



**REC Limited**

**Media Coverage**

**20 October 2023**

**Exclusive Interview with  
Vivek Kumar Dewangan,  
Chairman & Managing Director  
of REC Limited on FOCUS NEWS**

**Exclusive Interview - REC Limited Chairman & Managing Director**

***REC using its resources to help Rebuild, Reform, and Revolutionize the power and logistics industries says CMD Vivek K. Dewangan***

**‘REC will become One Stop Debt solution for renewable energy’**



*In an Exclusive Interview of Rural Electrification Corporation Limited Chairman & Managing Director Vivek K. Dewangan with Focus News he outlines his vision how Maharatna Company using its resources to help Reform, Rebuild, and Revitalize the power and logistics industries and aiming to become one stop debt solution for renewable energy -*

**Q** What is background of REC and what has been its contribution so far.

**A** REC, since its inception in 1969, has been a financial institution dedicated to serve, empower & uplift the Indian power sector. During the last 54 years, we have come a long way, from energizing agricultural pump-sets to emerge today, as a leader in providing financial assistance to the power sector in all segments, be it Generation, Transmission or Distribution. During the bygone fiscal, we have expanded our financing to Infra & logistics sectors as well. Domestically, we hold the highest credit ratings of “AAA” from CRISIL, ICRA, IRRPL and CARE and internationally we are rated at “Baa3” & “BBB-” from Moody’s & Fitch, respectively, which are at par with the sovereign ratings.

Our humble beginnings spearheaded our strides into the corporate world and to this day our commitment towards nation-building constitutes our core value.

As a natural corollary, we have been appointed as a Nodal Agency for Government of India’s flagship schemes viz.

Energy transition to clean power is set to fuel investments in the power sector, aligning with net-zero goals

Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGAYA), Deen Dayal Upadhaya Gram Jyoti Yojana (DDUGJY) and the latest Revamped Distribution Sector Scheme (RDSS). While the older schemes encapsulated pan-India electrification works, the recent RDSS is aimed at bringing about sectoral reforms through installation of Smart meters and reduction of AT&C losses as well as ACS-ARR gap. Our subsidiary RECPDCL (REC Power Development and Consultancy Limited) works in tandem with us to realise our shared mission by providing consultancy & development services in Distribution and Transmission sectors.

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The  
Loan Book  
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₹4,35,000 crore

**Q How is REC planning to increase its loan portfolio? What are your future plans?**

**A** Aligning with India's COP 26 targets and energy transition initiatives of Government of India for enhanced Nationally Determined Contributions (NDCs), REC is committed to increase its present loan portfolio of Green Projects to ₹3 lakh crore by 2030 which is more than ten times of the current green portfolio. Consequently, REC aims to achieve a total loan book of more than Rs. 10 lakh crore by FY 2030 and net zero NPA company by the year 2025.

Keeping in view the global concerns regarding energy security and threat to climate change, REC is positioning itself to ensure that transition to greener energy is at the core of its business growth objectives. In addition to the conventional REC projects like solar and wind projects, REC has ventured into financing of Hybrid projects, E-mobility projects, Pumped Storage projects, manufacturing of Solar modules, Project Specific funding for timely execution of projects etc. Further, financing of sunrise

sectors like Green Hydrogen, Green Ammonia Projects, round the clock projects involving bundling of RE with thermal power and ethanol manufacturing projects are being actively pursued amongst others. During the Green Finance Summit, July' 2023, hosted by REC on the side lines of G20, we have already signed MoUs of Rs. 2.86 lakh Crore and are, therefore, strongly moving forward on our Green

**Q What about Infrastructure sector financing?**

**A** While posing faith in REC, Ministry of Power has also allowed our Company to lend to non-power infrastructure & logistics sector to contribute to the accelerated development of our nation and during the first

year itself, we have sanctioned more than ₹85,700 crore towards various projects spanning from Metro, Ports, Airports, Oil Refineries, Highways, Steel Infra to Healthcare, Educational Institutions and also in sectors of IT Infra/Fiber Optics, etc. that constitute about 32% of overall sanctions of the Company, in the last financial year. Furthermore, National Infrastructure Pipeline envisages total business pool of Rs. 160 lakh Crore under Infra & Logistics sectors - a suitable portion of which will be targeted for business in coming years.

NBFC, is committed to supporting India's net-zero vision by financing energy transition and renewable projects, while also diversifying into sectors like Airports, Metro Rail, GreenHydrogen, and more

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**Q** How has REC been electrifying unelectrified villages?

**A** REC has been instrumental in fulfilling the Government of India's target of electrifying unelectrified villages and universal household electrification as a nodal agency for the Deen Dayal Upadhyaya Gram Jyoti Yojana and the Pradhan Mantri Sahaj Bijli Har Ghar Yojana – SAUBHGYA Scheme, as a result, the country has achieved the target of providing access of electricity to all households. As the power sector enters a phase of modernization, technological advancement and consumer-centric focus, we are honored to be associated with ₹3lakh crore reforms-based and results-linked Revamped Distribution Sector Scheme (RDSS) of the Government, a significant step in this transformative journey under which provisions for balance Household electrification have been made. REC is also providing counterpart funding to various schemes of Government of India being implemented for transformation of Indian Power Sector.

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**Q** In last one year, how has been REC's financial performance?

**A** At the end of FY 2022-23, REC's loan book stood at around Rs. 4.35 lakh Crore (13% Y-o-Y growth) with a PAT of over Rs. 11,000 Crore (10% Y-o-Y growth) and highest ever sanctions of Rs. 2.68 lakh Crore & disbursements of Rs. 96,846 Crore. The growth trajectory for the past decade has been nothing short of extraordinary & the last 5 years, in particular, have seen a 55% rise in the loan book while the profits have almost doubled.

Continuing our growth story in Q1 FY 2023-24, we attained a record-breaking PAT of Rs. 2,961 Crore and our Net Worth stood at Rs. 60,886 Crore as on June 30, 2023. Further, the loan book

of REC has also maintained its growth trajectory and has increased to Rs. 4.54 lakh Crore. Also, the Net NPA have come down to less than 1% as on June 30, 2023 and there has not been any addition of new NPA in the last six quarters. All of these



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**Q** REC signed a memorandum of understanding with PFC, committing to improving revenue from operations substantially in 2023-24 and 2024-25. How do you aim to meet this target?

**A** REC is committed to achieving substantial revenue growth in 2023-24 and 2024-25 through a strategic approach that includes identifying a robust business pipeline focused on emerging opportunities in the energy sector, formulating policies to support funding for sunrise sectors and new technologies, and recent capacity building efforts through a recruitment drive. REC is also dedicated to the clean energy transition and plans to finance and support sustainability-focused projects. Additionally, we see significant potential in the infrastructure logistics business and aim to invest in related projects.

Our strategic market positioning, characterized by a strong reputation and an extensive network of industry connections, enables us to effectively leverage opportunities and partnerships. REC is confident that the effectiveness of these strategies and the abundance of opportunities in the energy and infrastructure sectors will definitely enable

**C Bonds**

achievement of a 15% Compound Annual Growth Rate (CAGR).

## Mobile App

### Features of the app:

- View complete details of the investment in REC 54EC Bonds
- Download e-Bond Certificate and Allotment Advice
- Apply for fresh investment
- Download important forms for KYC updations
- Raise any query/complaint

**Q** How is REC contributing to society under CSR through 'Doctor Aap Ke Dwar' & 'Mobile schools'?

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a cost of Rs. 12.68 crore for three years. These MHCs provide doorstep healthcare, including free generic medicines, to underprivileged populations in 14 Bhojpur district blocks, with three MHCs exclusively dedicated for women. Each MHC has a team of four: doctor, nurse, pharmacist, and driver cum support staff, conducting over 20 monthly camps, serving 50-70 patients daily. In 2020, REC initiated 'School Aapke Dwar,' a Rs. 0.71 Crore CSR project, partnering with AICAPD. A solar-powered mobile school bus with fans, lights, and computers, along with 2 laptops, study materials, and uniforms was provided by REC. This project offers free education, sports, excursions, exams, certification via the National Institute for Open School, and mid-day meals to around 500 deprived children of migrant construction laborers in Delhi and Gurugram.

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