereby discoms are rated based on the services provided to their consumers, such as reliable power supply, connections and other services, metered billing service and fault redressal. The rating is aimed to promote healthy competition amongst discoms and to nudge them to improve their performance across relevant areas.

Your Company is also one of the nodal agencies for the Revamped Distribution Sector Scheme, a reforms-based and results-linked scheme with an outlay of ₹3,03,758 crore and a Gross Budgetary Support of ₹97,631 crore from the Government of India, over a period of five years i.e., from financial year 2021-22 to financial year 2025-26. The scheme seeks to improve the operational efficiencies and financial sustainability of all discoms / power departments, excluding private sector discoms, by providing conditional financial assistance for strengthening of supply infrastructure based on meeting pre-qualifying criteria, as well as upon achievement of basic minimum benchmarks by the discom evaluated on agreed evaluation framework tied to financial improvements. The scheme aims to reduce the AT&C losses to pan-India levels of 12-15% and ACS-ARR gap to zero by financial year 2024-25.