

REC Limited
Corporate Strategy and Vision

1. Vision

- a) To facilitate availability of electricity for accelerated growth and for enrichment of quality of life of rural and urban population.
- b) 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.
- c) Develop the Power Sector and create infrastructure by extending **cheaper cost of funds** to Power Utilities and endeavour to reduce interest spread in financing operations
- d) In achieving the objective of '**Affordable Power for All**' Govt of India, keep the costs of financing as low as possible, **as lower finance costs** paid by the borrower power utilities are ultimately passed on to end consumers resulting in lower tariffs
- e) Playing strategic role in carrying forward the initiatives of Govt of India through their **flagship achievement linked reforms**
- f) Continue to grow the operations of the company and improve its unique position in the Indian Power Sector and achieve the highest "Maharatna" status for CPSEs
- g) To become sound, premier, developmental infrastructure financial institution in the country targeting to become Rs 6 Trillion asset based company in next 5 years

2. Corporate Objectives

- a) 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 pump set energization, etc.
- b) As a Nodal Agency for flagship Programmes of Government of India for the Power Sector as launched from time to time viz. the 'Deen Dayal Upadhyaya Gram Jyoti Yojana DDUGJY', the scheme for rural electricity infrastructure and household electrification and the 'Pradhan Mantri Sahaj Bijli Har Ghar Yojana - Saubhagya, the scheme for providing electricity connections to all willing households and the 'Revamped Distribution Sector Scheme RDSS' - the scheme for providing financial assistance linked with reforms, to strengthen the supply infrastructure of Discoms.
- c) 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 and 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.
- d) To mobilize funds from various sources including raising of funds from domestic and international agencies and sanction loans to the State Power Utilities/ SEBs, State Governments, non-Government Organisations (NGOs), CPSUs and private power developers.
- e) 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.
- f) 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.
- g) To assist State Electricity Boards/ Power Utilities/State Governments, 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.

3. Corporate Strategies

REC would identify all possible new areas that help enhance the corporate image and corporate operations. The focus of corporate strategies would be:

- a) To inject greater rationality, accountability and commercial prudence to investment of funds and loaning operations to optimize returns.
- b) To strengthen security mechanism to ensure safety of loans and their repayments.
- c) Diversify to extend larger financial support especially for system improvement, upgradation and augmentation including financing procurement and installation of transformers, conductors, meters, capacitors and other modern energy-efficient equipment and any other new and emerging needs of the power utilities for improving the power distribution network and quality of supply.
- d) To finance setting up of generation projects to augment power supply and cater to the needs of the decentralized distribution of power.
- e) Continue to meet the priority needs of rural electrification in accordance with the Government's policy and support.
- f) Improve project monitoring, evaluation, and review of projects
- g) Continue to improve Financial risk management, including interest and foreign exchange rate risk management, and Asset-Liability management practices.
- h) Deepen the use of ERP based business operations
- i) Induction and Development of human resources on professional lines
- j) To promote studies on institutional framework for providing growth of power sector

4. Way Forward

- a) REC may strive to explore new and emerging business areas in line with the energy transition plan of the Government of India viz. Re-financing to financial institutions for power sector projects, including renewable energy projects; Financing of EV's/ charging infrastructure and manufacturers of EVs; Takeover and management of stressed assets financed by the company and setting up ARCs; Financing of equipment manufacturing related to power sector; Funding to manufacturers of smart meters for power sector; Funding to manufacturers of wind turbines and other components; Financing manufacturing of electrical parts like cables, meters, transformers; Expansion of solar business by funding solar parks, solar SEZ, solar pumpsets, etc.
- b) In view of the declining interest rates in the recent years, and the requirement of passing on lower finance costs to the borrowers, REC may add value added business services to its portfolio through its subsidiaries. RECPDCL has also been project implementation agency, scaling up the growth to securing of business from power utilities;
- c) REC may also expand its mandate to finance non power infrastructure viz. Financing of coal mines; Financing of equipment manufacturing facilities for other heavy industries; Infrastructure funding – airport development, port development, railway corridor; Funding of sewage treatment, water supply schemes, irrigation etc.; Debt-refinancing for housing and other infrastructure sectors; Setting up of Asset Reconstruction Company (ARC); Development of power exchange etc.