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RURAL ELECTRIFICATION CORPORATION LIMITED (REC LTD)

MINISTRY OF POWER

COMMITTEE ON PUBLIC UNDERTAKINGS (2025-26)

NINTEENTH REPORT

(EIGHTEENTH LOK SABHA)

LOK SABHA SECRETARIAT
NEW DELHI

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COMMITTEE ON PUBLIC UNDERTAKINGS
(2025-26)

(EIGHTEENTH LOK SABHA)

RURAL ELECTRIFICATION CORPORATION LIMITED
(REC LTD)

MINISTRY OF POWER

Presented to Lok Sabha on 11 December, 2025
Laid in Rajya Sabha on 11 December, 2025

LOK SABHA SECRETARIAT
NEW DELHI

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20. Shri Surendra Singh Nagar
21. Shri Debashish Samantaray
22. Shri Arun Singh

INTRODUCTION

I, the Chairperson, Committee on Public Undertakings (2025-26) having been authorized by the Committee to submit the Nineteenth Report on their behalf, present this Report on '' REC Limited (Rural Electrification Corporation Limited).''

2. The Committee on Public Undertakings (2024-25) had selected the said subject for detailed examination. The subject was carried forward by the Committee on Public Undertakings (2025-26) to complete the unfinished task.

3. The Committee on Public Undertakings (2024-25) took briefing and evidence on the subject from the representatives of REC Limited on 29th April, 2025 and thereafter also took evidence of the representatives of Ministry of Power on 29th April, 2025.

4. The Committee (2025-26) considered and adopted the draft Report at their sitting held on 05th December, 2025.

5. The Committee wish to express their thanks to the representatives of REC Limited and Ministry of Power for tendering evidence before the Committee and furnishing the requisite information to them in connection with examination of the subject.

6. For facility of reference and convenience, the Observations and Recommendations of the Committee have been printed in bold letters in Part-II of the Report.

New Delhi;
08 December, 2025
17 Agrahayana, 1947(S)

BAIJAYANT PANDA
Chairperson
Committee on Public Undertakings

REPORT

CHAPTER I

INTRODUCTORY

A. Background, Mandate, and Evolution

1.1. Rural Electrification Corporation Limited (REC Ltd.) was incorporated in 1969 as a wholly-owned Government of India enterprise with the mandate of financing and promoting rural electrification projects. Over the years, REC has evolved into a leading infrastructure financing company focused primarily on the power sector. The company was declared a Public Financial Institution in 1992, registered as an NBFC in 1998, and classified as an Infrastructure Finance Company (IFC) in 2010. REC's operations cover the entire power sector value chain including generation, transmission, distribution, and renewable energy". Key milestones in REC's evolution include:

- 1969: Journey began to develop power infrastructure in rural areas
- 1992: Declared a Public Financial Institution (PFI) under Section 4A of the Companies Act, 1956
- 1998: Registered as NBFC with RBI
- 2003: Mandate broadened to financing all power segments
- 2008: Conferred Navratna status, Floated IPO subscribed 27 times
- 2010: Conferred IFC status by the RBI
- 2011: First Indian NBFC–IFC to enter the international debt market.
- 2014: Appointed as Nodal Agency for DDUGJY
- 2017: First Indian PSU to issue USD Green Bonds on the London Stock Exchange
- 2017: Appointed as Nodal Agency for SAUBHAGYA
- 2021: Appointed as Nodal Agency for RDSS
- 2022: Conferred Maharatna Status by the Govt of India
- 2022: With the Government's permission, forayed into the Infrastructure and Logistics sector financing.
- 2023: Issued Green Bonds of USD 750 million & listed on GIFT IFSC Stock Exchanges
- 2023: Secured a place in the MSCI Global Standard Index
- 2024: Issued first-ever Yen-denominated Green bonds by Indian PSU of JPY 61.1 billion, which marked the largest ever Euro-Yen and non-sovereign Yen issuance ever by a South & South-East Asian issuer.
- 2024: Appointed as the Project Implementing Agency for 'PM Surya Ghar Muft Bijlee Yojana'

1.2 During the course of oral evidence the representatives of the Company gave a brief overview of the REC to the Committee as under:

> *"We started in 1969 primarily to focus on facilitating the availability of electricity for the rural areas and also the financing of whatever is the requirement of the power sector. We have a pan-India presence with 22 offices including the corporate office and the registered office. Almost all the major state capitals have offices. We have been a strategic partner to all the Government of India schemes under the Ministry of Power and notably the latest being the flagship schemes like RDSS and PM Surya Ghar Mufti Bijli Yojana. We provide loans for the creation of power infrastructure across the country for all segments of power sector including generation, transmission, distribution and, of course, the latest developments like green energy, renewable energy and the borrowers include private, State, Central and joint venture borrowers. We have the highest domestic rating of AAA by the domestic rating agencies, and international credit rating is at par with the sovereign ratings. We sign an MOU with the DPE where we have consistently got excellent rating, and the past two years we have got the excellent rating. We are the largest NBFC in the country on a stand-alone basis, with our loan book around Rs. 5.66 lakh crore. We have a subsidiary which is into consultancy services and implementation of smart metering and few transmission projects, and we are also the nodal agency for TBCB projects by the Ministry of Power. So, this is the key milestones. The major highlights, I would just like to say, starting with 1969, 2008 we were conferred the Navratna status, and we also floated our initial public offer. We became a listed company in that. The next major milestone, 2014, we were appointed as a nodal agency for Deen Dayal Upadhyaya Gram Jyoti Yojana, in 2017, for Saubhagya household electrification, in 2021, we were appointed as a nodal agency for RDS scheme, and in 2022, we became the Maharatna. In 2024, we were appointed the nodal agency for Pradhan Mantri Surya Ghar Muft Bijli Yojana. So, this is our shareholding pattern. We are owned by the Government of India through PFC, which is holding 52.63 per cent shareholding. The next major shareholding is by the foreign portfolio investors and foreign institutional investors, and the rest of it by other individuals, insurance companies, and corporate banks and others."*

1.3 REC has also been a nodal / implementing agency for major Government schemes such as DDUGJY (2014), SAUBHAGYA (2017), RDSS (2021), and PM Surya Ghar (2024). The Ministry clarified REC's status as a subsidiary of Power Finance Corporation Ltd. since 2019 and Ministry have further submitted to the Committee as under:

> "Since becoming a subsidiary of PFC Ltd. in 2019, REC Ltd. has witnessed the realization of certain synergies with PFC Ltd., particularly in the areas of knowledge sharing, policy alignment, and harmonization of approach in project appraisal and monitoring. Both organizations continue to leverage their respective strengths to cater to the diverse needs of the power sector and

infrastructure financing landscape. The complementary nature of their operations has enabled a broader and more effective reach across stakeholders while maintaining competitive and diverse offerings to borrowers."

B. Corporate Governance and Board Composition

1.4 On a query regarding the Corporate Governance and Board Composition, the representatives of the Company during the course of oral evidence deposed before the Committee as under:

"Sir, we follow the highest corporate governance standards. SEBI has mandated certain standards, and DPE has some guidelines on corporate governance for CPSEs. We have ICSI guidelines on secretarial standards. Accordingly, we have a lot of board-level sub-committees looking into various aspects, and we are complying with all those standards.
Then, regarding risk management, we have a CRO who directly reports to the CMD for the risk matters. We have a risk management committee and a risk management sub-committee headed by the CMD and the director, respectively. Then, for the information security, we have a Chief Information Security Officer in place who, through the CRO, reports to the CMD. We have a dedicated compliance cell, which is headed by a Chief Compliance Officer, who ensures the compliances to the RBI inspection reports and for coordination.
So, this is our structure, Sir. As you had already mentioned, we only have three. First is the CMD, and we have two whole-time directors, director projects and our finance. Then we have a government nominee director who is now presently the Joint Secretary of Ministry of Power. And then we have a nominee director of PFC, because they are the major shareholders. Then, three independent directors in place now and two are vacant."

1.5 The Ministry informed that REC is governed by a Board comprising functional, nominee, and independent directors. The composition as submitted is as follows:

Composition of the Board of Directors	**Sanctioned strength**	**Actual strength**	**Shortfall**	**No.of Directors required as per DPE guidelines**	**No.of Directors required as per Companies Act**	**Number of Directors required as per SEBI, LODR (if listed)**
(a)	**(b)**	**(c)**	**(b-c)**	**(d)**	**(e)**	**(f)**
For the FY 2024-25 (position as on March 31, 2025):						
Executive	3	3	0	*Functional Directors (including CMD/MD) should not*	*Minimum 3 Directors with atleast 1 woman director.*	*Optimum combination of executive and non-executive directors with at least one woman director.*

Composition of the Board of Directors	**Sanctioned strength**	**Actual strength**	**Shortfall**	**No.of Directors required as per DPE guidelines**	**No.of Directors required as per Companies Act**	**Number of Directors required as per SEBI, LODR (if listed)**
(a)	**(b)**	**(c)**	**(b-c)**	**(d)**	**(e)**	**(f)**
				exceed 50% of the actual strength.		
Government Nominee	1	1	0	*Not more than 2*	*Not specified*	*Not specified*
Nominee – PFC	1	1	0			
Independent	5	1	4	5	2	5 *including one woman Independent Director*
TOTAL	**10**	**6**	**4**	**-**	**-**	**-**
For the FY 2023-24 (position as on March 31, 2024):						
Executive	3	2	1	*Functional Directors (including CMD/MD) should not exceed 50% of the actual strength.*	*Minimum 3 Directors with atleast 1 woman director.*	*Optimum combination of executive and non-executive directors with at least one woman director.*
Government Nominee	1	1	0	*Not more than 2*	*Not specified*	*Not specified*
Nominee – PFC	1	1	0			
Independent Directors (IDs)	5	4	1	4	3	4 *(including one woman Director)*
TOTAL	**10**	**8**	**2**	**-**	**-**	**-**
For the FY 2022-23 (position as on March 31, 2023):						
Executive	3	3	0	*Functional Directors (including CMD/MD) should not exceed 50% of the actual strength.*	*Minimum 3 Directors with atleast 1 woman director.*	*Optimum combination of executive and non-executive directors with at least one woman director.*
Governmen	1	1	0	*Not more*	*Not specified*	*Not specified*

Composition of the Board of Directors	Sanctioned strength	Actual strength	Shortfall	No.of Directors required as per DPE guidelines	No.of Directors required as per Companies Act	Number of Directors required as per SEBI, LODR (if listed)
(a)	**(b)**	**(c)**	**(b-c)**	**(d)**	**(e)**	**(f)**
t Nominee				*than 2*		
Nominee – PFC	1	1	0			
Independent Directors (IDs)	5	4	1	5	3	5 *(including one woman Director)*
TOTAL	**10**	**9**	**1**	**-**	**-**	**-**
For the FY 2021-22 (position as on March 31, 2022):						
Executive	3	2	1	*Functional Directors (including CMD/MD) should not exceed 50% of the actual strength.*	*Minimum 3 Directors with atleast 1 woman director.*	*Optimum combination of executive and non-executive directors with at least one woman director.*
Government Nominee	1	1	0	*Not more than 2*	*Not specified*	*Not specified*
Nominee – PFC	1	1	0			
Independent Directors (IDs)	5	3	2	4	3	4 *(including one woman Director)*
TOTAL	**10**	**7**	**3**	**-**	**-**	**-**
For the FY 2020-21 (position as on March 31, 2021):						
Executive	3	3	0	*Functional Directors (including CMD/MD) should not exceed 50% of the actual strength.*	*Minimum 3 Directors with atleast 1 woman director are required.*	*Optimum combination of executive and non-executive directors with at least one woman director.*
Government Nominee	1	1	0	*Not more than 2*	*Not specified*	*Not specified*
Nominee – PFC	1	1	0			
Independent	5	0	5	4	*2*	4 *(including one*

Composition of the Board of Directors	Sanctioned strength	Actual strength	Shortfall	No.of Directors required as per DPE guidelines	No.of Directors required as per Companies Act	Number of Directors required as per SEBI, LODR (if listed)
(a)	**(b)**	**(c)**	**(b-c)**	**(d)**	**(e)**	**(f)**
Directors (IDs)						*woman Director)*
TOTAL	**10**	**5**	**5**	**-**	**-**	**-**

1.4 Committee has further been informed that REC Ltd. being a Government Company under Section 2 (45) of the Companies Act, 2013, the power to appoint Directors on the Board vests with the President of India acting through the Administrative Ministry i.e. Ministry of Power, Government of India ("MoP") in the following manner:

- **Executive Directors** on the board are appointed for five years, till superannuation, or until further orders, whichever is earlier.
- **Government Nominee Director** serves for the duration of their tenure in the administrative Ministry.
- **PFC Nominee Director** can be appointed as per clause 5.1 of the Share Purchase Agreement between MoP and PFC
- **Part time non-official Independent Directors** are generally appointed for three years or until further orders, with a mandatory three-year cooling-off period after two consecutive terms as per Section 149(11) of the Companies Act.

1.5 Regarding the vacancies in the Board, the Ministry, during the course of oral evidence deposed before the Committee as under:

> *"About the vacancies of the Independent Directors, the Government is now actively addressing this issue of Independent Directors. The Minister himself being a key functionary in the system, so far as appointment of Independent Directors is concerned, so a proposal for appointment has already gone to the ACC. We are expecting it to come through very shortly. Maybe by the end of the month, I believe, this should be through. Maybe another 15 days; give us 15 days, and I think, it should be done."*

C. Organizational Structure and Human Resources

1.6 REC operates through its Corporate Office in Gurugram and a network of 22 Zonal/Sub-Offices and one training institute located across the country, ensuring a pan-India presence to manage its financing operations effectively. The detailed organizational structure of REC, illustrating the hierarchy and reporting lines, is given at **Annexure-I**.

1.7 REC Power Development and Consultancy Limited (RECPDCL), a wholly-owned subsidiary, provides consultancy services and acts as a key implementation partner for REC's initiatives. The organogram of RECPDCL is also given in **Annexure-II**.

1.8 On being asked about the trend in employee strength over the last five years (FY20-FY25) and Company's manpower planning, the Ministry in a written reply informed the Committee that:

> "REC Ltd. is a leading NBFC that offers project financing, asset management, and other financial services. The company is rapidly adapting to digitalization, regulatory changes, and increased competition within the financial sector. To thrive in this evolving landscape, REC Ltd. needs employees with expertise in financial modelling, risk management, digital strategy, and regulatory compliance.
>
> Through meticulous analysis of current and future staffing needs, ensuring alignment with the business objectives, staffing strategy is planned. Key roles such as financial analysts, risk managers, and compliance officers, are given priority. The focus is on recruiting individuals with strong technical skills like financial modelling, knowledge of RBI regulations, and data analytics etc., alongside essential soft skills such as adaptability and strategic thinking, all crucial for meeting the demands of an NBFC.
>
> To attract top talent, REC Ltd. employs a two-pronged recruitment strategy:
>
> - **Campus Recruitment**: We partner with premier institutions like IIMs and IITs to bring in promising young talent.
> - **Lateral Recruitment**: We also actively recruit experienced professionals to fill specialized roles.
>
> Induction of additional Manpower in alignment with growing / business needs over the period of last five years is as follows:

Sl. No.	As on	Newly inducted Manpower for the Year (in nos)
1	2021	44
2	2022	8
3	2023	144
4	2024	94
5	2025	Recruitment under process

1.9 The Committee also sought further clarity on women's representation and recruitment diversity. In this regard, the Representatives of the Company during an oral evidence shared the following information about the gender distribution in the Company:

> *"We are 573 numbers, majorly executives with only 18 are non-executives. Out of all, 16 per cent are women employees. The rest are male, and the executive strength is 97 per cent, and the non-executives is only three per cent. These executives are spread across nine grades."*

1.10 REC has given the following information about the number employees in the Company:

Category	Sanctioned	Positioned
Non-Executives	30	19
Executives (E0-E8)	775	536
Executives (E9)	20	20
TOTAL	**825**	**575**

Number of Employees - Category wise as on 31.03.2025					
Sr. No.	**Category**	**Group A**	**Group B**	**Group C**	**Total**
1	SC	68	1	4	73
2	ST	30	0	0	30
3	OBC	141	1	3	145
4	General/Others	317	5	5	327
5	Total employees	556	7	12	575
6	Overall Women employees	80	0	3	83
7	PwBD	12	1	1	14
8	(Divyang) employees				

1.11 The Committee enquired whether REC/ the Ministry of Power had conducted any formal SWOT analysis/ strategic review in the last three years to assess REC's position in the context of new market dynamics. In response, the Ministry submitted that a formal or documented analysis had not been conducted. The Ministry's reply stated that:

> " REC Ltd. has not conducted a formal or documented SWOT analysis or strategic review during this period. However, it continuously monitors sector trends—such as private sector participation, energy transition, and new financing tools—and integrates them into its operation planning and policy decisions.
> REC Ltd. remains committed to aligning its strategies with evolving energy needs and policies through regular consultations with the Ministry of Power and key stakeholders."

CHAPTER-II

OPERATIONAL AND FINANCIAL PERFORMANCE

A. Analysis of Lending Operations (Sanctions & Disbursements)

2.1 Ministry of Power have informed the Committee that REC Ltd.'s strategic priorities are centered around supporting the growth and modernization of India's power and infrastructure sectors. It continues to finance capacity additions in conventional and renewable power generation, transmission, and distribution.

Major projects supported by REC Ltd.in recent years:

Power Sector: In the power sector domain, REC Ltd. has sanctioned/ supported the following generation capacity during the last 3 Years (FY 23- FY 25):

i. **Thermal:** 14050 MW
ii. **Hydro:** 6697 MW
iii. **Solar + Wind + Hybrid:** 24,361 MW
iv. **Pumped Storage Project:** 7370 MW
v. Innovative technology including Green Hydrogen/Ammonia, E-mobility, Battery/Solar module/ Wind Turbine manufacturing, etc.
vi. Coal block development

Non-Power Sector: REC Ltd. has been accorded approval to consider Non-Power Infrastructure financing in 2023, and since then, the following major projects have been funded through debt financing:

i. **Metro Rail:** Mumbai Metro under MMRDA (Loan Amount Sanctioned: Rs. 30,593 Cr)
ii. **Road Sector:** 7 Projects of about total length of ~ 470 KM
iii. **Airport:** Kannur International Airport (Loan Amount Sanctioned:1171.17 Cr) & Vishakhapatnam International Green Field Airport (Loan Amount Sanctioned:1245 Cr)

2.2 In a written reply, the Ministry informed the Committee about the year-wise data from FY 2019–20 to FY 2024–25 regarding loan applications received (number and value), loans sanctioned (number, value, and sector-wise breakup across Generation – Thermal and Hydro, Transmission, and Distribution), loans disbursed (value and sectoral composition), and outstanding loan book at year-end (sector-wise). The Committee was also apprised of the average processing time from application receipt to first disbursement. The information submitted by the Ministry is placed at **Annexure-III.**

2.3 In a written reply, Ministry informed The Committee about segment-wise (Generation – Conventional, Transmission, Distribution) and borrower-category-wise (State, Private, and Joint Sector) breakup of sanctions and disbursements for FY 2019–20 to FY 2024–25, along with details on number of projects financed and capacity addition facilitated. The information submitted Ministry is placed at **Annexure-IV**.

2.4 In a written reply, the Ministry informed the Committee about REC's total exposure to Distribution Companies (DISCOMs) as of 31 March 2025, with a state-wise breakup. The Committee were also apprised of the nature of this financing, including support for capex, opex, and liquidity under various Government schemes, as well as the security mechanisms in place such as State Government guarantees as under

"The total exposure to Distribution companies as of March 31, 2025 is summarized in table below:

(Amount in Rs. Cr)

Sr. No.	Particulars	OS Amount	Capex	Non Capex
1	Distribution	84,591	74,170	10,420
2	LPS	49,272	-	49,272
3	Spl LTTL	42,382	-	42,382
4	RDSS	1,280	1,280	-
5	RBPF	43,101	-	43,101
6	MTL	15,657	-	15,657
	Total	**2,36,283**	**75,450**	**1,60,833**

The State-wise details are enclosed as **Annexure- V**. The loans extended are generally secured by way of hypothecation of future/existing assets and/or by way of State Government Guarantees."

B. Financial Performance and Resource Mobilization

2.5 During the course of oral evidence, the representatives of REC explained that to ease pressure on the domestic borrowing market and reduce costs, REC has raised a significant portion of its funds from international markets and submitted before the Committee as under:

> *"Sir, the question which has been asked is regarding the international market. Yes, not to put the pressure on the domestic market, we have raised the funds from the international market. That also helped in bringing down our cost of borrowing. Out of my total borrowing of Rs. 4,89,595 crore as of 31st December, 2024, Rs. 1,59,059 crore is from external sources which includes Rs. 1,16,180 crore from the term loan and bonds from the ECB, and Rs. 42,879 crore is through FCNR loan. This constitutes 32 per cent of my total borrowing of REC. This cost me around 6.5 per cent to 6.75 per cent, whereas domestic borrowing costs me more than seven per cent, and my IBBR is around 8.74 per cent, which includes all the costs included. These foreign currency loans are hedged 99 per cent as per the RBI regulations. We are compliant with the RBI provision with regard to the hedging concerns. Up to the reporting period, that is 31st December, there was no case of any breach or any disturbing element regarding the ECB component loans. But now some challenges are coming, so within that given mandate, we will address those issues, but these are yet to come.Further, as regards the 54 EC bonds, our question is that the kitty is very limited. This kitty is around Rs. 13,000-14,000 crore. Previously, only REC and PFC were there, who were capturing the entire kitty. Now, two more institutions have been added, namely, IRFC and HUDCO. So, we have requested through this forum and to you also that in case the kitty gets increased, we all four can benefit from it. So, we should appreciate that the REC is meeting the target of the Government of India of the renewable sector funding. We need a cheaper source of fund. So, for that purpose we have requested that in case the kitty gets increased, by way of increasing the 54 EC limit from Rs. 50 lakhs to Rs. 1 crore since Rs. 50 lakh crore was set up in the year 2012. Thereafter, we take into account the inflation that has already doubled. We request that in case it is increased to Rs. 1 crore, all the four institutions will be satisfied and will get the cheaper fund. That bond is available to me at the rate of 5.25 per cent and that helps me in bringing down the cost. Thank you.*
>
> *Regarding the income tax, last year, we paid Rs. 3,761 crore and this year, in the nine months, we have paid Rs. 2,998 crore. So, whatever we earn, around 21 per cent goes towards the taxation."*

2.6 In a written submission, the Ministry furnished a comprehensive year-wise account of key components of REC's Profit and Loss Statement from FY 2019–20 to FY 2024–25 to the Committee as under:

(Amount in Rs crore)

Sl No	Particulars	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
1	Interest Income	29,663.07	34,683.78	38,186.46	38,836.24	46,410.11	55,070.11
2	Other Operating Income	127.99	704.11	946.03	371.82	736.19	841.01
3	Finance Costs	18,997.05	21,489.08	22,052.91	23,737.66	29,949.27	34,134.98
4	Impairment on financial instruments	889.56	2,419.62	3,473.31	114.91	1,358.39	1,019.41
5	Operating Expenses*	2,985.08	745.61	1,279.33	1,661.39	842.63	965.45
6	PBT	6,983.29	10,756.13	12,424.90	13,738.77	17,780.64	19,859.78
7	Tax	2,097.13	2,394.35	2,378.98	2,684.13	3,761.43	4,146.57
8	PAT	4,886.16	8,361.78	10,045.92	11,054.64	14,019.21	15,713.21

* includes CSR

2.7 The key financial ratios of the Company for **FY 2019–20 to FY 2024–25** are as under:

Sr. No.	Particulars	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
1	Net Interest Margin (NIM) (%)	2.79	3.69	4.01	3.38	3.57	3.63
2	Spread (%)	1.94	2.98	3.23	2.45	2.86	2.94
3	Return on Average Net Worth (ROE) / Return on Equity (RoE) (%)	14.09	21.30	21.28	20.35	22.17	21.46
4	Debt-Equity Ratio (Times)	7.94	7.40	6.41	6.49	6.37	6.29
5	Capital Adequacy Ratio (CRAR - Tier I and Tier II) (%)	16.06	19.72	23.61	25.78	25.82	25.99

2.8 In written submission to the Committee, the Ministry provided a comprehensive overview of REC's resource mobilization strategy over the last five financial years, detailing the year-wise funds raised through various instruments, as under:

(Amount in Rs Cr.)

Sr. No.	Category	2020-21	2021-22	2022-23	2023-24	2024-25
1	Domestic bonds (Taxable, Tax-free etc.)	5,312	7,312	12,152	11,421	7,635
2	Foreign currency borrowings	20,669	30,178	25,124	62,054	74,557
3	Bank loans (domestic)	24,603	27,100	24,061	23,100	4,500
4	Commercial Paper	-	2,000	-	7,735	-
5	International Bonds	48,369.6	9,080	25,291.3	42,156.39	57,826

Details of innovative financing instruments used (which included in the above table) are as below:

i. ₹ 500 crore raised in FY 2020-21 through Market Linked Debenture(MLD) in which the returns are not fixed but are instead linked to the performance of a market index or an underlying asset. The coupon of REC MLD was linked to the yield of a 10-year Government security.

ii. USD 750 million worth of green bonds issued by REC Ltd. In FY- 23. Which is the largest green bond issuance by any South & South-East Asian issuer, first post India's G20 Presidency.

iii. In FY24, RECLtd. became the first Indian PSU to issue Japanese Yen Bond amounting to JPY 61.1 billion

iv. In FY25, REC Ltd raised CBDT-notified Zero Coupon Bonds in FY 2024-25 for a face value of ₹ 5000 crore.

2.9 In a written submission, the Ministry informed the Committee about the underlying factors contributing to variations in borrowing costs across entities, and outlined REC's ongoing and planned strategies for cost optimization and maintaining pricing competitiveness in debt markets as under:

"The cost of borrowing of REC Ltd. is competitive among its peers. The comparative analysis of the cost of funds of REC Ltd. with its peer NBFCs is as below:

Reporting Period	REC(%)	PFC (%)	HUDCO*(%)
FY 2024- 25	7.11	7.44	7.44
FY 2023-24	7.13	7.37	7.25
FY 2022-23	7.28	7.51	7.25
FY 2021-22	7.26	7.30	7.40
FY2020-21	7.31	7.48	7.79

From the above, the weighted average cost of REC Ltd. is the least. The same is being managed by a judicious mix of borrowings, including foreign currency borrowings, and the innovative derivative structures undertaken by the company for hedging its foreign currency exposure."

2.10 In their submission to the Committee, the Ministry provided State-wise and year-wise data for the top ten beneficiary states of REC funding under UDAY, DDUGJY, and RDSS over the last five years as under:

"The top 10 states which have received the highest grant under RDSS & DDUGJY from REC Ltd. in past five years are as below:

(Amount in Rs Cr.)

Sl no	State Name	2020-21	2021-22	2022-23	2023-24	2024-25	Total
1	Rajasthan	259.59	85.78	-	-	597.33	942.7
2	Chhattisgarh	-	-	-	69.82	613.04	682.86
3	Bihar	460.52	118.23	-	-	-	578.75
4	Maharashtra	75.76	110.14	-	0	381.44	567.35
5	West Bengal	222.37	178.33	-	-	-	400.7
6	Tamil Nadu	125.6	12.93	-	-	-	138.53
7	Assam	17.57	-	114.48	-	-	132.05
8	Uttar Pradesh	76.32	25.38	4.51	-	-	106.21
9	Karnataka	76.08	24.38	-	-	-	100.45
10	Andhra Pradesh	45.2	-	46.9	-	-	92.1

Further the AT&C loss trajectory for the above states in the last five years is as below:

(Figures in %)

States/ UTs	2019-20	2020-21	2021-22	2022-23	2023-24
Rajasthan	29.86	26.18	17.49	15.44	22.08
Chhattisgarh	19.03	18.05	18.13	16.14	15.88
Bihar	39.95	34.4	33.94	23.45	20.32
Maharashtra	19.3	27.68	15.21	16.97	23.85
West Bengal	20.4	21.34	16.67	17.32	17.11
Tamil Nadu	13.6	11.78	11.44	10.31	11.39

Assam	23.39	18.73	16.95	16.22	14.03
Uttar Pradesh	30.05	27.11	31.1	22.18	16.39
Karnataka	16.8	15.97	11.51	14.19	12.01
Andhra Pradesh	11.19	20.42	10.56	7.74	12.05

AT&C loss levels are operational parameters that are influenced by a wide range of factors including, but not limited to, the state utilities' governance practices, tariff revisions, operational efficiencies, infrastructure maintenance, policy interventions by respective State Governments, regulatory measures by State Electricity Regulatory Commissions (SERCs), and other state-specific initiatives beyond REC's financial assistance."

2.11 When asked by the Committee to furnish a year-wise account of REC's credit ratings both domestic and international, as assigned by agencies such as Moody's, Fitch, S&P, ICRA, CARE, and India Ratings, the Ministry in a written reply informed the Committee as under:

"The domestic debt instruments of REC Ltd. have historically enjoyed the highest ratings of "AAA" rating from all the four major credit ratings agencies in India i.e. CRISIL, CARE, India Ratings & Research & ICRA, including in all the last five financing years including FY 2024-25.
In addition to that, REC Ltd. enjoys international credit rating from three international credit rating agencies Moody's, FITCH and Japan Credit Rating of "Baa3", "BBB-" and "BBB+" respectively, which is at par with the sovereign rating of India. These ratings have continued to be at par with sovereign ratings in the last five financial years
Further, the key factors influencing these ratings are as follows:

- Credit Strengths such as Sovereign ownership and strategically important to GoI; dominant position in power sector financing, Good financial flexibility and diversified resource profile, Established track record of healthy profitability.
- Credit Challenges such as High concentration risk and Portfolio vulnerability."

2.12 During the course of oral evidence, the representatives of REC clarified that the Company is among the select PSUs authorized under Section 54EC of the Income-tax Act to issue tax-saving bonds and deposed before the Committee as under:

"As regards 54EC bonds, earlier we were two players and now the mandate has been given to two additional players also. We had a special request that the limit should be increased from Rs. 50 lakh to one crore. So, with all these things, our market share is under slight pressure. This is one of our cheapest sources of funds; that is why we have highlighted this.
Sir, this is the last slide where we are just listing out the support which REC needs from the Government of India. One is, what I mentioned that 54EC capital gains limits for individuals needs to be increased from Rs. 50 lakh to one crore. This has been represented to our Ministry also, and through them, to the Finance

Ministry. This will help us in taking more 54 EC borrowings, which will help us to reduce the cost of our funds. And then, when we take a loan from the multilateral banks, the Government of India guarantees there for which it charges 0.6 per cent. Whereas for NaBFID which is a DFI, only 0.1 per cent is charged. So, if this can be reduced, this will also help us in reducing our cost of borrowing.
So, the last one is RBI's draft directions which came out, which is still of course in a draft condition, which is prescribing some higher provisioning norms for infrastructure lending, which will in turn increase our project cost. But we have represented to RBI and RBI is currently examining it. It has still not become final. So, this also would help if this is not coming out in the present form."

2.13 Representatives of the Company, during the course of oral evidence, further highlighted the major issues in resource mobilization especially in the Renewable energy sector as under:

"Sir, with regard to challenges and difficulties faced by REC, particularly in RE, we have presented this in one of the slides. We are one of the lenders in RE space. In RE, every bank is active. Since we are an NBFC, we have to borrow entire funds only from the market. When we rely only on the market, the cost of our fund is much higher as compared to the banks, which have current and saving accounts facility available. A large part of their funding requirement is met through Current and Saving Account (CASA) which is available at around four to five per cent, whereas our minimum borrowing is at 6.5 per cent to seven per cent. Our overall borrowing is currently at 7.10 per cent or something like that.
When we finance a renewable energy project, it is also being looked at by some banks also. So, banks sometimes offer much competitive interest rates which we are unable to match."

2.14 Ministry on the issue of Resource mobilization by the Company, during the course of oral evidence deposed before the Committee as under:

"Sir, we are aware of their issues -- one is about 54AC; second is about the guarantee fee; and third is about the tax-free bonds. There are three instruments. But the bottom line is that we have referred this request to the Ministry of Finance and the Ministry of Finance is not very positive about this request. First of all, they enjoy the rating at par with the sovereign. So, if they enjoy the rating at par with the sovereign, then, why should they need a sovereign guarantee? That is the first question on the table. They are not investing in these kinds of projects. NaBFID is supposed to be investing in. So, they are investing mostly in the inter-State infrastructure. That is another issue. Most of these infrastructures are commercially viable."

CHAPTER-III

NPA MANAGEMENT AND RISK FRAMEWORK

3.1 REC Ltd., as a systematically important non-deposit taking NBFC (NBFC-SI-NDC), operates under the stringent guidelines issued by the Reserve Bank of India (RBI) through its Master Directions on Liquidity Risk Management Framework. To ensure financial stability, REC Ltd. has established a robust Asset Liability Management (ALM) framework that specifically addresses potential mismatches in tenor, interest rates, and liquidity. An Asset Liability Committee (ALCO) consisting of CMD, Functional Directors, and Operational Executive Directors has been formed for the same. REC Ltd. has a well-defined and periodically reviewed Risk Management Policy. This policy is the cornerstone of its ALM framework, laying down the guidelines and various tolerance limits for monitoring Liquidity Risk and Market Risk. This proactive approach ensures that potential risks are identified and addressed before they escalate. As mandated by RBI, REC Ltd. closely monitors its Liquidity through SLR position as required by per RBI in respective bucket, Stock coverage ratio, management of long-term and short-term loans etc. Assessing the impact of interest rate sensitivity, currency risk etc., as required by RBI. The ALCO meeting is convened every quarter to monitor the identified risk and Status of Various tolerance limits in accordance with RBI regulations and apprise the same to management. Further ALCO issues necessary direction to the respective division in case any action is required to be taken.

A. Analysis of Non-Performing Assets (NPAs)

3.2 When asked by the Committee, to provide an overview of the primary factors contributing to loan accounts turning non-performing in REC's portfolio, the Ministry submitted the following written information:

"Major reasons for financial stress in the Projects are as below:

i. Lack of arrangements for Power Purchase/ Fuel Supply
ii. Actual energy generation is less than the estimated generation, leading to a revenue shortfall
iii. Delay in receipt of funds from DISCOMs, towards the sale of power
iv. Time overruns in implementation leading to Cost overruns

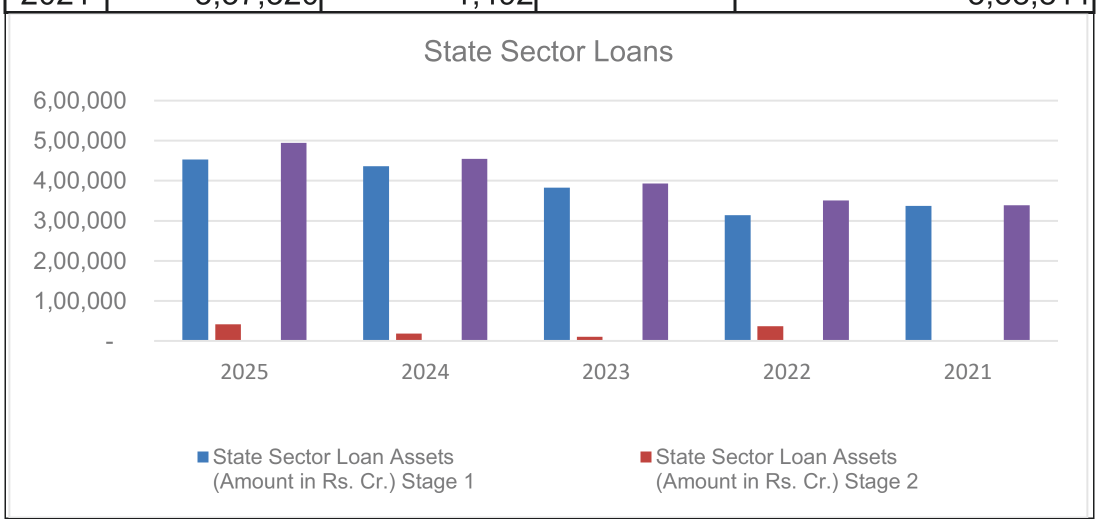
v. Inability of the Promoter to infuse equity for the implementation of the Project, as envisaged
vi. Litigations arising in the Project regarding coal block cancellation etc
vii. Diversion/ misappropriation of funds by the Borrower in some cases”

3.3 The details on Gross Non-Performing Assets (GNPA) and Net Non-Performing Assets (NNPA) (absolute amounts and percentages) as furnished by the Ministry are as under:

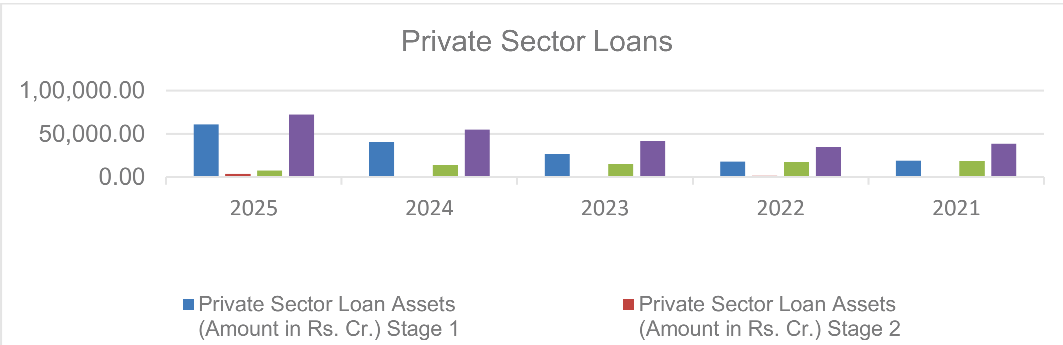
Particulars	Mar-25	Mar-24	Mar-23	Mar-22	Mar-21
Gross Credit Impaired Assets%	1.35%	2.71%	3.42%	4.45%	4.84%
Net Credit Impaired Assets%	0.38%	0.86%	1.01%	1.45%	1.71%
Gross Credit Impaired Assets (Rs in Crore)	7,652.65	13,810.33	14,892.08	17,159.89	18,256.93
Net Credit Impaired Assets (Rs in Crore)	2,163.18	4,356.53	4,372.57	5,594.16	6,465.62

Trends in Stage 1, Stage 2, and Stage 3 assets for the last five years are as under:

State Sector Loan Assets (Amount in Rs. Cr.)				
Year Ended	Stage 1	Stage 2	Stage 3	Total
2025	4,52,825	41,753	—	4,94,578
2024	4,36,041	18,607	—	4,54,647
2023	3,82,475	10,750	—	3,93,226
2022	3,14,032	36,424	—	3,50,456
2021	3,37,320	1,492	—	3,38,811



Private Sector Loan Assets (Amount in Rs. Cr.)				
Year Ended	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
2025	60,933.76	3,718.72	7,652.65	72,305.13
2024	40,520.25	392.96	13,810.33	54,723.53
2023	26,730.72	163.24	14,892.08	41,786.05
2022	17,754.97	1,396.55	17,159.89	34,914.86
2021	18,953.48	—	18,256.93	38,606.96



3.4 The Ministry furnished a detailed segment-wise and state-wise classification of gross NPAs as on 31 March 2025, along with a list of the top five NPA accounts and states by outstanding amount, as under:

"The List of Stage-3 Assets (Credit Impaired Loans Asset) is provided below in descending order of Loan Outstanding:

Sr. No.	Borrower Name	Loan Balance (Rs in Crore)	Sector	Category	State
1	Sinnar Thermal Power Limited	2331.33	Private	Thermal	Maharashtra
2	TRN Energy Limited	1504.07	Private	Thermal	Chhattisgarh
3	Hiranmayee Energy Limited	1347.12	Private	Thermal	Gujarat
4	Bhadreshwar Vidyut Private Limited	992.96	Private	Thermal	Gujarat
5	Lanco Vidarbha Thermal Power Ltd.	502.39	Private	Thermal	Maharashtra
6	Ind-Barath Power (Madras) Ltd.	416.21	Private	Thermal	Tamil Nadu
7	Shree Maheshwar Hydel Power Co. Ltd.	250.00	Private	Hydro	Madhya Pradesh
8	Konaseema Gas Power Ltd.	219.92	Private	Gas	Andhra Pradesh
9	Global Metal & Energy Pvt. Ltd	33.28	Private	Renewable	Maharashtra

10	JAS Infrastructure Capital Pvt. Limited	33.24	Private	Thermal	Bihar
11	Bhavnagar Biomass Power Projects Pvt Ltd	13.77	Private	Renewable	Gujarat
12	Srikanth Renewables Private Limited	8.36	Private	Renewable	Maharashtra
Grand Total		**7652.65**			

3.5 When asked by the Committee, to furnish the year-wise data on REC's Provisioning Coverage Ratio (PCR), both excluding and including write-offs, for the last five financial years as on 31st March, the Ministry submitted as under:

> "As per REC Ltd.'s audited financial statements and disclosures submitted to regulatory authorities, the Provisioning Coverage Ratio (PCR), for Non-Performing Assets (NPAs), as on March 31st for the last five financial years, is as follows:
>
> | Mar-25 | Mar-24 | Mar-23 | Mar-22 | Mar-21 |
> |---|---|---|---|---|
> | 71.73% | 68.45% | 70.64% | 67.40% | 64.59% |
>
> **Note:** The PCR is calculated based on Gross NPAs, excluding provisions related to technical or prudential write-offs. Since REC Ltd. does not account for write-offs prior to the resolution of Stage 3 assets, PCR, including write-offs is not applicable."

3.6 During the course of oral evidence, the representatives of REC deposed before the Committee regarding the NPAs as under:

> *"We are one of the lenders with the least NPA today. What is left is only 12 projects to be resolved, and these are legacy projects sanctioned way back in 2008, 2009, 2010, and 2011. They are under the process of resolution via the IBC route in the NCLT. The majority of this will be resolved in the current financial year, and we are targeting to be a zero NPA company by the end of this financial year."*

B. Recovery Performance and Resolution of Stressed Assets

3.7 The Committee sought to understand REC's project appraisal methodology in detail, particularly with regard to large power projects. The Ministry was asked to explain how REC evaluates counterparty risk, especially with state utilities, as well as project viability, technological risks, and environmental compliance, prior to sanctioning loans. The Ministry submitted as under:

> "REC Ltd., as a leading NBFC in the Indian power sector, employs a comprehensive and multi-faceted project appraisal methodology to assess the viability and risks associated with large power projects before sanctioning loans. This rigorous process is crucial, especially given the significant investments involved and the complexities of the power sector, including dealing with state utilities."

3.8 With a view to assess REC's oversight on funded projects, the Committee sought details of its post-disbursement loan monitoring framework. The Ministry was asked to outline the tools and processes employed—such as site visits, periodic progress reports, audits, and the use of digital platforms—for tracking project implementation, fund utilization, and asset performance. The Ministry's response is as under:

> "A dedicated project monitoring team is in place within the company that keeps track of all monitoring operations of REC-funded projects post-disbursements. The tools and processes used by the company for monitoring project implementation are as follows:
>
> a. **PMG Guidelines 2023-** Project monitoring guidelines duly approved by REC Ltd. board captures the monitoring framework of various categories of projects. The frequency of project monitoring is decided by the amount of loan sanctioned, disbursement and outstanding in the project. The monitoring mechanism of projects is as follows:
>
> i. **State Sector Projects**: Monitoring of State Sector projects funded by REC Ltd. is being carried out by respective REC Regional Offices (ROs) by site visit as per the guidelines. In addition, monitoring is also carried out by officials from the dedicated project monitoring division at the corporate office for selected projects as per approved guidelines.
>
> ii. **Private Sector Projects**: Monitoring of private sector projects is being carried out by the concerned business divisions along with respective Regional Offices (ROs). Furthermore, as per RECLtd.'s prudent practice, Project Management Agency (PMA) are also being appointed to monitor private Sector projects. In addition, monitoring is also carried out by officials from the dedicated project monitoring division at the corporate office for selected projects as per approved guidelines.
>
> b. **Digital Platform for Project Monitoring Activities:** RECLtd. has a web based digital platform for various monitoring activities with role-based access. The platform is used for allocations of monitoring targets, generation of standard site visits reports, identification of critical issues, MIS etc.

c. **Site Visit Reports:** During site visits, REC team conducts a review meeting with the borrower to discuss concerns that could cause a delay in the project's timeline. After each site visit, comprehensive reports are prepared capturing physical progress and potential critical issues are highlighted that are affecting the progress of the projects.

d. **Monitoring of Commissioned Projects**: In commissioned projects, various operational parameters such as plant load factor (PLF), Capacity Utilization factors (CUF), availability factor (PAF) etc. are captured during site visit.

e. **Monthly MIS and Quarterly Reports:** The monthly MIS and other reports are being generated from the digital platform which is shared with senior management.

The aforesaid monitoring system helps in early identification and resolution of critical issues for timely completion of the project ensuring benefit to all the stakeholders."

3.9 When asked by the Committee to elaborate on REC's policy for recognition and classification of Non-Performing Assets (NPAs)—including categorization into sub-standard, doubtful, and loss assets including the corresponding provisioning norms, the Ministry was also asked to clarify alignment with RBI's prudential guidelines under the Income Recognition, Asset Classification, and Provisioning (IRACP) framework. In response, the Ministry submitted as under:

"REC Ltd., being a listed entity, transitioned to the Ind AS framework from FY 2018-19, adopting a forward-looking Expected Credit Loss (ECL) model. This model classifies assets into three stages based on Days Past Due (DPD) and other qualitative parameters and computes ECL using:

- Probability of Default (PD)
- Loss Given Default (LGD)
- Exposure at Default (EAD)

The ECL methodology is aligned with Ind AS 109 and RBI's March 2020 circular. This approach has been consistently validated during RBI's annual inspections. However, REC Ltd. also follows the RBI's Income Recognition, Asset Classification, and Provisioning (IRACP) norms for classifying assets into:

- Sub-standard Assets: Assets that have remained non-performing for less than or equal to 12 months.
- Doubtful Assets: Assets that have remained in the sub-standard category for more than 12 months.
- Loss Assets: Assets identified as uncollectible or of minimal value, though not yet written off.Provisioning is carried out strictly in accordance with RBI's IRACP norms."

3.10 In response to the Committee's query regarding REC's approach to NPA recovery and resolution, the Ministry was asked to outline the key strategies adopted and to provide year-wise data over the past five financial years on recoveries made through various channels, along with details on the aging profile of NPAs and corresponding recovery rates. The Ministry in a written reply submitted as under:

REC Ltd. has a dedicated 'Stressed Asset Management Division' to oversee the management of stressed assets. The revival/ resolution strategy and value maximization of stressed assets/ steps taken to recover outstanding dues are primarily governed by the Board-approved "Policy for Resolution of Stressed Assets" (PRSA) which is based on the following guidelines and/or acts:

i. **Under RBI Policy -Circulars**
- Prudential Framework for Resolution of Stressed Assets
- Transfer of Loan Exposures
- Framework for Compromise Settlements & Technical Write-off

ii. **Under framework of following Acts**
- Insolvency & Bankruptcy Board of India (IBBI)Act
- SARFAESI Act
- Debt Resolution & Tribunal (DRT) Act

Further, the revival/ resolution strategy of an asset is based broadly on the following indicative factors:

a. Status of completion of the Project & further funds required for completion of Project.
b. Financial status of Core Promoters and status of equity infusion in the Project.
c. Visibility/ certainty of Project cashflows through contracts like of Power Purchase Agreement ("PPA"), Fuel Supply Agreement ("FSA"), Transmission Service Agreement ("TSA") Concession Agreement, etc.
d. Existing Debt on Projects and quantum of additional funds/debt required for sustained operation of Project
e. Liabilities & contingent liabilities, Security created on assets.

The list of assets resolved through various channels in the last five years is below:

(Amount in Rs Cr.)

Assets resolved in FY 2021			
Sr. No.	**Project Name**	**REC Ltd.'s exposure**	**Remarks**
1	Essar Power Transmission Co Ltd	1111.00	Resolved through Restructuring
2	Facor Power Limited	511.00	Resolved under IBC

3	RKM Powergen Private Limited	2301.00	Resolved through Restructuring
Assets resolved in FY 2022			
1	Essar Power (MP) Limited	1345.00	Resolved under IBC
2	Amrit Jal Ventures Private Limited	4.35	Resolved under IBC
3	VS Lignite Power Private Limited	54.00	Resolved under IBC
Assets resolved in FY 2023			
1	South-East UP Transmission Co Ltd	922.09	Resolved under IBC
2	Jhabua Power Limited	321.04	Resolved under IBC
3	Ind Barath Energy (Utkal) Limited	777.00	Resolved under IBC
4	Gati Infrastructure Private Limited	178.26	Over-dues fully paid by the Company
5	ATN International Limited	9.45	One-Time Settlement
6	Silicon Valley Infotech Limited	2.91	One-Time Settlement
Assets resolved in FY 2024			
1	Meenakshi Energy Private Limited	710.84	Resolved under IBC
2	Dans Energy Private Limited	366.88	Resolved through Restructuring
3	Classic Global Securities Limited	2.91	One-Time Settlement
Assets resolved in FY 2025			
1	Nagai Power Private Limited	560.99	Resolved under IBC
2	Lanco Amarkantak Power Limited	2214.21	Resolved under IBC
3	Lynx India Limited	1.96	One-Time Settlement
4	KSK Mahanadi Power Co Ltd	2596.36	Resolved under IBC
5	Corporate Power Limited	797.00	Assignment of Debt

3.11 To understand the robustness of REC's risk oversight mechanisms, the Committee sought details of its Enterprise Risk Management (ERM) framework. The Ministry was requested to describe the key elements of REC's policies and procedures for identifying, assessing, monitoring, and mitigating major risk categories—namely credit risk (including concentration risk), market risk (including interest rate and currency risk), operational risk (including cybersecurity), and liquidity risk. The Ministry submitted as under:

1. **Credit Risk:** REC Ltd has a comprehensive Integrated Risk Management Policy that robustly governs Credit Risk, including concentration risks—sectoral, group, and geographical.

a) **Risk Governance Architecture**: The organizational structure comprises the Board of Directors, Senior Management, Chief Risk Officer (CRO), Risk Management Committee (RMC), Risk Management Sub-Committee (RMSC), and various first-line divisions such as Entity Appraisal, Renewables, Infrastructure, Legal, Loans, and Recovery. These divisions coordinate under the oversight of the Risk Management Division.

b) **Risk Identification and Assessment**: REC Ltd. employs a dual credit appraisal framework—covering both project and entity-level assessment. Project appraisal includes detailed scrutiny of cost components, technical and financial feasibility, and commercial agreements like PPAs. Entity appraisal evaluates the financial standing and implementation capability of promoters.

c) **Risk Mitigation Measures**: Mitigation strategies include risk-based pricing, structured loan covenants, Trust and Retention Accounts (TRA), Debt Service Reserve Accounts, appointment of Project Monitoring Agencies (PMA), and mandatory site visits.

d) **Monitoring and Reporting:** Monitoring is continuous through site visits, borrower reports, PMA reviews, and TRA monitoring. Early warning indicators have been established for pre-emptive intervention. Portfolio-level oversight is ensured using the Expected Credit Loss (ECL) framework and risk registers.

2. Market Risk Management: Market risk at REC Ltd. pertains primarily to interest rate and currency risks:

a) **Interest Rate Risk:** Arises from mismatches in the maturity or repricing of assets and liabilities. REC conducts gap analysis using rate-sensitive assets and liabilities grouped into time buckets to evaluate Net Interest Income (NII) and Net Interest Margin (NIM) impact.

b) **Currency Risk**: Relevant for REC Ltd. due to international bond issuances. Hedging strategies and foreign exchange risk monitoring mechanisms are in place to safeguard the company's financial health.

3. Operational Risk Management: Operational risk encompasses risks from inadequate internal processes, systems, personnel, or external events. REC Ltd. maintains an enterprise-wide Risk Register to document, track, and mitigate operational risks like outsourcing risk, people and succession risk, KYC/AML risk, Fraud risk, compliance risk, ESG risk, IT and Cyber security risk, etc. Cybersecurity Risk is specifically addressed through a Cybersecurity Governance Framework that includes risk assessments for data breaches, cyber extortion, email spoofing, and other emerging threats. Regular audits and IT security drills are carried out.

4. Liquidity Risk Management: Liquidity risk is managed by ensuring adequate cash flow to meet liabilities and managing maturity mismatches between assets and liabilities.

(a) Key categories of liquidity risk include:
- Mismatch Risk: Due to asset-liability maturity gaps
- Funding Risk: Arising from inability to raise funds when needed

(b) Measurement and Management:
- Maturity Ladder: Used to analyze cumulative surpluses/deficits across time buckets
- Dynamic Liquidity Analysis: Tracks projected inflows/outflows over six months
- Stock Approach: Compares liquid assets to near-term liabilities to evaluate short-term liquidity position

Regulatory compliance is immediate and continuous, ensuring timely responses to evolving financial obligations and regulatory expectations."

3.12 The Committee inquired whether REC had identified any NPA accounts warranting forensic audits or referral to law enforcement agencies on account of suspected fraud or borrower misconduct. The Ministry was requested to provide relevant details, without disclosing sensitive information that may impact ongoing investigations. The Ministry submitted as under:

"REC Ltd. has not initiated any forensic audits in respect of the current NPA Accounts. However, in the following three accounts, forensic/transaction audits were conducted by the Resolution Professional during the Corporate Insolvency Resolution Process (CIRP).

i. Ind-Barath Power (Madras) Limited.
ii. Konaseema Gas Power Limited.
iii. Jas Infrastructure Capital Private Limited.

Based on the audit findings, REC Ltd., as the lead lender, reported fraud by the borrowers to the RBI and relevant law enforcement agencies."

CHAPTER IV
STRATEGIC INITIATIVES: RENEWABLE ENERGY AND DIVERSIFICATION

A. Financing of Renewable Energy and Energy Transition

4.1 During the oral evidence representatives of the Company highlighted the importance of Renewable energy financing for the Company as under:

> *"Regarding our role in RE, now our major focus, apart from generation, transmission, and distribution, which is the traditional sector for us, is on renewable because it is a large capacity programme, which has been announced and is undergoing. Last year, we did a total sanction of Rs. 3,58,000 crore, out of which the renewable component was Rs. 1,35,000 crore. So, roughly 30-35 per cent of the total sanction was actually renewable. This was all because we are trying to focus more on renewable because it is a very good opportunity. In this sector, Sir, as you are kindly aware, all the projects come with firmed up PPA in advance when they are posed to us, and therefore they pose very little risk of any project going wrong."*

4.2 The Ministry has informed the Committee that in-Line with the Country's green energy goals REC Ltd. extends financing to almost all kind of Renewable Energy projects including solar, wind, module& turbine manufacturing, hybrid, large and small hydro, e-mobility projects, as well as new areas like Green Hydrogen, Green Ammonia, Pumped and Battery Storage Projects. Aligning with one of India's "Panchamrit Goal" of achieving 500 GW non-fossil fuel-based capacity, during the last three financial years (i.e. FY 23-25), REC Ltd. has supported/sanctioned about 38428 MW renewables energy sector projects, which includes:

i. Solar + Wind + Hybrid: 24,361 MW
ii. Pumped Storage Project: 7370 MW
iii. Hydro: 6697 MW

To promote the Renewables project financing, REC Ltd. rolled out a competitive financing policy and terms and conditions for Renewable Energy projects and has taken the following major initiatives:

i. Refinancing of existing RE projects, working capital requirement, project-specific financing etc.
ii. Financing of solarization of agriculture pumps under PM-KUSUM Scheme.

iii. Introduction of Letter of Undertaking (LoU) in lieu of Performance Bank Guarantee (PBG) to be submitted by developers to Renewable Energy Implementing Agencies (REIA)/ PPA off takers.
iv. Appraisal of RE projects towards Commercial & Industrial Segment (C&I) based on strength of off-takers is being carried out.
v. REC Ltd.'s increasing share of green portfolio (from 5% at FY 22 to 10% at FY 25) is evident for the company's push towards promoting renewable energy sector financing.

4.3 The Ministry has further informed the Committee that REC offers a lower interest rate to Renewable Power Projects as compared to card rate of conventional power projects for long tenors of 18-20 years. Further, credit enhancement and favourable terms and conditions are offered as per due diligence and requirements in the project.

4.4 When asked by the Committee, to furnish year-wise data from FY 2019–20 to FY 2023–24 on REC's renewable energy portfolio, including sanctions, disbursements, and outstanding loan book, the Ministry in a written reply submitted as under:

"The above data is enclosed as **Annexure-VI**. For capacity financed (sanctioned) please refer **Annexure IV(Part 2).**"

4.5 The Committee sought information on the current share of renewable energy (RE) projects including large hydro in REC Ltd.'s total loan portfolio and total sanctions for FY 2023–24. The Ministry was also asked to indicate REC's specific targets and plans for scaling up RE financing in the coming years. The Ministry submitted as under:

"For FY 2023-24, Total loan sanctions and loan book and share of renewables are shown below:

Particulars	REC - Total	Renewables Share
Loan Sanction (in Rs. Crore)	3,58,816	1,36,516 (38%)
Loan Outstanding portfolio (in Rs. Crore)	5,09,371	38,971 (8%)

REC Ltd. has set ambitious targets under its "Panchamrit" strategy to grow the share of renewables loan portfolio to 30% by 2030, translating into a renewable loan book of ₹3 lakh crore within an overall loan book of ₹10 lakh crore. Additionally, REC Ltd. plans a step up in investments of approximately

₹2.5 lakh crore between now and 2030 for green infrastructure projects, reinforcing its objective to match national clean energy goals.”

4.6 The Committee sought a detailed account of REC’s initiatives in support of India’s broader energy transition goals. The Ministry was asked to furnish written information elaborating REC’s financing efforts towards transmission infrastructure for renewable energy evacuation, grid-scale energy storage systems, Green Hydrogen/Green Ammonia projects (existing or planned), manufacturing of RE components under Production Linked Incentive (PLI) schemes, and the issuance of Green Bonds including details on amount raised, tenure, coupon, utilization of proceeds, and impact. The Ministry in their written reply submitted as under:

i. **Transmission infrastructure for RE evacuation –**

REC in its portfolio has three dedicated RE evacuation transmission infrastructure as detailed below

Borrower	Promoter	Project Cost (Rs. In Cr)
Beawar Transmission Limited	Sterlite Power Transmission Limited	3156.48
Bikaner Khetri Transmission Limited	Adani transmission Limited	855.23
Khavda-Bhuj Transmission Limited	Adani transmission Limited	1256

As more TBCB RE evacuation projects are being awarded, they would be kept under consideration.

ii. **Grid-scale energy storage systems**:
In last 3 FYs, REC Ltd. has sanctioned an amount of Rs. 28,801 Crore towards Private Sector Pump Storage and Battery Storage Projects.

iii. **Green Hydrogen/Green Ammonia projects (if any, or plans for the future):**
REC Ltd. is actively considering such projects considering the push from the Government of India.

iv. **Manufacturing of RE components under PLI scheme**:
In last 3 FY, REC Ltd. has sanctioned an amount of Rs. 33,138 Crore towards Private Sector RE-Manufacturing Projects.

v. **Green Bonds issued by REC (amount, tenure, coupon, utilization of proceeds, and impact)**:
In alignment with India’s Climate action plan to increase the renewable energy capacity with an ultimate objective to reduce the carbon emissions and carbon intensity, REC Ltd. raises funds through Green Bonds from time to time considering market conditions.

The details of Green Borrowings by REC Ltd. are as follows:

Outstanding as on 31-03-2025					
Reference	**Tenure**	**Underlying Currency**	**Coupon (%)**	**Amount (FX million)**	**INR crores as on 31-03-2025**
ECB-25	10 years	USD	3.88	450	3,851
ECB-59	5 years	USD	5.63	750	6,419
ECB-66A	5 years	JPY	1.76	31,000	1,759
ECB-66B	5 years 6 month	JPY	1.41	27,400	1,555
ECB-66C	10 years	JPY	2.20	2,700	153
ECB-74	5 years	USD	4.75	500	4,279
FX Green Bond					**18,016**

The proceeds have been utilized to finance eligible green projects as defined in the REC Ltd.'s Green Finance Framework, contributing to positive environmental impact and also strengthening India's energy security by reducing fossil fuel dependency. The Company has financed a total of 13,285 MW of Renewable Energy projects apart from Low Carbon Public Transport projects through the fund received from above Green Bonds."

4.7 The Committee sought to understand whether REC is actively focusing on Battery Energy Storage Systems (BESS), which are critical for harnessing and integrating renewable energy into the grid. The Ministry, in this regard, submitted the following information:

"REC Ltd. is actively financing BESS Projects and in FY 2024-25 has sanctioned a term loan of Rs. 8,578 Crore to Projects with Battery Storage as under:

i. 2 MW Solar with Battery Project at Himachal Pradesh.
ii. 250 MW Solar Wind Hybrid with Battery Project at Gujarat & Rajasthan.
iii. 320MW Solar Wind Hybrid with Battery at Rajasthan & Gujarat.
iv. 120 MW Solar Wind Hybrid with Battery Project in Andhra Pradesh."

4.8 During the course of oral evidence, representatives of REC highlighted the challenges being faced by the Company especially in financing Renewable Energy sector:

" this is just a major challenge which we are facing in our financing. The first one talks about the RE sector which is the future of financing. There you have a lot of new players with some special mandates given to them, like NaBFID and then NABARD and IRFC. REC's market share, we have to maintain it, and there is a lot of pressure and competition from those new players also."

B. Diversification into Non-Power Infrastructure Sectors

4.9 During the oral evidence, the representatives of REC outlined and clarified on the diversification of the Company into non-power infrastructure sector as under:

> *Then, financing of power sector projects across the country, and then the new addition, as I told you three years back, we are getting into non-power lending also, infrastructure and logistics sector. But, the restriction is there that we can only sanction up to one third of our portfolio, and our loan outstanding should not exceed 30 per cent in the infrastructure. So, the right side gives the products relating to this. We have long-term and short-term loans to cover all the power sector projects. We also do debt refinancing for commissioned projects. Then, we finance the equipment manufacturing or any other manufacturing related to power sector. We also have some off-balance sheet funding, including LOU and LOC."*

4.10 Representatives of the Company further clarified on the rationale behind diversification into infrastructure and logistics as under:

> *"There was some time when we applied for this in the year 2019, and this particular approval came in 2020-23. Since then, we actually started funding infrastructure and logistics project. Sir, there was a time when big projects like now announced thermal capacity of 85,000-megawatt by 2030 were not there. Even the 500-gigawatt RE programme was also not announced at some point of time. That is when we thought that it may be difficult to continue with the growth that we are targeting. Therefore, there may be a case that we enter into some other sectors. RBI has already granted us IFC status, which is Infrastructure Finance Company. So, from RBI point of view, we can finance any infrastructure project but we needed the approval of Government of India, which came in 2022-23. Since then, we found that there is a lot to do in power sector. A capacity of about 85,000-megawatt has already been rolled out. One 500-gigawatt RE programme is currently ongoing. So, our hands are almost full with power sector projects. With regard to the permission to do infrastructure and logistic financing, the Government has imposed certain disclaimers and riders that only one-third can be used for infrastructure lending. Last year, we have sanctioned nearly Rs.40,000 to 45,000 crore in infra as against the total loan of Rs.3,500,000 crore. So, it is not a very high percentage that we are doing in infrastructure. Our focus continues to be only power sector. So, we are looking at for those projects which are very good projects in infrastructure."*

4.11 The Committee have been informed that, as per the directives issued by MoP in 2022, REC Ltd. may fund under non power Infrastructure upto of 30% of loan book, However, it has now been decided that the financial limits in the non-power infrastructure and logistics will be finalized by PFC and REC which is under process. Over the past 5 years REC Ltd. has

Sanctioned Loan of Rs. 10,174 Crore for supply of 9,067 E-Buses Pan India. REC Ltd. has also sanctioned a loan of Rs. 314 Crore for battery cell manufacturing. As on 31.03.2025 the total loanbook for electric Mobility stood at Rs. 760 Crore and it is expected that the portion of same will gradually increase to approx. Rs.10,000 Crore in next 5 years**.**

4.12 The Committee sought clarity on how the diversification into non-power infrastructure sectors, such as roads, metro rail, and ports, was identified in alignment with REC's financing expertise; the internal skill gaps that may exist for evaluating such projects; the roadmap for building in-house capabilities through recruitment and training; and a comparison of the risk profiles of these sectors vis-à-vis the traditional power sector, along with the enhanced risk mitigation measures being adopted. The Ministry in this regard submitted the following written information:

a. MoP vide letter dated 25.08.2022 has mandated RECLtd. to extend financing to Logistics and non-power Infrastructure sector. The diversification in portfolio mitigates the sectoral concentration risk. Categories specified under the Harmonized Master List of Infrastructure Sub-sectors, notified by Department of Economic Affairs (DEA),vide notification dated 11.10.2022 or as amended from time to time, are considered for financing.

b. Skill gaps are being identified in consultation with focused group involving Chief of Compliance, Chief Risk Officer and Chief of Internal Audits. Similarly, Training needs have been identified and concerned officers are being sent for trainings regularly.

c. For the FY 2025-26, a detailed training and needs analysis was carried out in April and May 2025. Accordingly, REC Ltd. has planned training programs for the upcoming year, aimed at building requisite internal expertise. This analysis incorporated valuable input from all Executive Directors, Heads of Divisions, and Chief Program Managers of Regional Offices. Based on the identified gaps, the following broad areas for training programs have been planned:

I. Targeted Training Programs:

a. Board of Directors and senior leaders

i. Fraud Risk Governance & Audit REPORTS
ii. ESG & Compliance

b. Employees in Infrastructure & Logistics:

i. Sector-specific project appraisal techniques, financial modeling, risk assessment, and regulatory compliance
ii. Lending to Large Infrastructure Projects
iii. Capacity Building Training Programs

c. Employees in Risk Management & Compliance:

i. ISO 31000
ii. Risk Assessment of Large Infrastructure Projects
iii. Compliance Training Programs (in collaboration with RBI institutes)

d. Renewable Energy:

i. Pumped Storage Plants
ii. Green Hydrogen
iii. Lending to Large Solar Projects
iv. Electric Vehicles (EVs)

II. Internal Training Initiatives:

i. In-House Programs at REC Ltd. Corporate Office for Employees
ii. In-House Training Programs at RECIPMT for REC Ltd. Employees

III. Nomination-Based Programs in collaboration with IIM A/B/C, ISB, XLRI, IIT Bombay/Delhi/Kanpur, Cyber security, ESG,

IV. Induction and orientation program:

i. Induction Program for all the New Recruits through NPTI/RECIPMT
ii. Orientation Program for Employees for career progression/Assessment centres.

d. The projects with sustainable revenue model are only being considered for financing underthe Infrastructure and Logistics (I&L) sector and approved broad policy framework for financing Non power Infrastructure and Logistics projects is followed for appraisal of I&L Projects.
Additionally, an external consultant has been engaged to develop sector-specific appraisal guidelines (e.g., Roads, Airports, Ports, CGD).During appraisal, detailed feasibility reports are obtained to assess project viability and identify risks. Proposals undergo a multi-level approval process involving the Screening Committee, Financial Concurrence and final approval by the Board of Directors.
To safeguard REC Ltd.'s interests, Lenders' Legal Counsel (LLC) is appointed for loan documentation and security creation. Depending on project type, Lenders' Independent Engineers or Project Management Agencies are also engaged to monitor execution of the project."

4.13 The Committee sought further details on REC's target sanctions and disbursements, projects financed and under consideration, alongwith sector-specific appraisal and risk frameworks for each new area of diversification. The Ministry in a written reply submitted the following written information:

During the Financial year 2024-25, REC Ltd. sanctioned 9 no. of Infrastructure & Logistics projects involving total loan assistance of Rs.43,239.44 crore in areas such as development of Highways/Roads, Ports, City Gas Distribution etc.

Particulars	No. of Loans	Loan amount (Rs in Cr.)
State Sector		
- Ports	1	20014.80

- Road	2	14,000.00
- Others	2	3,865.82
Private Sector		
- Road	2	1,409.74
- City Gas Distribution	1	1,949.08
- Others	1	2,000.00
Total Infra & Logistics Sector	**9**	**43239.44**

The projects with a sustainable revenue model are only being considered for financing under I&L sector. The total Disbursements under the I&L is Rs.18,621 Cr for FY 24-25.

4.14 The Ministry during the course of proceedings submitted the with respect to diversification into non-power sector by REC, as under:

"We have concerns about basically this diversion to non-power sector financing. The concerns are there both within my Ministry and also in the Ministry of Finance. There were circumstances which basically motivated the two organisations to also venture into the non-power sector because a lot of asset concentration raised lot many NPAs which had accumulated. But going forward, this sector is looking good, though there could be business cycles down the line. Right now, the sector looks good. We have a requirement of about Rs.46 lakh crore up to 2032. About 45 per cent has to come from PFC, REC and IREDA. So, that is the broad number which we have worked out. About 33 per cent is likely to come from the private banks, the banks basically. The remaining money will have to come from the equity part. So, that is the broad understanding we have of the sector's financial requirements. Now, we have given them a guidance to curtail their financing to the non-power sector portfolio. The issue has been discussed with the hon. Minister very recently in his review. We are going to issue formal guidelines to curtail this exposure.
Regarding any suggestions from our side, I would say that the two organisations are generally doing well. Both the REC and the PFC are generally doing well. They have robust financials. Their capital adequacy ratio is fine. REC enjoys about 25 percent as CRAR against the minimum threshold of 15 per cent. So, they are doing reasonably well. I have been flagging this issue that probably we need to be more professional on the risk management side. So, that is the only aspect I have been asking these two organisations to strengthen their risk management capacity, basically the risk assessment of every proposal which comes to their table. That is all from my side..
… am not saying that we are closing down their exposure to other sectors. We are not saying that. We are going to limit it. Right now, the window, which is given to them, is 30 per cent of their new sanctions. We will curtail it to about 15

per cent of the new sanctions. The Ministry is also going to review it. We will take a final call on the final number depending on the sectoral requirements.

CHAPTER - V

ROLE IN GOVERNMENT SCHEMES AND CSR ACTIVITIES

A. Role of REC in Flagship Government Schemes

5.1 While tendering oral evidence, the representatives of REC elaborated upon the Company's role in the implementation of Government schemes as under:

> *"The key objectives as per our articles is like we have to be implementing the Government schemes as mandated by the Government of India through Ministry of Power or any other ministry. We have to partner with them.''*

5.2 The Committee have been informed that REC Ltd. has been designated as the National Programme Implementing Agency (NPIA) for the PM - Surya Ghar: Muft Bijli Yojana. In this capacity, REC Ltd plays a pivotal role in the overall monitoring, coordination and effective implementation of the scheme at the national level.PM Surya Ghar: Muft Bijli Yojana (PM-SGMBY) has been approved by the Government of India on 29th February 2024 to increase the share of solar rooftop capacity and empower residential households to generate their own electricity. The scheme has an outlay of Rs 75,021 crore and is to be implemented till FY 2026-27. Administrative approval was granted to the scheme vide Order No. 318/17/2024-Grid Connected Rooftop dated 16th March 2024. The Financial Outlay for the scheme includes CFA to residential consumers, incentives for Discoms, Model Solar Villages in each district, incentives for local bodies, Payment Security Mechanism, Innovative Projects, Capacity Building, Awareness & Outreach and service charge. Components of Financial Outlay of the scheme is as detailed below:

Sr. No.	Scheme Component	Outlay (Rs in Cr)
1	CFA to Residential Consumers	65,700
2	Incentives for Discoms	4,950
3	Model Solar Villages in each district	800
4	Incentives for Local Bodies	1000
5	Payment Security Mechanism	100
6	Innovative Projects	500
7	Capacity Building (1% of CFA)	657
8	Awareness & Outreach (1% of CFA)	657
9	Service Charge (1% of CFA)	657
Total		**75,021**

Aims and Objectives of PM – Surya Ghar: Muft Bijli Yojana:

i. To achieve 1 crore rooftop solar system (RTS) installation in residential sector.
ii. To help provide free/low-cost electricity to 1 crore households up to 300 units of electricity per month by installation of rooftop solar.
iii. To produce renewable electricity of 1,000 billion units through the capacity installed under the scheme, which will result in reduction of 720 million ton of CO2eq emission during the 25 years of lifetime for rooftop solar projects.
iv. To develop the required enabling ecosystem for rooftop solar projects, including regulatory support, manufacturing facilities, supply chain, vendor network, operation & maintenance facilities, etc., in the country.
v. To boost local economy and employment generation along with enhanced energy security.
vi. To aid in achievement of India's commitment for green climate through its NDCs (Nationally Determined Contributions) at UNFCCC by installation of 30 GW of solar capacity through rooftop solar by 2026-27**.**

5.3 The Committee took note of REC's role as a nodal agency for key Government of India schemes namely RDSS, DDUGJY, and SAUBHAGYA and sought a detailed note on their objectives, REC's responsibilities, funds sanctioned and disbursed, physical infrastructure created, and current implementation status. In this regard, following written information was submitted to the Committee:

(i).DDUGJY- Government of India launched Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY)in December 2014 to strengthen the sub-transmission and distribution networks in rural areas to improve the access, quality, and reliability of power. The objective of the scheme was

a) Separation of agriculture and non-agriculture feeders facilitating judicious rostering of supply to agricultural &non-agricultural consumers in the rural areas
b) Strengthening and augmentation of sub-transmission & distribution infrastructure in rural areas, including metering at distribution transformers, feeders and consumers
c) Rural electrification

REC Ltd. was entrusted with the responsibility of acting as the Nodal Agency to oversee the implementation of this flagship scheme of the Government of India as below:

a) Notify all the guidelines/formats and appraise Action plan and DPRs before submission to the Monitoring Committee.
b) Conduct all works relating to holding of the Monitoring Committee meetings for approvals
c) Administer the Grant Component.
d) Develop a dedicated web portal for submission of DPRs and for maintain the MIS of the projects.
e) Monitor the physical and financial progress of the projects and ensure quality through Concurrent Quality Monitoring.

Further, the details of the funds sanctioned and released are as below:

Projects sanctioned (Final) to States and GoI Fund released:**(Rs. In Cr.)**

Closure Project Cost	Sanctioned GOI Grant #	GOI Grant Released	% GOI Grant Released
1,16,989	88,928	88,928	100%

***#**GoI Grant@90% for RE component Projects and 85%/60%(Special Category/Other States) for DDUGJY New and additional infra Projects*

The details of infrastructure works undertaken under DDUGJY (including RE, Addl. Infra & Addl. HH) across the country are as under:

Sl. No.	Parameters	Unit	Completed
1	Feeder Separation	Ckms	1,13,938
2	33/11 KV S/S-New	Nos.	2,821
3	33/11 KV S/S-Aug	Nos.	4,410
4	Distribution Transformer	Nos	16,57,684
5	33 & 66 KV Line	Ckms	41,138
6	11 KV Line	Ckms	6,88,244
7	LT Line	Ckms	13,47,723
8	Consumer Metering	Nos.	1,87,97,312
9	DT Metering	Nos.	2,39,501
10	11 KV Feeder Metering	Nos.	14,806

The above scheme stands closed on 31.03.2022.

(ii) Saubhagya: Government of India launched the Pradhan Mantri Sahaj Bijli Har Ghar Yojana – Saubhagya in October 2017 with the objective to achieve universal household electrification for providing electricity connections to all willing un-electrified households in rural areas and all willing poor households in urban areas in the country.

The scope of the scheme was:

a) Providing last-mile connectivity and electricity connections to all un-electrified rural households.
b) Providing Solar Photo Voltaic (SPV) based standalone system in remote and inaccessible villages/habitations, where grid extension is not feasible.
c) Providing electricity connections to all remaining economically poor un-electrified households in urban areas.

Since the launch of the Saubhagya scheme, as on 31.03.2021, all the States have reported 100% electrification of all the willing un-electrified households, identified before 31.03.2019. A total of 2.817 crore households were electrified up to 31.03.2021. Further, states reported electrification of 4.43 lakh additional households under DDUGJY. Accordingly, as on 31.03.2022, a total of **2.86 crore** households were electrified.

REC Ltd. was entrusted with the responsibility of acting as the Nodal Agency to oversee the implementation of this flagship scheme of the Government of India. Further the details of fund sanctioned and utilised are as below:

Projects sanctioned (Final) to States and GoI Fund released:

(Amount in Rs. Cr.)

Closure Project Cost	Sanctioned GOI Grant #	GOI Grant Released	% GOI Grant Released
9,244	6,330	6,330	100%

#GOI Grant @85%/60% for Special category States/Other States.

Details of households electrified under SAUBHAGYA:

(Figures in nos.)

No of Households electrified from 11.10.2017 to 31.03.2019	No of Households electrified from 01.04.2019 to 31.03.2021	Total Households electrified as on 31.03.2021	No of Households electrified from 01.04.2021 to 31.03.2022	No. of Households electrified from 11.10.2017 to 31.03.2022
1	***2***	***3=1+2***	***4***	***5=3+4***
2,62,84,350 (2.63 Crs)	**18,85,374**	**2,81,69,724** (2.82 Crs)	**4,43,700**	**2,86,13,424** (2.86 Crs)

The above scheme stands closed on 31.03.2022.

(iii) RDSS: Government of India launched Revamped Distribution Sector Scheme (RDSS) in July 2021 with the following objectives:

a) Improve Quality and Reliability of power supply to consumers through a financially viable and operationally efficient Distribution Sector.
b) Reduce the Aggregate Technical and Commercial (AT&C) losses to pan India levels of 12-15%.

c) Reduce Average Cost of Supply and Average Revenue Realised (ACS-ARR) Gap to zero

The scheme has a duration of 5 years (FY 2021-22 to FY 2025-26).
The major components of the scheme are Prepaid Smart Metering & System Metering and upgradation of the Distribution Infrastructure.

REC Ltd. and PFC Ltd. have been designated as Nodal Agencies for the scheme. States have been allocated between the two organizations. All works relating to the allocated states right from sanction to closure shall be the responsibility of the concerned organizations under the overall guidance of the Ministry of Power. The role of the Nodal Agencies includes the following:

a) Notify all the guidelines/formats and appraise Action plan and DPRs before submission to the Monitoring Committee.
b) Conduct all works relating to holding of the Monitoring Committee meetings for approvals
c) Evaluate projects as per the Results Framework, determine eligible yearly releases, and administer the grant component.
d) Develop a dedicated web portal for DPR submissions and maintaining MIS for tracking progress of the projects.
e) Monitor the physical and financial progress of the projects and ensure quality through Concurrent Quality Monitoring.
f) PMU/ Consultancy assistance for the Ministry

Under RDSS, for states allocated to REC Ltd.,

a) Rs 73,759 Cr has been sanctioned for Smart Metering works (incl PMA), and Rs. 86,026 Cr (incl PMA) has been sanctioned for Loss Reduction Works.
b) 1,06,93,142 nos of Consumer Meters, 3,40,625 nos of DT meters and 70,411 nos of Feeder meters have been installed.
c) 3,40,199 ckm of LT lines, 1,37,717 ckm of HT lines, 68,721 no of DTRs, and 170 no of substations have been installed.

Impact assessment:

(i). DDUGJY: The impact of DDUGJY on rural development and economic activities was reviewed by Ernst & Young (EY) between January 2022 to January 2023 and the final report was submitted in the month of July 2023. The major findings in the final report regarding the impact of DDUGJY in respect of rural development and economic activities are as below:

a) **Business Growth**: 78% respondents believe that better power supply has supported business development.

b) **Education**: 84% respondents believe that improvement in supply of power has improved education services.
c) **Healthcare & Environment**: 86% respondents believe that improvement in supply of power has improved health services.
d) **Community Safety**: 87% respondents believe that improvement in supply of power has led to better women's safety and road safety.
e) **Banking**: Around 85% of the respondents think that electricity and digitization have also helped them gain more access to financial institutions such as online banking facilities.

(ii) Saubhagya: The major impact of the SAUBHAGYA Scheme is as under:

a) Improved quality of life through better access to reliable and quality electricity
b) Enhancement in healthcare and education services and better connectivity through Television, Radio and mobile phones
c) Creation of economic opportunities especially cottage industries enabling household level prosperity.

(iii) RDSS: Key achievements of RDSS Scheme are:

a) National AT&C losses have decreased from 21.9% in FY 2020-21 to 16.12% in FY 2023-24.
b) National ACS-ARR Gap has decreased from Rs. 0.69/kWh in FY 2020-21 to Rs.0.19/kWh in FY 2023-24.
c) Loss reduction works have shown more promising results, with ~ 30 % overall physical progress.

c) The key challenges faced by REC in implementing in DDUGJY, Saubhagya & RDSS schemes and how they are being addressed are mentioned below:

The challenges faced in implementation of the above three schemes are summarized below:

a) Works were to be executed in difficult terrains, remote areas and in extreme weather conditions having ramifications on transportation of materials
b) Coordination challenges for executing works in Left wing Extremism areas, and areas requiring forest/wildlife clearances.
c) Availability of skilled manpower for the projects and issue of limited supply of materials (like Poles, Distribution Transformers, Meters, etc.) at local level
d) Right of way issues in various instances and Initial consumer resistance to smart meter installation under RDSS
e) Delays and inadequacies in data submission by DISCOMs under RDSS

The Steps taken to resolve the above issues are:

a) Handholding support extended by REC especially under RDSS through weekly meetings with all stakeholders to address on-ground challenges.

b) State-level workshops and public camps under Saubhagya and DDUGJY involving public representatives were conducted to give impetus to the program and raise awareness.
c) 24x7 communication through 'One nation One number', toll-free helplines and special campaign 'SAUBHAGYA Rath' including media campaign boosted public awareness.
d) Flexibility to States in mode of implementation (Departmental/ Turnkey/ Semi-turnkey).
e) Centralized monitoring through web portals for Saubhagya and RDSS.
f) Consumer awareness programs and installation of check meter being carried out to address resistance in installation of smart meters under RDSS.

B. Corporate Social Responsibility (CSR) Initiatives

5.4 The Committee have been informed that the Company has its Corporate Social Responsibility Policy, in consonance with Section 135 of the Companies Act, 2013 and rules made thereunder. REC Ltd. CSR policy has been amended from time to time to be in compliant with the Companies (Corporate Social Responsibility Policy) Amendment Rules. In line with Section 135 of the Companies Act, 2013, at least 2% of the average net profits of the Company made during the three immediately preceding financial years shall be spent in pursuance of Corporate Social Responsibility Policy. The Company ensures that CSR projects are carried out in line with activities prescribed under Schedule VII of the said Act. CSR projects are chosen with a holistic approach to address the community, societal and environmental concerns. Also, special attention is placed on activities which lead to the development of weaker sections of society and the backward districts of the country in the specified focus area(s).REC Ltd undertakes its CSR activities through 'REC Foundation', a registered society. The foundation is governed by Governing Body wherein officials of REC Ltd are nominated.

5.5 The representatives of the Company informed the Committee about the major CSR projects undertaken by REC and deposed before the Committee as under:

> *"Then, you also asked about some good CSR projects. We have done many such projects. Our budget for current year is roughly Rs.300 crore. We provide the financial assistance to several projects. Some of those marquee projects that we have undertaken in recent years are like, we have provided 100 mobile medical units for the remote areas where the medical or health facilities are not available. These mobile medical units are provided to multiple States like Punjab, Rajasthan, even Tamil Nadu. We also have undertaken a major support*

programme for heart surgery of children who have got some initial heart defects. That also is a programme that we have done in a very large scale. In some of the hospitals in far-flung areas where we found that they need health facilities upgraded post-COVID-19, we have provided them basic health infrastructure."

CSR allocation for the financial year 2024-25:

Sr. No.	Particulars	Amount (In Rs crore)
(a)	Average net profit of the company as per section 135(5)	14,424.22
(b)	Two percent of average net profit of the company as per section 135(5)	288.48
(c)	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years	Nil
(d)	Amount required to be set-off for the financial year, if any.	5.15
(e)	Total CSR obligation for the financial year [(b)+(c)-(d)].	283.33

CSR expenditure during the financial year 2024-25:

Sr. No.	Particulars	Amount (In Rs crore)
(a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	279.38
(b)	Amount spent in Administrative Overheads	9.20
(c)	Amount spent on Impact Assessment, if applicable	0.28
(d)	Total amount spent for the Financial Year [(a)+(b)+(c)].	288.86

Excess amount for set-off:

Sr. No.	Particulars	Amount (In Rs crore)
(a)	Two percent of average net profit of the company as per section 135(5)	288.48
(b)	Total amount spent for the Financial Year	294.01
(c)	Excess amount spent for the Financial Year [(ii)-(i)]	5.53
(d)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	0.00
(e)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	5.53

List of Key CSR Projects undertaken during FY 2024-25:

Sr. No.	Project Name	Thematic Area	Location
1	Healing Little Hearts-an REC Ltd. initiative to provide free of cost medical support to 2100 children with Congenital Heart Disease (CHD).	Health Care	Palwal (Haryana), Raipur(Chhattisgarh), Mumbai (Maharashtra)
2	Procurement and deployment of 4 Mobile Medical Units in 4 districts of Chhattisgarh, 4. Mobile Medical Units in 4 districts of Punjab, 7 Mobile Medical Units in 7 districts of Tamil Nadu, 5 Mobile Medical Units in 3 Districts of Uttarakhand.	Health Care	Various district of Chhattisgarh, Punjab, Tamil Nadu and Uttarakhand
3	Strengthening health facilities by providing medical equipment, ambulances, air conditioners, RO water plants, generator set, laptop, projector and office chairs in various Community Health Centres and Primary Health Centres in Barmer.	Health Care	Barmer, Rajasthan
4	Procuremnet of Medical Equipments in the District hospital, Dausa	Health Care	Dausa, Rajasthan
5	Rehabilitation of 8000 nos. of disabled people by providing artificial limbs, calipers and other aids & appliances pan- India	Health Care	PAN India
6	Construction of 500 nos. toilets blocks at work place of BSF troops in Gurdaspur, Amritsar, Ferozpur and Abhohar Districts in Punjab	Health Care	Gurdaspur, Amritsar, Ferozpur and Abhohar district of Punjab
7	CSR assistance for the procurement of Linear Accelerator (LINAC) machine in Trauma Centre established by SevarthSansthan Seth Bimal Kumar Jain Trauma & Physiotherapy Dharmarth Samiti (SSB) in Firozabad District of Uttar Pradesh, to be implemented by SSB, Uttar Pradesh	Health Care	Firozabad, Uttar Pradesh
8	Assistance for the project, “Procurement and setting up Modular General O.T with laparoscopy, anesthesia workstation and Fully Modular EYE O.T with ophthalmic microscope machines and other essential equipment at Sadar Hospital Banka and Modular General O.T with anesthesia workstation and other essential equipment Machines at Community Health Centre Dhoraiya and Belhar each of Banka District, Bihar” to be implemented in 12 months by (District Health Society Banka (Civil Surgeon cum Member Secretary District Health Society Banka (Civil Surgeon cum Member Secretary).	Health Care	Banka, Bihar
9	CSR assistance for the project "Eye care for all" - an	Health Care	Pammal, Chennai

	initiative to provide support to 8000 beneficiaries for Cataract surgery to be implemented by Sankara Eye Hospital, Pammal, Chennai.		Tamil Nadu
10	Distribution of aids & assistive devices to persons with disabilities (25 camps) in various Districts / States in the country implemented by Artificial Limbs Manufacturing Corporation of India (ALIMCO)	Health Care	PAN India
11	CSR assistance for the project "5,000 nos. of PHACO Phacoemulsification, surgery at Bhaktivedanta Hospital, Barsana, Mathura" to be implemented by Shri Chaitanya Health and Care Trust	Health Care	Barsana, Mathura, Uttar Pradesh
12	Procurement four e-buses, two charging stations for transportation of students in the campus of Maulana Azad National Institute of Technology (MANIT), Bhopal	Education	Bhopal, Madhya Pradesh
13	Establishment of Rashtrotthana Vidya Kendra CBSE School in Malligar Village, Hangal Taluk, Haveri District implemented by RashtrothhanaParishat, Bangalore	Education	Malligar Village, Hangal Taluk, Haveri District of Karnataka
14	Construction of 13 nos. new classrooms in Bharat Secondary & Higher Secondary School and Shrimati Sirekunwardevi Mohata Vidalaya, Hinganghat, Wardha Maharashtra	Education	Wardha, Maharashtra
15	Establishment of biodiversity and wildlife conservation laboratory and training centre in Kashmir and Ladakh	Environment Sustainability	Kashmir & Ladakh
16	Construction of Pedestrian Bridge in Badrinath town over Alaknanda river, part of Master Plan for Smart Hill Town, Badrinath, Uttarakhand.	Rural Development	Smart Hill Town, Badrinath, Uttarakhand
17	Broad basing of Sports and promotion of excellence in sports in India	Sports	PAN India
18	Contribution towards Armed Forces Flag Day Fund (AFFD Fund) for providing education grant for children of Ex-Servicemen (ESM), Martyrs and their Widows.	Benefits of Armed Forces	PAN India
19	Rehabilitation of damaged infrastructure, resettlement etc. in the affected areas of Sikkim	Disaster Management	North Sikkim, Sikkim

Impact Assessment: As per notification of Ministry of Corporate Affairs notification on Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, Impact assessment shall be undertaken, through an independent agency, wherein CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before conducting impact study. Accordingly, impact assessment for eligible completed projects has been undertaken during FY 2024-25 and having project outlay of more than 1.00 crore. Summary of key findings of impact of projects is enclosed as **Annexure-VII.**

CHAPTER-VI
FUTURE STRATEGY AND DIGITAL TRANSFORMATION

A. The PFC-REC Holding-Subsidiary Relationship

6.1 It has been submitted to the Committee that since becoming a subsidiary of PFC Ltd. in 2019, REC Ltd. has witnessed the realization of certain synergies with PFC Ltd., particularly in the areas of knowledge sharing, policy alignment, and harmonization of approach in project appraisal and monitoring. Both organizations continue to leverage their respective strengths to cater to the diverse needs of the power sector and infrastructure financing landscape. The complementary nature of their operations has enabled a broader and more effective reach across stakeholders while maintaining competitive and diverse offerings to borrowers.

6.2 The Committee sought details on whether any areas of operational overlap or duplication continue to exist between PFC and REC, the specific nature of such overlaps, and the measures being implemented or considered to address them for optimal resource utilization. In response, the Ministry submitted the following written information:

"The areas where duplication/overlaps exists are:

i. **Lending Operations**
ii. **Credit Appraisal**
iii. **Borrowing Operations**
iv. **Consulting Services**
v. **Geographic Presence**

To address the above, both the companies REC Ltd. and PFC Ltd. are in continuous touch with each other to maximize their collective market impact in financing the power & infrastructure sectors and avoiding unhealthy competition and ensure complementary roles in project financing and scheme implementation.
Further, the respective teams of REC and PFC continuously interact to understand the market data, feedback, fundraising plan so as to create synergies and avoid crowding of issuance by two large NBFCs."

6.3 The Committee enquired about the specific mechanisms and strategies being pursued for enhanced collaboration and operational alignment between PFC and REC so as to maximize their collective market impact in financing the power and infrastructure sectors, avoid unhealthy competition, and ensure complementary roles in project financing and scheme implementation. In a written response the Ministry submitted as under:

> “REC Ltd. and PFC Ltd., under the guidance of the Ministry of Power, have institutionalized several mechanisms to foster collaboration. These include:
>
> i. Regular strategic consultations to align business development efforts.
> ii. Joint appraisal of large-scale infrastructure projects, especially in emerging areas such as renewable energy and green hydrogen.
> iii. Coordinated financing for government schemes such as the Revamped Distribution Sector Scheme (RDSS).
> iv. Information sharing for risk assessment and market intelligence.
> v. Exploration of co-financing models and syndication arrangements to enhance overall market presence and impact.
>
> These initiatives are designed to maximize the combined market strength of REC and PFC while maintaining their distinct institutional identities and avoiding direct competition.”

6.4 The Committee sought to understand how the existing holding–subsidiary arrangement influences the consolidated financial strength, borrowing capacity, and lending limits of the PFC group (including REC), and how these parameters would compare under alternative structures such as a full merger or complete separation of the two entities. The Ministry submitted as under:

> RBI Large Exposures Framework dated June 03, 2019, states that a bank's exposure cannot exceed 20% of the eligible capital base for a “single entity” and 25% for a “Group entity”. Before the acquisition of the majority stake by PFC Ltd. in REC Ltd., any bank could have lent/taken exposure in REC Ltd. and PFC Ltd. of 20% of their eligible capital base. However, after PFC acquired a majority stake in REC Ltd. in 2019, both REC Ltd. and PFC Ltd. have become “Group Entities” and, as such, the maximum exposure that a single bank can take in REC Ltd. and PFC Ltd. together has been restricted to 25% of their eligible capital. In case of a merger and thus creation of a “single entity”, the lending capability or exposure limits will further reduce to 20%.”

6.6 When asked by the Committee, about, the long-term vision for the structural relationship between PFC and REC to best serve the evolving needs of India's power and infrastructure sectors, the Ministry submitted the following written information to the Committee:

"As per the present policy stance there is no active consideration of a full merger between PFC Ltd. and REC Ltd. The long-term vision focuses on fostering a symbiotic relationship that capitalizes on the collective strengths of both institutions to meet the evolving financing needs of India's power and infrastructure sectors.

Going forward, both the CPSEs remains committed to working closely in areas of mutual interest while retaining its unique institutional identity and operational autonomy, thus ensuring that both organizations continue to contribute effectively to sectoral development, energy transition goals, and national infrastructure growth."

6.7 The Committee sought an explanation of the Gensol issue, its implications for Central Public Sector Undertakings (CPSUs) under the Ministry of Power, the identification of major CPSUs involved, and an update on the latest status of the matter, the Ministry in response submitted the following written information:

"REC has not sanctioned any loan facility to Gensol. Therefore, detail of the transaction is not available.
However, details w.r.t. to PFC Ltd is as under:

i. PFC Ltd. has disbursed Rs 352 cr. in 3 tranches, corresponding to 3,000 EVs (3 tranches of 1000 vehicles each) to GENSOL.
ii. SEBI's Interim Order dated 15.04.2025, cited violation of rules of corporate governance and mis-utilisation and diversion of funds provided by PFC Ltd. and IREDA by promoter directors i.e. Anmol Singh Jaggi and Puneet Singh Jaggi. The case demonstrated by SEBI pertained to 1000 vehicles of Tranche 2 which have been delivered and hypothecated to PFC. Till date, a total of 2,741 vehicles have been delivered and hypothecated to PFC, out of the 3000 vehicles for which the loan was provided.
iii. PFC Ltd. has recovered all available balance in the Trust and Retention Account (TRA) of the borrower, the Debt Service Reserve amount, and FDs, totaling to Rs. 49.36 cr. The current outstanding amount against the loan is Rs. 262.9 cr. Further, PFC has initiated various legal actions against the Borrower and promoters for recovery of the balance outstanding amount.
iv. PFC Ltd. has robust appraisal framework and laid down procedures for sanction, disbursements and monitoring of loans, which involves various checks and balances in the form of policies, guidelines, and approval procedures. PFC Ltd. monitors physical progress and financial progress of projects and carries out monitoring through Lenders Engineers (LE) and Lenders Financial Advisors (LFA). However the process shall be further strengthened based on the investigation and its findings, which is under process. "

6.8 Representatives of Ministry of Power, during the course of oral evidence, submitted the following information on the aforementioned Gensol/Blusmart issue:

> *About the financial dealings of REC, let me clarify that REC has no exposure to Gensol/BluSmart. It is the Power Finance Corporation and IREDA who together had exposure, besides some other financial institutions which have exposure to Gensol. This morning, we had the meeting of the Standing Committee on Energy also. The same issue was raised there. Out of Rs.351 crore which was lent to Gensol for the procurement of cars – about 3,000 cars were to be procured, the exact number could be slightly different, but it was about 3,000 – 2740-odd cars have been procured against the loan which was disbursed. The cars have been hypothecated in favour of PFC. So, that amount is secured. What was not secured and may be potentially diverted is the amount of about Rs.28 crore. So, out of Rs.351 crore, the diversion could be of the order of Rs.28 crore. Sir, I think, the fund flow needs to be matched. But the recovery has been there. PFC has already invoked the guarantees. Now, as on date, the outstanding amount is Rs.264 crore, and the account continues to be regular today. The account is regular today. But we need to resolve it because the assets are movable assets. If they lie idle, I think, that becomes a huge liability on us. So, we are conscious of that.*

B. Digital Transformation

6.9 The Committee have been informed that REC Ltd. Is ISO 27001 certified organisation. ISO 27001 is a globally recognized standard for Information Security Management Systems (ISMS). REC Ltd. has a Data Centre (DC) which accommodates the company's IT infrastructure, including servers, security devices and networking equipment, ensuring the smooth operation of business-critical applications and services. Data Centre is vital for maintaining business continuity, enabling critical applications essential to the survival of a business or organization. REC Ltd. also has a Disaster Recovery (DR) Centre and a Business Continuity Plan (BCP) to ensure business continuity in the event of disaster or cyber incidents at DC. DR drills have been conducted successfully and on a half-yearly basis to test the effectiveness of REC's BCP. REC Ltd. also has Cyber Crisis Management Plan (CCMP) to deal with any Cyber Crisis. As an NBFC, REC Ltd. is governed by guidelines/directions of RBI. REC Ltd. is compliant with the guidelines/directions issued by RBI related to IT, Information Assets, Business Continuity, Information Security, Cyber security (including Incident Response and Recovery Management/Cyber Crisis Management) and which have been accordingly incorporated in the cyber security and other relevant policies of REC Ltd.

6.10 The Committee have been informed that REC Ltd. has adopted Microsoft 365 Copilot, a cloud-based Generative AI service designed to enhance productivity and streamline daily operations. The Copilot assists employees by intelligently drafting emails, summarizing lengthy documents, generating reports, and automating routine tasks across Word, Excel, Outlook, and other Microsoft applications. This AI-powered tool leverages natural language processing to understand user intent and deliver contextually relevant suggestions, enabling faster decision-making, improved collaboration, and more efficient content creation across the organization. The Stress Asset Management program has been developed in ERP to identify stressed assets in advance, allowing for timely intervention and potentially minimizing losses. This involves using data analytics to identify warning signs and developing predictive models to forecast potential problems and focus on identifying and managing stressed assets (like non-performing loans) to mitigate potential losses. Traditionally, many organizations reconcile their bank books with their internal accounting systems monthly. However, REC Ltd. has enhanced this process by implementing daily reconciliation through automated processes developed in ERP which ensures that the financial records are accurate and up-to-date by comparing internal ERP accounting system's cash balance with bank statements. This process helps in identifying discrepancies like outstanding cheques/payments, deposits in transit, or bank errors, and allows for timely adjustments to both bank and ledger balances. The ERP systems automatically generate and send loan repayment advice in advance to the borrowers. This proactive communication helps borrowers stay informed about their loan balances and upcoming payment due dates, thereby enhancing overall loan management and potentially mitigating instances of missed payments or late fees.

6.11 The Committee desired a comprehensive note on REC’s digital transformation roadmap and progress achieved, including details of the key IT infrastructure, enterprise applications (ERP, CRM, LMS), and digital platforms implemented or upgraded in the last three years, as well as the extent of digitalization across core processes such as loan origination, appraisal, disbursement, monitoring, and recovery. The Ministry in a written submitted as under:

“Following key IT initiatives have been implemented in the last three years:

i. Implementation of SD-WAN across all offices of REC: The organisation-wide network infrastructure has been upgraded by transitioning from a traditional

MPLS VPN setup to a modern SD-WAN architecture. This strategic enhancement has significantly improved connectivity, performance, and manageability across all REC Ltd. offices. The key highlights of the implementation are as follows:

a) **Bandwidth Enhancement**: Each location now benefits from a threefold increase in bandwidth, supported by dual connectivity—one Internet link and one MPLS link—to ensure redundancy and improved performance.
b) **Router Upgrade**: Legacy routers have been replaced with advanced SD-WAN enabled routers at all REC Ltd. locations, enabling intelligent traffic routing and centralized network management.
c) **Switch Infrastructure Modernization**: All core, distribution, and access switches have been upgraded across the REC Data Centre, Disaster Recovery (DR) Centre, and regional offices, ensuring higher throughput and improved network reliability.
d) **Video Conferencing System Upgrade:** The video conferencing infrastructure, originally deployed in 2018, has been comprehensively upgraded across all REC offices to support high-definition, seamless communication.

ii. Implementation of ERP: REC Ltd. introduced an Oracle Enterprise Resource Planning (ERP) system in 2009 to manage its business operations efficiently. Recently, REC Ltd. upgraded this system's database from an older version, Oracle DB 12C, to a newer, more advanced version, Oracle DB 19C. At the same time, REC Ltd. also upgraded their operating system software from Oracle Enterprise Linux (OEL) version 7.3 to OEL 8.9. These upgrades make the ERP system more secure, reliable, and capable of handling the company's growing needs.

iii. **Implementation of Microsoft 365:** As part of ongoing digitalization initiatives Microsoft 365, cloud-based suite that integrates communication, collaboration, AI, and security tools, has been implemented with an aim to modernise administrative operations and ensure robust cybersecurity.

Digitization of Loan Lending Process in REC:

i. REC Ltd. has successfully integrated digital technologies to automate and streamline the complete loan lifecycle. This includes various stages from application to repayment, such as project approval, claim sanctioning, appraisal, origination disbursement, repayment advice, scheduling, recovery, and monitoring. All these processes are managed within the ERP system, enhancing efficiency and oversight.
ii. The digitalization of REC Ltd.'s lending processes offers numerous advantages, including increased efficiency, cost reduction, improved accuracy, faster turnaround times, and an enhanced borrower experience. Additionally, it enables lenders to utilize data analytics for more informed decision-making and effective risk management."

6.12 When asked by the Committee about the year-wise details of REC's budgetary allocation and actual expenditure on IT infrastructure, software development, and digital initiatives during the period FY 2021–22 to FY 2023–24, along with the methodology adopted by REC to assess the return on investment (ROI) from these expenditures, the Ministry furnished the following written information to the Committee:

"The year-wise budgetary allocation and actual expenditure are as below:

(Figure in Rs Cr.)

Financial Year	Allocated Budget	Actual expenditure
2021-22	11.27	12.56
2022-23	19.01	13.11
2023-24	9.7	9.48

ROI on this investment:

- The automation of business processes at REC Ltd. has delivered substantial returns on investment by significantly enhancing productivity, operational transparency, and environmental sustainability.
- Streamlined document management and workflow automation have led to considerable time savings, allowing employees to focus on higher-value tasks. This shift has not only improved overall efficiency but also facilitated a smooth transition to paperless operations, aligning with green initiatives and reducing the organization's carbon footprint.
- Enhanced transparency is achieved through better tracking, auditing, and reporting capabilities, fostering accountability and informed decision-making.
- Furthermore, the implementation of secure remote access and seamless connectivity ensures uninterrupted operations from any location, supporting a flexible and resilient work environment.

PART-II

OBSERVATIONS/RECOMMENDATIONS OF THE COMMITTEE

1. OVERVIEW

1.1 The Committee note that REC Limited was incorporated in 1969 as the Rural Electrification Corporation under the Companies Act, with the primary mandate of financing and promoting rural electrification projects across the country. Over the years, REC has evolved into one of India's premier development finance institutions, extending its operations from rural electrification to cover the entire power sector value chain, including generation, transmission, and distribution projects. REC functions as a subsidiary of Power Finance Corporation (PFC) since 2019, when the Government of India transferred its majority shareholding in REC to PFC as part of consolidation in the power financing sector. REC is registered with the Reserve Bank of India as a Non-Banking Finance Company – Infrastructure Finance Company (NBFC-IFC) and, in recognition of its strategic role in the energy sector, was accorded the status of a Maharatna Central Public Sector Enterprise (CPSE) in September 2022.The Committee observe that REC has consistently played a critical role in supporting the Government of India's policies and priorities in the power sector. It has acted as the nodal agency for flagship government schemes such as the Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY), the Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya), and the Revamped Distribution Sector Scheme (RDSS), thereby contributing substantially to rural electrification, universal household connectivity, reduction of AT&C losses, and improvement in the financial health of DISCOMs. The Committee note that in addition to its traditional mandate in the power sector, REC has emerged as a leading financier of renewable energy including solar, wind, hybrid systems, and emerging areas such as green hydrogen and energy storage. REC's financial assistance has also supported the evacuation of renewable power through investments in transmission infrastructure, thus contributing to India's ambitious target of achieving 500 GW of non-fossil fuel capacity by 2030. REC while focusing on renewable energy and the power sector, has also diversified into other infrastructure sectors such as roads, highways, airports, ports, metro rail, and oil & gas infrastructure.

1.2 The Committee further note REC's robust financial performance and resource mobilization capacity. With a loan book of more than ₹5.66 lakh crore and sanctions of ₹3.58 lakh crore in FY 2023–24 alone, REC has emerged as a key source of long-term funding for the energy and infrastructure sectors. Its ability to mobilize resources both domestically and internationally—through taxable and tax-free bonds, external commercial borrowings, term loans, and innovative instruments such as green bonds—has ensured the availability of competitively priced funds for the sector. REC's strong credit profile, reflected in high ratings by both domestic and international credit rating agencies such as Moody's, Fitch, S&P, ICRA, CARE, and India Ratings. This credibility has enabled REC to consistently raise funds at competitive rates, contributing to its profitability and capacity to support national priorities. Its contributions to the national exchequer through taxes, dividends, and interest payments on government equity have been substantial. In the present report, the Committee have touched upon many important issues and have given their observations/recommendations and hope that these will be implemented in right perspective by REC so as to improve the functioning and performance of the Company. The Committee hope that observations/recommendations given by them in this Report will be implemented in right spirit.

2. OPERATIONAL AND FINANCIAL PERFORMANCE

2.1 <u>Analysis of Lending Operations</u>

The Committee note that REC Limited has grown into one of the largest financial institutions in India's power sector, with a loan book of ₹5.66 lakh crores as on 31 December 2024 and annual sanctions of ₹3.58 lakh crores in FY 2023–24, reflecting its critical role in financing India's energy infrastructure. Out of these sanctions, renewable energy projects accounted for ₹1.35 lakh crores, constituting nearly 30–35 per cent of the total, thereby underlining REC's increasing focus on clean energy in line with the Government's targets of achieving 500 GW of non-fossil capacity by 2030. The Committee observe that REC's lending operations continue to span across the generation, transmission, and distribution segments, with significant exposure to state-owned DISCOMs, where financing has been extended both for capital expenditure and

liquidity support under schemes like UDAY, DDUGJY, and RDSS. The Committee also note that REC has adopted flexible mechanisms for securing its loans to state sector utilities, including State Government guarantees, escrow arrangements, hypothecation of assets, and in some cases budgetary support commitments, which have helped to mitigate risk, although concerns remain regarding timely payments and financial stress in DISCOMs. Further, the Committee are aware that REC has started diversifying its exposure to non-power infrastructure such as roads, metro rail, ports, airports, oil & gas pipelines, data centres, education and healthcare, with up to 30 per cent of new sanctions currently permissible in this category. However, as clarified by the Ministry during oral evidence, this diversification window is proposed to be limited to 15 per cent in light of sectoral priorities, and a review is underway to balance REC's traditional role in power financing with its new developmental mandate. The Committee appreciate REC's proactive approach in tapping both domestic and international markets for resources, including external commercial borrowings, bonds, and 54EC capital gains bonds, which has enabled the Company to optimize its cost of borrowings and support large-scale sanctions. At the same time, the Committee remain concerned that excessive exposure to stressed state utilities, delays in tariff rationalization, and the risks inherent in non-power infrastructure lending could create vulnerabilities if not backed by robust appraisal, monitoring, and risk-management frameworks. The Committee therefore recommend that REC strengthen its credit appraisal and project monitoring systems across all sectors, build dedicated in-house expertise for appraising non-power projects, and progressively reduce reliance on state guarantees by expanding alternative payment security mechanisms. The Committee further recommend that while REC continues to play a vital role in supporting Government flagship schemes and enabling the energy transition, it must ensure prudent diversification, rigorous due diligence, and strong risk safeguards so that its financial health remains sound.

2.2 <u>Financial Performance</u>

The Committee note that REC Limited has demonstrated robust financial performance over the last five years, with steady growth in income, profitability, and improved capital adequacy, reflecting its resilience as a leading power sector NBFC.

The Committee observe that REC's interest income increased from ₹29,663 crore in FY 2019–20 to ₹55,070 crore in FY 2024–25, while Profit After Tax (PAT) rose from ₹4,886 crore to ₹15,713 crore during the same period, underscoring strong revenue growth and efficient operations. The Committee further note that other operating income has also shown improvement, rising to ₹841 crore in FY 2024–25, although it fluctuated in the interim years. At the same time, finance costs have nearly doubled from ₹18,997 crore in FY 2019–20 to ₹34,134 crore in FY 2024–25, reflecting the scale of borrowing required to fund REC's expanding loan book. The Committee also note that provisioning for impairment on financial instruments was significantly high in FY 2020–21 and FY 2021–22 (₹2,419 crore and ₹3,473 crore respectively), before normalizing in subsequent years, which indicates improved asset quality and recovery performance. The Committee are encouraged that key financial ratios such as Net Interest Margin (NIM) improved from 2.79% in FY 2019–20 to 3.63% in FY 2024–25, while Return on Equity (RoE) remained consistently strong at above 20% in recent years. Debt-equity ratio has moderated to 6.29 times in FY 2024–25, and Capital Adequacy Ratio (CRAR) has strengthened to 25.99%, well above regulatory requirements, demonstrating REC's strong capital buffers. The Committee recommend that REC sustain this performance by maintaining strict control on impairments, further improving operational efficiency, and ensuring that profitability gains are balanced with prudent risk management. Special attention should be paid to keeping finance costs under check while preserving strong capital adequacy levels.

2.3 <u>Resource Mobilization</u>

On the resource mobilization front, the Committee note that REC has raised funds through a mix of domestic bonds, bank loans, commercial paper, and foreign currency borrowings, with international sources now contributing nearly 32% of the Company's total borrowings (₹1,59,059 crore as on 31 December 2024). The Committee also observe that REC has tapped innovative instruments like 54EC capital gains tax exemption bonds, although the overall "kitty" of ₹13,000–14,000 crore is limited and now shared between four institutions (REC, PFC, IRFC, and HUDCO). REC has requested that this kitty be enhanced and the individual investment limit per investor be raised from ₹50 lakh to ₹1 crore, given inflation and increased funding needs for

renewable projects. The Committee are of the considered view that resource mobilization at competitive costs remains critical to REC's sustainability, especially as domestic borrowing costs average above 7%, compared to 6.5–6.75% for foreign borrowings, with both fully hedged as per RBI guidelines. The Committee, therefore, recommend that REC continue to diversify its sources of funding, expand access to low-cost green bonds, and actively engage with the Government to enhance the 54EC kitty and limits to better channel household savings into infrastructure financing. At the same time, REC should maintain a balanced debt-equity profile, closely monitor its weighted average borrowing cost, and adopt optimal tenure and currency mix strategies to sustain cost competitiveness in financing India's power and infrastructure sectors.

3. NPA MANAGEMENT AND RISK FRAMEWORK

3.1 Analysis of Non-Performing Assets (NPAs)

The Committee note that REC's loan portfolio has expanded significantly over the last five years in tandem with its role in financing the power sector and, more recently, renewable energy and infrastructure projects. With this expansion, the management of stressed assets assumes critical importance. The Committee observe that REC has made notable progress in controlling slippages, as reflected in the moderation of impairment charges from ₹3,473 crore in FY 2021–22 to ₹1,019 crore in FY 2024–25, signaling improved asset quality. However, gross NPAs remain concentrated in specific segments such as independent power producers, state utilities, and select large projects, primarily due to fuel supply issues and the absence of adequate power purchase agreements. The Committee further note that delays in equity infusion by promoters and diversion of funds have also contributed to stress in certain projects. State-wise classification shows that a few states account for a disproportionate share of NPAs, underscoring the risks of geographic concentration. The Committee are focused on, that while provisioning levels have improved in line with RBI's prudential norms, recovery performance still lags behind expectations, and cases requiring forensic audits indicate governance concerns. The Committee recommend that REC should strengthen its pre-sanction appraisal by factoring in different kind of risks more rigorously, especially in relation to DISCOMs and private developers with weak

financials. Post-disbursement monitoring must be tightened through enhanced site inspections, technology-enabled tracking, and independent audits. The Committee also recommend a key focus on state-level risk assessment to avoid overexposure to high-risk geographies. Further, REC should actively pursue resolution mechanisms such as IBC, OTS, and ARC sales to expedite recovery, while continuing to maintain a robust provisioning coverage ratio. Over the medium term, diversification of the portfolio towards renewable energy and less risky segments should be accelerated to reduce systemic concentration in stressed sectors like thermal generation and distribution.

3.2 Recovery Performance and Resolution of Stressed Assets

The Committee note that REC has been making efforts to improve recovery from its stressed assets through different channels such as restructuring, one-time settlements, sale to Asset Reconstruction Companies, and proceedings under the Insolvency and Bankruptcy Code (IBC). While some progress has been made in recent years, the overall pace of recovery has remained uneven, and a number of large accounts continue to remain unresolved for long periods. The Committee note that REC has, in some instances, initiated forensic audits and reported matters to enforcement agencies where concerns regarding potential fund diversion or misuse arose. This indicates the Company's efforts to uphold accountability. The Committee also recognise that several of REC's stressed assets arise from broader sectoral challenges, including the financial condition of state distribution companies and the time and cost overruns associated with major power projects. The Committee recommend that REC should adopt a more time-bound approach to resolving its NPAs, with clear annual targets for recovery linked to the age and size of stressed accounts. Greater coordination with IBC authorities and faster decision-making in settlement cases would help in improving outcomes. The Committee also suggest strengthening REC's in-house legal and recovery teams to handle complex cases more effectively. At the same time, REC should invest in early warning systems and stricter credit monitoring so that potential stress is identified at an early stage and corrective steps are taken before loans slip into NPAs.

4. STRATEGIC INITIATIVES: RENEWABLE ENERGY AND DIVERSIFICATION

4.1 Financing of Renewable Energy and Energy Transition

The Committee note that REC has significantly scaled up its financing for renewable energy (RE) in line with India's ambitious target of 500 GW of non-fossil fuel capacity by 2030. In FY 2023–24 alone, REC sanctioned projects worth ₹3,58,000 crore, of which ₹1,35,000 crore (about 30–35 per cent) was towards renewable energy, covering sectors such as solar, wind, hydro, hybrid projects, and emerging technologies like battery storage. The Committee also note that REC has been actively supporting transmission infrastructure for evacuation of renewable power, grid-scale energy storage systems, and is exploring newer areas such as green hydrogen and green ammonia. REC has also tapped international markets and raised green bonds to mobilize cheaper resources for financing the energy transition. The Committee further observe that REC's increasing share of RE financing reflects its strategic shift beyond conventional generation, transmission, and distribution projects. At the same time, challenges remain in ensuring the commercial viability of RE projects, integration of storage solutions, and addressing risks such as counterparty payment delays from state DISCOMs. While REC's efforts in diversifying its clean energy portfolio are commendable, it is equally important to strengthen risk appraisal and adopt innovative financing structures to support the rapid growth of this sector. The Committee recommend that REC continue to expand its focus on renewable energy financing, while adopting a cautious approach to safeguard asset quality. More emphasis should be placed on financing battery storage systems, transmission corridors for RE evacuation, and domestic manufacturing under PLI schemes, in alignment with national priorities. The Committee also suggest that REC actively engage with State Governments and DISCOMs to address payment security mechanisms for renewable projects, and leverage its international market access to raise more low-cost green funds. This will not only strengthen REC's role as a key enabler of India's clean energy transition but also enhance its long-term sustainability.

4.2 Diversification into Non-Power Infrastructure Sectors

The Committee note that REC, traditionally focused on the power sector, has recently diversified into financing non-power infrastructure sectors such as roads, highways, metro rail, ports, airports, oil & gas infrastructure, data centres, educational institutions, and healthcare. This diversification aligns with the Government's vision of strengthening India's overall infrastructure framework and meeting the financing needs of critical sectors beyond energy. During FY 2024–25, REC has already identified and sanctioned projects in certain segments, while also outlining targets for loan sanctions and disbursements for the next three years. The Committee further observe that while diversification provides an opportunity to broaden REC's business portfolio and reduce sectoral concentration risks, it also brings challenges. These include gaps in in-house expertise for project appraisal, higher risk exposure in new sectors, and the need for specialized frameworks to assess viability and manage risks effectively. The Committee note that REC has initiated steps to recruit sector specialists, train its existing manpower, and build appraisal methodologies tailored to these new domains. Additionally, the Ministry has clarified that REC's exposure to non-power sectors will remain within prudential limits, currently capped at 30 per cent of new sanctions, which is proposed to be reduced further to around 15 per cent. The Committee recommend that REC pursue diversification in a calibrated and cautious manner, ensuring that new exposures are backed by robust risk assessment and mitigation frameworks. Special attention should be given to building sector-specific expertise and developing partnerships with domain specialists to strengthen appraisal and monitoring systems. The Committee also recommend that REC periodically review the performance of its non-power portfolio and share detailed impact assessments with the Ministry and the Committee. By doing so, REC can strike the right balance between growth opportunities in new sectors and the stability of its core power sector financing.

5. ROLE IN GOVERNMENT SCHEMES AND CSR ACTIVITIES

5.1 Role of REC in Flagship Government Schemes

The Committee note that REC Limited has been entrusted with the role of nodal agency for key Government of India schemes aimed at strengthening power distribution

and improving access to electricity. These include the Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY), the Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya), and the ongoing Revamped Distribution Sector Scheme (RDSS). Under DDUGJY, REC sanctioned more than ₹43,000 crore across states for feeder separation, rural infrastructure strengthening, and metering, leading to the electrification of over 1,20,000 villages. The Saubhagya scheme, launched in 2017, was also implemented through REC and resulted in providing electricity connections to more than 2.6 crore households, enabling near-universal household electrification by 2019.The Committee further observe that REC has emerged as the lead agency for RDSS, with the objective of reducing Aggregate Technical and Commercial (AT&C) losses to 12-15 per cent nationally and ensuring cost recovery of DISCOMs by 2024-25. As of March 2024, REC reported cumulative sanctions of over ₹1.6 lakh crore under RDSS, with ₹67,000 crore disbursed, supporting projects such as smart metering, system strengthening, and distribution automation. The Committee also note that REC has been instrumental in monitoring fund utilization through IT-enabled platforms and has instituted performance-linked disbursements for states. However, despite these efforts, several states continue to report AT&C losses above 20 per cent, highlighting uneven progress. The Committee also take note of REC's statement during oral evidence that escrow arrangements and state guarantees continue to be critical challenges in financing state utilities, with alternative mechanisms such as budgetary commitments being accepted where required. Further, while physical targets like universal household electrification have been largely achieved, the financial health of DISCOMs remains a critical issue. In light of these facts, the Committee recommend that REC strengthen the monitoring of government schemes by deploying independent third-party evaluations in addition to its IT-enabled monitoring systems, ensuring greater transparency in state-wise progress. The Committee further recommend that sanctions under RDSS be more tightly linked to actual performance in reducing AT&C losses and improving billing and collection efficiency. The Committee also urge REC to work closely with state governments to standardize escrow/payment security mechanisms so that timely debt servicing is ensured. The Committee are of the view that while REC has played a pivotal role in the success of DDUGJY and Saubhagya, greater emphasis is now required on ensuring that the financial sustainability of DISCOMs under RDSS is achieved in both letter and spirit.

5.2 Corporate Social Responsibility (CSR) Initiatives

The Committee note that REC Limited has consistently undertaken Corporate Social Responsibility (CSR) activities in line with Section 135 of the Companies Act, 2013, with the prescribed allocation being at least 2 per cent of the average net profits of the previous three years. The Committee further note that REC's CSR interventions span across multiple thematic areas including education, healthcare, sanitation, skill development, environmental sustainability, and rural development, with projects spread across more than 20 states and union territories. The Committee observe that in education, REC has supported the construction of classrooms, digital learning facilities, and scholarships for underprivileged students, impacting nearly 1.2 lakh beneficiaries during FY 2023–24. In healthcare, REC's CSR budget has funded mobile health clinics, cancer care facilities, and maternal-child health programs, benefitting more than 5 lakh individuals. Under environmental sustainability, REC has supported afforestation projects and solar lighting installations in rural areas, while in skill development, REC's initiatives have trained nearly 15,000 youth across various trades, many of whom secured employment. The Committee further note that REC has also supported aspirational districts and border areas to align CSR projects with national development priorities. At the same time, the Committee observe that while REC's CSR expenditure has consistently met statutory requirements, approaches to impact assessment are still taking shape. For example, many projects highlight input and output measures (such as classrooms built or trees planted), while outcome indicators such as improvements in student performance, continued healthcare access, or income gains among trained youth are gradually receiving greater attention. In view of the above, the Committee recommend that REC strengthen its CSR policy by mandating independent impact evaluations for major projects above a certain financial threshold. Further, the Committee are of the opinion that REC should align some portion of its annual CSR budget to national flagship priorities such as the Aspirational Districts Programme) Jal Jeevan Mission, etc. ensuring both geographic equity and thematic relevance. The Committee also recommend that CSR activities be planned with multi-year continuity rather than one-off interventions, so that the long-term benefits of education, healthcare, and skill development initiatives can be fully realized.

6. FUTURE STRATEGY AND DIGITAL TRANSFORMATION

6.1 The PFC-REC Holding-Subsidiary Relationship

The Committee note that REC Limited became a subsidiary of Power Finance Corporation (PFC) in 2019, creating one of the largest combined power-sector financiers in the country. The Committee observe that this holding–subsidiary structure has allowed for stronger capital adequacy, enhanced bargaining power in domestic and international markets, and better alignment with national power-sector financing goals. The Committee also note that REC continues to maintain operational autonomy while benefiting from synergies with PFC in areas such as joint consortium financing, credit risk assessment, and sharing of market intelligence. However, concerns were raised in oral evidence regarding areas of operational overlap, especially in lending to State utilities and renewable energy projects, which may sometimes result in parallel competition rather than collaboration. The Committee further observe that the Ministry of Power has proposed to rationalize REC's diversification window from the present 30 per cent of new sanctions to 15 per cent, to ensure that both entities remain primarily focused on the power sector while still pursuing selective infrastructure diversification. The Committee recommend that PFC and REC, under the guidance of the Ministry of Power, develop a comprehensive coordination framework to avoid duplication of efforts, ensure complementary roles in project appraisal, and leverage their combined financial strength for large-scale national infrastructure projects. The Committee also recommend that a periodic review mechanism be instituted to evaluate realized synergies and address gaps, so that the holding–subsidiary structure continues to serve the strategic objectives of the power sector without diluting operational efficiency.

6.2 Digital Transformation

The Committee note that REC has undertaken a comprehensive digital transformation roadmap to modernise its operations, enhance transparency, and improve service delivery. Over the last three financial years (FY 2021–22 to FY 2023–24), REC has invested around ₹35.15 crores in upgrading its IT infrastructure, including deployment of enterprise-wide ERP, CRM, Loan Management System (LMS), and Digital Document Management System (DDMS). The Committee further note that core lending

processes—such as loan origination, appraisal, sanction, disbursement, and post-disbursement monitoring—have been substantially digitised. The Committee also note that REC has implemented an Integrated Risk Management Dashboard and strengthened its data analytics capabilities to support decision-making and compliance. Additionally, the Company has adopted enhanced cybersecurity protocols, in line with RBI and CERT-In guidelines, to secure sensitive financial and operational data.The Committee appreciate these initiatives and note that REC has begun to measure Return on Investment (ROI) on its IT projects using metrics such as turnaround time, cost savings, and customer satisfaction scores. However, the Committee feel that more systematic documentation of outcomes, and linking of digitalisation with productivity and profitability indicators, is necessary for full accountability. Therefore, the Committee recommend that REC institutionalise a Digital Performance Monitoring Framework, with quarterly reporting on ROI, efficiency gains, and risk mitigation benefits from IT projects. The Committee further recommend that REC expand its digital outreach to borrowers, especially state utilities and DISCOMs, through user-friendly portals and mobile platforms, and integrate real-time project monitoring dashboards to improve transparency. The Committee also desire that REC periodically review its digital roadmap to ensure that investments are aligned with business priorities and evolving technology standards.

7. CONCLUSION

The Committee, after an extensive examination of REC's operational and financial performance, NPA management practices, strategic initiatives in renewable energy and diversification, role in Government schemes, CSR activities, and its future digital roadmap, note that the Company has emerged as a critical institution in financing the power and infrastructure sectors of the country. With a loan book of over ₹5.66 lakh crore, consistent profitability with PAT crossing ₹15,700 crore in FY 2024–25, and significant sanctions of more than ₹3.5 lakh crore during the year—of which nearly 35 per cent were directed towards renewable energy—the importance of REC in supporting India's energy transition cannot be overstated. The Committee also recognise REC's strong capital adequacy of around 26 per cent, steady provisioning practices, and its growing role as a nodal agency for key schemes such as RDSS, DDUGJY, and

SAUBHAGYA. At the same time, the Committee observe challenges such as high concentration of exposure to state utilities, sectoral stress leading to NPAs, and the need for skill-building to manage diversification into non-power infrastructure.

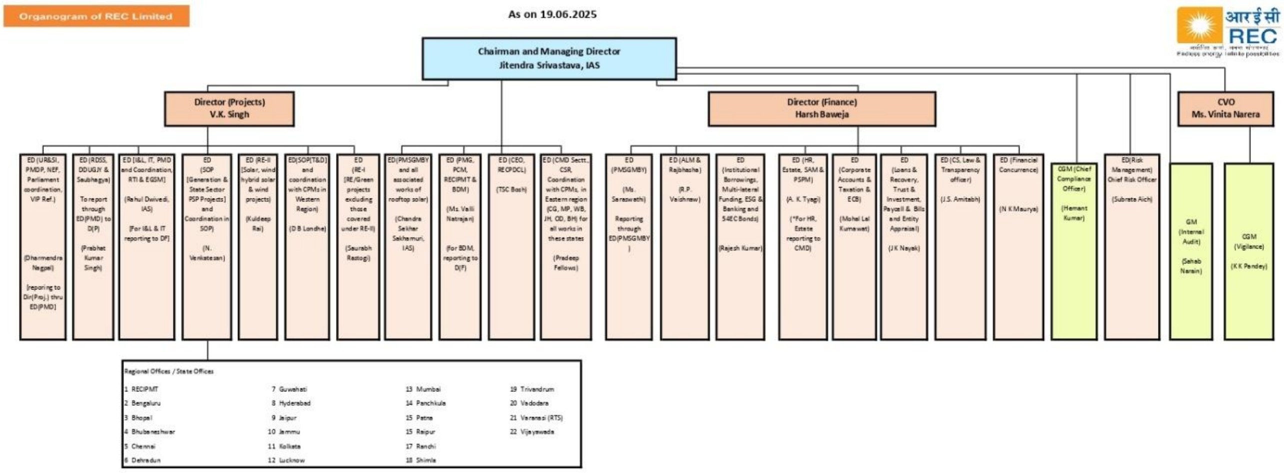
The Committee, therefore, emphasise that the observations and recommendations contained in this Report should be implemented in the right perspective so as to strengthen REC's role as a financially sound, strategically aligned, and digitally future-ready institution. The Committee hope that their recommendations will be acted upon in the right spirit, enabling REC to continue contributing to national priorities such as energy transition, infrastructure development, and inclusive growth, while maintaining prudential discipline and operational efficiency.

New Delhi;
08 December, 2025
17 Agrahayana, 1947(S)

BAIJAYANT PANDA
Chairperson
Committee on Public Undertakings

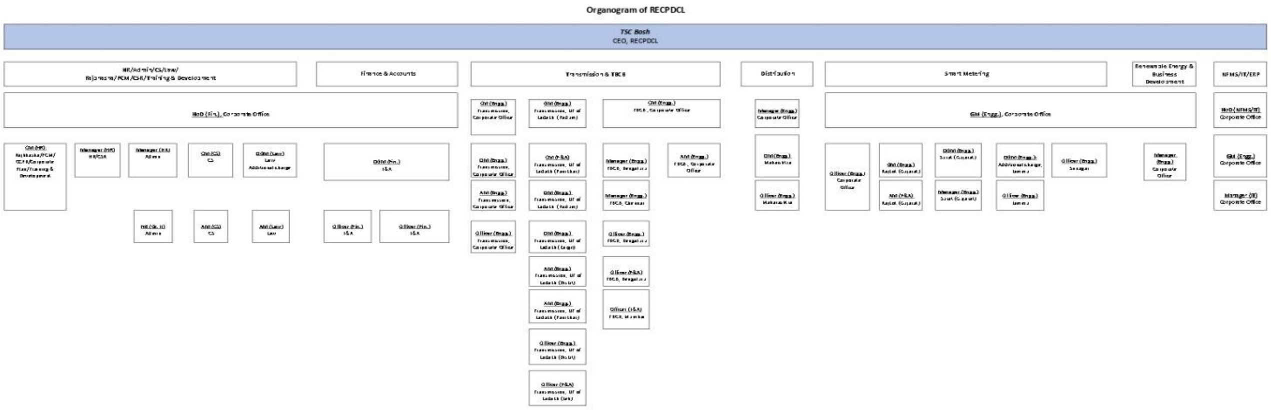
ANNEXURE-I

ORGANIZATION OF REC



ANNEXURE-II

ORGANOGRAM OF RECPDCL



ANNEXURE-III

Details of Loan applications received/ sanctioned in state sector

Annexure-III (Part-I)

State	FY 2019-20							
	T&D		GEN		SOP Non-Capex		Total	
	No of Loan applications received/ sanctioned	Loan Amount (Rs in Cr)	No of Loan applications received/ sanctioned	Loan Amount (Rs in Cr)	No of Loan applications received/ sanctioned	Loan Amount (Rs in Cr)	No of Loan applications received/ sanctioned	Loan Amount (Rs in Cr)
Andhra Pradesh	56	3557	2	907	2	300	60	4764
Arunachal Pradesh								
Assam	4	251	0	0	0	0	4	251
Bihar	0	190	0	0	2	290	2	480
Chhattisgarh	0	0	0	0	0	0	0	0
Delhi	0	0	0	0	0	0	0	0
Goa	0	0	0	0	0	0	0	0
Gujarat							0	0
Haryana	45	1003	0	0	0	0	45	1003
Himachal Pradesh	23	330	1	9	0	0	24	339
Jammu & Kashmir	0	0	0	0	0	0	0	0
Jharkhand	0	0	0	0	0	0	0	0
Karnataka	30	2921	20	6258	12	1800	62	10979
Kerala	26	3864	0	0	0	0	26	3864
Madhya Pradesh	1	10	0	0	0	0	1	10
Maharashtra	106	7224	39	8103	1	1000	146	16327
Manipur	0	0	0	0	0	0	0	0
Meghalaya	3	123	0	0	0	0	3	123
Mizoram	0	0	0	0	0	0	0	0

Nagaland	0	0	0	0	0	0	0	0
Odisha	0	0	2	966	0	0	2	966
Puducherry	0	0	0	0	0	0	0	0
Punjab	7	1268	0	0	2	250	9	1518
Rajasthan	43	3716	1	1200	4	600	48	5516
Sikkim	0	0	1	4948	0	0	1	4948
Tamil Nadu	65	4805	2	1247	2	300	69	6352
Telangana	57	3309	5	20055	6	1150	68	24513
Tripura	1	42	0	0	0	0	1	42
Uttar Pradesh	102	4100	2	1111	2	550	106	5762
Uttarakhand	3	94	1	504	0	0	4	598
West Bengal	17	2018	5	2261	2	1650	24	5929
Interstate Transmission Projects	0	0	0	0	0	0	0	0
Nepal	0	0	1	3167	0	0	1	3167
Bhutan	0	0	0	0	0	0	0	0

State	FY 2020-21							
	SOP Capex				SOP Non-Capex		Total	
	T&D		GEN					
	No of Loan applications received/ sanctioned	Loan Amount (Rs in Cr)	No of Loan applications received/ sanctioned	Loan Amount (Rs in Cr)	No of Loan applications received/ sanctioned	Loan Amount (Rs in Cr)	No of Loan applications received/ sanctioned	Loan Amount (Rs in Cr)
Andhra Pradesh	30	1293	2	3522	4	4185	36	9000
Arunachal Pradesh								
Assam	0	0	0	0	0	0	0	0
Bihar	11	352	1	4260	2	1753	14	6366
Chhattisgarh	17	642	0	0	0	0	17	642
Delhi	0	0	0	0	0	0	0	0
Goa	38	639	0	0	0	0	38	639
Gujarat							0	0
Haryana	65	880	0	0	0	0	65	880
Himachal Pradesh	17	119	1	1	1	138	19	258
Jammu & Kashmir	0	0	1	3602	2	2790	3	6392
Jharkhand	0	0	0	0	0	0	0	0
Karnataka	23	1930	1	237	7	4074	31	6240
Kerala	0	0	0	0	1	500	1	500
Madhya Pradesh	1	40	1	9208	0	0	2	9248
Maharashtra	17	815	12	1982	5	9455	34	12252
Manipur	12	323	0	0	1	56	13	378
Meghalaya	0	0	0	0	1	673	1	673
Mizoram	0	0	0	0	0	0	0	0

Nagaland	0	0	0	0	0	0	0	0
Odisha	18	607	1	571	0	0	19	1178
Puducherry	0	0	0	0	1	150	1	150
Punjab	5	440	0	0	1	2000	6	2440
Rajasthan	24	1684	0	0	5	2732	29	4416
Sikkim	0	0	0	0	0	0	0	0
Tamil Nadu	26	3239	0	0	1	17830	27	21069
Telangana	7	139	2	15299	2	6326	11	21764
Tripura	0	0	0	0	0	0	0	0
Uttar Pradesh	12	120	0	0	2	13970	14	14090
Uttarakhand	3	36	0	0	2	450	5	486
West Bengal	10	488	0	0	1	510	11	998
Interstate Transmission Projects	0	0	0	0	0	0	0	0
Nepal	0	0	0	0			0	0
Bhutan	0	0	0	0	0	0	0	0

FY 2021-22								
State	SOP Capex				SOP Non-Capex		Total	
	T&D		GEN					
	No of Loan applications received/ sanctioned	Loan Amount (Rs in Cr)	No of Loan applications received/ sanctioned	Loan Amount (Rs in Cr)	No of Loan applications received/ sanctioned	Loan Amount (Rs in Cr)	No of Loan applications received/ sanctioned	Loan Amount (Rs in Cr)
Andhra Pradesh	28	1321	1	4246	0	0	29	5566
Arunachal Pradesh								
Assam	0	0	0	0	0	0	0	0
Bihar	0	0	0	0	0	0	0	0
Chhattisgarh	39	1129	0	0	0	0	39	1129
Delhi	0	0	0	0	0	0	0	0
Goa	0	0	0	0	0	0	0	0
Gujarat	0	0	0	0	0	0	0	0
Haryana	14	464	0	0	1	200	15	664
Himachal Pradesh	38	588	1	4	0	0	39	592
Jammu & Kashmir	0	2	0	0	0	0	0	2
Jharkhand	1	260	0	0	0	0	1	260
Karnataka	11	1631	0	0	1	135	12	1766
Kerala	16	2528	25	1478	0	0	41	4005
Madhya Pradesh	0	0	0	0	0	0	0	0
Maharashtra	32	1507	21	4008	0	0	53	5514
Manipur	0	0	0	0	0	0	0	0
Meghalaya	0	0	0	0	0	0	0	0
Mizoram	8	2	0	0	0	0	8	2

Nagaland	11	5	0	0	0	0	11	5
Odisha	12	468	0	0	1	250	13	718
Puducherry	0	0	0	0	0	0	0	0
Punjab	0	0	0	0	7	1000	7	1000
Rajasthan	34	2399	0	0	6	4464	40	6863
Sikkim	1	828	0	0	0	0	1	828
Tamil Nadu	9	1957	0	0	0	0	9	1957
Telangana	19	219	2	2258	0	0	21	2477
Tripura	0	0	0	0	0	0	0	0
Uttar Pradesh	0	0	0	0	0	0	0	0
Uttarakhand	1	6	0	0	1	150	2	156
West Bengal	10	1437	0	0	0	0	10	1437
Interstate Transmission Projects	0	0	0	0	0	0	0	0
Nepal	0	0	0	0	0	0	0	0
Bhutan	0	0	1	2500	0	0	1	2500

FY 2022-23								
State	SOP Capex				SOP Non-Capex		Total	
	T&D		GEN					
	No of Loan applications received/ sanctioned	Loan Amount (Rs in Cr)	No of Loan applications received/ sanctioned	Loan Amount (Rs in Cr)	No of Loan applications received/ sanctioned	Loan Amount (Rs in Cr)	No of Loan applications received/ sanctioned	Loan Amount (Rs in Cr)
Andhra Pradesh	25	3789	1	1064	7	15305	33	20158
Arunachal Pradesh	0	0	0	0	0	0	0	0
Assam	1	144	0	0	1	500	2	644
Bihar	0	0	0	0	2	2000	2	2000
Chhattisgarh	43	1379	3	792	5	6581	51	8752
Delhi	0	0	0	0	0	0	0	0
Goa	0	0	0	0	0	0	0	0
Gujarat	27	1500	1	14799	0	0	28	16299
Haryana	11	634	0	0	6	3250	17	3884
Himachal Pradesh	29	230	1	6	0	0	30	235
Jammu & Kashmir	0	0	0	0	2	12797	2	12797
Jharkhand	0	0	0	0	1	3000	1	3000
Karnataka	13	1909	0	0	13	5647	26	7556
Kerala	9	1995	25	1035	3	900	37	3930
Madhya Pradesh	0	0	0	0	0	0	0	0
Maharashtra	22	932	18	14713	6	15857	46	31502
Manipur	0	0	0	0	1	81	1	81
Meghalaya	0	0	0	0	0	0	0	0
Mizoram	0	0	0	0	0	0	0	0
Nagaland	0	0	0	0	0	0	0	0

Odisha	0	0	2	535	2	1000	4	1535
Puducherry	0	0	0	0	0	0	0	0
Punjab	2	37	0	0	6	2350	8	2387
Rajasthan	71	9845	2	604	11	13653	84	24102
Sikkim	0	0	0	0	0	0	0	0
Tamil Nadu	0	0	0	1037	2	14672	2	15709
Telangana	0	0	0	0	4	7000	4	7000
Tripura	1	27	0	0	0	0	1	27
Uttar Pradesh	92	1482	4	2169	1	3400	97	7051
Uttarakhand	7	458	0	274	2	525	9	1257
West Bengal	3	47	2	883	3	1163	8	2092
Interstate Transmission Projects	0	0	0	0	0	0	0	0
Nepal	0	0	0	0	0	0	0	0
Bhutan	0	0	0	0	0	0	0	0

FY 2023-24								
State	SOP Capex				SOP Non-Capex		Total	
	T&D		GEN					
	No of Loan applications received/ sanctioned	Loan Amount (Rs in Cr)	No of Loan applications received/ sanctioned	Loan Amount (Rs in Cr)	No of Loan applications received/ sanctioned	Loan Amount (Rs in Cr)	No of Loan applications received/ sanctioned	Loan Amount (Rs in Cr)
Andhra Pradesh	87	5061	3	10148	5	2700	95	17909
Arunachal Pradesh	0	0	0	0	0	0	0	0
Assam	0	0	0	0	0	0	0	0
Bihar	18	4522	0	0	0	0	18	4522
Chhattisgarh	59	4062	1	11882	0	0	60	15944
Delhi	0	0	0	0	0	0	0	0
Goa	0	0	0	0	0	0	0	0
Gujarat	0	0	0	0	0	0	0	0
Haryana	12	865	1	2154	3	2500	16	5519
Himachal Pradesh	0	0	4	6567	0	0	4	6567
Jammu & Kashmir	0	0	2	8551	0	0	2	8551
Jharkhand	0	0	3	12750	0	0	3	12750
Karnataka	9	2150	1	7638	20	11120	30	20909
Kerala	5	1668	3	582	1	500	9	2750
Madhya Pradesh	6	1334	2	9568	0	0	8	10902
Maharashtra	154	16314	1	1232	6	18079	161	35626
Manipur	0	0	0	0	0	0	0	0
Meghalaya	0	0	0	0	0	0	0	0
Mizoram	0	0	0	0	0	0	0	0

Nagaland	0	0	0	0	0	0	0	0
Odisha	1	444	0	0	0	0	1	444
Puducherry	0	0	0	0	0	0	0	0
Punjab	4	1229	0	0	5	3700	9	4929
Rajasthan	35	3224	2	6264	14	12500	51	21989
Sikkim	0	0	1	4627	0	0	1	4627
Tamil Nadu	54	10323	1	1271	3	6500	58	18094
Telangana	64	1889	22	3113	9	7500	95	12503
Tripura	0	0	0	0	0	0	0	0
Uttar Pradesh	40	829	2	1485	0	0	42	2314
Uttarakhand	18	597	0	0	1	400	19	997
West Bengal	1	116	2	5790	1	2500	4	8406
Interstate Transmission Projects	0	0	0	0	0	0	0	0
Nepal	0	0	2	10517	0	0	2	10517
Bhutan	0	0	0	0	0	0	0	0

FY 2024-25								
State	SOP Capex				SOP Non-Capex		Total	
	T&D		GEN					
	No of Loan applications received/ sanctioned	Loan Amount (Rs in Cr)	No of Loan applications received/ sanctioned	Loan Amount (Rs in Cr)	No of Loan applications received/ sanctioned	Loan Amount (Rs in Cr)	No of Loan applications received/ sanctioned	Loan Amount (Rs in Cr)
Andhra Pradesh	48	1971	1	893	8	5500	57	8364
Arunachal Pradesh	0	0	2	3401	0	0	2	3401
Assam	2	792	0	0	0	0	2	792
Bihar	0	0	1	6699	0	0	1	6699
Chhattisgarh	1	324	0	0	0	0	1	324
Delhi	0	0	0	0	0	0	0	0
Goa	0	0	0	0	0	0	0	0
Gujarat	0	0	1	6639	0	0	1	6639
Haryana	4	1732	1	6481	2	1250	7	9464
Himachal Pradesh	11	163	0	0	0	0	11	163
Jammu & Kashmir	28	4004	3	7977	0	0	31	11981
Jharkhand	0	0	1	3168	1	1000	2	4168
Karnataka	20	4421	4	4047	10	4350	34	12818
Kerala	72	11874	0	0	4	2000	76	13874
Madhya Pradesh	7	2572	4	5337	0	0	11	7909
Maharashtra	3	653	37	16720	4	6079	44	23452
Manipur	0	0	0	0	0	0	0	0
Meghalaya	0	0	0	0	0	0	0	0

Mizoram	0	0	0	0	0	0	0	0
Nagaland	0	0	0	0	0	0	0	0
Odisha	0	0	0	0	1	500	1	500
Puducherry	0	0	0	0	0	0	0	0
Punjab	3	705	0	0	0	0	3	705
Rajasthan	106	15910	0	0	13	9784	119	25694
Sikkim	0	0	1	2000	1	768	2	2768
Tamil Nadu	34	2232	0	0	9	20000	43	22232
Telangana	11	1967	2	7371	2	1000	15	10337
Tripura	0	0	0	0	0	0	0	0
Uttar Pradesh	78	888	6	5413	2	7600	86	13901
Uttarakhand	51	3641	0	0	0	0	51	3641
West Bengal	2	85	2	6488	5	1950	9	8524
Interstate Transmission Projects	0	0	0	0	0	0	0	0
Nepal	0	0	0	0	0	0	0	0
Bhutan	0	0	0	0	0	0	0	0

Annexure-III (Part-II)

Details of Loan applications received/ sanctioned in Private sector

Table-1: Loan applications received

Sr. No.	State	Sector	FY19-20		FY 20-21		FY 21-22		FY 22-23		FY 23-24		FY 24-25	
			Number of Applications	Value of loan application	Number of Applications	Value of loan application	Number of Applications	Value of loan application	Number of Applications	Value of loan application	Number of Applications	Value of loan application	Number of Applications	Value of loan application
1	Andhra Pradesh	Generation [Thermal)									1	609		
		Generation [Hydro]												
		Coal Mining*												
		Transmission												
		Distribution												
2	Chattisgarh	Generation [Thermal)												
		Generation [Hydro]												
		Coal Mining*			1	930.75							2	235.69
		Transmission												
		Distribution											1	831.85
3	Goa	Generation [Thermal)												
		Generation [Hydro]												
		Coal Mining*												
		Transmission					1	650						
		Distribution												
4	Gujarat	Generation [Thermal)												

		Generation [Hydro]												
		Coal Mining*												
		Transmission			1	1000					1	703.36		
		Distribution												
5	Himachal Pradesh	Generation [Thermal)												
		Generation [Hydro]									1	2187		
		Coal Mining*												
		Transmission												
		Distribution												
6	Jammu & Kashmir	Generation [Thermal)												
		Generation [Hydro]												
		Coal Mining*												
		Transmission									1	57.96		
		Distribution									2	167.77		
7	Jharkhand	Generation [Thermal)	1	5037.71									1	1270
		Generation [Hydro]												
		Coal Mining*							1	336	1	378	2	1253.1
		Transmission												
		Distribution												
8	Karnataka	Generation [Thermal)												
		Generation [Hydro]												
		Coal Mining*												
		Transmission			1	580.05								
		Distribution												
9	Madhya	Generation							1	4353.8				

	Pradesh	[Thermal)												
		Generation [Hydro]												
		Coal Mining*												
		Transmission									2	1731.34		
		Distribution											2	807.03
10	Maharashtra	Generation [Thermal)											1	2100
		Generation [Hydro]												
		Coal Mining*												
		Transmission			1	1477.96								
		Distribution												
11	Odisha	Generation [Thermal)												
		Generation [Hydro]												
		Coal Mining*											2	1632
		Transmission												
		Distribution												
12	Rajasthan	Generation [Thermal)												
		Generation [Hydro]												
		Coal Mining*					1	1300						
		Transmission	1	641.42							1	2367.36		
		Distribution												
13	Tamil Nadu	Generation [Thermal)											1	440
		Generation [Hydro]												
		Coal Mining*												
		Transmission												
		Distribution					1	296.59						
14	Uttar Pradesh	Generation [Thermal)												

		Generation [Hydro]												
		Coal Mining*												
		Transmission	1	639.2										
		Distribution									1	1175	5	3868.04
15	West Bengal	Generation [Thermal)												
		Generation [Hydro]												
		Coal Mining*											2	2430.67
		Transmission												
		Distribution												

* Coal Mining projects may be taken in conjunction with Generation

Annexure-III (Part-III)

Table-1: Loan sanctioned						
Sr. No.	**Particulars**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**
1	Generation	13,445	5,858	34,529	67,112	89,632
2	Renewables	21,815	17,234	21,371	1,36,516	1,05,259
3	Transmission	9,243	9,727	8,464	19,690	17,559
4	Distribution Capex	20,374	8,385	15,944	41,533	41,881
5	Distribution Non Capex	60191	3750	97643	40,771	25,600
6	STL	2,500	1,485	4,775	12,625	14,009
Total		**1,27,568**	**46,439**	**1,82,726**	**3,18,247**	**2,93,940**

Table-2: Loan Disbursed						
Sr. No.	**Particulars**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**
1	Generation	21,580	11,506	18,954	25,054	27,478
2	Renewables	3,259	3,186	11,226	16,024	26,186
3	Transmission	6,522	7,192	3,050	6,566	6,064
4	Distribution Capex	14,374	8,973	8,509	6,663	9,870
5	Distribution Non Capex	39116	19752	42338	79,628	91,907
6	STL	840	4,078	3,461	10,512	11,059
Total		**85,691**	**54,687**	**87,538**	**1,44,447**	**1,72,564**

Table-3: Loan book outstanding at year-end (sector-wise)						
Sr. No.	**Particulars**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**
1	Generation	1,38,542	1,27,702	1,33,647	1,45,270	1,55,071
2	Renewables	21,094	19,187	27,095	38,971	57,994
3	Transmission	50,216	51,407	48,332	48,046	46,743
4	Distribution Capex	1,08,665	99,010	90,515	75,549	75,450
5	Distribution Non Capex	39116	57345	95519	1,39,124	1,45,175
6	STL	376	2,061	2,355	8,860	17,049
Total		**3,58,009**	**3,56,712**	**3,97,463**	**4,55,820**	**4,97,482**

ANNEXURE-IV

Annexure-IV(Part-I)

Capacity addition under State Sector						
STATE	**Capacity Sanctioned (MW)**					
	24-25	**23-24**	**22-23**	**21-22**	**20-21**	**19-20**
Andhra Pradesh	1350	1350	230			
Arunachal Pradesh	426	0				
Assam	0	0				
Bihar	800	0			1320	
Chhattisgarh	0	1320				
Delhi	0	0				
Goa	0	0				
Gujarat	800	0	1400			
Haryana	800	800				
Himachal Pradesh	0	1153				
Jammu & Kashmir	1141	1474			624	
Jharkhand	0	1600				
Karnataka	0	2000				
Kerala	0	0				
Madhya Pradesh	1320	1320				
Maharashtra	1320	0				1320
Manipur	0	0				
Meghalaya	0	0				
Mizoram	0	0				
Nagaland	0	0				
Odisha	0	0				
Puducherry	0	0				
Punjab	0	0				
Rajasthan	0	2120				
Sikkim	0	500				
Tamil Nadu	0	0				
Telangana	0	0				
Tripura	0	0				
Uttar Pradesh	0	0				
Uttarakhand	0	0				
West Bengal	800	1320				
Interstate Transmission Projects	0	0				
Nepal	0	1569				900
Bhutan	0	0		600		
	8,757	**16,526**	**1,630**	**600**	**1,944**	**2,220**
**including undocumented sanctions*						

Annexure IV (Part 2)

REC Limited
MW Capacity sanctioned

Sl	States / Sector	FY25	FY24	FY23	FY22	FY21	FY20
1	Andhra Pradesh	-	1,350	230	-	-	-
2	Arunachal Pradesh	426	-	-	-	-	-
3	Assam	-	24	-	-	-	-
4	Bihar	800	-	-	-	1,320	-
5	Chattisgarh	-	1,320	-	-	-	-
6	Gujarat	800	600	1,400	-	-	-
7	Haryana	-	800	-	-	-	-
8	Himachal Pradesh	2	1,153	-	-	-	-
9	Jammu & Kashmir	1,141	1,474	-	-	624	-
10	Jharkhand	-	1,600	-	-	-	-
11	Karnataka	-	2,000	-	-	-	-
12	Kerala	-	-	28	-	-	-
13	Madhya Pradesh	-	1,320	-	-	-	-
14	Maharashtra	3,818	-	-	-	-	1,320
15	Rajasthan	-	2,120	810	-	-	-
16	Sikkim	-	500	-	-	-	-
17	Uttar Pradesh	-	65	-	-	-	-
18	West Bengal	800	1,320	-	-	-	-
19	Bhutan	-	-	-	600	-	-
20	Nepal	-	1,569	-	-	-	900
21	Private	12,676	8,730	4,850	1,575	3,120	3,327
	Grand Total	**20,463**	**25,945**	**7,318**	**2,175**	**5,064**	**5,547**

ANNEXURE-V

Annexure-V

Total exposure to Distribution companies (state-wise)

(Rs in Cr.)

Sr. No.	Particulars	State	Outstanding Amount	Capex	Non Capex
1	**Distribution**	Andhra Pradesh	6,070	5,971	99
		Assam	764	764	
		Bihar	3,995	3,995	
		Chhattisgarh	1,107	1,107	
		Haryana	1,776	1,776	
		Himachal Pradesh	1,097	1,097	
		Jammu And Kashmir	28	28	
		Jharkhand	950	950	
		Karnataka	12,726	9,406	3,320
		Kerala	1,790	744	1,046
		Madhya Pradesh	2,283	2,283	
		Maharashtra	6,281	6,281	
		Manipur	274	274	
		Meghalaya	101	101	
		Mizoram	13	13	
		Nagaland	32	32	
		Orissa	267	267	
		Punjab	1,959	1,959	
		Rajasthan	22,035	18,487	3,548
		Tamilnadu	4,369	4,369	
		Telangana	5,677	5,677	
		Tripura	31	31	
		Uttar Pradesh	6,612	4,605	2,007
		Uttarakhand	987	587	400
		West Bengal	3,365	3,365	
		Sub Total	**84,591**	**74,170**	**10,420**
2	**LPS**	Andhra Pradesh	6,970		6,970
		Haryana	325		325
		Jammu And Kashmir	8,456		8,456
		Karnataka	3,533		3,533
		Maharashtra	8,907		8,907
		Manipur	69		69
		Rajasthan	6,364		6,364
		Tamilnadu	8,784		8,784
		Telangana	5,864		5,864
		Sub Total	**49,272**	**0**	**49,272**
3	**MTL**	Karnataka	1,251		1,251
		Maharashtra	4,177		4,177
		Rajasthan	3,137		3,137
		Tamilnadu	5,392		5,392

		Telangana	1,000		1,000
		West Bengal	700		700
		Sub Total	**15,657**	**0**	**15,657**
4	**RBPF**	Andhra Pradesh	10,917		10,917
		Bihar	250		250
		Chhattisgarh	1,216		1,216
		Haryana	2,995		2,995
		Karnataka	2,419		2,419
		Maharashtra	2,120		2,120
		Punjab	1,687		1,687
		Rajasthan	4,849		4,849
		Tamilnadu	5,990		5,990
		Telangana	6,489		6,489
		Uttar Pradesh	4,168		4,168
		Sub Total	**43,101**	**0**	**43,101**
5	**RDSS**	Chhattisgarh	683	683	
		Rajasthan	597	597	
		Sub Total	**1,280**	**1,280**	**0**
6	**Spl LTTL**	Andhra Pradesh	2,887		2,887
		Bihar	1,394		1,394
		Himachal Pradesh	14		14
		Jammu And Kashmir	2,259		2,259
		Maharashtra	80		80
		Manipur	44		44
		Meghalaya	465		465
		Rajasthan	5,306		5,306
		Tamilnadu	14,215		14,215
		Telangana	4,855		4,855
		Uttar Pradesh	10,409		10,409
		Uttarakhand	83		83
		West Bengal	370		370
		Sub Total	**42,382**	**0**	**42,382**
Total			**2,36,283**	**75,450**	**1,60,833**

ANNEXURE-VI

Annexure-VI

Table-3 : Loan Book Outstanding (Rs in Cr)																
Sr. No.	Technology	FY 19-20			FY 20-21			FY 21-22			FY 22-23			FY 23-24		
		IPP	PSU	State utility	IPP	PSU	State utility	IPP	PSU	State utility	IPP	PSU	State utility	IPP	PSU	State utility
1	Solar PV – utility-scale	4,493	-	1,939	5,292	-	1,930	4,624	-	1,797	9,259	-	1,632	12,839	-	1,605
2	Rooftop	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	C&I	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Wind	4,173	-	-	4,690	-	-	3,100	-	-	6,569	-	-	9,716	-	-
5	Small Hydro	7	-	374	5	-	428	4	-	497	-	-	443	-	-	474
6	Biomass	52	-	-	27	-	-	24	-	-	19	-	-	15	-	-
7	Waste-to-Energy	-	-	-	-	-	-	-	-	-	-	-	-	200	-	-
8	Hybrid projects	-	-	-	-	-	-	-	-	-	-	-	-	2,149	-	-
9	Energy Storage Solutions	-	-	205	-	-	258	-	-	332	-	-	909	1,890	-	1,512

ANNEXURE-VII

Annexure- VII: Summary of impact assessment of CSR projects undertaken during 2024-25:

Sl. No.	Project Details	Key findings of the impact of the projects	
1	1.23 crore for procurement and installation of medical equipment to strengthen health care service in B.K. Civil Hospital, Faridabad by District Health & Family Welfare Society (DH & FWS), Faridabad.	a.	Provided modern equipment for the Operation Theatre, Radiology, Eye OPD, Gynaecology, Neonatal Intensive Care Unit (NICU) and Dental Department.
		b.	Treated patient especially economically weaker section.
		c.	New equipment at the healthcare facility has improved patient care and diagnostics, boosting patient throughput.
		d.	The optimized diagnostic process has cut cost, reduced wait time and boosted the facility's care capacity.
2	4.36 crore for providing job-oriented skill development training to 2000 nos. of beneficiaries belonging to economically weaker section of the society in Aurangabad, Maharashtra by Maharshi Shikshan Prasarak Mandal (MSPM).	a.	Soft skill sessions and expert talks during the training contributed to the enhancement of the trainees' skills.
		b.	Training enhanced beneficiaries' living standards and income sources.
		c.	Helped beneficiaries to have secured job opportunities.
3	3.71 crore for setting up/establishment of khadi spinning, weaving and garment unit in Varanasi district of Uttar Pradesh by Khadi & Village Industries Commission (KVIC).	a.	The project led to the employment of around 500 individuals which helped to reduce unemployment in Varanasi district & nearby area.
		b.	Provided sustainable livelihood to the people of Varanasi district & nearby area.
		c.	Facilitated job opportunities for women, empowering them to financially contribute to their families and community.
4	2.57 crore for providing job-oriented skill development training to 1100 nos. unemployed youths belonging to SC / ST / OBC / Women / Minority / EWS / Underprivileged at various location in India by Apparel Training & Design Centre (ATDC).	a.	The skill development program led to job creation, economic empowerment and improved beneficiaries' quality of life.
		b.	The training improved the standard of living of the beneficiaries.

Sl. No.	Project Details	Key findings of the impact of the projects	
5	2.50 crore for expanding infrastructure for Swami Sivananda Memorial Institute of Fine Arts & Crafts (SSMI) school in Punjabi Bagh, New Delhi by Swami Sivananda Memorial Institute (SSMI).	a.	Fostered a more conducive and engaged learning environment for both teachers and students.
		b.	Infrastructure expansion, surged in the student's enrolment.
		c.	Improvement in teaching methods, increased concentration level and higher participation in extra-curricular activities enhanced the educational environment.
6	7.76 crore for installation of 1 MWp Solar Photovoltaic (SPV) System at various location at campus of Madurai Kamaraj University at Madhurai District of Tamil Nadu by Madurai Kamaraj University (MKU), Madhurai.	a.	The project has successfully reduced the university's dependency on grid electricity.
		b.	The installation of rooftop solar panels at the university, significantly enhanced the quality of life of students and resulted in substantial cost savings for the institution.
		c.	Reduction in the dependency of non-renewable energy.
7	9.99 crore for construction of Sewage Treatment Plant in Advanced Centre for Treatment, Research and Education in Cancer (ACTREC) at Tata Memorial Centre, Kharghar, Navi Mumbai by Tata Memorial Centre (TMC), Navi Mumbai.	a.	The project led to a significant reduction in the use of public distribution water at ACTREC.
		b.	Contributed to more sustainable water usage practices at the centre.
8	1.46 crore for distribution of 3400 nos. of aids and appliances to especially abled person in 5 locations across the country by Shri Bhagwan Mahaveer Viklang Sahayata Samiti (BMVSS), Jaipur, Rajasthan.	a.	Improved quality of life of beneficiaries by enhancing mobility and independence.
		b.	Reduced dependency and improved self-suffi ciency among the beneficiaries.
9	9.14 crore for construction and renovation of Gandhi Memorial Hospital affiliated to Shyam Shah Medical College, at Rewa district of Madhya Pradesh by Shyam Shah Medical College (SSMC), Rewa, Madhya Pradesh.	a.	Provide better healthcare service to the economically weaker section and marginalised communities.
		b.	During the COVID-19 pandemic, the newly constructed psychiatry ward demonstrated its adaptability by converting into a vaccination center.
		c.	Patients with severe psychiatric conditions now receive individualized care in a controlled environment tailored to their specific needs through improved infrastructure of the hospital.

Sl. No.	Project Details		Key findings of the impact of the projects
10	2.46 crore for procurement, installation & commissioning of Neuro Navigation (cranial + spinal) Machine at Neurosurgery Department in SMS Hospital, Jaipur, by Rajasthan Medicare Relief Society (RMRS), SMS Hospital, Jaipur, Rajasthan.	a.	The hospital able to provide treatment to 2-3 patients weekly, amounting to almost 500 patients yearly, with high success rate in surgical procedures.
		b.	Patients are experiencing faster recovery time and it helped to reduce post-operative discomfort.
		c.	Neuro Navigation Machine facilitates personalized treatment plan tailored to individual patient needs, supporting successful outcomes in critical cases.
11	5.33 crore for procurement, installation & commissioning of Digital Subtraction Angiography (DSA) Machine in SMS Hospital Jaipur by Rajasthan Medicare Relief Society (RMRS), SMS Hospital, Jaipur, Rajasthan.	a.	The high-resolution imaging capabilities of the DSA machine have revolutionized the treatment approach for critical cases.
		b.	Patients now experience significantly shorter recovery periods, enabling them to return to their regular routines much faster. This enhancement in comfort after procedures significantly boosts patient satisfaction and overall well-being.
		c.	Patients previously deemed unsuitable for traditional surgery due to heightened health risks can now benefit from minimally invasive IR treatments made possible by the DSA machine.
		d.	More than 450 patients were benefited from the DSA machine during the financial year 2022-23.
12	3.99 crore for construction of Multipurpose Hall cum Indoor Stadium in Somdal village of Ukhrul district, Manipur by Ukhrul District Community Resource Management Society (UDCRMS).	a.	Multipurpose Hall cum Indoor Stadium, is optimally used for hosting events and sports activities, thereby fostering increased community involvement.
		b.	Improved quality of life for the people residing in Somdal Village.
13	2.07 crore for providing job-oriented skill development training to 1500 nos. of people belonging to SC/ST/OBC/Women/Minority/EWS at various locations of India by Confederation of Indian Industry (CII).	a.	The training program has positively influenced the learning journey of the participants and helped them to enhance their knowledge and skills.
		b.	The project has provided employment opportunities to beneficiaries and help to earn their livelihood.
14	1.38 crore for job-oriented skill development training to 1000	a.	The training program has instigated a significant transformation in the

Sl. No.	Project Details		Key findings of the impact of the projects
	nos. beneficiaries belonging to economically weaker section of society in Mirzapur Uttar Pradesh by Matrix Society for Social Services (MASS).		participants' employment status, with most of them now participating in income-generating activities.
		b.	The training program had a tangible impact on the income of most of the beneficiaries.
15	1.80 crore for installation of solar roof-top power panel and micro grids in 5 villages of Gurgaon and Mewat district of Haryana under smart-gram project by Skill Council for Green Jobs (SCGJ), New Delhi.	a.	It has led to significant cost savings and reduced dependency on grid electricity, promoting the use of renewable energy.
16	3.50 crore for construction and operation of shelter home with wellness facility (60 Seaters) for the care of the elderly at Shey Village, Leh- Ladakh, Jammu & Kashmir by HelpAge India (HAI), New Delhi.	a.	Provide healthcare service to the elderly people and therefore enhancing the overall well-being.
		b.	Project has alleviated feelings of isolation and encouraged social engagement, thereby fostering meaningful relationships and providing emotional support.
17	4.18 crore for strengthening cancer screening and basic cancer care services in 14 Districts of Bihar by Tata Memorial Cancer Hospital (TMCH), Bihar.	a.	The program was effective in disseminating crucial information to the participants.
		b.	It has successfully encouraged a large proportion of the participants to take proactive steps towards their health.
18	2.18 crore for procurement, installation and commissioning of 32 Slice CT Scan Machine at New District Hospital, Yadgiri, Karnataka by Arogya Raksha Samithi District Hospital (ARSDH), Yadgiri.	a.	It has enhanced hospital's workflow which resulted in a substantial rise in the daily patient treatment count, varying from 17 to 25 patients per day.
		b.	The CT Scan machine has improved the hospital's efficiency and capacity.
		c.	The rise in patient throughput has potentially led to shorter waiting periods for procedures.
19	3.34 crore for installation of 245 kW SPV system and LED lights at various locations at Sambalpur University Campus in Sambalpur, Odisha by Sambalpur University (SU), Odisha.	a.	There has been a 25% - 30% reduction in the energy bill equates to considerable annual savings.
		b.	LED lights decrease the carbon footprint, thereby promoting environmental sustainability.
20	1.21 crore for developing of rural areas of 3 districts of Rajasthan by deepening of wells, renovation & construction of	a.	The availability of water for household and agricultural purposes increased significantly.
		b.	A beneficiary noted an annual saving

Sl. No.	Project Details	Key findings of the impact of the projects	
	check dams and organizing medical camps by Vanvasi Kalayan Parishad (RVKP), Udaipur.		of INR 2000 because of no longer needing to clear soil from the well. This suggests that the project has not only enhanced water accessibility but also led to financial savings.
		c.	There has been a significant increase in crop production like wheat, maize, masur, channa, kapas (cotton) and other vegetables.
21	5.19 crore for providing better health facilities to leprosy affected and other poor people by constructing and equipping Operation Theatre and Maternity Block in the Leprosy Mission Hospitals at Champa, Chhattisgarh, Faizabad, Uttar Pradesh and Vadathorasalur, Tamil Nadu by The Leprosy Mission Trust India (LMTI), New Delhi.	a.	The hospital has experienced a rise in the number of patients, utilizing in-patient services, improved patient facilities and a surge in admissions.
		b.	Infrastructure enhancement, such as the refurbishment of existing structures and the enlargement of operating rooms, have markedly boosted the hospital's capacity to deliver high quality healthcare services.
22	1.43 crore for procurement, installation & commissioning of Blood Bank Equipment/Items at Indian Red Cross Society, Warangal district of Telangana by Indian Red Cross Society (IRCS).	a.	The addition of the new equipment has largely expanded the storage capacity of blood bank.
		b.	The technological advancement have significantly enhanced the operational efficiency and safety of the blood bank.
23	1.01 crore for installation of 200 nos. of Reverse Osmosis Water Treatment Plant with 500 Liters overhead storage tank and 1 HP electrical pump in 200 nos. of Aanganwadi Kendra / Primary School in Purnea District, Bihar by Society for Advancement of Villagers Empowerment and Rehabilitation of All (SAVERA).	a.	The initiative has successfully enhanced water quality and improve well-being of teachers & students in educational institutions.
		b.	The Reverse Osmosis (RO) installation project appears to have positively influenced the awareness of students and staff about Water, Sanitation and Hygiene (WASH).
24	15.16 crore for construction of building in SVNIRTAR to establish the Institute as a 'Centre of Excellence for Deformity Correction' in Swami Vivekanand National Institute of Rehabilitation Training and Research (SVNIRTAR), Cuttack, Odisha by Swami	a.	The unveiling of the new annex building has resulted in a significant reduction in the patient waitlist. The average daily patient registration has subsequently increased to more than 250.
		b.	This expansion has not only resolved previous issues but also enhanced the hospital's ability to provide healthcare services promptly.

Sl. No.	Project Details	Key findings of the impact of the projects	
	Vivekanand National Institute of Rehabilitation Training and	c.	This capability has significantly enhanced many patients' quality of life.
25	2.91 crore for construction of compound walls and providing gates in 24 nos. of Government Schools in Mahbubnagar District of Telangana by District Magistrate(DM), Mahbubnagar.	a.	Helped to significantly improved the safety of students in the school.
		b.	The schools have successfully implemented measures to prevent street dogs and other animals, which were earlier safety hazards and sources of disruption. The decrease in unsanctioned entry by locals has resulted in cleaner school premises, thereby fostering a more suitable learning environment.
		c.	The addition of new compound walls and gates has enhanced the school's aesthetic appeal.

APPENDIX- I

COMMITTEE ON PUBLIC UNDERTAKINGS (2024-25)

MINUTES OF THE THIRTY-FOURTH SITTING OF THE COMMITTEE

The Committee sat on Tuesday, 29 April, 2025 from 1515 hrs. to 1625 hrs. in Committee Room '1', Extension to Parliament House Annexe, New Delhi.

PRESENT

Shri Baijayant Panda - Chairperson

MEMBERS

LOK SABHA

2. Shri Tariq Anwar
3. Shri Shankar Lalwani
4. Shri Mukesh Rajput
5. Shri Pratap Chandra Sarangi

RAJYA SABHA

6. Shri Narain Dass Gupta
7. Dr. Bhagwat Karad
8. Shri Surendra Singh Nagar
9. Shri Arun Singh

SECRETARIAT

1. Shri Anjani Kumar - Joint Secretary
2. Smt. Jyochnamayi Sinha - Director
3. Smt. Mriganka Achal - Deputy Secretary

REPRESENTATIVES OF REC LIMITED

	Name		Designation
1.	Shri Jitendra Srivastava	-	CMD
2.	Shri V.K. Singh	-	Director (Projects)
3.	Shri Harsh Baweja	-	Director (Finance)

2. At the outset, the Chairperson welcomed the Members of the Committee at the sitting convened to have a briefing by the representatives of the REC Limited in connection with its comprehensive examination. The Committee Secretariat, then, made a Power Point Presentation explaining major issues relating to the subject.

[The witnesses were, then, called in]

3. The Chairperson welcomed the representatives of REC Limited to the sitting of the Committee and put forth the major points the Committee desired to discuss relating to the subject. He, then, drew their attention to Direction 55(1) of the 'Directions by the Speaker' regarding maintaining confidentiality of the discussion held before the Parliamentary Committee.

4. Thereafter, the representatives of REC Limited made a Power Point Presentation highlighting REC's key milestones, shareholders outlook, corporate governance standards, Board structure, HR profile, Objectives and Business of the Company, details of the Company's financing in Power and Non-power infrastructure sector, Operational and Financial Overview of last 6 years, loan assets and pan-India loan profile, Outstanding borrowing profile, resolution of stressed assets, CSR overview, present challenges in financing Power Sector, etc.

5. The Members, then, sought clarifications from the representatives of REC on various issues related to the subject viz., steps taken to fill up vacant two Independent Directors posts, women's representation in the Company's workforce, strategies employed in the financial success of the Company, rationale behind diversification in the non-core sectors, green energy financing, key flagship projects under the Company's CSR initiatives, REC's standing in the international market, its competitors, steps taken towards environmental sustainability. The other issues which were discussed included reasons for lesser number of actual strength of the workforce vis-à-vis the sanctioned strength, current status of coverage under the PM Surya Ghar Muft Bijli Yojana, details of NPAs, benefits to REC beong under the control of PFC, details of projects delayed and their financial impacts on REC, REC's demand for increasing the 54EC limit from Rs. 50 lakh to Rs. 1 crore, whether 100% rural electrification is achieved or not, etc.

6. Thereafter, the representatives of REC Limited responded on majority of the issues raised by the Members. In the end, the Chairperson thanked the representatives of REC Limited and directed that in respect of points for which information was not readily available or if more information were required to be furnished, written replies thereon may be furnished to the Committee Secretariat within 10 days.

The Committee, then, adjourned.
A copy of verbatim proceedings of the sitting has been kept on record.

APPENDIX- II

COMMITTEE ON PUBLIC UNDERTAKINGS (2024-2025)

MINUTES OF THE THIRTY-FIFTH SITTING OF THE COMMITTEE

The Committee sat on Tuesday, 29 April, 2025 from 1630 hrs. to 1700 hrs. in Committee Room '1', Extension to Parliament House Annexe, New Delhi.

PRESENT

Shri Baijayant Panda - Chairperson

MEMBERS

LOK SABHA

2. Shri Tariq Anwar
3. Shri Shankar Lalwani
4. Shri Mukesh Rajput
5. Shri Pratap Chandra Sarangi

RAJYA SABHA

6. Shri Narain Dass Gupta
7. Dr. Bhagwat Karad
8. Shri Surendra Singh Nagar
9. Shri Arun Singh

SECRETARIAT

1. Shri Anjani Kumar - Joint Secretary
2. Smt. Jyochnamayi Sinha - Director
3. Smt. Mriganka Achal - Deputy Secretary

REPRESENTATIVES OF MINISTRY OF POWER

	Name		Designation
1.	Shri Pankaj Agarwal	-	Secretary
2.	Shri Shashank Misra	-	Joint Secretary

2. At the outset, the Chairperson informed the Members of the Committee regarding the performance of the Committee and the achievements made during the current term of the Committee, i.e. 2024-25. He also thanked the Members for their invaluable contributions for enriching the meetings through wide-ranging deliberations with CPSUs and Ministries. He also conveyed his thanks to the

officers of C&AG for their insightful observations and contributions, and expressed gratitude to the officers and staff of the Committee Secretariat for their hard work in facilitating smooth conduct of this Committee throughout its current term.

[The witnesses were, then, called in]

3. The Chairperson welcomed the representatives of the Ministry of Power to the sitting of the Committee and informed them of the agenda of the sitting, i.e. to take evidence of the representatives of the Ministry of Power in connection with the comprehensive examination of REC Limited. He also put forth the major points the Committee desired to discuss relating to the subject. He, then, drew their attention to Direction 55(1) of the 'Directions by the Speaker' regarding maintaining confidentiality of the discussion held before the Parliamentary Committee.

4. Thereafter, deliberations were made with the representatives of the Ministry of Power on various issues related to the subject viz., the Ministry's policies regarding REC's management, financial, legal and other compliances, details of mechanism to monitor both the physical and financial performance of REC, steps being taken to fill up the two vacancies of Independent Directors in REC, the Ministry's role and oversight in the financial dealings of REC like its loans provided to external entities, whether REC also provided loan to Gensol Engineering Limited in which PFC (Power Finance Corporation Limited), another CPSU under the Ministry of Power provided loan. The other issues that were discussed included guidelines for recovering old, past dues or NPAs, challenges faced by the Ministry in overseeing REC's functions and compliances, any difficulties in policy implementation, rationale behind REC's diversification into non-core sectors, steps taken by the Ministry to ensure that REC funded projects are completed in time, Ministry's role in monitoring the quality and effectiveness of the projects once they are completed, any policy change required to help REC to have a proper level-playing field in view of the competition posed by private players, the Ministry's view on the issue of sovereign guarantee at low fee as extended to other DFIs (Development Finance Institutions) at 0.1 percent against 0.6 percent applicable to REC, etc.

5. Thereafter, the representatives of the Ministry of Power responded on majority of the issues raised by the Members. In the end, the Chairperson thanked the representatives of the Ministry of Power and directed that in respect of points for which information was not readily available or if more information were required to be furnished, written replies thereon may be furnished to the Committee Secretariat within 10 days.

The Committee, then, adjourned.
A copy of verbatim proceedings of the sitting has been kept on record.

APPENDIX- III

COMMITTEE ON PUBLIC UNDERTAKINGS
(2025-26)

MINUTES OF THE FIFTEENTH SITTING OF THE COMMITTEE

The Committee sat on Friday, the 5th December, 2025 from 1000 hrs. to 1045 hrs. in Committee Room No. '2', Ground Floor, Extension to Parliament House Annexe, New Delhi.

PRESENT

Shri Baijayant Panda - Chairperson

MEMBERS

LOK SABHA

2. Shri Tariq Anwar
3. Shri Chandra Prakash Joshi
4. Shri Kaushalendra Kumar
5. Shri Shankar Lalwani
6. Shri B.Y. Raghavendra
7. Shri Mukesh Rajput
8. Shri Sukhjinder Singh Randhawa
9. Shri Prabhakar Reddy Vemireddy
10. Shri Lalji Verma

RAJYA SABHA

11. Dr. John Brittas
12. Shri Neeraj Dangi
13. Shri Milind Murli Deora
14. Dr. Bhagwat Karad
15. Shri Surendra Singh Nagar
16. Shri Debashish Samantaray
17. Shri Arun Singh

SECRETARIAT

1. Shri Anjani Kumar - Joint Secretary
2. Smt. Mriganka Achal - Director
3. Shri Tenzin Gyaltsen - Deputy Secretary

2. The Hon'ble Chairperson briefly apprised the Members on the Eleven draft Reports. The Committee then considered and adopted the following draft reports, without any changes/modifications: -

i. Sagarmala Finance Corporation Limited (SFCL) (Comprehensive Examination);
ii. Rural Electrification Corporation Limited (REC Limited) (Comprehensive Examination);
iii. Nuclear Power Corporation of India Limited (NPCIL) (Comprehensive Examination);

iv. Review of Performance of Petroleum & Natural Gas Sector CPSUs (Horizontal Examination);

v. "Para No. 2.4 of C&AG Report No. 14 of 2021 regarding 'Loss due to flaring of High-pressure gas' relating to Oil & Natural Gas Corporation (ONGC) Limited. (Audit Based Examination);

vi. Action Taken by the Government on the Observations/ Recommendations contained in the First Report (18th Lok Sabha) on "Procurement of hardware/software item to the tune of Rs. 890.34 Crores through strategic alliance" relating to National Informatics Centre Services Inc. (NICSI)" [Based on Audit Para No. 6.1 of C&AG Report No. 03 of 2021];

vii. Action Taken by the Government on the Observations/ Recommendations contained in the Third Report (18th Lok Sabha) on "Undue enrichment through recovery of turnover tax from consumer" relating to Indian Oil Corporation Limited (IOCL) [Based on Audit Para No. 2.1 of C&AG Report No. 14 of 2021];

viii. Action Taken by the Government on the Observations/ Recommendations contained in the Ninth Report (18th Lok Sabha) on "Industrial Finance Corporation of India Limited (IFCI ltd)";

ix. Action Taken by the Government on the Observations/ Recommendations contained in the Tenth Report (18th Lok Sabha) on "Design and Development (D&D) in Hindustan Aeronautics Limited (HAL)" [Based on Chapter-II of C&AG Report No. 18 of 2023];

x. Action Taken by the Government on the Observations/ Recommendations contained in the Eleventh Report (18th Lok Sabha) on "Reviewing timely submission of Action Taken Notes (ATNs) on C&AG Paras/Reports (Commercial) by the Ministries/Departments"; and

xi. Action Taken by the Government on the Observations/ Recommendations contained in the twelfth Report (18th Lok Sabha) on "IREL (India) Limited".

3. The Committee authorized the Chairperson to finalize the draft Reports on the basis of factual verification as suggested by the concerned CPSUs/Ministry/Department/C&AG and presentation of the same during the current session of Parliament.

The Committee, then, adjourned.

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