पावर फाइनेंस कॉर्पोरेशन लिमिटेड
POWER FINANCE CORPORATION LTD.
(भारत सरकार का उपक्रम) (A Govt. of India Undertaking)
(आई.एस.ओ. 45001:2018 प्रमाणित) (ISO 45001:2018 Certified)
(एक महारत्न कंपनी)

No.04:04:2026-27: Compliances-Q2/Debt **Dated: 04th Nov, 2026**

To

The Manager- Listing Department **Bombay Stock Exchange Limited** 1" Floor, PJ Tower Dalal Street, Mumbai - 400 001	The Manager- Listing Department **National Stock Exchange Limited** Exchange Plaza, Bandra Kurla Complex, Bandra(E), Mumbai - 400 051

Subject : Quarterly Compliances w.r.t Debt

Dear Sir/Madam

The necessary compliances relating to submission of quarterly Financial Results, submission of line items along with Financial Results, Asset Cover and utilization of issue proceeds/ material deviation in the use of proceeds under the following SEBI regulations as applicable to debt segment for Q2 of FY 2026-27 are enclosed herewith:

Particulars	Regulation
Submission of Financial Results	Reg. 52(1) SEBI (LODR) Regulations, 2015
Submission of line items along with Financial Results	Reg. 52(4) SEBI (LODR) Regulations, 2015
Asset Cover	Reg. 54(3) SEBI (LODR) Regulations, 2015
Utilization of issue proceeds/ material deviation in the use of proceeds	Reg. 52(7) and 52(7A) SEBI (LODR) Regulations, 2015

Yours faithfully
For Power Finance Corporation Limited

04.11.26

(GIAN SINGH)
Chief General Manager (Finance)
Gian_singh@pfcindia.com

Encl: As above

(एक महारत्न कंपनी)

पावर फाइनेंस कॉर्पोरेशन लिमिटेड
POWER FINANCE CORPORATION LTD.
(भारत सरकार का उपक्रम) (A Govt. of India Undertaking)
(आई.एस.ओ. 45001:2018 प्रमाणित) (ISO 45001:2018 Certified)

No:1:05:138:I:CS
Dated : 04.11.2026

National Stock Exchange of India Limited Listing Department, Exchange Plaza, Bandra – Kurla Complex, Bandra (E) **MUMBAI – 400 051.** नेशनल स्टॉक एक्सचेंज ऑफ इंडिया लिमिटेड लिस्टिंग विभाग, एक्सचेंज प्लाजा, बांद्रा-कुर्ला कॉम्प्लेक्स, बांद्रा (पू), मुंबई-400 051	**BSE Limited,** Department of Corporate Services, Floor – 25, PJ Towers, Dalal Street, **MUMBAI – 400 001.** बीएसई लिमिटेड, कॉर्पोरेट सेवाएं विभाग, मंजिल-25, पी.जे.टावर्स, दलाल स्ट्रीट, मुंबई-400001

Sub: Outcome of Board Meeting- Intimation pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Madam/Sir,

In continuation of our earlier communication dated 30.10.2026, we would like to inform that the Board of Directors of Power Finance Corporation Ltd. in its meeting held today i.e. 04.11.2026 have inter alia considered and approved the following:

1) **Un-audited financial results (Standalone & Consolidated) for the quarter and half year ended 30.09.2026 and Un-audited Special Purpose Condensed Interim Financial Statements (Standalone & Consolidated) for the half year ended 30.09.2026.**

   Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, please find enclosed herewith the Un-Audited Financial Results (Standalone & Consolidated) for the quarter and half year ended 30.09.2026 and Un-audited Special Purpose Condensed Interim Financial Statements (Standalone & Consolidated) for the half year ended 30.09.2026, along with Limited Review Report by Joint Statutory Auditors i.e. Thakur Vaidyanath Aiyar & Co., Chartered Accountants and Mehra Goel & Co. LLP, Chartered Accountants.

2) **Declaration of second interim dividend@ Rs.4.10/- (Rupees Four Paisa Ten only) per equity share (i.e. @41%) (subject to deduction of TDS) on the face value of the paid-up equity shares of Rs.10/- each for the FY 2026-27.**

   Further, it is to inform that **17.11.2026 (Tuesday)** shall be reckoned as the 'Record Date' for the purpose of ascertaining the eligibility of shareholders for payment of Second Interim Dividend for the FY 2026-27.

   The date of payment of the aforesaid second interim dividend shall be on or before **04.12.2026.**

   It is to further mention that as per provisions of Income Tax Act, as amended, dividend income is taxable in the hands of shareholders and the Company is required to deduct tax at source (TDS) at time of making payment of dividend, at the rates prescribed in the Income Tax Act, as amended. However, in case a shareholder wants that his/her tax should be deducted at lower rates or no tax should be deducted in accordance with Income Tax Act, as amended, then he/she should submit scanned copy of PAN & other requisite documents for the financial year 2026-27 at following link:

   https://ris.kfintech.com/clientservices/investors/taxformsupload.aspx

No Communication on the tax determination / deduction of tax at lower rates shall be entertained after 17.11.2026

Additionally, it may be noted that pursuant to the recent amendments to the Listing Regulation, dividend payments are now permitted to be made only through electronic modes. Consequently, the earlier facility of issuing dividend through physical instruments such as cheques on demand warrants has been withdrawn. Accordingly, members are requested to update their bank account details to facilitate smooth and timely credit of dividends, as detailed below:

- **For shares held in Demat form:** Members are requested to approach their respective Depository Participated (DP) to register or update their bank account details in their demat account, in accordance with the procedure prescribed by the DP.

- **For shares held in Physical form:** Members are requested to contact the company's Registrar and Transfer Agent (RTA) and update their KYC & bank account details in their respective folio by submitting the required documents.

The Board Meeting commenced at 12:00 noon and concluded at 1:50 pm . This is submitted for your information and record.

Thanking you.

Yours faithfully,
For **Power Finance Corporation Ltd.**

Manish Kumar Agarwal
Digitally signed by Manish Kumar Agarwal
Date: 2026.11.04 13:59:35 +05'30'

(Manish Kumar Agarwal)
Company Secretary & Compliance Officer
mk_agarwal@pfcindia.com

Thakur, Vaidyanath Aiyar & Co
Chartered Accountants,
221-223, Deen Dayal Upadhyay Marg,
New Delhi - 110002

Mehra Goel & Co LLP
Chartered Accountants,
309, Chiranjiv Tower,
43, Nehru Place, New Delhi - 110019

Independent Auditor's Review Report on Unaudited Standalone Financial Results for the quarter and half year ended 30th September 2026 of the Company Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

To
The Board of Directors of
Power Finance Corporation Limited

1. We have reviewed the accompanying statement of Unaudited Standalone Financial Results of Power Finance Corporation Limited (the "Company") for the quarter & half year ended 30th September 2026 together with the notes thereon (hereinafter referred to as the "Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors of the Company, in its meeting held on 4th November 2026, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 as amended read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 and 52 of the Listing Regulations. Our responsibility is to issue a report on the statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of Unaudited Standalone Financial Results, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other recognised accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulations 33 and 52 of the SEBI (Listing Obligations and Disclosure





Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatements.

5. The Company has measured the Expected Credit Loss (ECL) on loan assets, undrawn loan exposures, undisbursed letter of comfort and Investments as per requirement of Ind AS 109 by an outside agency appointed by the Company. The assumptions/criteria's (i.e. risk score/probability of default matrix etc. with respect to the borrowers) considered in the calculation of ECL are technical in nature, hence, we have relied upon the same.

   Our conclusion on the statement is not modified in respect of the above matter.

For Thakur, Vaidyanath Aiyar & Co
Chartered Accountants
Firm's Registration No.: 000038N

Kamlesh Kumar Upadhyay
Partner
Membership No. 096584
UDIN: 26096584UUSNJI1957

For Mehra Goel & Co LLP
Chartered Accountants
Firm's Registration No.: 000517N/N500502

CA Vaibhav Jain
Partner
Membership No. 515700
UDIN: 26515700NJSFUL8312

Place: New Delhi
Date: 4th November, 2026

Power Finance Corporation Limited

Regd. Office :Urjanidhi, 1, Barakhamba Lane, Connaught Place, New Delhi. Website: https://www.pfcindia.co.in

CIN L65910DL1986GOI024862

Statement of Un-Audited Standalone Financial Results for the Quarter and Half Year ended 30.09.2026

(₹ in crore)

Sr. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30.09.2026 (Un-Audited)	30.06.2026 (Un-Audited)	30.09.2025 (Un-Audited)	30.09.2026 (Un-Audited)	30.09.2025 (Un-Audited)	31.03.2026 (Audited)
	Revenue from Operations						
(i)	Interest Income	13,657.73	13,736.40	13,472.78	27,394.13	27,211.67	55,072.80
(ii)	Dividend Income	879.64	5.95	1,102.44	885.59	1,108.44	2,952.46
(iii)	Fees and Commission Income	255.83	250.78	180.28	506.61	208.81	478.47
I.	**Total Revenue from Operations**	**14,793.20**	**13,993.13**	**14,755.50**	**28,786.33**	**28,528.92**	**58,503.73**
II.	Other Income	179.91	1.77	0.64	181.68	3.86	37.86
III.	**Total Income (I+II)**	**14,973.11**	**13,994.90**	**14,756.14**	**28,968.01**	**28,532.78**	**58,541.59**
	Expenses						
(i)	Finance Costs	8,535.62	8,502.88	8,182.94	17,038.50	16,444.78	33,176.92
(ii)	Net Translation / Transaction Exchange Loss / (Gain)	187.33	(75.15)	497.18	112.18	1,151.82	1,588.31
(iii)	Fees and Commission Expense	15.13	7.30	9.02	22.43	18.46	20.22
(iv)	Net Loss / (Gain) on Fair Value changes	46.55	(23.20)	101.11	23.35	(54.75)	19.43
(v)	Impairment on Financial Instruments	(179.63)	(556.00)	241.99	(735.63)	(439.83)	(1,816.36)
(vi)	Employee Benefit Expenses	70.48	79.03	70.96	149.51	141.54	280.42
(vii)	Depreciation, Amortisation and Impairment	6.78	8.60	5.81	15.38	10.63	24.18
(viii)	Corporate Social Responsibility Expenses	92.27	92.49	76.36	184.76	152.16	311.06
(ix)	Other Expenses	41.45	45.86	30.88	87.31	54.92	162.98
IV.	**Total Expenses**	**8,815.98**	**8,081.81**	**9,216.25**	**16,897.79**	**17,479.73**	**33,767.16**
V.	**Profit/(Loss) Before Exceptional Items and Tax (III-IV)**	**6,157.13**	**5,913.09**	**5,539.89**	**12,070.22**	**11,053.05**	**24,774.43**
VI.	Exceptional Items	-	-	-	-	-	-
VII.	**Profit/(Loss) Before Tax (V-VI)**	**6,157.13**	**5,913.09**	**5,539.89**	**12,070.22**	**11,053.05**	**24,774.43**
	Tax Expense:						
	(i) Current Tax:						
	- Current Year	1,072.55	1,090.14	1,106.35	2,162.69	2,151.92	3,776.44
	- Earlier Years	-	-	-	-	-	4.29
	(ii) Deferred Tax Expense / (Income)	97.87	77.55	(28.40)	175.42	(62.31)	942.36
VIII.	**Total Tax Expense**	**1,170.42**	**1,167.69**	**1,077.95**	**2,338.11**	**2,089.61**	**4,723.09**
IX.	**Profit/(Loss) for the period from Continuing Operations (VII-VIII)**	**4,986.71**	**4,745.40**	**4,461.94**	**9,732.11**	**8,963.44**	**20,051.34**
X.	**Profit/(Loss) from Discontinued Operations (After Tax)**	-	-	-	-	-	-
XI.	**Profit/(Loss) for the period (from continuing and discontinued operations) (IX+X)**	**4,986.71**	**4,745.40**	**4,461.94**	**9,732.11**	**8,963.44**	**20,051.34**
	Other Comprehensive Income						
(A)	(i) Items that will not be reclassified to Profit or Loss						
	- Re-measurement of Defined Benefit Plans	0.96	0.97	(1.55)	1.93	(3.09)	3.87
	- Net Gain / (Loss) on Fair Value of Equity Instruments	(387.39)	418.02	(196.22)	30.63	(13.78)	(291.98)
	(ii) Income Tax relating to items that will not be reclassified to Profit or Loss						
	- Re-measurement of Defined Benefit Plans	(0.12)	(0.20)	0.37	(0.32)	0.74	(0.69)
	- Net Gain / (Loss) on Fair Value of Equity Instruments	80.07	(94.85)	44.67	(14.78)	2.76	63.24
	Sub-Total (A)	**(306.48)**	**323.94**	**(152.73)**	**17.46**	**(13.37)**	**(225.56)**
(B)	(i) Items that will be reclassified to Profit or Loss						
	- Effective Portion of Gains / (Loss) in Cash Flow Hedge	770.34	169.96	379.57	940.30	195.80	(85.19)
	- Cost of Hedging Reserve	(182.11)	1,002.11	(211.75)	820.00	(760.83)	(3,438.39)
	(ii) Income Tax relating to items that will be reclassified to Profit or Loss						
	- Effective Portion of Gains / (Loss) in Cash Flow Hedge	(193.88)	(42.77)	(95.53)	(236.65)	(49.28)	21.44
	- Cost of Hedging Reserve	45.83	(252.21)	53.30	(206.38)	191.49	865.37
	Sub-Total (B)	**440.18**	**877.09**	**125.59**	**1,317.27**	**(422.82)**	**(2,636.77)**
XII.	**Other Comprehensive Income (A+B)**	**133.70**	**1,201.03**	**(27.14)**	**1,334.73**	**(436.19)**	**(2,862.33)**
XIII.	**Total Comprehensive Income for the period (XI+XII)**	**5,120.41**	**5,946.43**	**4,434.80**	**11,066.84**	**8,527.25**	**17,189.01**
XIV.	Paid up Equity Share Capital (Face Value ₹ 10/- each)	3,300.10	3,300.10	3,300.10	3,300.10	3,300.10	3,300.10
XV.	Other Equity (As per Audited Balance Sheet as at 31st March)	NA	NA	NA	NA	NA	99,231.84
XVI.	**Basic and Diluted Earnings Per Equity Share (Face Value of ₹ 10/- each)*:**						
	(1) For continuing operations (in ₹)	15.11	14.38	13.52	29.49	27.16	60.76
	(2) For discontinued operations (in ₹)	-	-	-	-	-	-
	(3) For continuing and discontinued operations (in ₹)	15.11	14.38	13.52	29.49	27.16	60.76

* EPS for the Quarters and Half years is not annualised.

See accompanying notes to the Un-Audited Standalone Financial Results.

T.V.A. & CO. New Delhi Chartered Accountants

POWER FINANCE CORPORATION LIMITED NEW DELHI

MEHRA GOEL & CO LLP FRN: 000517N/N500502 New Delhi Chartered Accountants

Notes to the Standalone Financial Results:

1. Standalone Statement of Assets and Liabilities

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2026 (Un-Audited)	As at 31.03.2026 (Audited)
	ASSETS		
1	**Financial Assets**		
(a)	Cash and Cash Equivalents	636.97	1,078.31
(b)	Bank Balance other than Cash and Cash Equivalents	1,297.44	1,183.03
(c)	Derivative Financial Instruments	13,816.39	10,627.18
(d)	Trade Receivables	-	-
(e)	Loans	5,67,035.06	5,74,018.10
(f)	Investments	20,704.53	20,718.13
(g)	Other Financial Assets	5,449.61	5,433.72
	Total Financial Assets (1)	**6,08,940.00**	**6,13,058.47**
2	**Non- Financial Assets**		
(a)	Current Tax Assets (Net)	43.78	178.11
(b)	Deferred Tax Assets (Net)	2,725.17	3,358.47
(c)	Property, Plant and Equipment	57.17	62.13
(d)	Intangible Assets under development	15.85	15.85
(e)	Intangible Assets	5.96	4.15
(f)	Right-of-use Assets	32.82	33.05
(g)	Other Non-Financial Assets	1,778.01	1,804.45
	Total Non- Financial Assets (2)	**4,658.76**	**5,456.21**
	Total Assets (1+2)	**6,13,598.76**	**6,18,514.68**
	LIABILITIES AND EQUITY		
	Liabilities		
1	**Financial Liabilities**		
(a)	Derivative Financial Instruments	1,519.79	1,940.54
(b)	Trade Payables		
	(i) Total outstanding dues of Micro, Small and Medium Enterprises	0.41	2.30
	(ii) Total outstanding dues of creditors other than Micro, Small and Medium Enterprises	8.26	23.12
(c)	Debt Securities	3,16,669.15	3,37,163.01
(d)	Borrowings (other than Debt Securities)	1,61,518.73	1,56,620.81
(e)	Subordinated Liabilities	4,148.70	3,994.45
(f)	Other Financial Liabilities	16,647.20	14,651.77
	Total Financial Liabilities (1)	**5,00,512.24**	**5,14,396.00**
2	**Non- Financial Liabilities**		
(a)	Current Tax Liabilities (Net)	609.95	22.04
(b)	Provisions	695.07	776.18
(c)	Other Non-Financial Liabilities	675.51	788.52
	Total Non- Financial Liabilities (2)	**1,980.53**	**1,586.74**
	Total Liabilities (1+2)	**5,02,492.77**	**5,15,982.74**
3	**Equity**		
(a)	Equity Share Capital	3,300.10	3,300.10
(b)	Other Equity	1,07,805.89	99,231.84
	Total Equity (3)	**1,11,105.99**	**1,02,531.94**
	Total Liabilities and Equity (1+2+3)	**6,13,598.76**	**6,18,514.68**

T.V.A. & CO. New Delhi Chartered Accountants

POWER FINANCE CORPORATION LIMITED NEW DELHI

MEHRA GOEL & CO LLP FRN: 000517N/N500502 New Delhi Chartered Accountants

2. Standalone Statement of Cash Flows for the Half Year ended Sep 30, 2026

(₹ in crore)

Sr. No.	Description	Half Year ended 30.09.2026 (Un-Audited)		Half year ended 30.09.2025 (Un-Audited)	
I.	**Cash Flow from Operating Activities :**				
	Profit before Tax	**12,070.22**		**11,053.05**	
	Adjustments for:				
	Loss/ (Gain) on derecognition of Property, Plant and Equipment (net)	1.30		1.09	
	Loss/ (Gain) on Fair value changes (Net)	23.35		(63.19)	
	Unrealised Foreign Exchange Translation Loss / (Gain)	1,620.48		1,726.42	
	Depreciation and Amortisation	15.38		10.63	
	Impairment on Financial Instruments	(735.63)		(439.83)	
	Effective Interest Rate in respect of Loan assets and borrowings/ debt securities	10.66		71.10	
	Interest expense on Zero Coupon Bonds and Commercial Papers	110.36		163.33	
	Other interest expense	(109.49)		(0.00)	
	Interest accrued on investments	(37.20)		(36.93)	
	Provision (others) created	38.23		43.03	
	Operating profit before Working Capital Changes:	**13,007.66**		**12,528.70**	
	Increase / Decrease :				
	Loans (Net)	7,713.47		(18,363.85)	
	Other Financial and Non-Financial Assets	(2.74)		3,446.80	
	Derivative	(1,769.04)		(2,232.65)	
	Other Financial & Non-Financial Liabilities, Trade Payables and Provisions	1,987.63		1,819.09	
	Cash used before Exceptional Items	**20,936.98**		**(2,801.91)**	
	Exceptional Items	-		-	
	Cash used in Operations Before Tax	**20,936.98**		**(2,801.91)**	
	Income Tax paid	(1,861.09)		(1,823.46)	
	Income Tax Refund	425.95		10.66	
	Net Cash Inflow/(Outflow) from Operating Activities		**19,501.84**		**(4,614.71)**
II.	**Cash Flow From Investing Activities :**				
	Proceeds from disposal of Property, Plant and Equipment	0.19		0.04	
	Purchase of Property, Plant and Equipment & Intangible Assets (including CWIP, Intangible Assets under development and Capital Advance)	(9.52)		(209.69)	
	Sale / (Purchase) of Other Investments	65.68		93.15	
	Net Cash Inflow/(Outflow) from Investing Activities		**56.35**		**(116.50)**
III.	**Cash Flow From Financing Activities :**				
	Raising of Bonds (including premium) (Net of Redemptions)	(25,278.66)		(845.11)	
	Raising of Long Term Loans (Net of Repayments)	(4,450.93)		6,300.10	
	Raising of Foreign Currency Loans (Net of Repayments)	14,153.14		1,066.17	
	Raising of Subordinated Liabilities (Net of Redemptions)	-		475.00	
	Raising of Commercial paper (Net of Repayments)	(1,566.41)		(1,810.42)	
	Raising of Working Capital Demand Loan / OD / CC / Line of Credit (Net of Repayments)	(266.66)		1,553.31	
	Payment of Dividend	(2,590.01)		(1,897.40)	
	Payment of Lease Liability	(0.00)		(0.00)	
	Net Cash Inflow/(Outflow) from Financing Activities		**(19,999.53)**		**4,841.65**
	Net Increase / (Decrease) in Cash and Cash Equivalents		**(441.34)**		**110.44**
	Add : Cash and Cash Equivalents at beginning of the financial year		1,078.31		22.03
	Cash and Cash Equivalents at the end of the period		**636.97**		**132.47**
	Details of Cash and Cash Equivalents at the end of the Period:				
	Balances with Banks (of the nature of cash and cash equivalents)				
	- In current accounts	11.25		130.43	
	- In Bank Deposit (Callable) /Demand Deposits (original maturity up to 3 months)	500.77		2.04	
	- Other Short Term Investments (TREPS)	124.95		-	
	Total Cash and Cash Equivalents at the end of the period		**636.97**		**132.47**

Figures in 0.00 represent value less than ₹ 50,000/-.

Notes:-

3	These unaudited standalone financial results of the Company for the quarter and half year ended 30.09.2026 have been reviewed and recommended by the Audit Committee (presently comprising of one Independent Director, awaiting appointment of other Independent Directors by the Government of India) and subsequently approved and taken on record by the Board of Directors of the Company (the Board) in their respective meetings held on 04.11.2026. Thakur, Vaidyanath Aiyar & Co., Chartered Accountants and Mehra Goel & Co LLP, Chartered Accountants have conducted limited review of these financial results in terms of Regulation 33 and 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
4	These unaudited standalone financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ('Ind AS') - 34 'Interim Financial Reporting, notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other accounting principles generally accepted in India.
5	(a) The Board in their meeting held on 04.11.2026 declared second interim dividend @ 41% on the paid up equity share capital i.e. ₹ 4.10 /- per equity share of ₹ 10/- each for the FY 2026-27. The Company had earlier paid ₹ 3.90/- as first interim dividend for the FY 2026-27. (b) Further, the shareholders of the company had approved final dividend @ 39.50% on the paid up equity share capital i.e. ₹ 3.95 /- per equity share of ₹ 10/- each for the FY 2025-26, in Annual General Meeting held on 31.08.2026, which was subsequently paid in September 2026.
6	Pursuant to the Scheme of Merger of REC Limited into the Company, as approved by the Board of Directors on June 28, 2026, the Company has received Reserve Bank of India's no-objection certificate on October 15, 2026 and no objection letters from BSE and NSE on October 19, 2026. The Scheme of Merger remains subject to requisite statutory and regulatory approvals and fulfilment of the conditions to the effectiveness of the Scheme, including the approval of the shareholders and creditors of the Company and REC Limited and sanction by Ministry of Corporate Affairs (MCA), as may be required in accordance with the applicable laws and the provisions of the Scheme.
7	The Company recognises impairment loss allowance on loan assets in accordance with the Board approved Expected Credit Loss (ECL) policy and report obtained from an independent agency, appointed by the Company for assessment of ECL as per Ind AS 109 'Financial Instruments'. Details in this regard are given below:

(₹ in crore)

S. No.	Particulars	As on 30.09.2026			As on 31.03.2026		
		Stage 1 & 2	Stage 3	Total	Stage 1 & 2	Stage 3	Total
a)	Loan Outstanding *(principal o/s)*	5,67,325.07	5,199.17	5,72,524.24	5,73,792.72	6,322.58	5,80,115.30
b)	Impairment Loss Allowance *	4,210.24	4,324.91	8,535.15	4,950.44	5,448.32	10,398.76
c)	Impairment Loss Allowance Coverage (%) (b/a)	0.74%	83.18%	1.49%	0.86%	86.17%	1.79%

*In addition to the above, impairment loss allowance of ₹ 16.62 crore (as at 31.03.2026 ₹ 21.40 crore) has been maintained towards Letter of Comfort and Letter of Undertaking. Further, impairment loss allowance of ₹ 151.54 crore (as at 31.03.2026 – ₹ 134.52 crore) has been created towards Undrawn Loan Commitments of the Company.

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POWER FINANCE CORPORATION LIMITED NEW DELHI

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8	As a matter of prudence, income on credit impaired loans is recognised as and when received or on accrual basis when expected realisation is higher than the loan amount outstanding.
9	Disclosure as per the Regulation 52 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, is attached at **Annexure A**.
10	The Company raises funds in different currencies through a mix of term loans from banks/ financial institutions/ Govt. agencies and non-convertible securities of different tenors. During the half ended 30.09.2026, the Company has not defaulted in servicing of its borrowings.
11	During the quarter ended 30.09.2026, the amount raised by Company from issue of non-convertible securities have been fully utilised and there are no material deviation(s) from the stated objects in the offer document/ information memorandum. Disclosures as per the Regulation 52 (7) & 52 (7A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, is attached at **Annexure B.**
12	In compliance of Regulation 54 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, all the secured listed non-convertible debt securities of the Company are fully secured by way of mortgage on specified immovable properties and/or charge on receivables of the Company. The Company has maintained security cover of **1.03** times as per the terms of offer document / information memorandum sufficient to discharge the principal and interest thereon at all times for the secured listed non-convertible debt securities issued. The security cover disclosure in the prescribed format is attached at **Annexure C**. Further, security cover maintained by the Company for all secured non-convertible debt securities is **1.02** times.
13	The Company's operations comprise of only one business segment - lending to power, logistics and infrastructure sector. Hence, there is no other reportable business / geographical segment as per Ind AS 108 "Operating Segments".
14	Figures for the previous periods have been regrouped / reclassified wherever necessary, in order to make them comparable with the current period figures.

Rajesh Kumar Agarwal
Director (Finance)
DIN – 09699001

Place: New Delhi
Date : 04.11.2026

Annexure-A

Disclosure as per the Regulation 52 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, for the quarter ended 30.09.2026 on standalone basis:

Sr. No.	Particulars	As at / For the quarter ended 30.09.2026	As at / For the half year ended 30.09.2026
(i)	Debt - Equity Ratio (times)	4.25	
(ii)	Outstanding Redeemable Preference Shares	-	
(iii)	Capital redemption reserve/debenture redemption reserve	-	
(iv)	Net Worth (₹ in crore)	1,11,105.99	
(v)	Net profit after tax (₹ in crore)	4,986.71	9,732.11
(vi)	Earnings per share (Not annualised) (in ₹)		
	Basic	15.11	29.49
	Diluted	15.11	29.49
(vii)	Total Debt to Total Assets (times)	0.77	
(viii)	Operating Margin (%)	40.41%	41.30%
(ix)	Net Profit Margin (%)	33.30%	33.60%
(x)	Other Sector Specific Ratios (%) (a) Gross Credit Impaired Assets Ratio (b) Net Credit Impaired Assets Ratio (c) CRAR	 0.91% 0.15% 23.89%	

Note:

1) Debt - Equity ratio = Net Debt / (Equity Share Capital + Other Equity). Net debt = Principal outstanding of {Debt Securities + Borrowings (other than debt securities) + Subordinated Liabilities} less cash and cash equivalents.
2) Net worth = Equity Share Capital + Other Equity.
3) Total debt to Total assets = Principal outstanding of {Debt Securities + Borrowings (other than debt securities) + Subordinated Liabilities} / Total assets.
4) Operating Margin = (Profit before Tax - Other Income) / Total Revenue from operations.
5) Net profit margin = Net profit After Tax/Total Income.
6) Gross Credit Impaired Assets Ratio = Gross Credit Impaired Assets /Gross Loan Assets.
7) Net Credit Impaired Assets Ratio = Net Credit Impaired Assets /Gross Loan Assets.
8) CRAR = Total Capital Fund (Tier 1 Capital +Tier 2 Capital) / Risk weighted assets, calculated as per Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Capital Adequacy) Directions, 2025, as amended.
9) Debt service coverage ratio, Interest service coverage ratio, Current ratio, Long term debt to working capital, Bad debts to Account receivable ratio, Current Liability Ratio, Debtors turnover, Inventory turnover ratio are not applicable to the Company.

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पावर फाइनेंस कॉर्पोरेशन लिमिटेड POWER FINANCE CORPORATION LIMITED नई दिल्ली NEW DELHI

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Annexure B

Disclosure in compliance with Regulation 52(7) & 52(7A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation,2015, as amended, for the quarter ended 30th September, 2026.

A. Statement of utilization of issue proceeds:

Name of the Issuer	ISIN	Mode of Fund Raising (Public Issues/Private Placement)	Type of instrument*	Date of raising of funds	Amount Raised (Rs. In Crore)	Funds Utilized (Rs. In Crore)	Any deviation (Yes/ No)	If 8 is Yes, then specify the purpose of for which the funds were utilized	Remarks, if any
1	2	3	4	5	6	7	8	9	10
Power Finance Corporation Limited	INE134E08OD1	Private Placement	NCD	25-Aug-26	2,500.00	2,500.00	No	NA	-
Power Finance Corporation Limited	INE134E08OE9	Private Placement	NCD	07-Sep-26	2,168.50	2,168.50	No	NA	-
Power Finance Corporation Limited	INE134E08OF6	Private Placement	NCD	07-Sep-26	1,975.00	1,975.00	No	NA	-
				Total	**6,643.50**	**6,643.50**			

*NCD – Non-convertible debentures

B. Statement of deviation/ variation in use of Issue proceeds:

Particulars	**Remarks**
Name of listed entity	Power Finance Corporation Limited
Mode of fund raising	Private placement
Type of instrument	Non-convertible Securities
Date of raising funds	25-Aug-26 and 07-Sep-26
Amount raised	Rs. 6,643.50 Crore
Report filed for quarter ended	30-Sep-2026
Is there a deviation/ variation in use of funds raised?	No
Whether any approval is required to vary the objects of the issue stated in the prospectus/ offer document?	NA
If yes, details of the approval so required?	
Date of approval	
Explanation for the deviation/ variation	
Comments of the audit committee after review	
Comments of the auditors, if any	

Objects for which funds have been raised and where there has been a deviation/ variation, in the following table:

Original Object	Modified Object, if any	Original Allocation	Modified Allocation, if any	Funds utilised	Amount of deviation/ variation for the quarter according to applicable object (in Rs. Crore and in %)	Remarks, if any
NA						

Deviation could mean:
a. Deviation in the objects or purposes for which the funds have been raised.
b. Deviation in the amount of funds actually utilized as against what was originally disclosed.

Annexure C

Security Cover Disclosure in compliance with Regulation 54(3) of the Securities and Exchange Board of India(Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

(₹ in crore)

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O	Column P
Particulars		Exclusive Charge	Exclusive Charge	Pari-Passu Charge	Pari- Passu Charge	Pari- Passu Charge	Assets not offered as Security	Elimination (amount in negative)	(Total C to H)	Related to only those items covered by this certificate					Debt not backed by any assets offered for security #
	Description of asset for which this certificate relate	Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued &other debt with pari-passu charge)	Other assets on which there is pari-Passu charge (excluding items covered in column F)		debt amount considered more than once (due to exclusive plus pari passu charge)		Market Value for Assets charged on Exclusive basis	Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (For E.g. Bank Balance, DSRA market value is not applicable)	Market Value for Pari passu charge Assets	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For E.g. Bank Balance, DSRA market value is not applicable)	Total Value(=K+L+M+ N)	
												Relating to Column F			
		Book Value	Book Value	Yes/No	Book Value	Book Value									
Assets															
Property, Plant and Equipment *	Land and Building	NA	NA	Yes	3.29	-	53.88	-	57.17	-	-	15.23	-	15.23	-
Capital Work-in- Progress					-	-	-	-	-	-	-	-	-	-	-
Right of Use Assets					-	-	32.82	-	32.82	-	-	-	-	-	-
Goodwill					-	-	-	-	-	-	-	-	-	-	-
Intangible Assets under Development					-	-	15.85	-	15.85	-	-	-	-	-	-
Intangible Assets					-	-	5.96	-	5.96	-	-	-	-	-	-
Investments					-	-	20,704.53	-	20,704.53	-	-	-	-	-	-
Loans (book Debt) **/***	Book Debts			Yes	25,908.48	(0.00)	5,41,126.58	-	5,67,035.06	-	-	-	15,955.50	15,955.50	-
Inventories					-	-	-	-	-	-	-	-	-	-	-
Trade Receivables					-	-	-	-	-	-	-	-	-	-	-
Cash and Cash Equivalents					-	-	636.97	-	636.97	-	-	-	-	-	-
Bank Balances other than Cash and Cash Equivalents					-	-	1,297.44	-	1,297.44	-	-	-	-	-	-
Others					-	-	23,812.96	-	23,812.96	-	-	-	-	-	-
Total					**25,911.77**	**(0.00)**	**5,87,686.99**		**6,13,598.76**	-	-	**15.23**	**15,955.50**	**15,970.73**	-
Liabilities															
Debt securities to which this certificate pertains		-	NA	Yes	**15,500.74**	-	-	-	**15,500.74**						-
Other debt sharing pari-passu charge with above debt		Not to be filled		No	9,941.03	-	-	-	**9,941.03**						-
Other Debt					-	-	-	-	-						-
Subordinated debt					-	-	4,148.70	-	**4,148.70**						4,148.70
Borrowings (other than debt securities)				No	-	(0.00)	1,61,518.73	-	**1,61,518.73**						1,61,518.73
Debt Securities					-	-	2,91,227.37	-	**2,91,227.37**						2,91,227.37
Others					-	-	-	-	-						-
Trade Payables					-	-	8.67	-	**8.67**						-
Lease liabilities					-	-	-	-	-						-
Provisions					-	-	695.07	-	695.07						-
Others					-	-	19,452.45	-	19,452.45						-
Total		-	-	-	**25,441.77**	**(0.00)**	**4,77,050.99**	-	**5,02,492.76**						**4,56,894.80**
Cover on Book Value															
Cover on Market Value**															
		Exclusive Security cover ratio	NA		**Pari- Passu Security cover ratio**	**1.03**									

We confirm that the Company has complied with the covenants mentioned in the disclosure documents of the secured redeemable non-convertible debentures for the period ended Sep 30, 2026.

* The market value of ₹ 13.45 Cr & ₹ 1.78 Cr (total ₹ 15.23 Cr) of the immovable properties are on the basis of certified valuation done on 19th May 2025 & 26th May 2025 respectively.

** Loans (Book Debts) shared by pari passu charge are calculated based on security cover requirements as per information memorandum for securities.

***Loans (Book Debts) shared by pari passu charge includes charge against 54EC bonds amounting to ₹ 9,941.03 Cr for which this certificate is not being issued.

****Security Cover ratio is calculated only on debt for which this certificate is being issued.

Applicable only for debt securities, borrowings (other than debt securities) and subordinated debt.

T.V.A. & CO. Chartered Accountants New Delhi

POWER FINANCE CORPORATION LIMITED NEW DELHI

MEHRA GOEL & CO LLP FRN: 000517N/N500502 New Delhi Chartered Accountants

Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants,
221-223, Deen Dayal Marg,
New Delhi - 110002

Mehra Goel & Co. LLP
Chartered Accountants,
309, Chiranjiv Tower,
43, Nehru Place, New Delhi - 110019

Independent Auditor's Review Report on Unaudited Consolidated Financial Results for the Quarter and Half year ended 30th September, 2026 of the Company Pursuant to the Regulation 33 & 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors of
Power Finance Corporation Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results of Power Finance Corporation Limited (the 'Parent') and its subsidiaries (the Parent and its subsidiaries together referred to as the 'Group'), and its share of the net profit / (loss) after tax and total comprehensive income / (loss) of its associates for the quarter & half year ended 30th September 2026 together with the notes thereon (hereinafter referred to as the 'Statement') attached herewith, being submitted by the Parent pursuant to the requirement of Regulation 33 & 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

2. This Statement, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors in its meeting held on 4th November 2026, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 ('Ind AS 34') "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013, as amended read with relevant rules issued there under, and other accounting principles generally accepted in India and in compliance with Regulation 33 and 52 of the Listing Regulations. Our responsibility is to issue a report on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

T.V.A. & CO. New Delhi Chartered Accountants

MEHRA GOEL & CO. LLP FRN: 000517N/N500502 New Delhi Chartered Accountants

4. The Statement includes data from the financial results of the following entities:

Name of the Entity		Status
Parent		
1.	Power Finance Corporation Limited	Reviewed
Subsidiaries:		
1.	REC Limited*	Reviewed
2.	PFC Consulting Limited*	Unreviewed
3.	PFC Infra Finance IFSC Limited**	Unreviewed
Associates:**		
1.	Orissa Integrated Power Limited	Unreviewed
2.	Coastal Tamil Nadu Power Limited	Unreviewed
3.	Bihar Mega Power Limited	Unreviewed

*Consolidated financial results considered for consolidation
** Standalone financial results considered for consolidation

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review report of other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited consolidated financial results, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Regulations 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatements.

6. Other Matters

a. We did not review the unaudited financial results of a subsidiary included in the unaudited consolidated financial results, whose financial results reflect Group's share of total assets of ₹6,74,188.47 crore as at 30th September, 2026, Group's share of total revenues of ₹15,010.43 crore and ₹29,479.92 crore, total net profit after tax of ₹3,477.73 crore and ₹7,670.49 crore and total comprehensive income (net of tax) of ₹4,036.58 crore and ₹11,476.53 crore for the quarter and half year ended 30th September, 2026 respectively, and cash flows (net) of ₹507.17 crore for the half year ended 30th September, 2026 as considered in the unaudited consolidated financial results.

These financial results have been reviewed by other independent auditors whose report has been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the other auditors and the procedures performed by us as stated in paragraph 3 above.

b. The unaudited consolidated financial results also include the financial results of two other subsidiaries which have not been reviewed, which reflects Group's share of total assets of ₹1,023.43 crores as at 30th September 2026, Group's share of total revenues of ₹92.80 crore and ₹192.10 crore, total net profit after tax ₹51.63 crores and ₹111.34 crores and total comprehensive income of ₹59.58 crore and ₹119.52 crore for the quarter and half year ended 30th September, 2026 respectively, and cash flows (net) of ₹4.84 crore for the half year ended 30th September, 2026. The unaudited consolidated financial results also include the unaudited financial results in respect of associates referred to in paragraph 4 above, whose financial results reflects Group's share of net profit after tax of ₹0.01 crore and ₹0.01 crore, total comprehensive income of ₹0.01 crore and ₹0.01 crore for the quarter and half year ended 30th September, 2026 respectively, based on their financial results which have not been reviewed. This unreviewed financial information have been furnished to us by the management of the parent Company and stated to have been approved by the management of the respective subsidiaries/associates and our conclusion on the unaudited consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these two subsidiaries and three associates is based solely on such unreviewed financial information. In our opinion and according to the information and explanations given to us by the management of the parent, this unreviewed financial information is not material to the Group.

c. The Company has measured the Expected Credit Loss (ECL) on loan assets, undrawn loan exposures, undisbursed letter of comfort and Investments as per requirement of Ind AS 109 by an external agency appointed by the Company. The assumptions/criteria's (i.e. risk score/probability of default matrix etc. with respect to the borrowers) considered in the calculation of ECL are technical in nature, hence, we have relied upon the same.

Our conclusion is not modified in respect of these matters.

FOR Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants
Firm's Registration No.: 000038N

Kamlesh Kumar Upadhyay
Partner
Membership No. 096584
UDIN: 26096584NAAPYL8063

FOR Mehra Goel & Co LLP
Chartered Accountants
Firm's Registration No.000517N/N500502

CA Vaibhav Jain
Partner
Membership No. 515700
UDIN: 26515700LOPIYT3331

Place: New Delhi
Date: 4th November, 2026

Power Finance Corporation Limited

Regd. Office :Urjanidhi, 1, Barakhamba Lane, Connaught Place, New Delhi. Website: https://www.pfcindia.co.in

CIN L65910DL1986GOI024862

Statement of Un- Audited Consolidated Financial Results for the Quarter and Half Year ended 30.09.2026

(₹ in crore)

Sr. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30.09.2026	30.06.2026	30.09.2025	30.09.2026	30.09.2025	31.03.2026
		(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Audited)
	Revenue from Operations						
(i)	Interest Income	28,338.76	27,946.85	28,069.47	56,285.61	56,327.00	1,12,961.44
(ii)	Dividend Income	45.04	6.19	28.68	51.23	34.68	99.71
(iii)	Fees and Commission Income	315.55	359.91	654.03	675.46	826.75	1,743.41
(iv)	Other Operating Income	345.13	213.91	138.06	559.04	240.85	639.05
I.	**Total Revenue from Operations**	**29,044.48**	**28,526.86**	**28,890.24**	**57,571.34**	**57,429.28**	**1,15,443.61**
II.	Other Income	189.94	36.31	10.86	226.25	100.60	83.31
III.	**Total Income (I+II)**	**29,234.42**	**28,563.17**	**28,901.10**	**57,797.59**	**57,529.88**	**1,15,526.92**
	Expenses						
(i)	Finance Costs	18,057.75	17,250.42	17,313.68	35,308.17	34,509.76	69,415.32
(ii)	Net Translation / Transaction Exchange Loss / (Gain)	450.30	836.78	576.72	1,287.08	1,282.87	1,860.95
(iii)	Fees and Commission Expense	12.60	13.27	9.54	25.87	27.73	32.17
(iv)	Net Loss / (Gain) on Fair Value changes	47.08	276.36	159.76	323.44	580.41	981.89
(v)	Impairment on Financial Instruments	172.38	(1,522.59)	381.69	(1,350.21)	(909.92)	(1,584.93)
(vi)	Cost of Services Rendered	181.95	83.28	61.36	265.23	116.36	308.51
(vii)	Employee Benefit Expenses	152.01	158.44	142.12	310.45	280.99	570.27
(viii)	Depreciation, Amortisation and Impairment	16.13	17.98	15.32	34.11	29.57	62.96
(ix)	Corporate Social Responsibility Expenses	279.64	99.27	95.32	378.91	204.90	657.72
(x)	Other Expenses	83.28	89.88	88.23	173.16	150.86	354.08
IV.	**Total Expenses**	**19,453.12**	**17,303.09**	**18,843.74**	**36,756.21**	**36,273.53**	**72,658.94**
V.	Share of Profit / (Loss) in Joint Venture and Associates	0.01	-	-	0.01	-	(0.02)
VI.	**Profit/(Loss) Before Exceptional Items and Tax (III-IV+V)**	**9,781.31**	**11,260.08**	**10,057.36**	**21,041.39**	**21,256.35**	**42,867.96**
VII.	**Exceptional Items**	-	-	-	-	-	18.28
VIII.	**Profit/(Loss) Before Tax (VI-VII)**	**9,781.31**	**11,260.08**	**10,057.36**	**21,041.39**	**21,256.35**	**42,849.68**
	Tax Expense:						
	(i) Current Tax:						
	- Current Year	2,115.76	2,194.69	2,281.62	4,310.45	4,373.85	7,571.99
	- Earlier Years	-	0.01	-	0.01	-	4.62
	(ii) Deferred Tax Expense / (Income)	(15.96)	67.46	(58.65)	51.50	66.66	1,647.73
IX.	**Total Tax Expense**	**2,099.80**	**2,262.16**	**2,222.97**	**4,361.96**	**4,440.51**	**9,224.34**
X.	**Profit/(Loss) for the period from Continuing Operations (VIII-IX)**	**7,681.51**	**8,997.92**	**7,834.39**	**16,679.43**	**16,815.84**	**33,625.34**
XI.	**Profit/(Loss) from Discontinued Operations (After Tax)**	-	-	-	-	-	-
XII.	**Profit/(Loss) for the period (from continuing and discontinued operations) (X+XI)**	**7,681.51**	**8,997.92**	**7,834.39**	**16,679.43**	**16,815.84**	**33,625.34**
	Other Comprehensive Income						
(A)	(i) Items that will not be reclassified to Profit or Loss						
	- Re-measurement of Defined Benefit Plans	8.58	(3.45)	5.19	5.13	5.87	4.96
	- Net Gain / (Loss) on Fair Value of Equity Instruments	(434.79)	463.55	(132.21)	28.76	54.73	(367.75)
	- Share of Other Comprehensive Income / (Loss) in Joint Venture accounted for using equity method	-	-	-	-	-	-
	(ii) Income Tax relating to items that will not be reclassified to Profit or Loss				-		
	- Re-measurement of Defined Benefit Plans	(2.04)	0.91	(1.33)	(1.13)	(1.52)	(0.96)
	- Net Gain / (Loss) on Fair Value of Equity Instruments	80.07	(94.85)	41.24	(14.78)	(0.67)	63.24
	- Share of Other Comprehensive Income/ (loss) of Joint Venture accounted for using equity method		-	-	-		
	Sub-Total (A)	**(348.18)**	**366.16**	**(87.11)**	**17.98**	**58.41**	**(300.51)**
(B)	(i) Items that will be reclassified to Profit or Loss						
	- Effective Portion of Gains / (Loss) in Cash Flow Hedge	773.96	1,130.25	133.43	1,904.21	(3,700.45)	(6,509.59)
	- Cost of Hedging Reserve	616.80	4,324.73	840.04	4,941.53	639.92	(2,481.44)
	- Exchange Gains / (Loss) in translating the financials of foreign operations	7.95	0.23	4.06	8.18	4.01	30.02
	(ii) Income Tax relating to items that will be reclassified to Profit or Loss				-		
	- Effective Portion of Gains / (Loss) in Cash Flow Hedge	(194.79)	(284.46)	(33.58)	(479.25)	931.33	1,638.33
	- Cost of Hedging Reserve	(155.24)	(1,088.45)	(211.41)	(1,243.69)	(161.05)	624.52
	- Exchange Gains / (Loss) in translating the financials of foreign operations	-	-	(1.02)	-	(1.01)	-
	Sub-Total (B)	**1,048.68**	**4,082.30**	**731.52**	**5,130.98**	**(2,287.25)**	**(6,698.16)**
XIII.	**Other Comprehensive Income (A+B)**	**700.50**	**4,448.46**	**644.41**	**5,148.96**	**(2,228.84)**	**(6,998.67)**
XIV.	**Total Comprehensive Income (XII+XIII)**	**8,382.01**	**13,446.38**	**8,478.80**	**21,828.39**	**14,587.00**	**26,626.67**

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POWER FINANCE CORPORATION LIMITED NEW DELHI

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Sr. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30.09.2026	30.06.2026	30.09.2025	30.09.2026	30.09.2025	31.03.2026
		(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Audited)
	Profit attributable to:						
	- Owners of the Company	6,034.28	7,012.01	5,743.25	13,046.29	12,609.51	25,900.95
	- Non-Controlling Interest	1,647.23	1,985.91	2,091.14	3,633.14	4,206.33	7,724.39
		7,681.51	**8,997.92**	**7,834.39**	**16,679.43**	**16,815.84**	**33,625.34**
	Other Comprehensive Income attributable to:						
	- Owners of the Company	435.80	2,910.43	327.77	3,346.23	(1,378.33)	(5,025.27)
	- Non-Controlling Interest	264.70	1,538.03	316.64	1,802.73	(850.51)	(1,973.40)
		700.50	**4,448.46**	**644.41**	**5,148.96**	**(2,228.84)**	**(6,998.67)**
	Total Comprehensive Income attributable to:						
	- Owners of the Company	6,470.08	9,922.44	6,071.02	16,392.52	11,231.18	20,875.68
	- Non-Controlling Interest	1,911.93	3,523.94	2,407.78	5,435.87	3,355.82	5,750.99
		8,382.01	**13,446.38**	**8,478.80**	**21,828.39**	**14,587.00**	**26,626.67**
XV.	Paid up Equity Share Capital (Face Value ₹ 10/- each)	3,300.10	3,300.10	3,300.10	3,300.10	3,300.10	3,300.10
XVI.	Other Equity (As per Audited Balance Sheet as at 31st March)	NA	NA	NA	NA	NA	1,29,560.84
XVII.	**Basic and Diluted Earnings Per Equity Share (Face Value of ₹ 10/- each)*:**						
	(1) For continuing operations (in ₹)	18.29	21.25	17.40	39.53	38.21	78.49
	(2) For discontinued operations (in ₹)	-	-	-	-	-	-
	(3) For continuing and discontinued operations (in ₹)	18.29	21.25	17.40	39.53	38.21	78.49

* EPS for the Quarters and Half years is not annualised.

See accompanying notes to the Un-Audited Consolidated Financial Results.

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Notes to the Consolidated Financial Results:

1. Consolidated Statement of Assets and Liabilities

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2026 (Un-Audited)	As at 31.03.2026 (Audited)
	ASSETS		
1	**Financial Assets**		
(a)	Cash and Cash Equivalents	1,138.47	1,409.45
(b)	Bank Balance other than Cash and Cash Equivalents	3,924.90	3,263.23
(c)	Derivative Financial Instruments	35,236.28	30,588.12
(d)	Receivables		
	- Trade Receivables	229.26	326.57
	- Other Receivables	0.01	3.87
(e)	Loans	11,79,804.95	11,53,254.58
(f)	Investments (Other than accounted for using equity method)	15,437.78	15,548.78
(g)	Other Financial Assets	29,969.02	29,992.19
	Total Financial Assets (1)	**12,65,740.67**	**12,34,386.79**
2	**Non- Financial Assets**		
(a)	Current Tax Assets (Net)	135.39	472.97
(b)	Deferred Tax Assets (Net)	5,106.26	6,895.55
(c)	Investment Property	0.97	0.98
(d)	Property, Plant and Equipment	690.78	709.68
(e)	Capital Work-in-Progress	147.29	128.34
(f)	Intangible Assets under development	16.17	15.90
(g)	Intangible Assets	7.70	6.18
(h)	Right of Use Assets	37.17	38.00
(i)	Other Non-Financial Assets	1,872.86	1,888.82
(j)	Investments accounted for using equity method	0.09	0.08
	Total Non- Financial Assets (2)	**8,014.68**	**10,156.50**
3	Assets Classified as held for sale	31.26	35.26
	Total Assets (1+2+3)	**12,73,786.61**	**12,44,578.55**
	LIABILITIES AND EQUITY		
	Liabilities		
1	**Financial Liabilities**		
(a)	Derivative Financial Instruments	2,668.71	3,889.69
(b)	Payables		
	Trade Payables		
	(i) Total outstanding dues of Micro, Small and Medium Enterprises	0.43	2.35
	(ii) Total outstanding dues of creditors other than Micro, Small and Medium Enterprises	195.97	208.22
	Other Payables		
	(i) Total outstanding dues of Micro, Small and Medium Enterprises	1.42	2.07
	(ii) Total outstanding dues of creditors other than Micro, Small and Medium Enterprises	9.80	14.21
(c)	Debt Securities	6,42,231.59	6,47,145.84
(d)	Borrowings (other than Debt Securities)	3,63,059.44	3,51,936.42
(e)	Subordinated Liabilities	13,581.21	13,421.20
(f)	Other Financial Liabilities	56,310.28	51,975.90
	Total Financial Liabilities (1)	**10,78,058.85**	**10,68,595.90**

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Sr. No.	Particulars	As at 30.09.2026 (Un-Audited)	As at 31.03.2026 (Audited)
2	**Non- Financial Liabilities**		
(a)	Current Tax Liabilities (Net)	879.91	22.27
(b)	Provisions	1,700.00	1,376.06
(c)	Other Non-Financial Liabilities	879.54	1,143.30
	Total Non- Financial Liabilities (2)	**3,459.45**	**2,541.63**
3	**Liabilities directly associated with assets classified as held for sale**	-	-
	Total Liabilities (1+2+3)	**10,81,518.30**	**10,71,137.53**
4	**Equity**		
(a)	Equity Share Capital	3,300.10	3,300.10
(b)	Other Equity	1,43,573.77	1,29,560.84
	Equity attributable to owners of the Company (a+b)	**1,46,873.87**	**1,32,860.94**
(c)	Non-Controlling Interest	45,394.44	40,580.08
	Total Equity (4)	**1,92,268.31**	**1,73,441.02**
	Total Liabilities and Equity (1+2+3+4)	**12,73,786.61**	**12,44,578.55**

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2. Consolidated Statement of Cash Flows for the Half Year ended Sep 30, 2026

(₹ in crore)

Sr. No.	Description	Half Year ended 30.09.2026 (Un-Audited)		Half Year ended 30.09.2025 (Un-Audited)	
I.	**Cash Flow from Operating Activities :**				
	Profit before Tax	**21,041.39**		**21,256.35**	
	Adjustments for:				
	Loss/ (Gain) on derecognition of Property, Plant and Equipment (net)	4.78		5.33	
	Loss/ (Gain) on Fair value changes (Net)	323.44		(2.22)	
	Unrealised Foreign Exchange Translation Loss / (Gain)	2,611.10		940.88	
	Depreciation and Amortisation	34.07		29.53	
	Impairment on Financial Instruments	(1,349.82)		(909.92)	
	Effective Interest Rate in respect of Loan assets and borrowings/ debt securities	178.91		289.55	
	Interest expense on Zero Coupon Bonds and Commercial Papers	343.71		286.26	
	Other interest expense	(109.41)		0.11	
	Other interest income	(98.43)		(91.74)	
	Provision for unspent CSR created	166.57		-	
	Provision (others) created	38.21		43.03	
	Excess Liabilities written back	(0.09)		(0.20)	
	Share of Profit/Loss of Joint Venture accounted for using equity method	0.01		-	
	Operating profit before Working Capital Changes:	**23,184.44**		**21,846.96**	
	Increase / Decrease :				
	Loans (Net)	(25,167.56)		(34,040.43)	
	Other Financial and Non-Financial Assets	(221.92)		5,093.97	
	Derivative	2,766.47		582.48	
	Provisions	3,898.42		1,616.69	
	Cash used before Exceptional Items	**4,459.85**		**(4,900.33)**	
	Exceptional Items	-		-	
	Cash used in Operations Before Tax	**4,459.85**		**(4,900.33)**	
	Income Tax paid	(3,536.64)		(3,786.24)	
	Income Tax Refund	425.94		10.66	
	Net Cash Inflow/(Outflow) from Operating Activities		**1,349.15**		**(8,675.91)**
II.	**Cash Flow From Investing Activities :**				
	Proceeds from disposal of Property, Plant and Equipment	0.47		0.05	
	Purchase of Property, Plant and Equipment & Intangible Assets (including CWIP, Intangible Assets under development and Capital Advance)	(32.87)		(243.43)	
	Finance Cost Capitalised	(3.52)		(2.85)	
	Sale / (Purchase) of Other Investments	101.38		(1,318.16)	
	Net Cash Inflow/(Outflow) from Investing Activities		**65.46**		**(1,564.39)**
III.	**Cash Flow From Financing Activities :**				
	Raising of Bonds (including premium) (Net of Redemptions)	(11,939.80)		19,071.80	
	Raising of Long Term Loans/WCDL/OD/CC/ Line of credit (Net of Repayments)	(4,717.59)		15,670.07	
	Raising of Foreign Currency Loans (Net of Repayments)	6,257.11		(16,747.41)	
	Raising of Subordinated Liabilities (Net of Redemptions)	-		475.00	
	Raising of Commercial paper (Net of Repayments)	5,167.48		1,029.12	
	Raising of Working Capital Demand Loan / OD / CC / Line of Credit (Net of Repayments)	7,202.95		-	
	Payment of Lease Liability	(0.68)		(1.58)	
	Payment of Dividend	(3,313.41)		(3,743.37)	
	Net Cash Inflow/(Outflow) from Financing Activities		**(1,343.94)**		**15,753.63**
	Net Increase / (Decrease) in Cash and Cash Equivalents		**70.67**		**5,513.33**
	Add : Cash and Cash Equivalents at beginning of the financial year		**1,067.75**		**(251.56)**
	Cash and Cash Equivalents at the end of the period		**1,138.42**		**5,261.77**
	Details of Cash and Cash Equivalents at the end of the Period:				
	Balances with Banks (of the nature of cash and cash equivalents)				
	- In current accounts	281.52		1,214.05	
	- In Bank Deposit (Callable) /Demand Deposits (original maturity up to 3 months)	731.92		4,047.74	
	- Cheques, Drafts on hand including postage and Imprest	0.08		0.08	
	- Bank overdraft	(0.05)		(0.10)	
	Other Short Term Investments (original maturity up to 3 months)				
	(i) Other Short Term Investments (inTREPS)	124.95		-	-
	Total Cash and Cash Equivalents at the end of the period		**1,138.42**		**5,261.77**

The above statement of cash flows has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'.
Figures in 0.00 represent value less than ₹ 50,000/-.

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Notes:-

3	These unaudited consolidated financial results of the Group for the quarter and half year ended 30.09.2026 have been reviewed and recommended by the Audit Committee (presently comprising of one Independent Director, awaiting appointment of other Independent Directors by the Government of India) and subsequently approved & taken on record by the Board of Directors of the Company (the Board) in their respective meetings held on 04.11.2026. Thakur, Vaidyanath Aiyar & Co., Chartered Accountants and Mehra Goel & Co LLP, Chartered Accountants have conducted limited review of these financial results in terms of Regulation 33 and 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
4	These unaudited consolidated financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ('Ind AS') - 34 'Interim Financial Reporting, notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other accounting principles generally accepted in India.
5	These unaudited consolidated financial results include the quarterly limited reviewed consolidated financial results of one subsidiary; management approved consolidated financial results of one subsidiary and management approved standalone financial results of one subsidiary and three associates. The Financial results of these subsidiaries and associates have been consolidated in accordance with Ind AS 110 – 'Consolidated Financial Statements' and Ind AS 28 – 'Investments in Associates and Joint Ventures'.
6	(a) The Board of the Company in their meeting held on 04.11.2026 declared second interim dividend @ 41%, on the paid up equity share capital i.e. ₹ 4.10 /- per equity share of ₹ 10/- each for the FY 2026-27. The Company had earlier paid ₹ 3.90/- as first interim dividend for the FY 2026-27.
	(b) Further, the shareholders of the company had approved final dividend @ 39.50% on the paid up equity share capital i.e. ₹ 3.95 /- per equity share of ₹ 10/- each for the FY 2025-26, in Annual General Meeting held on 31.08.2026, which was subsequently paid in September 2026.
7	Pursuant to the Scheme of Merger of REC Limited into the Company, as approved by the Board of Directors on June 28, 2026, the Company has received Reserve Bank of India's no-objection certificate on October 15, 2026 and no objection letters from BSE and NSE on October 19, 2026. The Scheme of Merger remains subject to requisite statutory and regulatory approvals and fulfilment of the conditions to the effectiveness of the Scheme, including the approval of the shareholders and creditors of the Company and REC Limited and sanction by Ministry of Corporate Affairs (MCA), as may be required in accordance with the applicable laws and the provisions of the Scheme.
8	(a) In respect of the Company and its subsidiary REC Limited, impairment loss allowance on loan assets has been provided in accordance with the Board approved Expected Credit Loss (ECL) policy and based on the report obtained from an independent agency, appointed by the respective companies for assessment of ECL as per

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Ind AS 109 'Financial Instruments'. Details in this regard are given below:

(₹ in crore)

S. No.	Particulars	As on 30.09.2026			As on 31.03.2026		
		Stage 1 & 2	Stage 3	Total	Stage 1 & 2	Stage 3	Total
a)	Loan Outstanding *(principal o/s)*	11,82,572.23	6,579.57	11,89,151.80	11,56,060.87	7,707.33	11,63,768.20
b)	Impairment Loss Allowance *	9,567.53	5,030.53	14,598.06	11,135.91	6,156.30	17,292.21
c)	Impairment Loss Allowance Coverage (%) (b/a)	0.81%	76.46%	1.23%	0.96%	79.88%	1.49%

*In addition to the above, impairment loss allowance of ₹ 62.41 crore (as at 31.03.2026 ₹ 54.94 crore) has been maintained towards Letter of Comfort and Letter of Undertaking. Further, impairment loss allowance of ₹ 662.11 crore (as at 31.03.2026 - ₹ 417.23 crore) has been created towards Undrawn Loan Commitments of the Group.

9 As a matter of prudence, income on credit impaired loans is recognised as and when received or on accrual basis when expected realisation is higher than the loan amount outstanding.

10 Disclosure as per the Regulation 52 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, is attached at **Annexure A**.

11 The Group's operations majorly comprise of only one business segment - lending to power, logistics and infrastructure sector. Hence, there is no other reportable business / geographical segment as per Ind AS 108 "Operating Segments".

12 Figures for the previous periods have been regrouped / reclassified wherever necessary, in order to make them comparable with the current period figures.

Place: New Delhi
Date : 04.11.2026

Rajesh Kumar Agarwal
Director (Finance)
DIN – 09699001

T.V.A. & CO. New Delhi Chartered Accountants

POWER FINANCE CORPORATION LIMITED NEW DELHI

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Annexure-A

Disclosure as per the Regulation 52 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, for the quarter ended 30.09.2026 on consolidated basis:

Sr. No.	Particulars	As at / For the quarter ended 30.09.2026	As at / For the half year ended 30.09.2026
(i)	Debt - Equity Ratio (times)	5.20	
(ii)	Outstanding Redeemable Preference Shares	-	
(iii)	Capital redemption reserve/debenture redemption reserve	-	
(iv)	Net Worth (₹ in crore)	1,46,873.87	
(v)	Net profit after tax (₹ in crore)	7681.51	16,679.43
(vi)	Earnings per share (Not annualised) (in ₹)		
	Basic	18.29	39.53
	Diluted	18.29	39.53
(vii)	Total Debt to Total Assets (times)	0.79	
(viii)	Operating Margin (%)	33.02%	36.16%
(ix)	Net Profit Margin (%)	26.28%	28.86%
(x)	Other Sector Specific Ratios (%) (a) Gross Credit Impaired Assets Ratio (b) Net Credit Impaired Assets Ratio	0.55% 0.13%	

Note:

1) Debt - Equity ratio = Net Debt / (Equity Share Capital + Other Equity+ Non-Controlling Interest). Net debt = Principal outstanding of {Debt Securities + Borrowings (other than debt securities) + Subordinated Liabilities} less cash and cash equivalents.
2) Net worth = Equity Share Capital + Other Equity.
3) Total debt to Total assets = Principal outstanding of {Debt Securities + Borrowings (other than debt securities) + Subordinated Liabilities} / Total assets.
4) Operating Margin = (Profit before Tax - Other Income) / Total Revenue from operations.
5) Net profit margin = Net profit After Tax/Total Income.
6) Gross Credit Impaired Assets Ratio = Gross Credit Impaired Assets /Gross Loan Assets.
7) Net Credit Impaired Assets Ratio = Net Credit Impaired Assets /Gross Loan Assets.
8) Debt service coverage ratio, Interest service coverage ratio, Current ratio, Long term debt to working capital, Bad debts to Account receivable ratio, Current Liability Ratio, Debtors turnover, Inventory turnover ratio are not applicable to the Group.

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(एक महारत्न कंपनी)

पावर फाइनेंस कॉर्पोरेशन लिमिटेड
(भारत सरकार का उपक्रम – एक महारत्न कंपनी)
POWER FINANCE CORPORATION LTD.
(भारत सरकार का उपक्रम) (A Govt. of India Undertaking)
(आई.एस.ओ. 45001:2018 प्रमाणित) (ISO 45001:2018 Certified)

Other Disclosures (other than financial results) – **Integrated Filing (Financial) for the quarter ended September 30, 2026**

(In accordance with the SEBI circular no. SEBI/HO/CFD-PoD/CIR/P/2024/185 dated December 31, 2024)

S.No.	Particulars	Remarks
B.	Statement of deviation or variation for proceeds of public issue, right issue, preferential issue, qualified institutions placement, etc.	No issue of equity shares and convertible securities during the quarter and half year, hence not applicable.
C.	Disclosure of outstanding default on loan and debt securities	No default hence not applicable
D.	Format for disclosure of related party transactions (applicable only for half yearly filings i.e. 2nd and 4th quarter)	List of Related Party Transactions for half year (01.04.2026 to 30.09.2026) is attached herewith.
E.	Statement of impact of audit qualifications (for audit report with modified opinion) submitted along with annual audited financial results – (Standalone and Consolidated separately) (applicable only for annual filing i.e. 4th quarter)	Not applicable

(Manish Kumar Agrawal)
GM & Company Secretary

(Mohammad Salim)
CGM (Finance)

Place: New Delhi
Date: November 04, 2026

Disclosure of Related Party Transactions (for half-year ended 30.09.2026)

Amount in crores

Sr. No.	Details of the party (listed entity /subsidiary) entering into the transaction	Details of the counterparty		Type of related party transaction	Details of other related party transaction	Value of the related party transaction as approved by the audit committee	Value of transaction during the reporting period	In case monies are due to either party as a result of the transaction		In case any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments				Details of the loans, inter-corporate deposits, advances or investments					
	Name	Name	Relationship of the counterparty with the listed entity or its subsidiary					Opening balance	Closing balance	Nature of indebtedness (loan / issuance of debt/ any other etc.)	Details of other indebtedness	Cost	Tenure	Nature (loan / advance/ intercorporate deposit/ investment)	Interest Rate (%)	Tenure	Secured/ unsecured	Purpose for which the funds will be utilised by the ultimate recipient of funds (endusage)	Notes
1	Power Finance Corporation Limited	POWER FINANCE CORPORATION LTD EMPLOYEES PROVIDENT FUND	Trust	Any other transaction	Intrest paid	0.00	0.00	0.00	0.00										
2	Power Finance Corporation Limited	RURAL ELECTRIFICATION CORPORATION LIMITED CONTRIBUTORY PROVIDENT FUND	Trust	Any other transaction	Intrest paid	0.00	0.00	0.00	0.00										
3	Power Finance Corporation Limited	RURAL ELECTRIFICATION CORPORATION LIMITED CONTRIBUTORY PROVIDENT FUND	Trust	Any other transaction	Intrest paid	0.00	0.17	0.00	0.00										
4	Power Finance Corporation Limited	REC Limited	Subsidiary	Dividend received		0.00	803.88	0.00	0.00										
5	Power Finance Corporation Limited	PTC India Limited	Other	Dividend received		0.00	27.60	0.00	0.00										
6	Power Finance Corporation Limited	PFC Consulting Limited	Subsidiary	Dividend received		0.00	31.00	0.00	0.00										
7	Power Finance Corporation Limited	Orissa Integrated Power Ltd	Associate Company of PFC	Any other transaction	increase in amount payable	0.00	0.00	0.00	0.00										
8	Power Finance Corporation Limited	COASTAL TAMILNADU POWER LTD	Associate Company of PFC	Any other transaction	increase in amount payable	0.00	0.00	15.11	15.11										

9	Power Finance Corporation Limited	SAKHIGOPAL INTEGRATED POWER COMPANY LIMITED	Associate Company of PFC	Any other transaction	transferred to procurers	0.00	0.00	0.00	0.00											
10	Power Finance Corporation Limited	Ghogarpalli Integrated Power Company Limited	Associate Company of PFC	Any other transaction	transferred to procurers	0.00	0.00	0.00	0.00											
11	Power Finance Corporation Limited	DEOGHAR MEGA POWER LIMITED	Associate Company of PFC	Any other transaction	transferred to procurers	0.00	0.00	0.00	0.00											
12	Power Finance Corporation Limited	BIHAR MEGA POWER LIMITED	Associate Company of PFC	Any other transaction	transferred to procurers	0.00	0.00	0.00	0.00											
13	Power Finance Corporation Limited	SAKHIGOPAL INTEGRATED POWER COMPANY LIMITED	Associate Company of PFC	Any other transaction	transferred to procurers	0.00	0.00	0.00	0.00											
14	Power Finance Corporation Limited	Ghogarpalli Integrated Power Company Limited	Associate Company of PFC	Any other transaction	transferred to procurers	0.00	0.00	0.00	0.00											
15	Power Finance Corporation Limited	BIHAR MEGA POWER LIMITED	Associate Company of PFC	Any other transaction	transferred to procurers	0.00	0.00	0.00	0.00											
16	Power Finance Corporation Limited	DEOGHAR MEGA POWER LIMITED	Associate Company of PFC	Any other transaction	transferred to procurers	0.00	0.00	0.00	0.00											
17	Power Finance Corporation Limited	Jharkhand Infra Power Ltd	Associate Company of PFC	Any other transaction	transferred to procurers	0.00	0.00	0.00	0.00											
18	Power Finance Corporation Limited	ORISSA INTEGRATED POWER LTD	Associate Company of PFC	Any other transaction	transferred to procurers	0.00	0.00	72.33	72.33											
19	Power Finance Corporation Limited	DEOGHAR MEGA POWER LIMITED	Associate Company of PFC	Any other transaction	Increase in amount recoverable	0.00	0.00	0.00	0.00											
20	Power Finance Corporation Limited	PFC Project Ltd (earlier Coastal Karnataka Ltd)	Associate Company of PFC	Any other transaction	Increase in amount recoverable	0.00	0.00	0.00	0.00											
21	Power Finance Corporation Limited	ORISSA INTEGRATED POWER LTD	Associate Company of PFC	Any other transaction	Increase in amount recoverable	0.00	0.00	54.99	54.99											
22	Power Finance Corporation Limited	BIHAR MEGA POWER LIMITED	Associate Company of PFC	Any other transaction	Increase in amount recoverable	0.00	0.00	0.00	0.00											
23	Power Finance Corporation Limited	Jharkhand Infra Power Ltd	Associate Company of PFC	Any other transaction	Increase in amount recoverable	0.00	0.00	0.00	0.00											
24	Power Finance Corporation Limited	PFC Infra Finance IFSC Ltd	Subsidiary of PFC	Any other transaction	Reimbursmen t of expenses	0.00	4.67	5.04	0.37											
25	Power Finance Corporation Limited	PFC Project Ltd (earlier Coastal Karnataka Ltd)	Subsidiary of PFC	Any other transaction	Reimbursmen t of expenses	0.00	0.00	0.00	0.00											

26	Power Finance Corporation Limited	PFC Consulting Limited	Subsidiary of PFC	Any other transaction	Reimbursement of expenses	0.00	0.00	5.55	5.55												
27	Power Finance Corporation Limited	PFC Consulting Limited	Subsidiary of PFC	Any other transaction	Consultancy Charges	0.00	-3.43	3.43	0.00												
28	Power Finance Corporation Limited	PFC Consulting Limited	Subsidiary of PFC	Any other transaction	Recoverable	0.00	-0.04	0.04	0.00												
29	Power Finance Corporation Limited	PTC India Ltd	Companies in which KMP is Director	Any other transaction	Directors' sitting fee received	0.00	0.01	0.00	0.00												
30	Power Finance Corporation Limited	REC Ltd	Subsidiary	Any other transaction	Directors' sitting fee received	0.00	0.02	0.00	0.00												
31	Power Finance Corporation Limited	PRASANNA TANTRI	Independent Director	Any other transaction	Directors' sitting fee paid	0.00	0.02	0.00	0.00												
32	Power Finance Corporation Limited	USHA SAJEEV NAIR	Independent Director	Any other transaction	Directors' sitting fee paid	0.00	0.01	0.00	0.00												
33	Power Finance Corporation Limited	NARESHBHAI DHANRAJBHAI KELLA	Independent Director	Any other transaction	Directors' sitting fee paid	0.00	0.02	0.00	0.00												
34	Power Finance Corporation Limited	SUDHIR MEHTA	Independent Director	Any other transaction	Directors' sitting fee paid	0.00	0.12	0.00	0.00												
35	Power Finance Corporation Limited	Pankaj Gupta	Independent Director	Any other transaction	Directors' sitting fee paid	0.00	0.06	0.00	0.00												
36	Power Finance Corporation Limited	PFC Consulting Limited	Subsidiary	Loan		0.00	0.68	6.46	5.78												
37	Power Finance Corporation Limited	PFC Consulting Limited	Subsidiary	Interest received		0.00	0.30	0.00	0.00												
38	Power Finance Corporation Limited	Parminder Chopra	Key Managerial Personnel	Any other transaction	Unsecured Staff Loans and Advances Given	0.00	0.00	0.00	0.00												
39	Power Finance Corporation Limited	Parminder Chopra	Key Managerial Personnel	Any other transaction	Repayment of Unsecured Staff Loan and Advances Given	0.00	0.06	0.09	0.03												
40	Power Finance Corporation Limited	Parminder Chopra	Key Managerial Personnel	Any other transaction	Interest Income of Staff Loans and Advances Given	0.00	0.00	0.00	0.00												
41	Power Finance Corporation Limited	Parminder Chopra	Key Managerial Personnel	Any other transaction	KMP Remuneration	0.00	0.52	0.00	0.00												

42	Power Finance Corporation Limited	Rajiv Ranjan Jha	Key Managerial Personnel	Any other transaction	Unsecured Staff Loans and Advances Given	0.00	0.00	0.00	0.00											
43	Power Finance Corporation Limited	Rajiv Ranjan Jha	Key Managerial Personnel	Any other transaction	Repayment of Unsecured Staff Loan and Advances Given	0.00	0.00	0.00	0.00											
44	Power Finance Corporation Limited	Rajiv Ranjan Jha	Key Managerial Personnel	Any other transaction	Interest Income of Staff Loans and Advances Given	0.00	0.00	0.00	0.00											
45	Power Finance Corporation Limited	Rajiv Ranjan Jha	Key Managerial Personnel	Any other transaction	KMP Remuneration	0.00	1.35	0.00	0.00											
46	Power Finance Corporation Limited	MANISH KUMAR AGRAWAL	Key Managerial Personnel	Any other transaction	Unsecured Staff Loans and Advances Given	0.00	0.00	0.00	0.00											
47	Power Finance Corporation Limited	MANISH KUMAR AGRAWAL	Key Managerial Personnel	Any other transaction	Repayment of Unsecured Staff Loan and Advances Given	0.00	0.08	0.52	0.46											
48	Power Finance Corporation Limited	MANISH KUMAR AGRAWAL	Key Managerial Personnel	Any other transaction	Disbursement of Unsecured Staff Loan and Advances Given	0.00	0.02	0.00	0.00											
49	Power Finance Corporation Limited	MANISH KUMAR AGRAWAL	Key Managerial Personnel	Any other transaction	Interest Income of Staff Loans and Advances Given	0.00	0.00	0.36	0.37											
50	Power Finance Corporation Limited	MANISH KUMAR AGRAWAL	Key Managerial Personnel	Any other transaction	KMP Remuneration	0.00	0.30	0.00	0.00											
51	Power Finance Corporation Limited	RAJESH KUMAR AGGARWAL	Key Managerial Personnel	Any other transaction	Repayment of Unsecured Staff Loan and Advances Given	0.00	0.08	0.39	0.31											
52	Power Finance Corporation Limited	RAJESH KUMAR AGGARWAL	Key Managerial Personnel	Any other transaction	Interest Income of Staff Loans and Advances Given	0.00	0.00	0.12	0.12											
53	Power Finance Corporation Limited	RAJESH KUMAR AGGARWAL	Key Managerial Personnel	Any other transaction	KMP Remuneration	0.00	0.32	0.00	0.00											

54	Power Finance Corporation Limited	V. PACKRISAMY	Key Managerial Personnel	Any other transaction	Repayment of Unsecured Staff Loan and Advances Given	0.00	0.01	0.03	0.02												
55	Power Finance Corporation Limited	V. PACKRISAMY	Key Managerial Personnel	Any other transaction	KMP Remuneration	0.00	0.37	0.00	0.00												
56	Power Finance Corporation Limited	PFC Consulting Limited	Subsidiary	Any other transaction	Apportionment of Employee benefits and other Expenses recovered during the period.	0.00	11.42	0.00	11.42												
57	Power Finance Corporation Limited	PFC Consulting Limited	Subsidiary	Any other transaction	Recoverable From PFCCL	0.00	0.00	0.00	1.34												
58	Power Finance Corporation Limited	PFC Infra Finance IFSC Ltd	Subsidiary	Any other transaction	Apportionment of Employee benefits and other Expenses recovered during the period.	0.00	0.28	0.00	0.28												
59	Power Finance Corporation Limited	PFC Infra Finance IFSC Ltd	Subsidiary	Any other transaction	Recoverable From PIFIL	0.00	0.00	0.00	0.13												
60	Power Finance Corporation Limited	PFC EMPLOYEES PROVIDENT FUND TRUST	Trust	Any other transaction	Contribution to Employee benefit Trust	0.00	6.70	0.00	6.70												
61	Power Finance Corporation Limited	PFC EMPLOYEES GRATUITY TRUST	Trust	Any other transaction	Contribution to Employee benefit Trust	0.00	-2.35	4.69	2.35												
62	Power Finance Corporation Limited	PFC PRMS TRUST	Trust	Any other transaction	Contribution to Employee benefit Trust	0.00	-2.27	4.55	20.27												

1. Details of Related Party Transactions of PFC's subsidiary namely REC Limited (Listed on NSE & BSE) has already been filed with Stock exchange on 26.10.2026 along with their annual Accounts for the period ended 30.09.2026.
2. 0 represents less than 50,000.

Thakur, Vaidyanath Aiyar & Co
Chartered Accountants,
221-223, Deen Dayal Upadhyay Marg,
New Delhi - 110002

Mehra Goel & Co LLP
Chartered Accountants,
309, Chiranjiv Tower,
43, Nehru Place, New Delhi – 110019

Independent Auditors' Review Report on Unaudited Special Purpose Interim Condensed Standalone Financial Statements of Power Finance Corporation Limited for the Half Year Ended 30th September, 2026

To
The Board of Directors,
Power Finance Corporation Limited

We have reviewed the accompanying Special Purpose Interim Condensed Standalone Financial Statements of Power Finance Corporation Limited (the "Company") for the half year ended 30th September, 2026, which comprise the Condensed Balance Sheet as at 30th September, 2026, Condensed Statement of Profit and Loss (including Other Comprehensive Income), Condensed Statement of Cash Flows and Condensed Statement of Changes in Equity for the half year ended 30th September, 2026 and material accounting policies and Summarized Notes to Accounts thereon (together hereinafter referred to as "Special Purpose Interim Condensed Standalone Financial Statements") as required by Indian Accounting Standard 34 'Interim Financial Reporting' ("Ind AS 34").

Management's Responsibility for the Special Purpose Interim Condensed Standalone Financial Statements

These Special Purpose Interim Condensed Standalone Financial Statements, which are the responsibility of the Company's management and approved by the Board of Directors of the Company, in its meeting held on 4th November, 2026, have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India.

These Special Purpose Interim Condensed Standalone Financial Statements have been prepared solely for the purpose of updating the Company's Global Medium Term Note (GMTN) Programme for raising of foreign currency bonds.

Scope of Review

We conducted our review of the Special Purpose Interim Condensed Standalone Financial Statements in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain limited assurance as to whether the Special Purpose Interim Condensed Standalone Financial Statements are free of material misstatement. A review of Interim Financial Information is limited primarily to inquiries of the Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.





Other Matters

The Company has measured the Expected Credit Loss (ECL) on loan assets, undrawn loan exposures, undisbursed letter of comfort and Investments as per the requirements of Ind AS 109 by an external agency appointed by the Company. The assumptions/criteria (i.e. risk score/probability of default matrix etc., with respect to the borrowers) considered in the calculation of ECL are technical in nature, hence, we have relied upon the same.

Our conclusion is not modified in respect of the above matter.

Conclusion

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Unaudited Condensed Interim Standalone Financial Statements, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other recognised accounting principles generally accepted in India has not disclosed the information required to be disclosed including the manner in which it is to be disclosed, or that it contains any material misstatements.

This report has been issued at the request of the Company for the purpose of updating the Company's GMTN Programme for raising of foreign currency bonds and hence the same should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For Thakur, Vaidyanath Aiyar & Co
Chartered Accountants
Firm's Registration No.: 000038N

Kamlesh Kumar Upadhyay
Partner
Membership No. 096584
UDIN: 26096584WLNZZJ4864

For Mehra Goel & Co LLP
Chartered Accountants
Firm's Registration No.: 000517N/N500502

CA Vaibhav Jain
Partner
Membership No. 515700
UDIN: 26515700BQUQDK4422

Place: New Delhi
Date: 4th November, 2026

Power Finance Corporation Limited
Standalone Balance Sheet as at September 30, 2026

(₹ in crore)

Sr. No.	Particulars	Note No.	As at 30.09.2026 (Un-Audited)	As at 31.03.2026 (Audited)
	ASSETS			
1	**Financial Assets**			
(a)	Cash and Cash Equivalents	1	636.97	1,078.31
(b)	Bank Balance other than Cash and Cash Equivalents	2	1,297.44	1,183.03
(c)	Derivative Financial Instruments	3	13,816.39	10,627.18
(d)	Trade Receivables	4A	-	-
(e)	Loans	5	5,67,035.06	5,74,018.10
(f)	Investments	6	20,704.53	20,718.13
(g)	Other Financial Assets	7	5,449.61	5,433.72
	Total Financial Assets (1)		**6,08,940.00**	**6,13,058.47**
2	**Non- Financial Assets**			
(a)	Current Tax Assets (Net)	8	43.78	178.11
(b)	Deferred Tax Assets (Net)		2,725.17	3,358.47
(c)	Property, Plant and Equipment	9	57.17	62.13
(d)	Intangible Assets under development	9	15.85	15.85
(e)	Intangible Assets	9	5.96	4.15
(f)	Right-of-use Assets	9	32.82	33.05
(g)	Other Non-Financial Assets	10	1,778.01	1,804.45
	Total Non- Financial Assets (2)		**4,658.76**	**5,456.21**
	Total Assets (1+2)		**6,13,598.76**	**6,18,514.68**
	LIABILITIES AND EQUITY			
	Liabilities			
1	**Financial Liabilities**			
(a)	Derivative Financial Instruments	3	1,519.79	1,940.54
(b)	Trade Payables	4B		
	(i) Total outstanding dues of Micro, Small and Medium Enterprises		0.41	2.30
	(ii) Total outstanding dues of creditors other than Micro, Small and Medium Enterprises		8.26	23.12
(c)	Debt Securities	11	3,16,669.15	3,37,163.01
(d)	Borrowings (other than Debt Securities)	12	1,61,518.73	1,56,620.81
(e)	Subordinated Liabilities	13	4,148.70	3,994.45
(f)	Other Financial Liabilities	14	16,647.20	14,651.77
	Total Financial Liabilities (1)		**5,00,512.24**	**5,14,396.00**
2	**Non- Financial Liabilities**			
(a)	Current Tax Liabilities (Net)	8	609.95	22.04
(b)	Provisions	15	695.07	776.18
(c)	Other Non-Financial Liabilities	16	675.51	788.52
	Total Non- Financial Liabilities (2)		**1,980.53**	**1,586.74**
	Total Liabilities (1+2)		**5,02,492.77**	**5,15,982.74**
3	**Equity**			
(a)	Equity Share Capital	17	3,300.10	3,300.10
(b)	Other Equity	18	1,07,805.89	99,231.84
	Total Equity (3)		**1,11,105.99**	**1,02,531.94**
	Total Liabilities and Equity (1+2+3)		**6,13,598.76**	**6,18,514.68**

Material Accounting Policies and Notes annexed hereto form an integral part of Special Purpose condensed Interim Financial Statements

(Rajesh Kumar Agarwal)
Director (Finance)
DIN - 09699001

Place : New Delhi
Date : 04.11.2026

T.V.A. & CO. New Delhi Chartered Accountants

पावर फाइनेंस कॉर्पोरेशन लिमिटेड POWER FINANCE CORPORATION LIMITED नई दिल्ली NEW DELHI

MEHRA GOEL & CO LLP FRN: 000517N/N500502 New Delhi Chartered Accountants

Power Finance Corporation Limited
Standalone Statement of Profit and Loss for the Half Year ended September 30, 2026

(₹ in crore)

Sr. No.	Particulars	Note No.	Half Year ended 30.09.2026 (Un-Audited)	Half Year ended 30.09.2025 (Un-Audited)
	Revenue from Operations			
(i)	Interest Income	19	27,394.13	27,211.67
(ii)	Dividend Income		885.59	1,108.44
(iii)	Fees and Commission Income	20	506.61	208.81
I.	**Total Revenue from Operations**		**28,786.33**	**28,528.92**
II.	Other Income	21	181.68	3.86
III.	**Total Income (I+II)**		**28,968.01**	**28,532.78**
	Expenses			
(i)	Finance Costs	22	17,038.50	16,444.78
(ii)	Net Translation / Transaction Exchange Loss / (Gain)		112.18	1,151.82
(iii)	Fees and Commission Expense	23	22.43	18.46
(iv)	Net Loss / (Gain) on Fair Value changes	24	23.35	(54.75)
(v)	Impairment on Financial Instruments	25	(735.63)	(439.83)
(vi)	Employee Benefit Expenses	26	149.51	141.54
(vii)	Depreciation, Amortisation and Impairment	9	15.38	10.63
(viii)	Corporate Social Responsibility Expenses		184.76	152.16
(ix)	Other Expenses	27	87.31	54.92
IV.	**Total Expenses**		**16,897.79**	**17,479.73**
V.	**Profit/(Loss) Before Exceptional Items and Tax (III-IV)**		**12,070.22**	**11,053.05**
VI.	Exceptional Items		-	-
VII.	**Profit/(Loss) Before Tax (V-VI)**		**12,070.22**	**11,053.05**
	Tax Expense:			
	(i) Current Tax:			
	- Current Year		2,162.69	2,151.92
	- Earlier Years		-	-
	(ii) Deferred Tax Expense / (Income)		175.42	(62.31)
VIII.	**Total Tax Expense**		**2,338.11**	**2,089.61**
IX.	**Profit/(Loss) from Continuing Operations (VII-VIII)**		**9,732.11**	**8,963.44**
X.	Profit/(Loss) from Discontinued Operations (After Tax)		-	-
XI.	**Profit/(Loss) (from continuing and discontinued operations) (IX+X)**		**9,732.11**	**8,963.44**
	Other Comprehensive Income			
(A)	(i) Items that will not be reclassified to Profit or Loss			
	- Re-measurement of Defined Benefit Plans		1.93	(3.09)
	- Net Gain / (Loss) on Fair Value of Equity Instruments		30.63	(13.78)
	(ii) Income Tax relating to items that will not be reclassified to Profit or Loss			
	- Re-measurement of Defined Benefit Plans		(0.32)	0.74
	- Net Gain / (Loss) on Fair Value of Equity Instruments		(14.78)	2.76
	Sub-Total (A)		**17.46**	**(13.37)**
(B)	(i) Items that will be reclassified to Profit or Loss			
	- Effective Portion of Gains / (Loss) in Cash Flow Hedge		940.30	195.80
	- Cost of Hedging Reserve		820.00	(760.83)
	(ii) Income Tax relating to items that will be reclassified to Profit or Loss			
	- Effective Portion of Gains / (Loss) in Cash Flow Hedge		(236.65)	(49.28)
	- Cost of Hedging Reserve		(206.38)	191.49
	Sub-Total (B)		**1,317.27**	**(422.82)**
XII.	**Other Comprehensive Income (A+B)**		**1,334.73**	**(436.19)**
XIII.	**Total Comprehensive Income (XI+XII)**		**11,066.84**	**8,527.25**
XIV.	**Basic and Diluted Earnings Per Equity Share (Face Value ₹ 10/- each):**			
	(1) For continuing operations (in ₹)		29.49	27.16
	(2) For discontinued operations (in ₹)		-	-
	(3) For continuing and discontinued operations (in ₹)		29.49	27.16

EPS for the Half Years is not annualised.

(Rajesh Kumar Agarwal)
Director (Finance)
DIN - 09699001

Place : New Delhi
Date : 04.11.2026

T.V.A. & CO. Chartered Accountants New Delhi

पावर फाइनेंस कॉर्पोरेशन लिमिटेड POWER FINANCE CORPORATION LIMITED नई दिल्ली NEW DELHI

MEHRA GOEL & CO LLP Chartered Accountants FRN: 000517N/N500502 New Delhi

Power Finance Corporation Limited

Standalone Statement of Changes in Equity for the Half Year ended September 30, 2026

A. Equity Share Capital (₹ in crore)

Particulars	Opening Balance	Changes in Equity Share Capital due to prior period errors	Restated Opening Balance	Changes during the Period	Closing Balance
Issued, Subscribed and fully paid up:					
Period ended September 30, 2025	3,300.10	-	3,300.10	-	3,300.10
Period ended September 30, 2026	3,300.10	-	3,300.10	-	3,300.10

B. Other Equity

FY 2026-27 (₹ in crore)

Particulars	Other Reserves									Retained Earnings	Other Comprehensive Income			Total
	Special Reserve created u/s 45-IC of Reserve Bank of India Act, 1934	Reserve for Bad & Doubtful debts u/s 31(1) of Income Tax Act, 2025 (section 36 (1) (viia)(c) of erstwhile Income Tax Act, 1961)	Special Reserve created u/s 32(e) of Income Tax Act, 2025 (Section 36(1)(viii) of erstwhile Income Tax Act, 1961) upto Financial Year 1996-97	Special Reserve created and maintained u/s 32(e) of Income Tax Act, 2025 (Section 36(1)(viii) of erstwhile Income Tax Act, 1961) from Financial Year 1997-98	Impairment Reserve	Securities Premium	Foreign Currency Monetary Item Translation Difference Account	Interest Differential Reserve - KFW Loan	General Reserve		Equity Instruments through Other comprehensive Income	Effective portion of Gain/ (Loss) Cash Flow Hedges	Cost of Hedging Reserve	
Balance as at 31.03.2026	**18,913.35**	**967.76**	**599.85**	**36,070.91**	**89.18**	**2,115.74**	**(457.41)**	**68.77**	**16,848.39**	**26,415.10**	**880.25**	**124.75**	**(3,404.80)**	**99,231.84**
Changes in Accounting Policy / Prior Period Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	-	-	-	-	9,732.11	-	-	-	9,732.11
Re-measurement of Defined Benefit Plans (net of tax)	-	-	-	-	-	-	-	-	-	1.61	-	-	-	1.61
Other Comprehensive Income / (Expense)	-	-	-	-	-	-	-	-	-	-	15.85	703.65	613.62	1,333.12
Total Comprehensive Income for the period	-	-	-	-	-	-	-	-	-	**9,733.72**	**15.85**	**703.65**	**613.62**	**11,066.84**
Dividends	-	-	-	-	-	-	-	-	-	(2,590.58)	-	-	-	(2,590.58)
Transfer to /(from) Retained Earnings	1,946.42	462.97	-	1,737.99	164.93	-	-	-	-	(4,312.31)	-	-	-	-
Utilisation of reserve against bad debts written off	-	(967.77)	-	-	-	-	-	-	967.77	-	-	-	-	-
Reclassification of gain / (loss) on sale / extinguishment of FVTOCI equity instrument	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions / Deletions during the period (net)	-	-	-	-	-	-	97.79	2.54	-	(2.54)	-	-	-	97.79
Balance as at 30.09.2026	**20,859.77**	**462.96**	**599.85**	**37,808.90**	**254.11**	**2,115.74**	**(359.62)**	**71.31**	**17,816.16**	**29,243.39**	**896.10**	**828.40**	**(2,791.18)**	**1,07,805.89**

FY 2025-26 (₹ in crore)

Particulars	Other Reserves									Retained Earnings	Other Comprehensive Income			Total
	Special Reserve created u/s 45-IC of Reserve Bank of India Act, 1934	Reserve for Bad & Doubtful debts u/s 31(1) of Income Tax Act, 2025 (section 36 (1) (viia)(c) of erstwhile Income Tax Act, 1961)	Special Reserve created u/s 32(e) of Income Tax Act, 2025 (Section 36(1)(viii) of erstwhile Income Tax Act, 1961) upto Financial Year 1996-97	Special Reserve created and maintained u/s 32(e) of Income Tax Act, 2025 (Section 36(1)(viii) of erstwhile Income Tax Act, 1961) from Financial Year 1997-98	Impairment Reserve	Securities Premium	Foreign Currency Monetary Item Translation Difference Account	Interest Differential Reserve - KFW Loan	General Reserve		Equity Instruments through Other comprehensive Income	Effective portion of Gain/ (Loss) Cash Flow Hedges	Cost of Hedging Reserve	
Balance as at 31.03.2025	**14,903.08**	**915.33**	**599.85**	**32,611.74**	**89.18**	**2,115.74**	**(358.15)**	**68.90**	**15,933.06**	**20,292.33**	**1,108.99**	**188.50**	**(831.78)**	**87,636.77**
Changes in Accounting Policy / Prior Period Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	-	-	-	-	8,963.44	-	-	-	8,963.44
Re-measurement of Defined Benefit Plans (net of tax)	-	-	-	-	-	-	-	-	-	(2.35)	-	-	-	(2.35)
Other Comprehensive Income / (Expense)	-	-	-	-	-	-	-	-	-	-	(11.02)	146.52	(569.34)	(433.84)
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	**8,961.09**	**(11.02)**	**146.52**	**(569.34)**	**8,527.25**
Dividends	-	-	-	-	-	-	-	-	-	(1,897.56)	-	-	-	(1,897.56)
Transfer to / from Retained Earnings	1,792.69	500.76	-	1,803.63	-	-	-	-	-	(4,097.08)	-	-	-	-
Utilisation of reserve against bad debts written off	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of gain / (loss) on sale / extinguishment of FVTOCI equity instrument	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenses incurred on issue of Bonus Equity shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions / Deletions during the period (net)	-	-	-	-	-	-	(41.64)	3.24	-	(3.24)	-	-	-	(41.64)
Balance as at 30.09.2025	**16,695.77**	**1,416.09**	**599.85**	**34,415.37**	**89.18**	**2,115.74**	**(399.79)**	**72.14**	**15,933.06**	**23,255.54**	**1,097.97**	**335.02**	**(1,401.12)**	**94,224.82**

T.V.A. & CO. Chartered Accountants New Delhi

पावर फाइनेंस कॉर्पोरेशन लिमिटेड POWER FINANCE CORPORATION LIMITED NEW DELHI

MEHRA GOEL & CO LLP Chartered Accountants FRN: 000517N/N500502 New Delhi

(Rajesh Kumar Agarwal)
Director (Finance)
DIN - 09699001

Place : New Delhi
Date : 04.11.2026

Power Finance Corporation Limited

Standalone Statement of Cash Flows for the Half Year ended September 30, 2026

(₹ in crore)

Sr. No.	Description	Half Year ended 30.09.2026 (Un-Audited)		Half year ended 30.09.2025 (Un-Audited)	
I.	**Cash Flow from Operating Activities :**				
	Profit before Tax	**12,070.22**		**11,053.05**	
	Adjustments for:				
	Loss/ (Gain) on derecognition of Property, Plant and Equipment (net)	1.30		1.09	
	Loss/ (Gain) on Fair value changes (Net)	23.35		(63.19)	
	Unrealised Foreign Exchange Translation Loss / (Gain)	1,620.48		1,726.42	
	Depreciation and Amortisation	15.38		10.63	
	Impairment on Financial Instruments	(735.63)		(439.83)	
	Effective Interest Rate in respect of Loan assets and borrowings/ debt securities	10.66		71.10	
	Interest expense on Zero Coupon Bonds and Commercial Papers	110.36		163.33	
	Other interest expense	(109.49)		(0.00)	
	Interest accrued on investments	(37.20)		(36.93)	
	Provision (others) created	38.23		43.03	
	Operating profit before Working Capital Changes:	**13,007.66**		**12,528.70**	
	Increase / Decrease :				
	Loans (Net)	7,713.47		(18,363.85)	
	Other Financial and Non-Financial Assets	(2.74)		3,446.80	
	Derivative	(1,769.04)		(2,232.65)	
	Other Financial & Non-Financial Liabilities, Trade Payables and Provisions	1,987.63		1,819.09	
	Cash used before Exceptional Items	**20,936.98**		**(2,801.91)**	
	Exceptional Items	-		-	
	Cash used in Operations Before Tax	**20,936.98**		**(2,801.91)**	
	Income Tax paid	(1,861.09)		(1,823.46)	
	Income Tax Refund	425.95		10.66	
	Net Cash Inflow/(Outflow) from Operating Activities		**19,501.84**		**(4,614.71)**
II.	**Cash Flow From Investing Activities :**				
	Proceeds from disposal of Property, Plant and Equipment	0.19		0.04	
	Purchase of Property, Plant and Equipment & Intangible Assets (including CWIP, Intangible Assets under development and Capital Advance)	(9.52)		(209.69)	
	Sale / (Purchase) of Other Investments	65.68		93.15	
	Net Cash Inflow/(Outflow) from Investing Activities		**56.35**		**(116.50)**
III.	**Cash Flow From Financing Activities :**				
	Raising of Bonds (including premium) (Net of Redemptions)	(25,278.66)		(845.11)	
	Raising of Long Term Loans (Net of Repayments)	(4,450.93)		6,300.10	
	Raising of Foreign Currency Loans (Net of Repayments)	14,153.14		1,066.17	
	Raising of Subordinated Liabilities (Net of Redemptions)	-		475.00	
	Raising of Commercial paper (Net of Repayments)	(1,566.41)		(1,810.42)	
	Raising of Working Capital Demand Loan / OD / CC / Line of Credit (Net of Repayments)	(266.66)		1,553.31	
	Payment of Dividend	(2,590.01)		(1,897.40)	
	Payment of Lease Liability	(0.00)		(0.00)	
	Net Cash Inflow/(Outflow) from Financing Activities		**(19,999.53)**		**4,841.65**
	Net Increase / (Decrease) in Cash and Cash Equivalents		**(441.34)**		**110.44**
	Add : Cash and Cash Equivalents at beginning of the financial year		1,078.31		22.03
	Cash and Cash Equivalents at the end of the period		**636.97**		**132.47**
	Details of Cash and Cash Equivalents at the end of the Period:				
	Balances with Banks (of the nature of cash and cash equivalents)				
	- In current accounts	11.25		130.43	
	- In Bank Deposit (Callable) /Demand Deposits (original maturity up to 3 months)	500.77		2.04	
	- Other Short Term Investments (TREPS)	124.95		-	
	Total Cash and Cash Equivalents at the end of the period		**636.97**		**132.47**

The above statement of cash flows has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'.
Figures in 0.00 represent value less than ₹ 50,000/-.

Place : New Delhi
Date : 04.11.2026

(Rajesh Kumar Agarwal)
Director (Finance)
DIN - 09699001

T.V.A. & CO. Chartered Accountants New Delhi

पावर फाइनेंस कॉर्पोरेशन लिमिटेड POWER FINANCE CORPORATION LIMITED NEW DELHI

MEHRA GOEL & CO LLP FRN: 000517N N500502 New Delhi Chartered Accountants

1 Cash and Cash Equivalents

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2026	As at 31.03.2026
(A)	**Balances with Banks (of the nature of cash and cash equivalents)**		
(i)	- In Current Accounts	11.25	11.97
(ii)	- In Bank Deposit (Callable) /Demand Deposits (original maturity up to 3 months)	500.77	1,066.34
(B)	**Other Short Term Investments (original maturity up to 3 months)**		
(i)	-Investment in Tri-Party Repo Dealing and Settlement (TREPS)	124.95	-
	Total Cash and Cash Equivalents	**636.97**	**1,078.31**

2 Bank Balance other than Cash and Cash Equivalents

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2026	As at 31.03.2026
	Earmarked Balances with Banks for		
(i)	- Bank Deposit (Callable) /Demand Deposits- On Lien	613.71	894.71
(ii)	- Term Deposits- For redemption of debentures	200.20	-
(iii)	- Unclaimed Dividend	8.05	7.48
(iv)	- Unclaimed - Bonds / Interest on Bonds etc.	100.58	84.95
(v)	- Amount received under GOI schemes	0.19	-
(vi)	- Current Accounts with Banks - Unspent CSR Purposes	374.71	195.89
	Total Bank Balance other than Cash and Cash Equivalents	**1,297.44**	**1,183.03**

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3 Derivative Financial Instruments

The Company enters into derivative contracts for hedging Currency & Interest Rate risk. These derivative transactions are done for hedging purpose and not for trading or speculative purpose.

Part - I

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2026			As at 31.03.2026		
		Notional Amount	Fair value Assets	Fair value Liabilities	Notional Amount	Fair value Assets	Fair value Liabilities
(i)	**Currency Derivatives**						
	- Currency Swaps	22,120.23	1,583.86	0.03	7,803.80	856.93	-
	- Options	1,49,015.57	11,035.50	1,327.13	1,25,743.90	9,482.64	1,593.80
	Total Currency Derivatives (i)	**1,71,135.80**	**12,619.36**	**1,327.16**	**1,33,547.70**	**10,339.57**	**1,593.80**
(ii)	**Interest Rate Derivatives**						
	- Forward Rate Agreements and Interest Rate Swaps	95,196.41	1,197.03	192.63	73,657.35	287.61	346.74
	Total Interest Rate Derivatives (ii)	**95,196.41**	**1,197.03**	**192.63**	**73,657.35**	**287.61**	**346.74**
	Total Derivative Financial Instruments (i+ii)	**2,66,332.21**	**13,816.39**	**1,519.79**	**2,07,205.05**	**10,627.18**	**1,940.54**

Part - II : Included in above (Part I) are Derivatives held for hedging and risk management purposes as follows:

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2026			As at 31.03.2026		
		Notional Amount	Fair value Assets	Fair value Liabilities	Notional Amount	Fair value Assets	Fair value Liabilities
(i)	**Fair Value Hedging**						
	- Interest Rate Derivatives	50,338.97	50.85	192.63	30,037.40	-	230.00
	Total Fair Value Hedging (i)	**50,338.97**	**50.85**	**192.63**	**30,037.40**	-	**230.00**
(ii)	**Cash Flow Hedging**						
	- Currency Derivatives	1,69,695.72	12,504.54	1,327.16	1,33,547.70	10,339.57	1,593.80
	- Interest Rate Derivatives	44,857.44	1,146.18	-	43,619.95	287.61	116.74
	Total Cash Flow Hedging (ii)	**2,14,553.16**	**13,650.72**	**1,327.16**	**1,77,167.65**	**10,627.18**	**1,710.54**
(iii)	Undesignated Derivatives	1,440.08	114.82	-	-	-	-
	Total Undesignated Derivatives (iii)	**1,440.08**	**114.82**	-	-	-	-
	Total Derivative Financial Instruments (i+ii+iii)	**2,66,332.21**	**13,816.39**	**1,519.79**	**2,07,205.05**	**10,627.18**	**1,940.54**

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MEHRA GOEL & CO LLP FRN: 000517N/N500502 New Delhi Chartered Accountants

4A Trade receivables

The Company has categorised trade receivables at amortised cost in accordance with the requirements of Ind AS 109 'Financial Instruments'.

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2026	As at 31.03.2026
(i)	Receivables considered good - secured	-	-
(ii)	Receivables considered good - unsecured	-	-
(iii)	Receivables which have significant increase in credit risk	-	-
(iv)	Receivables- credit impaired	0.81	0.81
	Sub Total (i to iv)	**0.81**	**0.81**
(v)	Less: Impairment loss allowance on receivables -credit impaired	(0.81)	(0.81)
	Total Trade Receivables	-	-

4B Trade Payables

The Company has categorised trade payables at amortised cost in accordance with the requirements of Ind AS 109 'Financial Instruments'.

(₹ in crore)

S.No	Particulars	As at 30.09.2026	As at 31.03.2026
(i)	Total outstanding dues of micro, small and medium enterprises	0.41	2.30
(ii)	Total outstanding dues of creditors other than micro, small and medium enterprises	8.26	23.12
	Total Trade Payables	**8.67**	**25.42**

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5 Loans

The Company has categorised all loans at amortised cost in accordance with the requirements of Ind AS 109 'Financial Instruments'.

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2026	As at 31.03.2026
(A)	**Loans to Borrowers**		
(i)	Term Loans	5,55,376.21	5,61,447.41
(ii)	Buyer's Line of Credit	1,460.81	1,546.30
(iii)	Working Capital Loans	15,150.60	16,584.97
(iv)	Others -Deferred Payment Guarantee	536.62	536.62
(v)	**Principal Outstanding (i to iv)**	**5,72,524.24**	**5,80,115.30**
(vi)	Interest accrued but not due on Loans on (v) above	3,303.90	4,025.35
(vii)	Interest accrued & due on Loans on (v) above	78.77	595.33
(viii)	Unamortised Fee on Loans on (v) above	(336.70)	(319.12)
	Gross Carrying Amount (v to viii)	**5,75,570.21**	**5,84,416.86**
	Less: Impairment loss allowance	(8,535.15)	(10,398.76)
	Net Carrying Amount	**5,67,035.06**	**5,74,018.10**
(B)	**Security-wise classification**		
(i)	Secured by Tangible Assets	2,20,923.59	2,08,273.50
(ii)	Secured by Intangible Assets	-	-
(iii)	Covered by Bank/Government Guarantees	1,97,229.38	1,99,920.38
(iv)	Unsecured	1,57,417.24	1,76,222.98
	Gross Security-wise classification	**5,75,570.21**	**5,84,416.86**
	Less: Impairment loss allowance	(8,535.15)	(10,398.76)
	Net Security-wise classification	**5,67,035.06**	**5,74,018.10**
(C) I	**Loans in India**		
(i)	Public Sector	4,40,103.86	4,46,439.79
(ii)	Private Sector	1,35,466.34	1,37,977.07
	Gross Carrying Amount of Loans in India	**5,75,570.21**	**5,84,416.86**
	Less: Impairment loss allowance	(8,535.15)	(10,398.76)
	Net Carrying amount of Loans in India	**5,67,035.06**	**5,74,018.10**
(C) II	**Loans Outside India**	-	-
	Less: Impairment loss allowance	-	-
	Net Carrying Amount of Loans Outside India	-	-
	Net Carrying Amount of Loans in India and Outside India	**5,67,035.06**	**5,74,018.10**

T.V.A. & CO. New Delhi Chartered Accountants

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MEHRA GOEL & CO LLP FRN: 000517N/N500502 New Delhi Chartered Accountants

6 Investments

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2026					
		Amortised Cost (1)	Designated at FVTOCI (2)	FVTPL (3)	Subtotal (4)=(2)+(3)	Others* (5)	Total (1)+(4)+(5)
(A)	**Investments**						
(i)	Government Securities	2,622.87	-	-	-	-	2,622.87
(ii)	Debt securities	291.29	-	-	-	-	291.29
(iii)	Equity Instruments						
	- Subsidiaries	-	-	-	-	15,000.65	15,000.65
	- Associates	-	-	-	-	0.15	0.15
	- Others	-	2,628.01	162.00	2,790.01	-	2,790.01
(iv)	Preference Shares	72.95	-	-	-	-	72.95
	Total Investments	**2,987.11**	**2,628.01**	**162.00**	**2,790.01**	**15,000.80**	**20,777.92**
(B)	**Geography wise investment**						
(i)	Investments Outside India	-	-	-	-	-	-
(ii)	Investments in India	2,987.11	2,628.01	162.00	2,790.01	15,000.80	**20,777.92**
	Gross Geography wise investment	**2,987.11**	**2,628.01**	**162.00**	**2,790.01**	**15,000.80**	**20,777.92**
	Less: Impairment loss allowance	(73.39)	-	-	-	-	**(73.39)**
	Net Geography wise investment	**2,913.72**	**2,628.01**	**162.00**	**2,790.01**	**15,000.80**	**20,704.53**

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2026					
		Amortised Cost (1)	Designated at FVTOCI (2)	FVTPL (3)	Subtotal (4)=(2)+(3)	Others* (5)	Total (1)+(4)+(5)
(A)	**Investments**						
(i)	Government Securities	2,627.29	-	-	-	-	2,627.29
(ii)	Debt securities	315.35	-	-	-	-	315.35
(iii)	Equity Instruments						
	- Subsidiaries	-	-	-	-	15,000.65	15,000.65
	- Associates	-	-	-	-	0.15	0.15
	- Others	-	2,597.37	177.76	2,775.13	-	2,775.13
(iv)	Preference Shares	72.95	-	-	-	-	72.95
	Total Investments	**3,015.59**	**2,597.37**	**177.76**	**2,775.13**	**15,000.80**	**20,791.52**
(B)	**Geography wise investment**						
(i)	Investments Outside India	-	-	-	-	-	-
(ii)	Investments in India	3,015.59	2,597.37	177.76	2,775.13	15,000.80	**20,791.52**
	Gross Geography wise investment	**3,015.59**	**2,597.37**	**177.76**	**2,775.13**	**15,000.80**	**20,791.52**
	Less: Impairment loss allowance	(73.39)	-	-	-	-	**(73.39)**
	Net Geography wise investment	**2,942.20**	**2,597.37**	**177.76**	**2,775.13**	**15,000.80**	**20,718.13**

* Others includes Investment in Subsidiaries and Associates which have been carried at cost in accordance with the provisions of Ind AS 27 'Separate Financial Statements'.

FVTOCI - Fair Value through Other Comprehensive Income, FVTPL - Fair Value through Profit or Loss

T.V.A. & CO. New Delhi Chartered Accountants

पावर फाइनेंस कॉर्पोरेशन लिमिटेड POWER FINANCE CORPORATION LIMITED नई दिल्ली NEW DELHI

MEHRA GOEL & CO LLP FRN: 000517N/N500502 New Delhi Chartered Accountants

7 Other Financial Assets

The Company has categorised other financial assets at amortised cost in accordance with the requirements of Ind AS 109 'Financial Instruments'.

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2026	As at 31.03.2026
(i)	Recoverable on account of Government of India Serviced Bonds	5,038.99	5,038.21
(ii)	Advances to Subsidiaries and Associates	129.21	133.71
(iii)	Security Deposits	8.53	5.80
(iv)	Advances to Employees	139.49	140.32
(v)	Others	155.27	137.44
	Less: Impairment loss allowance on Others	(21.88)	(21.76)
	Total Other Financial Assets	**5,449.61**	**5,433.72**

8 Current Tax Assets / Liabilities (Net)

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2026	As at 31.03.2026
(i)	Advance income tax and TDS net of Provision	43.78	178.11
	Current Tax Assets (Net)	**43.78**	**178.11**
(i)	Provision for income tax net of Advance Tax	609.95	22.04
	Current Tax Liabilities (Net)	**609.95**	**22.04**

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MEHRA GOEL & CO LLP FRN: 000517N/N500502 New Delhi Chartered Accountants

9 **Property, Plant and Equipment (PPE), Intangible Assets under development and Intangible Assets**

FY 2026-27

(₹ in crore)

Particulars	Property, Plant and Equipment (PPE)							Intangible Assets under development	Intangible Assets
	Freehold Land	Buildings	EDP Equipments	Office Equipments	Furniture and Fixtures	Vehicles	Total	Computer Software	Computer Software
Gross Carrying Amount as on 01.04.2026	**3.38**	**24.92**	**57.73**	**34.72**	**16.85**	**0.13**	**137.73**	**15.85**	**15.64**
Additions	-	-	5.56	4.73	0.78	-	11.07	-	2.43
Disposals / Adjustments	-	-	(1.90)	0.77	0.24	-	(0.89)	-	-
Gross Carrying Amount as on 30.09.2026 (A)	**3.38**	**24.92**	**61.39**	**40.22**	**17.87**	**0.13**	**147.91**	**15.85**	**18.07**
Accumulated Depreciation / Amortisation as on 01.04.2026	**-**	**15.66**	**28.58**	**21.63**	**9.61**	**0.12**	**75.60**	**-**	**11.49**
Charge for the period	-	0.23	8.50	4.25	1.55	-	14.53	-	0.62
Assets disposed /written off from books	-	-	(1.38)	1.45	0.54	-	0.61	-	-
Accumulated Depreciation / Amortisation as on 30.09.2026 (B)	**-**	**15.89**	**35.70**	**27.33**	**11.70**	**0.12**	**90.74**	**-**	**12.11**
Net Carrying Amount as on 30.09.2026 (A-B)	**3.38**	**9.03**	**25.69**	**12.89**	**6.17**	**0.01**	**57.17**	**15.85**	**5.96**

FY 2025-26

Particulars	Property, Plant and Equipment (PPE)							Intangible assets under development	Intangible Assets
	Freehold Land	Buildings	EDP Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total	Computer Software	Computer Software
Gross Carrying Amount as on 01.04.2025	**3.38**	**24.92**	**31.78**	**47.11**	**18.14**	**0.13**	**125.46**	**11.98**	**15.76**
Additions	-	-	7.66	5.64	1.61	-	14.91	3.75	-
Disposals / Adjustments	-	-	(2.69)	(2.87)	(0.64)	-	(6.20)	-	-
Gross Carrying Amount as on 30.09.2025 (A)	**3.38**	**24.92**	**36.75**	**49.88**	**19.11**	**0.13**	**134.17**	**15.73**	**15.76**
Accumulated Depreciation / Amortisation as on 01.04.2025	**-**	**15.19**	**23.96**	**28.22**	**11.30**	**0.11**	**78.78**	**-**	**10.53**
Charge for the year	-	0.24	2.96	5.73	0.93	-	9.86	-	0.54
Assets disposed /written off from books	-	-	(2.23)	(2.45)	(0.39)	-	(5.07)	-	-
Accumulated Depreciation / Amortisation as on 30.09.2025 (B)	**-**	**15.43**	**24.69**	**31.50**	**11.84**	**0.11**	**83.57**	**-**	**11.07**
Net Carrying Amount as on 30.09.2025 (A-B)	**3.38**	**9.49**	**12.06**	**18.38**	**7.27**	**0.02**	**50.60**	**15.73**	**4.69**

Right-of-use Assets

(₹ in crore)

Particulars	As at 30.09.2026	As at 30.09.2025
Opening Balance of Leasehold Land	33.05	33.50
Additions	-	-
Less: Depreciation*	(0.23)	(0.23)
Closing Balance of Leasehold Land	**32.82**	**33.27**

*As required by Ind AS 116 'Leases' depreciation expense on Right-of-Use assets is included under Depreciation, Amortization and Impairment line item in the Standalone Statement of Profit and Loss.

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10 Other Non-Financial Assets

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2026	As at 31.03.2026
(i)	Prepaid Expenses	22.59	6.55
(ii)	Deferred employee benefits	51.32	52.07
(iii)	Advance towards Capital assets	1,590.28	1,594.26
(iv)	Amount Recoverable From Income Tax Deptt.	51.82	61.69
(v)	Advance Towards Contractual Obligations - CSR	28.67	39.05
(vi)	Excess Spent - CSR Expenses	-	0.47
(vii)	Security Deposits - Non Refundable	18.40	18.40
(viii)	Others	14.93	31.96
	Total Other Non-Financial Assets	**1,778.01**	**1,804.45**

11 Debt Securities

The Company has categorised Debt Securities at amortised cost in accordance with the requirements of Ind AS 109 'Financial Instruments'.

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2026	As at 31.03.2026
(A)	**Secured Bonds / Debenture**		
(i)	- Infrastructure Bonds	13.90	38.51
(ii)	- Tax Free Bonds	7,031.13	7,031.13
(iii)	- 54EC Capital Gain Tax Exemption Bonds	9,854.35	10,258.01
(iv)	- Taxable Bonds	7,721.28	7,826.87
	Sub-Total (A)	**24,620.66**	**25,154.52**
(B)	**Unsecured Bonds / Debenture**		
(i)	- Taxable Bonds	2,35,109.55	2,59,839.63
(ii)	- Foreign Currency Notes	42,621.22	36,399.20
(iii)	- Commercial Paper	5,034.60	6,505.37
	Sub-Total (B)	**2,82,765.37**	**3,02,744.20**
(C)	**Total Principal Outstanding of Debt Securities (A+B)**	**3,07,386.03**	**3,27,898.72**
(D)	Interest accrued but not due on (C) above	9,667.88	9,733.25
(E)	Unamortised Transaction Cost on (C) above	(251.71)	(260.63)
(F)	Hedging Adjustments - Loan Liability - FV Hedge on (C) above	(133.05)	(208.33)
	Total Debt Securities (C to F)	**3,16,669.15**	**3,37,163.01**
	Geography wise Debt Securities		
(i)	Debt Securities in India	2,73,675.43	3,00,447.30
(ii)	Debt Securities outside India	42,993.72	36,715.71
	Total Geography wise Debt Securities	**3,16,669.15**	**3,37,163.01**

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12 Borrowings (other than Debt Securities)

The Company has categorised Borrowings (other than Debt Securities) at amortised cost in accordance with the requirements of Ind AS 109 'Financial Instruments'.

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2026	As at 31.03.2026
(A)	**Secured Borrowings**		
(i)	Other Loans from Banks		
	- Loan against Term Deposits	582.46	849.12
	Sub-Total (A)	**582.46**	**849.12**
(B)	**Unsecured Borrowings**		
(i)	Term Loans from Banks and Financial Institutions		
	- Foreign Currency Loans	59,894.38	51,187.75
	- Rupee Term Loans	82,717.13	87,168.06
(ii)	Term Loans From other Parties		
	- Foreign Currency Loans- Multilateral/Bilateral Agencies	10,673.05	9,925.87
	- Rupee Term Loans - NSSF	7,500.00	7,500.00
	Sub-Total (B)	**1,60,784.56**	**1,55,781.68**
(C)	**Total Principal Outstanding of Borrowings (other than Debt Securities) - (A+B)**	**1,61,367.02**	**1,56,630.80**
(D)	Interest accrued but not due on (C) above	718.09	542.50
(E)	Unamortised Transaction Cost on (C) above	(566.38)	(552.49)
	Total Borrowings (other than Debt Securities) (C to E)	**1,61,518.73**	**1,56,620.81**
	Geography wise Borrowings		
(i)	Borrowings in India	91,076.38	95,683.59
(ii)	Borrowings outside India	70,442.35	60,937.22
	Total Geography wise Borrowings	**1,61,518.73**	**1,56,620.81**

13 Subordinated Liabilities

The Company has categorised Subordinated Liabilities at amortised cost in accordance with the requirements of Ind AS 109 'Financial Instruments'.

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2026	As at 31.03.2026
(A)	**Subordinated Liabilities (Unsecured)**		
(i)	Perpetual Debt Instruments	575.00	575.00
(ii)	Subordinated Bonds	3,411.50	3,411.50
(B)	**Total Principal Outstanding of Subordinated Liabilities**	**3,986.50**	**3,986.50**
(C)	Interest accrued but not due on (B) above	172.08	30.68
(D)	Unamortised Transaction Cost on (B) above	(1.16)	(1.07)
(E)	Hedging Adjustments - Loan Liability - FV Hedge on (B) above	(8.72)	(21.66)
	Total Subordinated Liabilities (B to E)	**4,148.70**	**3,994.45**
	Geography wise Subordinated Liabilities		
(i)	Subordinated Liabilities in India	4,148.70	3,994.45
(ii)	Subordinated Liabilities outside India	-	-
	Total Geography wise Subordinated Liabilities	**4,148.70**	**3,994.45**

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14 Other Financial Liabilities

The Company has categorised Other Financial Liabilities at amortised cost in accordance with the requirements of Ind AS 109 'Financial Instruments' other than "Lease Liability" presented below, which is measured in accordance with Ind AS 116 'Leases'.

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2026	As at 31.03.2026
(i)	Payable on account of Unsecured Government of India Serviced Bonds	5,038.99	5,038.21
(ii)	Advance received from Subsidiaries and Associates	116.93	116.93
(iii)	Unclaimed Dividends	8.05	7.48
(iv)	Unclaimed - Bonds and Interest Accrued thereon		
	- Unclaimed Bonds	0.55	0.65
	- Unclaimed Interest on Bonds	100.03	84.31
(v)	Others		
	- Interest on application money and interest accrued thereon	0.12	0.75
	- GoI funds for disbursement	0.18	-
	- Lease Liability	8.81	8.81
	- Derivative Liability -Variation Margin	10,057.66	5,616.01
	- Excess amounts received for Loan Assets	857.82	3,527.55
	- Other liabilities	458.06	251.07
	Total Other Financial Liabilities	**16,647.20**	**14,651.77**

15 Provisions

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2026	As at 31.03.2026
(i)	For Employee Benefits :		
	- Gratuity	2.87	5.04
	- Leave Encashment	54.61	56.77
	- Economic Rehabilitation of Employees	7.41	7.45
	- Provision for Bonus / Incentive	30.42	51.17
	- Provision for Staff Welfare Expenses	56.89	50.43
(ii)	Impairment Loss Allowance - Letter of Comfort & Letter of Undertaking	16.62	21.40
(iii)	Impairment Loss Allowance - Undrawn Loan Commitment	151.54	134.52
(iv)	Provision for Unspent CSR Expense	374.71	449.40
	Total Provisions	**695.07**	**776.18**

16 Other Non-Financial Liabilities

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2026	As at 31.03.2026
(i)	Unamortised Fee - Undisbursed Loan Assets	529.13	631.49
(ii)	Statutory dues payable	69.85	70.04
(iii)	Sundry Liabilities Account (Interest Capitalisation)	51.49	51.62
(iv)	Others	25.04	35.37
	Total Other Non-Financial Liabilities	**675.51**	**788.52**

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17 **Equity Share Capital**

Sr. No.	Particulars	As at 30.09.2026		As at 31.03.2026	
		Number	Amount (₹ in crore)	Number	Amount (₹ in crore)
(A)	**Authorised Capital**				
	Equity Share Capital (Par Value per share ₹10)	11,00,00,00,000	11,000.00	11,00,00,00,000	11,000.00
	Preference Share Capital (Par Value per share ₹10)	20,00,00,000	200.00	20,00,00,000	200.00
(B)	**Issued, Subscribed and Fully Paid-up Capital**				
	Equity Share Capital (Par Value per share ₹10)	3,30,01,01,760	3,300.10	3,30,01,01,760	3,300.10
(C)	**Reconciliation of Equity Share Capital**				
	Opening Equity Share Capital	3,30,01,01,760	3,300.10	3,30,01,01,760	3,300.10
	Changes during the period	-	-	-	-
	Closing Equity Share Capital	**3,30,01,01,760**	**3,300.10**	**3,30,01,01,760**	**3,300.10**

18 **Other Equity**

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2026	As at 31.03.2026
(A)	**Other Reserves**		
(i)	Securities Premium	2,115.74	2,115.74
(ii)	Foreign Currency Monetary Item Translation Difference Account	(359.62)	(457.41)
(iii)	Special Reserve created u/s 45-IC of Reserve Bank of India Act, 1934	20,859.77	18,913.35
(iv)	Reserve for Bad & Doubtful debts u/s 31(1) of Income Tax Act, 2025 (section 36 (1) (viia)(c) of erstwhile Income Tax Act, 1961)	462.96	967.76
(v)	Special Reserve created u/s 32(e) of Income Tax Act, 2025 (Section 36(1)(viii) of erstwhile Income Tax Act, 1961) upto Financial Year 1996-	599.85	599.85
(vi)	Special Reserve created and maintained u/s 32(e) of Income Tax Act, 2025 (Section 36(1)(viii) of erstwhile Income Tax Act, 1961) from	37,808.90	36,070.91
(vii)	Interest Differential Reserve - KFW Loan	71.31	68.77
(viii)	General Reserve	17,816.16	16,848.39
(ix)	Impairment Reserve	254.11	89.18
(B)	**Retained Earnings**	29,243.39	26,415.10
(C)	**Other Comprehensive Income (OCI) Reserves**		
(i)	Equity Instruments through Other Comprehensive Income	896.10	880.25
(ii)	Effective portion of Cash Flow Hedges	828.40	124.75
(iii)	Cost of Hedging Reserve	(2,791.18)	(3,404.80)
	Total Other Equity	**1,07,805.89**	**99,231.84**

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19 Interest Income

(₹ in crore)

Sr. No.	Particulars	Half Year ended 30.09.2026	Half Year ended 30.09.2025
(A)	**On Financial Assets measured at Amortised Cost**		
(i)	Interest on Loans	27,046.15	26,864.86
	Less : Rebate for Timely Payment to Borrowers	(71.90)	(96.04)
(ii)	Interest on Deposits with Banks	165.69	135.34
(iii)	Interest on Investment	107.09	109.73
(iv)	Other Interest Income	132.81	171.02
	Subtotal (A)	**27,379.84**	**27,184.91**
(B)	**On Financial Assets Classified at Fair Value Through Profit or Loss**		
(i)	Interest on Investment	0.21	0.21
(ii)	Other Income	14.08	26.55
	Subtotal (B)	**14.29**	**26.76**
	Total Interest Income ((A)+(B))	**27,394.13**	**27,211.67**

20 Fees and Commission Income

(₹ in crore)

Sr. No.	Particulars	Half Year ended 30.09.2026	Half Year ended 30.09.2025
(i)	Prepayment Premium on Loans	481.43	196.69
(ii)	Fee based Income on Loans	25.18	12.12
	Total Fees and Commission Income	**506.61**	**208.81**

21 Other Income

(₹ in crore)

Sr. No.	Particulars	Half Year ended 30.09.2026	Half Year ended 30.09.2025
(i)	Miscellaneous Income	181.68	3.86
	Total Other Income	**181.68**	**3.86**

22 Finance Costs

(₹ in crore)

Sr. No.	Particulars	Half Year ended 30.09.2026	Half Year ended 30.09.2025
	On Financial Liabilities Measured At Amortised Cost		
(i)	**Interest on Borrowings (other than Debt Securities)**		
	- Term Loans and Others	4,318.25	4,326.64
(ii)	**Interest on Debt Securities**		
	- Bonds / Debentures	11,155.24	10,927.63
	- Commercial Papers	95.64	143.22
(iii)	**Interest on Subordinated Liabilities**	176.60	166.13
(iv)	**Other Interest Expense**		
	- Interest under Income Tax Act, 1961	4.31	-
	-Interest expense on variation margin	202.47	107.79
	-Interest on liability towards employee benefits	3.67	3.00
	- Other interest expense	0.37	0.39
(v)	**Swap Premium (Net)**	1,081.95	769.98
	Total Finance Costs	**17,038.50**	**16,444.78**

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23 Fees and Commission Expense

(₹ in crore)

Sr. No.	Particulars	Half Year ended 30.09.2026	Half Year ended 30.09.2025
(i)	Agency Fees	1.26	1.58
(ii)	Guarantee, Listing and Trusteeship fees	11.36	6.36
(iii)	Credit Rating Fees	-	7.94
(iv)	Other Finance Charges	9.82	2.58
	Total Fees and Commission Expense	**22.44**	**18.46**

24 Net Loss / (Gain) on Fair Value changes

(₹ in crore)

Sr. No.	Particulars	Half Year ended 30.09.2026	Half Year ended 30.09.2025
	On financial instruments at Fair value through Profit or Loss:		
(i)	**On trading Portfolio**	-	-
(ii)	**Others**		
	- Change in Fair Value of Derivatives	7.60	6.92
	- Change in Fair Value of Investments	15.75	(61.67)
	Subtotal (ii)	**23.35**	**(54.75)**
	Total Net Loss / (Gain) on Fair Value changes (i+ii)	**23.35**	**(54.75)**
	Fair value changes:		
(i)	- Realised	-	(54.60)
(ii)	- Unrealised	23.35	(0.15)
	Total Net Loss / (Gain) on Fair Value changes	**23.35**	**(54.75)**

25 Impairment on Financial Instruments

(₹ in crore)

Sr. No.	Particulars	Half Year ended 30.09.2026	Half Year ended 30.09.2025
A	**On Financial Assets measured at Amortised Cost:**		
(i)	Loans*	(748.01)	(411.21)
(ii)	Other Financial Assets	0.12	5.05
(iii)	Letter of Comfort & Letter of Undertaking	(4.77)	(33.67)
(iv)	Undrawn Loan Commitment	17.03	-
(v)	Investment	0.00	-
	Total Impairment on Financial Instruments	**(735.63)**	**(439.83)**

* including write off of loans of ₹ 1115.58 crore (previous period ₹ NIL) and corresponding reversal of impairment loss allowance of ₹ 1115.58 crore (previous period NIL).

26 Employee Benefit Expenses

(₹ in crore)

Sr. No.	Particulars	Half Year ended 30.09.2026	Half Year ended 30.09.2025
(i)	Salaries and Wages	87.24	87.28
(ii)	Contribution to Provident and other Funds / Schemes	15.36	10.01
(iii)	Staff Welfare Expenses	36.84	35.64
(iv)	Rent for Residential Accommodation of Employees	10.07	8.61
	Total Employee Benefit Expenses	**149.51**	**141.54**

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27 Other Expenses

(₹ in crore)

Sr. No.	Particulars	Half Year ended 30.09.2026	Half Year ended 30.09.2025
(i)	Rent, Taxes and Energy Cost	4.84	4.39
(ii)	Repairs and Maintenance	18.11	5.55
(iii)	Communication Costs	1.59	1.16
(iv)	Printing and Stationery	0.90	0.71
(v)	Advertisement and Publicity	4.27	4.67
(vi)	Directors Fees, Allowance and Expenses	0.24	0.33
(vii)	Auditor's fees and expenses	1.09	0.75
(viii)	Legal & Professional charges	3.30	2.33
(ix)	Insurance	0.04	0.20
(x)	Travelling and Conveyance	12.85	12.05
(xi)	Net Loss / (Gain) on sale/derecognition of PPE	1.30	1.09
(xii)	Govt. scheme monitoring expense	8.21	1.36
(xiii)	Conference and Meeting Expenses	4.79	3.05
(xiv)	Security Expenses	2.16	2.04
(xv)	Other Expenditure	23.62	15.24
	Total Other Expenses	**87.31**	**54.92**

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1 Material Accounting Policy Information

The material accounting policy information in regard to preparation of the Standalone Financial Statements is given below:

1.1 Basis of Preparation and Measurement

These Standalone Financial Statements have been prepared on going concern basis following accrual system of accounting. The assets and liabilities have been measured at historical cost or at amortised cost or at fair value as applicable at the end of each reporting period. The functional currency of the Company is Indian Rupees (₹).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

Fair value measurements are categorised into Level 1, 2 or 3 as per Ind AS requirement, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

1.2 Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits. The Company considers cash equivalents as all short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

1.3 Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instruments.

On initial recognition, financial assets and financial liabilities are recognised at fair value plus / minus transaction cost that is attributable to the acquisition or issue of financial assets and financial liabilities. In case of financial assets and financial liabilities which are recognised at fair value through profit and loss (FVTPL), its transaction costs are recognised in Statement of Profit and Loss.

1.3.1 Financial Assets

All regular way purchases or sale of financial assets are recognised and derecognised on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

After initial recognition, financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(i) Classification and Measurement of Financial Assets (other than Equity instruments)

(a) Financial Assets at Amortised Cost:

Financial assets that meet the following conditions are subsequently measured at amortised cost using Effective Interest Rate method (EIR):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

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Effective Interest Rate (EIR) method

The effective interest rate method is a method of calculating the amortised cost of financial asset and of allocating interest income over the expected life. The company while applying EIR method, generally amortises any fee, transaction costs and other premiums or discount that are integral part of the effective interest rate of a financial instrument.

Income is recognised in the Statement of Profit and Loss on an effective interest rate basis for financial assets other than those classified as at FVTPL.

EIR is determined at the initial recognition of the financial asset. EIR is subsequently updated at every reset, in accordance with the terms of the respective contract.

Once the terms of financial assets are renegotiated, other than market driven interest rate movement, any gain / loss measured using the previous EIR as calculated before the modification, is recognised in the Statement of Profit and Loss in period during which such renegotiations occur.

(b) Financial Assets at Fair Value Through Other Comprehensive Income (FVTOCI)

A financial asset is measured at FVTOCI if both the following conditions are met:

• The objective of the business model is achieved both by collecting contractual cash flows and selling the financial asset; and

• The contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

All fair value changes are recognised in Other Comprehensive Income (OCI) and accumulated in Reserve.

(c) Financial Assets at Fair Value Through Profit or Loss (FVTPL)

A financial asset is measured at FVTPL unless it is measured at amortised cost or FVTOCI, with all changes in fair value recognised in Statement of Profit and Loss.

Business Model

An assessment of business model for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business model at a level that reflects how financial assets are managed together to achieve a particular business objective of generating cash flows. The Company's business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The Company is in the business of providing loans across power, logisitics & infrastructure sector and such loans are managed to realize the contractual cash flows over the tenure of the loan. Further, other financial assets may also be held by the Company to collect the contractual cash flows.

(ii) Classification, Measurement and Derecognition of Equity Instruments

All equity investments other than in subsidiaries, joint ventures and associates are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company at initial recognition makes an irrevocable election to classify it as either FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis.

An equity investment classified as FVTOCI is initially measured at fair value plus transaction costs. Subsequently, it is measured at fair value and, all fair value changes are recognised in Other Comprehensive Income (OCI) and accumulated in Reserve. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company transfers the cumulative gain / loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Investment in equity shares of subsidiaries, joint ventures and associates are accounted at cost, less impairment if any.

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पावर फाइनेंस कॉर्पोरेशन लिमिटेड POWER FINANCE CORPORATION LIMITED नई दिल्ली NEW DELHI

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(iii) Impairment of Financial Assets

Subsequent to initial recognition, the Company recognises expected credit loss (ECL) on financial assets measured at amortised cost as required under Ind AS 109 'Financial Instruments'. The Company presents the ECL charge or reversal (where the net amount is a negative balance for a particular period) in the Statement of Profit and Loss as "Impairment on financial instruments" and as a cumulative deduction from gross carrying amount in the Balance Sheet, wherever applicable.

(a) Impairment of Loan Assets, Investments (other than equity) and commitments under Letter of Comfort (LoC) & Letter of Undertaking (LoU):

The Company measures ECL on loan assets (including Credit Conversation Factor (CCF) applied undrawn commitment thereof) and Investments (other than equity) at an amount equal to the lifetime ECL if there is credit impairment or there has been significant increase in credit risk (SICR) since initial recognition. If there is no SICR as compared to initial recognition, the Company measures ECL at an amount equal to 12-month ECL. When making the assessment of whether there has been a SICR since initial recognition, the Company considers reasonable and supportable information, that is available without undue cost or effort. If the Company measured loss allowance as lifetime ECL in the previous period, but determines in a subsequent period that there has been no SICR since initial recognition due to improvement in credit quality, the Company again measures the loss allowance based on 12-month ECL.

ECL is measured on individual basis for credit impaired loan assets, and on other loan assets it is measured on collective basis using homogenous groups.

The Company measures impairment on commitments under LoC & LoU by applying loan-wise ECL percentage on the same.

(b) Impairment of other financial assets :

ECL on other financial assets is measured at an amount equal to life time expected losses.

(iv) De-recognition of Financial Assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset along with all the substantial risks and rewards of ownership of the asset to another party. The renegotiation or modification of the contractual cash flows of a financial asset can also lead to derecognition of the existing financial asset.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received & receivable, and the cumulative gain or loss that had been recognised in Other Comprehensive Income and accumulated in Equity, is recognised in Statement of Profit and Loss if such gain or loss would have otherwise been recognised in Statement of Profit and Loss on disposal of that financial asset.

1.3.2 Financial Liabilities

(i) All financial liabilities other than derivatives and financial guarantee contracts are subsequently measured at amortised cost using the effective interest rate (EIR) method.

EIR is determined at the initial recognition of the financial liability. EIR is subsequently updated for financial liabilities having floating interest rate, at the respective reset date, in accordance with the terms of the respective contract.

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(ii) Financial guarantee

A financial guarantee issued by the Company is initially measured at fair value and, if not designated as at FVTPL, is subsequently measured at the higher of:

• the best estimate of expenditure required to settle any financial obligation arising as a result of the guarantee; and

• the amount initially recognised less, when appropriate, the cumulative amount of income recognised in the Statement of Profit and Loss.

(iii) De-recognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid & payable is recognised in Statement of Profit and Loss.

1.3.3 Derivative Financial Instruments

(i) The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks.

(ii) Under hedge accounting, an entity can designate derivative contracts either as cash flow hedge or fair value hedge. The Company designates certain derivative contracts as cash flow hedge or fair value hedge.

(iii) To qualify for hedge accounting, the hedging relationship must meet all of the following requirements:

• There is an economic relationship between the hedged item and the hedging instrument.

• The effect of credit risk does not dominate the value changes that result from that economic relationship.

• The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Company actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge that quantity of hedged item.

(iv) Cash flow hedge

The hedging instruments which meets the qualifying criteria for hedge accounting are designated as cash flow hedge. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in Other Comprehensive Income. The change in intrinsic value of hedging instruments is recognized in 'Effective Portion of Cash Flow Hedges'. The amounts recognized in such reserve are reclassified to the Statement of Profit or Loss when the hedged item affects profit or loss. Further, the change in fair value of the time value of a hedging instruments is recognized in 'Cost of Hedging Reserve'. The amounts recognized in such reserve are amortized to the Statement of Profit and Loss on a systematic basis. The gain or loss relating to ineffective portion is recognized immediately in Statement of Profit and Loss.

(v) Fair Value hedge

The Company remeasures the hedged item for fair value changes attributable to the hedged risk (i.e. changes in the benchmark rate). Such fair value hedge adjustment are recognised in the statement of profit or loss at end of every reporting period. The change in fair value of the underlying hedged item on account of attributable hedged risk (benchmark rate) is offset by corresponding change in fair value of the derivative (Fixed to Float IRS).

(vi) Hedge accounting is discontinued when the hedging instrument expires, or terminated, or exercised, or when it no longer qualifies for hedge accounting.

(vii) Derivatives, other than those designated under hedge relationship, are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Statement of Profit and Loss.

1.4 Offsetting of Financial Assets and Financial Liabilities

Financial Assets and Financial Liabilities are offset and the net amount is presented in the balance sheet when currently there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

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1.5 Property, Plant and Equipment (PPE) and Depreciation

(i) Items of PPE are initially recognised at cost. Subsequent measurement is done at cost less accumulated depreciation and accumulated impairment losses, if any, except for freehold land which is not depreciated. An item of PPE retired from active use and held for disposal is stated at lower of its book value or net realizable value.

(ii) In case of assets put to use, capitalisation is done on the basis of bills approved or estimated value of work done as per contracts where final bill(s) is/are yet to be received / approved, subject to necessary adjustment in the year of final settlement.

(iii) Cost of replacing part of an item of PPE is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. Maintenance or servicing costs of PPE are recognized in Statement of Profit and Loss as incurred.

(iv) Under-construction PPE is carried at cost, less any recognised impairment loss. Such PPE items are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as of other assets, commences when the assets are ready for their intended use.

(v) Depreciation is recognised so as to write-off the cost of assets less their residual values as per written down value method, over the useful lives as prescribed in Schedule II to the Companies Act, 2013, except for cell phones which are charged off in the year of purchase. Residual value is estimated as 5% of the original cost of PPE.

(vi) Depreciation on additions to/deductions from PPE during the year is charged on pro-rata basis from / up to the date on which the asset is available for use/disposed.

(vii) An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the de-recognition of an item of PPE is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

(viii) Items of PPE costing up to ₹ 10,000/- each and those whose WDV as at the beginning of the year is up to Rs. 10,000/, are fully depreciated.

1.6 Intangible Assets and Amortisation

(i) Intangible assets with finite useful lives that are acquired separately are recognised at cost. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use. Subsequent measurement is done at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives.

(ii) Expenditure incurred which are eligible for capitalisation under intangible assets is carried as Intangible Assets under Development till they are ready for their intended use.

(iii) Estimated useful life of intangible assets with finite useful lives has been estimated by the Company as 5 years.

(iv) An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the Statement of Profit and Loss when the asset is derecognised.

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1.7 Leases

For recognition, measurement and presentation of lease contracts, the Company applies the principles of Ind AS 116 'Leases'.

(i) The Company as a lessee

The Company at inception of a contract assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether

(a) the Company has substantially all of the economic benefits from use of the asset through the period of the lease, and

(b) the Company has the right to direct the use of the identified asset.

The Company at inception of a lease contract recognizes a Right-of-Use (RoU) asset at cost and a corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets which are recognised as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. RoU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use (RoU) assets are initially recognized at cost, which comprise the initial amount of the lease liability adjusted for any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. They are subsequently measured at cost less any accumulated depreciation and accumulated impairment losses. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

The lease liability is initially measured at amortised cost at the present value of future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the company's incremental borrowing rates in the country of domicile of the leases.

Lease liabilities are re-measured with a corresponding adjustment to the related right-of-use (RoU) asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and RoU asset is separately presented in the Balance Sheet. Interest expense on lease liability is presented separately from depreciation on right of use asset as a component of finance cost in the Statement of Profit and Loss. Lease payments for the principal portion are classified as Cash flow used in financing activities and lease payments for the interest portion are classified as Cash flow used in operating activities.

(ii) The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Contracts in which all the risks and rewards of the lease are substantially transferred to the lessee are classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

Amount due from lessee under finance leases is recognised as receivable at an amount equal to the net investment of the Company in the lease. Finance income on the lease is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of lease at the reporting date.

1.8 Provisions, Contingent Liabilities and Contingent Assets

(i) Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, if it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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(ii) The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

(iii) When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(iv) Where it is not probable that an outflow of economic benefits will be required or the amount cannot be estimated reliably, the obligation is disclosed as contingent liability in notes to accounts, unless the probability of outflow of economic benefits is remote.

(v) Contingent assets are not recognised in the financial statements. However, contingent assets are disclosed in the financial statements when inflow of economic benefits is probable.

1.9 Recognition of Income and Expenditure

(i) Interest income, on financial assets subsequently measured at amortised cost, is recognized using the Effective Interest Rate (EIR) method. The Effective Interest Rate (EIR) is the rate that exactly discounts estimated future cash receipts through expected life of the financial asset to that asset's net carrying amount on initial recognition.

(ii) Interest on financial assets subsequently measured at fair value through profit and loss(FVTPL), is recognized on accrual basis in accordance with the terms of the respective contract and disclosed separately under the head 'Interest Income'

(iii) Rebate on account of timely payment of dues by borrowers is recognized on receipt of entire dues in time, in accordance with the terms of the respective contract and is netted against the corresponding interest income.

(iv) Income from services rendered is recognized based on the terms of agreements / arrangements with reference to the stage of completion of contract at the reporting date.

(v) Dividend income from investments including those measured at FVTPL, is recognized in Statement of Profit and Loss under the head 'Dividend Income' when the Company's right to receive dividend is established and the amount of dividend can be measured reliably.

(vi) Interest expense on financial liabilities subsequently measured at amortised cost is recognized using Effective Interest Rate (EIR) method.

(vii) Other income and expenses are accounted on accrual basis, in accordance with terms of the respective contract.

(viii) A Prepaid expense up to ₹ 1,00,000/- is recognized as expense upon initial recognition in the Statement of Profit and Loss.

1.10 Foreign Currency Transactions and Translations

Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currency are translated using exchange rates prevailing on the last day of the reporting period. Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise. However, for the long-term monetary items recognised in the financial statements before April 01, 2018, such exchange differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance period of such long term monetary item.

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1.11 Employee Benefits

(i) Defined Contribution Plan

Company's contribution paid / payable during the reporting period towards pension is charged in the Statement of Profit and Loss when employees have rendered service entitling them to the contributions.

(ii) Defined Benefit Plan

The Company's obligation towards provident fund, gratuity to employees and post-retirement benefits such as medical benefit, economic rehabilitation benefit, and settlement allowance after retirement are determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Actuarial gain / loss on re-measurement of gratuity and other post-employment defined benefit plans are recognized in Other Comprehensive Income (OCI). Past service cost is recognized in the Statement of Profit and Loss in the period of a plan amendment.

(iii) Other long term employee benefits

The Company's obligation towards leave encashment, service award scheme is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These obligations are recognised in the Statement of Profit and Loss.

(iv) Short term employee benefits

Short term employee benefits such as salaries and wages are recognised in the Statement of Profit and Loss, in the period in which the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

(v) Loan to employees at concessional rate

Loans given to employees at concessional rate are initially recognized at fair value and subsequently measured at amortised cost. The difference between the initial fair value of such loans and transaction value is recognised as deferred employee cost upon issuance of Loan, which is amortised on a straight-line basis over the expected remaining period of the loan. In case of change in expected remaining period of the loan, the unamortised deferred employee cost on the date of change is amortised over the updated expected remaining period of the Loan on a prospective basis.

1.12 Material Prior Period Errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

1.13 Income Taxes

Income Tax expense comprises of current and deferred tax. It is recognised in Statement of Profit and Loss, except when it relates to an item that is recognised in OCI or directly in equity, in which case, tax is also recognised in OCI or directly in equity.







(i) Current Tax

Current tax is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustments to tax payable in respect of earlier years.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and liability on a net basis.

(ii) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income. Deferred tax is measured at the tax rates based on the laws that have been enacted or substantively enacted by the reporting date, based on the expected manner of realisation or settlement of the carrying amount of assets / liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against liabilities, and they relate to income taxes levied by the same tax authority.

A deferred tax liability is recognised for all taxable temporary differences. A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

1.14 Earnings Per Share

Basic earnings per equity share is calculated by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

To calculate diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1.15 Expenditure on issue of shares

Expenditure on issue of shares is charged to the securities premium account.

1.16 Dividends

Final dividends are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Board of Directors of the Company.

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1.17 Business Combination under Common Control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and that control is not transitory.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values, or recognize new assets or liabilities. Adjustments are made only to harmonize material accounting policy information.
- The financial information in the financial statements in respect of prior periods is restated as if the business combination has occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee. The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee.

The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

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Summarised Notes to Special Purpose condensed Interim Standalone Financial Statements:

1	These Special Purpose condensed Interim Standalone Financial Statements for the quarter and half year ended 30.09.2026 have been reviewed & recommended by the Audit Committee (presently comprising of one Independent Director, awaiting appointment of other Independent Directors by the Government of India) and subsequently approved and taken on record by the Board of Directors of the Company (the Board) in their respective meetings held on 04.11.2026. Thakur, Vaidyanath Aiyar & Co., Chartered Accountants and Mehra Goel & Co LLP, Chartered Accountants have conducted limited review of these Statements in accordance with Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India.
2	These Statements have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ('Ind AS') - 34 'Interim Financial Reporting', notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other accounting principles generally accepted in India.
3	(a) The Board in their meeting held on 04.11.2026 declared second interim dividend @ 41% on the paid up equity share capital i.e. ₹ 4.10 /- per equity share of ₹ 10/- each for the FY 2026-27. The Company had earlier paid ₹ 3.90/- as first interim dividend for the FY 2026-27. (b) Further, the shareholders of the company had approved final dividend @ 39.50% on the paid up equity share capital i.e. ₹ 3.95 /- per equity share of ₹ 10/- each for the FY 2025-26, in Annual General Meeting held on 31.08.2026, which was subsequently paid in September 2026.
4	Pursuant to the Scheme of Merger of REC Limited into the Company, as approved by the Board of Directors on June 28, 2026, the Company has received Reserve Bank of India's no-objection certificate on October 15, 2026 and no objection letters from BSE and NSE on October 19, 2026. The Scheme of Merger remains subject to requisite statutory and regulatory approvals and fulfilment of the conditions to the effectiveness of the Scheme, including the approval of the shareholders and creditors of the Company and REC Limited and sanction by Ministry of Corporate Affairs (MCA), as may be required in accordance with the applicable laws and the provisions of the Scheme.
5	The Company recognises impairment loss allowance on loan assets in accordance with the Board approved Expected Credit Loss (ECL) policy and report provided by independent agency, appointed by the Company for assessment of ECL as per Ind AS 109 'Financial Instruments'. Details in this regard are given below: (₹ in crore)

S. No.	Particulars	As on 30.09.2026			As on 31.03.2026		
		Stage 1 & 2	Stage 3	Total	Stage 1 & 2	Stage 3	Total
a)	Loan Outstanding	5,67,325.07	5,199.17	5,72,524.24	5,73,792.72	6,322.58	5,80,115.30
b)	Impairment Loss Allowance *	4,210.24	4,324.91	8,535.15	4,950.44	5,448.32	10,398.76
c)	Impairment Loss Allowance Coverage (%) (b/a)	0.74%	83.18%	1.49%	0.86%	86.17%	1.79%

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	*In addition to the above, impairment loss allowance of ₹ 16.62 crore (as at 31.03.2026 ₹ 21.40 crore) has been maintained towards Letter of Comfort and Letter of Undertaking. Further, impairment loss allowance of ₹ 151.54 crore (as at 31.03.2026 – ₹ 134.52 crore) has been created towards Undrawn Loan Commitments of the Company.
6	As a matter of prudence, income on credit impaired loans is recognised as and when received or on accrual basis when expected realisation is higher than the loan amount outstanding.
7	The Company's operations comprise of only one business segment - lending to power, logistics and infrastructure sector. Hence, there is no other reportable business / geographical segment as per Ind AS 108- 'Operating Segments'.
8	Figures for the previous periods have been regrouped / reclassified wherever necessary, in order to make them comparable with the current period figures.
9	During the quarter, a refund of ₹416.09 crore pertaining to FY 2016-17 was received pursuant to the order passed by the Income Tax Department u/s 154 read with Section 143(1) of the Income-tax Act, 1961. Out of the aforesaid refund, ₹282.25 crore pertains to matters which are yet to attain finality. Provision for the same has already been created in FY 2016-17 and disclosed under the head Current Tax Liabilities. Further, any consequential interest liability, if applicable, shall be accounted for upon finalisation of the underlying matters.
10	Capital Risk Adjusted Ratio (CRAR) of the Company as at 30.09.2026 is 23.89% comprising of Tier I Capital of 22.61% and Tier II Capital of 1.28%.

Rajesh Kumar Agarwal
Director (Finance)
DIN – 09699001

Place: New Delhi
Date: 04.11.2026

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Independent Auditor's Review Report on Special Purpose Interim Condensed Consolidated Financial Statements of Power Finance Corporation limited for the Half year ended 30th September 2026

To,
The Board of Directors,
Power Finance Corporation Limited

We have reviewed the accompanying Special Purpose Interim Condensed Consolidated Financial Statements of Power Finance Corporation Limited (the 'Parent') and its subsidiaries (the Parent and its subsidiaries together referred to as the 'Group'), and its share of the net profit / (loss) after tax and total comprehensive income / (loss) of its associates, which comprise the consolidated Balance Sheet as at 30th September 2026, Consolidated Statement of Profit & (loss), Consolidated Statement of Cash Flow and Consolidated Statement of Changes in Equity for the period ended 30th September, 2026 and Material Accounting Policies & Summarized Notes to Accounts thereon.

Management's Responsibility for the Special Purpose Interim Condensed Consolidated Financial Statements

These Special Purpose Interim Condensed Consolidated Financial Statements, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors in its meeting held on 4th November, 2026, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 ('Ind AS 34') "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013, as amended read with relevant rules issued there under, and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Special Purpose Interim Condensed Consolidated Financial Statements based on our review.

These Special Purpose interim condensed consolidated financial statements have been prepared solely for the purpose of updating the Company's Global Medium Term Note (GMTN) Programme for raising of foreign currency bonds by the Parent Company of the Group.

Scope of Review

We conducted our review of the Special Purpose Interim Condensed Consolidated Financial Statements in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India and also considering the requirement of Standard on Auditing (SA 600) on 'Using the work of Another Auditor'. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Special Purpose Interim Condensed Consolidated Financial Statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to

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financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
The Special Purpose Interim Condensed Consolidated Financial Statements includes data from financial statements of the following entities:

Name of the Entity		Status
Parent		
1.	Power Finance Corporation Limited	Reviewed
Subsidiaries:		
1.	REC Limited*	Reviewed
2.	PFC Consulting Limited*	Unreviewed
3.	PFC Infra Finance IFSC Limited**	Unreviewed
Associates:**		
1.	Orissa Integrated Power Limited	Unreviewed
2.	Coastal Tamil Nadu Power Limited	Unreviewed
3.	Bihar Mega Power Limited	Unreviewed

*Consolidated financial statements considered for consolidation
** Standalone financial statements considered for consolidation

Other Matters

a. We did not review the interim financial information of a subsidiary included in the Special purpose interim condensed Consolidated financial statements, whose interim financial information reflect Group's share of total assets of ₹6,74,188.47 crore as at 30th September, 2026, Group's share of total revenues of ₹15,010.43 crore and ₹29,479.92 crore, total net profit after tax of ₹3,477.73 crore and ₹7,670.49 crore and total comprehensive income (net of tax) of ₹4,036.58 crore and ₹11,476.53 crore for the quarter and half year ended 30th September, 2026 respectively, and cash flows (net) of ₹507.17 crore for the half year ended 30th September, 2026 as considered in the Special purpose interim condensed Consolidated financial statements. This interim financial information have been reviewed by other independent auditor whose report has been furnished to us by the Management and our conclusion on the Special purpose interim condensed Consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the other auditors and the procedures performed by us as stated in above paragraph.

b. The Special purpose interim condensed Consolidated financial statements also include the interim financial information of two other subsidiaries which have not been reviewed, which reflect Group's share of total assets of ₹1,023.43 crores as at 30th September 2026, Group's share of total revenues of ₹92.80 crore and ₹192.10 crore, total net profit after tax ₹51.63 crores and ₹111.34 crores and total comprehensive income of ₹59.58 crore and ₹119.52 crore for the quarter and half year ended 30th September, 2026 respectively, and cash flows (net) of ₹ 4.84 crore for the half year ended 30th September, 2026. The Special purpose interim condensed Consolidated financial statements also include the financial information in respect of associates referred to in above paragraph, which reflects Group's share of net profit after tax of ₹ 0.01 crore and ₹ 0.01 crore, total comprehensive income of ₹ 0.01 crore and ₹ 0.01 crore for the quarter and half year ended 30th September, 2026 respectively, based on their interim financial information which have not been reviewed. This unreviewed interim financial information have been furnished to us by the management of the parent and our

T.R. & CO. Chartered Accountants New Delhi
MEHRA GOEL & CO LLP FRN: 000517N/N500502 New Delhi Chartered Accountants

conclusion on the special purpose interim condensed consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these two subsidiaries and three associates is based solely on such unreviewed interim financial information. In our opinion and according to the information and explanations given to us by the management of the parent, this unreviewed interim financial information are not material to the Group.

c. Expected The Company has measured the Expected Credit Loss (ECL) on loan assets, undrawn loan exposures, undisbursed letter of comfort and Investments as per requirement of Ind AS 109 by an external agency appointed by the Company. The assumptions/criteria's (i.e. risk score/probability of default matrix etc. with respect to the borrowers) considered in the calculation of ECL are technical in nature, hence, we have relied upon the same.

Our conclusion is not modified in respect of these matters.

Conclusion

Based on our review conducted and procedures performed as stated in above paragraph and based on the consideration of the audit report of other auditors referred to in other matters paragraph, nothing has come to our attention that causes us to believe that the accompanying Special Purpose Interim Condensed Consolidated Financial Statements, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India, has not disclosed the information required to be disclosed, including the manner in which it is to be disclosed, or that it contains any material misstatement.

This report has been issued at the request of the company for the purpose of updating the Company's GMTN Programme for raising of foreign currency bonds by the Parent Company of the Group and hence the same should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants
Firm's Registration No.: 000038N

Kamlesh Kumar Upadhyay
Partner
Membership No. 096584
UDIN: 26096584KUUSHQ7265

For Mehra Goel & Co LLP
Chartered Accountants
Firm's Registration No.:000517N/N500502

CA Vaibhav Jain
Partner
Membership No. 515700
UDIN: 26515700EUMSLM9053

Place: New Delhi
Date: 4th November, 2026

Power Finance Corporation Limited
Consolidated Balance Sheet as at September 30, 2026

(₹ in crore)

Sr. No.	Particulars	Note No.	As at 30.09.2026 (Un-Audited)	As at 31.03.2026 (Audited)
	ASSETS			
1	**Financial Assets**			
(a)	Cash and Cash Equivalents	1	1,138.47	1,409.45
(b)	Bank Balance other than Cash and Cash Equivalents	2	3,924.90	3,263.23
(c)	Derivative Financial Instruments	3	35,236.28	30,588.12
(d)	Receivables	4		
	- Trade Receivables		229.26	326.57
	- Other Receivables		0.01	3.87
(e)	Loans	5	11,79,804.95	11,53,254.58
(f)	Investments (Other than accounted for using equity method)	6A	15,437.78	15,548.78
(g)	Other Financial Assets	7	29,969.02	29,992.19
	Total Financial Assets (1)		**12,65,740.67**	**12,34,386.79**
2	**Non- Financial Assets**			
(a)	Current Tax Assets (Net)	8	135.39	472.97
(b)	Deferred Tax Assets (Net)		5,106.26	6,895.55
(c)	Investment Property	9	0.97	0.98
(d)	Property, Plant and Equipment	10	690.78	709.68
(e)	Capital Work-in-Progress	10	147.29	128.34
(f)	Intangible Assets under development	10	16.17	15.90
(g)	Intangible Assets	10	7.70	6.18
(h)	Right of Use Assets	10	37.17	38.00
(i)	Other Non-Financial Assets	11	1,872.86	1,888.82
(j)	Investments accounted for using equity method	6B	0.09	0.08
	Total Non- Financial Assets (2)		**8,014.68**	**10,156.50**
3	Assets Classified as held for sale	12	31.26	35.26
	Total Assets (1+2+3)		**12,73,786.61**	**12,44,578.55**
	LIABILITIES AND EQUITY			
	Liabilities			
1	**Financial Liabilities**			
(a)	Derivative Financial Instruments	3	2,668.71	3,889.69
(b)	Payables	13		
	Trade Payables			
	(i) Total outstanding dues of Micro, Small and Medium Enterprises		0.43	2.35
	(ii) Total outstanding dues of creditors other than Micro, Small and Medium Enterprises		195.97	208.22
	Other Payables			
	(i) Total outstanding dues of Micro, Small and Medium Enterprises		1.42	2.07
	(ii) Total outstanding dues of creditors other than Micro, Small and Medium Enterprises		9.80	14.21
(c)	Debt Securities	14	6,42,231.59	6,47,145.84
(d)	Borrowings (other than Debt Securities)	15	3,63,059.44	3,51,936.42
(e)	Subordinated Liabilities	16	13,581.21	13,421.20
(f)	Other Financial Liabilities	17	56,310.28	51,975.90
	Total Financial Liabilities (1)		**10,78,058.85**	**10,68,595.90**
2	**Non- Financial Liabilities**			
(a)	Current Tax Liabilities (Net)	8	879.91	22.27
(b)	Provisions	18	1,700.00	1,376.06
(c)	Other Non-Financial Liabilities	19	879.54	1,143.30
	Total Non- Financial Liabilities (2)		**3,459.45**	**2,541.63**
3	Liabilities directly associated with assets classified as held for sale	12	-	-
	Total Liabilities (1+2+3)		**10,81,518.30**	**10,71,137.53**
4	**Equity**			
(a)	Equity Share Capital	20	3,300.10	3,300.10
(b)	Other Equity	21	1,43,573.77	1,29,560.84
	Equity attributable to owners of the Company (a+b)		**1,46,873.87**	**1,32,860.94**
(c)	Non-Controlling Interest	22	45,394.44	40,580.08
	Total Equity (4)		**1,92,268.31**	**1,73,441.02**
	Total Liabilities and Equity (1+2+3+4)		**12,73,786.61**	**12,44,578.55**

Material Accounting Policies and Notes annexed hereto form an integral part of Special Purpose condensed Interim Consolidated Financial Statements

(Rajesh Kumar Agarwal)
Director (Finance)
DIN - 09699001

Place : New Delhi
Date : 04.11.2026

T.V.A. & CO. * Chartered Accountants * New Delhi

पावर फाइनेंस कॉर्पोरेशन लिमिटेड * POWER FINANCE CORPORATION LIMITED * नई दिल्ली NEW DELHI

MEHRA GOEL & CO LLP * Chartered Accountants * FRN: 000517N/N500502 New Delhi

Power Finance Corporation Limited
Consolidated Statement of Profit and Loss for the Half Year ended September 30, 2026

(₹ in crore)

Sr. No.	Particulars	Note No.	Half Year ended 30.09.2026 (Un-Audited)	Half Year ended 30.09.2025 (Un-Audited)
	Revenue from Operations			
(i)	Interest Income	23	56,285.61	56,327.00
(ii)	Dividend Income		51.23	34.68
(iii)	Fees and Commission Income	24	675.46	826.75
(iv)	Other Operating Income	25A	559.04	240.85
I.	**Total Revenue from Operations**		**57,571.34**	**57,429.28**
II.	Other Income	26	226.25	100.60
III.	**Total Income (I+II)**		**57,797.59**	**57,529.88**
	Expenses			
(i)	Finance Costs	27	35,308.17	34,509.76
(ii)	Net Translation / Transaction Exchange Loss / (Gain)		1,287.08	1,282.87
(iii)	Fees and Commission Expense	28	25.87	27.73
(iv)	Net Loss / (Gain) on Fair Value changes	29	323.44	580.41
(v)	Impairment on Financial Instruments	30	(1,350.21)	(909.92)
(vi)	Cost of Services Rendered	25B	265.23	116.36
(vii)	Employee Benefit Expenses	31	310.45	280.99
(viii)	Depreciation, Amortisation and Impairment	9/10	34.11	29.57
(ix)	Corporate Social Responsibility Expenses		378.91	204.90
(x)	Other Expenses	32	173.16	150.86
IV.	**Total Expenses**		**36,756.21**	**36,273.53**
V.	Share of Profit / (Loss) in Joint Venture and Associates		0.01	-
VI.	**Profit/(Loss) Before Exceptional Items and Tax (III-IV+V)**		**21,041.39**	**21,256.35**
VII.	Exceptional Items		-	-
VIII.	**Profit/(Loss) Before Tax (VI-VII)**		**21,041.39**	**21,256.35**
	Tax Expense:			
	(i) Current Tax			
	- Current Year		4,310.45	4,373.85
	- Earlier Years		0.01	-
	(ii) Deferred Tax Expense / (Income)		51.50	66.66
IX.	**Total Tax Expense**		**4,361.96**	**4,440.51**
X.	**Profit/(Loss) for the period from Continuing Operations (VIII-IX)**		**16,679.43**	**16,815.84**
XI.	Profit/(Loss) From Discontinued Operations (After Tax)		-	-
XII.	**Profit/(Loss) for the period (from continuing and discontinued operations)**		**16,679.43**	**16,815.84**
XIII.	**Other Comprehensive Income**			
(A)	(i) Items that will not be reclassified to Profit or Loss			
	- Re-measurement of Defined Benefit Plans		5.13	5.87
	- Net Gain / (Loss) on Fair Value of Equity Instruments		28.76	54.73
	(ii) Income Tax relating to items that will not be reclassified to Profit or Loss			
	- Re-measurement of Defined Benefit Plans		(1.13)	(1.52)
	- Net Gain / (Loss) on Fair Value of Equity Instruments		(14.78)	(0.67)
	Sub-Total (A)		**17.98**	**58.41**
(B)	(i) Items that will be reclassified to Profit or Loss			
	- Effective Portion of Gains / (Loss) in Cash Flow Hedge		1,904.21	(3,700.45)
	- Cost of Hedging Reserve		4,941.53	639.92
	- Exchange Gains / (Loss) in translating the financials of foreign operations		8.18	4.01
	(ii) Income Tax relating to items that will be reclassified to Profit or Loss			
	- Effective Portion of Gains / (Loss) in Cash Flow Hedge		(479.25)	931.33
	- Cost of Hedging Reserve		(1,243.69)	(161.05)
	- Exchange Gains / (Loss) in translating the financials of foreign operations		-	(1.01)
	Sub-Total (B)		**5,130.98**	**(2,287.25)**
	Other Comprehensive Income (A+B)		**5,148.96**	**(2,228.84)**
XIV.	**Total Comprehensive Income for the period (XII+XIII)**		**21,828.39**	**14,587.00**
	Profit for the period attributable to:			
	- Owners of the Company		13,046.29	12,609.51
	- Non-Controlling Interest		3,633.14	4,206.33
			16,679.43	**16,815.84**
	Other Comprehensive Income for the period			
	- Owners of the Company		3,346.23	(1,378.33)
	- Non-Controlling Interest		1,802.73	(850.51)
			5,148.96	**(2,228.84)**
	Total Comprehensive Income for the period			
	- Owners of the Company		16,392.52	11,231.18
	- Non-Controlling Interest		5,435.87	3,355.82
			21,828.39	**14,587.00**
XV.	**Basic and Diluted Earnings Per Equity Share (Face Value ₹ 10/- each):**			
	(1) For continuing operations (in ₹)		39.53	38.21
	(2) For discontinued operations (in ₹)		-	-
	(3) For continuing and discontinued operations (in ₹)		39.53	38.21

EPS for the Half Years is not annualised.

Place : New Delhi
Date : 04.11.2026

(Rajesh Kumar Agarwal)
Director (Finance)
DIN - 09699001

T.V.A. & CO. Chartered Accountants New Delhi

पावर फाइनेंस कॉर्पोरेशन लिमिटेड POWER FINANCE CORPORATION LIMITED नई दिल्ली NEW DELHI

MEHRA GOEL & CO LLP FRN: 000517N/N500302 New Delhi Chartered Accountants

Power Finance Corporation Limited
Consolidated Statement of Changes in Equity for the Half Year Ended Sep 30,2026

A. Equity Share Capital

(₹ in crore)

Particulars	Opening Balance	Changes in Equity Share Capital due to prior period errors	Restated Opening Balance	Changes during the Period	Closing Balance
Issued, Subscribed and fully paid up:					
Year ended March 31,2026	3,300.10	-	3,300.10	-	**3,300.10**
Period ended Sep 30, 2026	3,300.10	-	3,300.10	-	**3,300.10**

B. Other Equity

FY 2026-27

(₹ in crore)

Particulars	Other Reserves										Retained Earnings	Other Comprehensive Income				Attributable to owners of the parent	Non-Controlling Interest		Total
	Capital Reserve - Common Control	Special Reserve created u/s 45-IC of Reserve Bank of India Act, 1934	Reserve for Bad & Doubtful debts u/s 31(1) of Income Tax Act, 2025 (section 36 (1) (viia)(c) of erstwhile Income Tax Act, 1961)	Special Reserve created u/s 32(e) of Income Tax Act, 2025 (Section 36(1)(viii) of erstwhile Income Tax Act, 1961) upto Financial Year 1996-97	Special Reserve created and maintained u/s 32(e) of Income Tax Act, 2025 (Section 36(1)(viii) of erstwhile Income Tax Act, 1961) from Financial Year 1997-98	Impairment Reserve	Securities Premium	Foreign Currency Monetary Item Translation Difference Account	Interest Differential Reserve - KFW Loan	General Reserve		Equity Instruments through Other comprehensive Income	Effective portion of Gain/ (Loss) Cash Flow Hedges	Costs of Hedging Reserve	Exchange differences in translating the financials of foreign operations		towards Equity Share Holders	towards Instruments Entirely Equity in Nature	
Balance as at 31.03.2026	(13,114.50)	27,981.32	1,377.58	599.85	54,481.75	89.18	2,946.07	(920.95)	68.77	25,478.34	36,045.99	797.27	(2,895.89)	(3,406.05)	32.10	1,29,560.84	40,021.69	558.40	1,70,140.92
Changes in Accounting Policy / Prior Period Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	-	-	-	-	-	13,046.29	-	-	-	-	13,046.29	3,633.14	-	16,679.43
Re-measurement of Defined Benefit Plans net of taxes	-	-	-	-	-	-	-	-	-	-	2.87	-	-	-	-	2.87	1.13	-	4.00
Other Comprehensive Income / (Expense)	-	-	-	-	-	-	-	-	-	-	0.01	14.87	1,083.31	2,236.99	8.18	3,343.36	1,801.60	-	5,144.96
Total Comprehensive Income	-	-	-	-	-	-	-	-	-	-	13,049.17	14.87	1,083.31	2,236.99	8.18	16,392.52	5,435.87	-	21,828.39
Dividends	-	-	-	-	-	-	-	-	-	-	(2,590.58)	-	-	-	-	(2,590.58)	(723.39)	-	(3,313.97)
Transfer to /(from) Retained Earnings	-	2,740.21	691.47	-	2,758.20	582.38	-	-	-	-	(6,772.27)	-	-	-	-	(0.01)	-	-	(0.01)
Utilisation of reserve against bad debts written off	-	-	(969.39)	-	-	-	-	-	-	969.39	-	-	-	-	-	-	-	-	-
Additions / Deletion during the period (net)	-	-	-	-	-	-	-	211.00	2.54	-	(2.54)	-	-	-	-	211.00	101.88	-	312.88
Reclassification of gain / loss on sale of equity instrument measured at OCI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Coupon Payment on Perpetual Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30.09.2026	(13,114.50)	30,721.53	1,099.66	599.85	57,239.95	671.56	2,946.07	(709.95)	71.31	26,447.73	39,729.77	812.14	(1,812.58)	(1,169.06)	40.28	1,43,573.77	44,836.04	558.40	1,88,968.20

T.V.A. & CO. Chartered Accountants New Delhi

POWER FINANCE CORPORATION LIMITED NEW DELHI

MEHRA GOEL & CO LLP FRN: 000517N/N500502 New Delhi Chartered

(₹ in crore)

Particulars	Other Reserves										Retained Earnings	Other Comprehensive Income				Attributable to owners of the parent	Non-Controlling Interest		Total
	Capital Reserve - Common Control	Special Reserve created u/s 45-IC of Reserve Bank of India Act, 1934	Reserve for Bad & Doubtful debts u/s 31(1) of Income Tax Act, 2025 (section 36 (1) (viia)(c) of erstwhile Income Tax Act, 1961)	Special Reserve created u/s 32(e) of Income Tax Act, 2025 (Section 36(1)(viii) of erstwhile Income Tax Act, 1961) upto Financial Year 1996-97	Special Reserve created and maintained u/s 32(e) of Income Tax Act, 2025 (Section 36(1)(viii) of erstwhile Income Tax Act, 1961) from Financial Year 1997-98	Impairment Reserve	Securities Premium	Foreign Currency Monetary Item Translation Difference Account	Interest Differential Reserve - KFW Loan	General Reserve		Equity Instruments through Other comprehensive Income	Effective portion of Gain/ (Loss) Cash Flow Hedges	Costs of Hedging Reserve	Exchange differences in translating the financials of foreign operations		towards Equity Share Holders	towards Instruments Entirely Equity in Nature	
FY 2025-26																			
Balance as at 31.03.2025	(13,114.50)	22,257.03	1,358.41	599.85	49,241.93	89.18	2,946.07	(680.08)	68.90	23,025.12	29,090.03	1,065.90	(301.72)	(1,209.95)	2.07	1,14,438.25	36,858.48	558.40	1,51,855.12
Changes in Accounting Policy / Prior Period Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	-	-	-	-	-	12,609.51	-	-	-	-	12,609.51	4,206.33	-	16,815.84
Re-measurement of Defined Benefit Plans net of taxes	-	-	-	-	-	-	-	-	-	-	1.18	-	-	-	-	1.18	3.17	-	4.35
Other Comprehensive Income / (Expense)	-	-	-	-	-	-	-	-	-	-	-	23.23	(1,388.12)	(17.62)	3.00	(1,379.51)	(853.68)	-	(2,233.19)
Total Comprehensive Income	-	-	-	-	-	-	-	-	-	-	12,610.69	23.23	(1,388.12)	(17.62)	3.00	11,231.18	3,355.82	-	14,587.00
Dividends	-	-	-	-	-	-	-	-	-	-	(1,897.56)	-	-	-	-	(1,897.56)	(898.01)	-	(2,795.56)
Transfer to /(from) Retained Earnings	-	2,727.16	743.06	-	2,841.47	-	-	-	-	531.61	(6,843.30)	-	-	-	-	0.00	-	-	0.00
Utilisation of reserve against bad debts written off	-	-	(206.33)	-	-	-	-	-	-	206.33	-	-	-	-	-	-	-	-	-
Additions / Deletion during the period (net)	-	-	-	-	-	-	-	(86.06)	3.24	-	(3.24)	-	-	-	-	(86.06)	(39.97)	-	(126.03)
Reclassification of gain / loss on sale of equity instrument measured at OCI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Coupon Payment on Perpetual Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-	-	-	-	(0.03)	-	-	-	0.01	(0.02)	-	-	(0.02)
Balance as at 30.09.2025	(13,114.50)	24,984.19	1,895.14	599.85	52,083.40	89.18	2,946.07	(766.14)	72.14	23,763.06	32,956.58	1,089.13	(1,689.84)	(1,227.57)	5.08	1,23,685.79	39,276.32	558.40	1,63,520.50

21/10/21

(Rajesh Kumar Agarwal)
Director (Finance)
DIN - 09699001

Place : New Delhi
Date : 04.11.2026

T.V.A. & CO. Chartered Accountants New Delhi

पावर फाइनेंस कॉर्पोरेशन लिमिटेड POWER FINANCE CORPORATION LIMITED नई दिल्ली NEW DELHI

MEHRA GOEL & CO LLP Chartered Accountants FRN: 000517N/N500502 New Delhi

Power Finance Corporation Limited

Consolidated Statement of Cash Flows for the Half Year ended September 30, 2026

(₹ in crore)

Sr. No.	Description	Half Year ended 30.09.2026 (Un-Audited)		Half Year ended 30.09.2025 (Un-Audited)	
I.	**Cash Flow from Operating Activities :**				
	Profit before Tax	**21,041.39**		**21,256.35**	
	Adjustments for:				
	Loss/ (Gain) on derecognition of Property, Plant and Equipment (net)	4.78		5.33	
	Loss/ (Gain) on Fair value changes (Net)	323.44		(2.22)	
	Unrealised Foreign Exchange Translation Loss / (Gain)	2,611.10		940.88	
	Depreciation and Amortisation	34.07		29.53	
	Impairment on Financial Instruments	(1,349.82)		(909.92)	
	Effective Interest Rate in respect of Loan assets and borrowings/ debt securities	178.91		289.55	
	Interest expense on Zero Coupon Bonds and Commercial Papers	343.71		286.26	
	Other interest expense	(109.41)		0.11	
	Other interest income	(98.43)		(91.74)	
	Provision for unspent CSR created	166.57		-	
	Provision (others) created	38.21		43.03	
	Excess Liabilities written back	(0.09)		(0.20)	
	Share of Profit/Loss of Joint Venture accounted for using equity method	0.01		-	
	Operating profit before Working Capital Changes:	**23,184.44**		**21,846.96**	
	Increase / Decrease :				
	Loans (Net)	(25,167.56)		(34,040.43)	
	Other Financial and Non-Financial Assets	(221.92)		5,093.97	
	Derivative	2,766.47		582.48	
	Provisions	3,898.42		1,616.69	
	Cash used before Exceptional Items	**4,459.85**		**(4,900.33)**	
	Exceptional Items	-		-	
	Cash used in Operations Before Tax	**4,459.85**		**(4,900.33)**	
	Income Tax paid	(3,536.64)		(3,786.24)	
	Income Tax Refund	425.94		10.66	
	Net Cash Inflow/(Outflow) from Operating Activities		**1,349.15**		**(8,675.91)**
II.	**Cash Flow From Investing Activities :**				
	Proceeds from disposal of Property, Plant and Equipment	0.47		0.05	
	Purchase of Property, Plant and Equipment & Intangible Assets (including CWIP, Intangible Assets under development and Capital Advance)	(32.87)		(243.43)	
	Finance Cost Capitalised	(3.52)		(2.85)	
	Sale / (Purchase) of Other Investments	101.38		(1,318.16)	
	Net Cash Inflow/(Outflow) from Investing Activities		**65.46**		**(1,564.39)**
III.	**Cash Flow From Financing Activities :**				
	Raising of Bonds (including premium) (Net of Redemptions)	(11,939.80)		19,071.80	
	Raising of Long Term Loans/WCDL/OD/CC/ Line of credit (Net of Repayments)	(4,717.59)		15,670.07	
	Raising of Foreign Currency Loans (Net of Repayments)	6,257.11		(16,747.41)	
	Raising of Subordinated Liabilities (Net of Redemptions)	-		475.00	
	Raising of Commercial paper (Net of Repayments)	5,167.48		1,029.12	
	Raising of Working Capital Demand Loan / OD / CC / Line of Credit (Net of Repayments)	7,202.95		-	
	Payment of Lease Liability	(0.68)		(1.58)	
	Payment of Dividend	(3,313.41)		(3,743.37)	
	Net Cash Inflow/(Outflow) from Financing Activities		**(1,343.94)**		**15,753.63**
	Net Increase / (Decrease) in Cash and Cash Equivalents		**70.67**		**5,513.33**
	Add : Cash and Cash Equivalents at beginning of the financial year		**1,067.75**		**(251.56)**
	Cash and Cash Equivalents at the end of the period		**1,138.42**		**5,261.77**
	Details of Cash and Cash Equivalents at the end of the Period:				
	Balances with Banks (of the nature of cash and cash equivalents)				
	- In current accounts	281.52		1,214.05	
	- In Bank Deposit (Callable) /Demand Deposits (original maturity up to 3 months)	731.92		4,047.74	
	- Cheques, Drafts on hand including postage and Imprest	0.08		0.08	
	- Bank overdraft	(0.05)		(0.10)	
	Other Short Term Investments (original maturity up to 3 months)				
	(i) Other Short Term Investments (inTREPS)	124.95		-	-
	Total Cash and Cash Equivalents at the end of the period		**1,138.42**		**5,261.77**

The above statement of cash flows has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'.

Figures in 0.00 represent value less than ₹ 50,000/-.

(Rajesh Kumar Agarwal)
Director (Finance)
DIN - 09699001

Place : New Delhi
Date : 04.11.2026

T.V.A. & CO. Chartered Accountants New Delhi

POWER FINANCE CORPORATION LIMITED NEW DELHI

MEHRA GOEL & CO LLP FRN: 000517N/N500502 New Delhi Chartered Accountants

1 Cash and Cash Equivalents

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2026	As at 31.03.2026
(A)	**Balances with Banks (of the nature of cash and cash equivalents)**		
(i)	- In Current Accounts	281.52	245.23
(ii)	- In Bank Deposit (Callable) /Demand Deposits (original maturity up to 3 months)	731.92	1,164.19
(iii)	- Cheques, Drafts on hand including Postage & Imprest	0.08	0.03
(B)	**Other Short Term Investments (original maturity up to 3 months)**		
(i)	Other Short Term Investments (inTREPS)	124.95	-
	Total Cash and Cash Equivalents	**1,138.47**	**1,409.45**

2 Bank Balance other than Cash and Cash Equivalents

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2026	As at 31.03.2026
(i)	**Earmarked Balances and Term Deposits with Banks for:**		
	- Bank Deposit (Callable) /Demand Deposits- On Lien	613.71	894.71
	- Unclaimed Dividend	57.93	99.10
	- Unclaimed Bonds / Interest on Bonds etc.	100.58	84.95
	- Amount received under GoI scheme	452.36	49.17
	- Fixed Deposits with Banks - IPDS / R-APDRP	-	-
	- Term Deposits- For redemption of debentures	536.02	-
	- Govt. funds for further Disbursement	101.27	100.00
	- Deposits in compliance of Court	0.79	0.77
	- Current Accounts with Banks - Unspent CSR Purposes	525.86	359.60
(ii)	Balance with Bank not available for use pending allotment of securities	253.63	525.42
(iii)	Bank Deposit (Callable) /Demand Deposits- More than 3 months	1,282.75	1,149.51
	Total Bank Balance other than Cash and Cash Equivalents	**3,924.90**	**3,263.23**

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POWER FINANCE CORPORATION LIMITED NEW DELHI

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3 Derivative Financial Instruments

The Company and its Subsidiary REC Ltd., enters into derivatives for hedging Currency and Interest Rate risk. Derivatives held for risk management purposes include hedges that are either designated as effective hedges under the hedge accounting requirements or hedges that are economic hedges. The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

Part - I

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2026			As at 31.03.2026		
		Notional Amounts	Fair value Assets	Fair value Liabilities	Notional Amounts	Fair value Assets	Fair value Liabilities
(i)	**Currency Derivatives:**						
	- Currency Swaps	59,810.42	2,898.26	298.19	37,011.58	1,690.23	700.58
	- Options	3,46,699.78	28,863.15	1,653.06	3,30,172.90	27,316.84	2,076.23
	Total Currency Derivatives (i)	**4,06,510.20**	**31,761.41**	**1,951.25**	**3,67,184.48**	**29,007.07**	**2,776.81**
(ii)	**Interest Rate Derivatives**						
	- Forward Rate Agreements and Interest Rate Swaps	2,07,883.21	3,474.87	717.46	1,83,501.24	1,581.05	1,112.88
	Total Interest Rate Derivatives (ii)	**2,07,883.21**	**3,474.87**	**717.46**	**1,83,501.24**	**1,581.05**	**1,112.88**
	Total Derivative Financial Instruments [(i) + (ii)]	**6,14,393.41**	**35,236.28**	**2,668.71**	**5,50,685.72**	**30,588.12**	**3,889.69**

Part - II: Included in above (Part I) are Derivatives held for hedging and risk management purposes as follows:

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2026			As at 31.03.2026		
		Notional Amounts	Fair value Assets	Fair value Liabilities	Notional Amounts	Fair value Assets	Fair value Liabilities
(i)	**Fair Value Hedging**						
	-Forward Rate Agreements and Interest Rate Swaps	65,785.67	105.30	294.83	42,033.10	18.86	366.06
	Total Fair Value Hedging (Designated) (i)	**65,785.67**	**105.30**	**294.83**	**42,033.10**	**18.86**	**366.06**
(ii)	**Cash Flow Hedging:**						
	- Currency Derivatives	4,05,070.12	31,646.59	1,951.25	3,67,184.48	29,007.07	2,776.81
	- Interest Rate Derivatives	1,28,251.07	3,144.76	2.21	1,36,468.14	1,354.08	718.43
	Total Cash Flow Hedging (ii)	**5,33,321.19**	**34,791.35**	**1,953.46**	**5,03,652.62**	**30,361.15**	**3,495.24**
(iii)	Undesignated Derivatives	15,286.55	339.63	420.42	5,000.00	208.11	28.39
	Total Undesignated Derivatives (iii)	**15,286.55**	**339.63**	**420.42**	**5,000.00**	**208.11**	**28.39**
	Total Derivative Financial Instruments [(i) + (ii) + (iii)]	**6,14,393.41**	**35,236.28**	**2,668.71**	**5,50,685.72**	**30,588.12**	**3,889.69**

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4 Receivables

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2026	As at 31.03.2026
(A)	**Trade Receivables**		
(i)	- considered good - Secured (Gross)	-	-
(ii)	- considered good - Unsecured (Gross)	133.21	255.57
(iii)	less: Impairment loss allowance	18.09	(22.19)
(iv)	- which have Significant Increase in Credit Risk (Gross)	79.75	106.44
(v)	less: Impairment loss allowance	(15.01)	(23.62)
(vi)	- credit Impaired (Gross)	120.19	95.04
(vii)	less: Impairment loss allowance on Credit Impaired	(106.97)	(84.67)
	Sub Total (A)	**229.26**	**326.57**
(B)	**Other receivables**		
(i)	- considered good - Unsecured (Gross)	0.15	4.06
(ii)	less: Impairment loss allowance	(0.14)	(0.19)
	Sub Total (B)	**0.01**	**3.87**
	Total Receivables (A+B)	**229.27**	**330.44**

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POWER FINANCE CORPORATION LIMITED

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5 Loans

The Company and its Subsidiary REC Ltd., have categorised all loans at amortised cost in accordance with the requirements of Ind AS 109 'Financial Instruments'.

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2026	As at 31.03.2026
(A)	**Loans to Borrowers**		
(i)	**Term Loans**	**11,28,649.22**	**11,07,882.91**
	- Rupee Term Loan	11,28,553.23	11,07,882.91
	- Foreign Currency Term Loan	95.99	-
(ii)	Buyer's Line of Credit	1,460.81	1,546.30
(iii)	Working Capital Loans	58,505.15	53,802.37
(iv)	Others- Deferred Payment Guarantee	536.62	536.62
(v)	**Principal Outstanding (i to iv)**	**11,89,151.80**	**11,63,768.20**
(vi)	Interest accrued but not due on Loans on (v) above	6,193.27	6,790.16
(vii)	Interest accrued & due on Loans on (v) above	78.77	870.33
(viii)	Unamortised Fee on Loans on (v) above	(1,021.22)	(881.90)
	Gross Carrying Amount (v to viii)	**11,94,402.62**	**11,70,546.79**
	Less: Impairment loss allowance	(14,597.67)	(17,292.21)
	Net Carrying Amount	**11,79,804.95**	**11,53,254.58**
(B)	**Security-wise classification**		
(i)	Secured by Tangible Assets	5,36,717.50	5,04,786.91
(ii)	Secured by Intangible Assets	-	-
(iii)	Covered by Bank/Government Guarantees	4,41,955.34	4,34,596.98
(iv)	Unsecured	2,15,729.78	2,31,162.90
	Gross Security-wise classification	**11,94,402.62**	**11,70,546.79**
	Less: Impairment loss allowance	(14,597.67)	(17,292.21)
	Net Security-wise classification	**11,79,804.95**	**11,53,254.58**
(C) I	**Loans in India**		
(i)	Public Sector	9,57,397.17	9,43,555.94
(ii)	Private Sector	2,37,005.45	2,26,990.85
	Gross Carrying Amount of Loans in India	**11,94,402.62**	**11,70,546.79**
	Less: Impairment loss allowance	(14,597.67)	(17,292.21)
	Net Carrying Amount of Loans in India	**11,79,804.95**	**11,53,254.58**
(C) II	**Loans Outside India**		-
	Less: Impairment loss allowance	-	-
	Net Carrying Amount of Loans Outside India	-	-
	Net Carrying Amount of Loans in India and Outside India	**11,79,804.95**	**11,53,254.58**

T.V.A. & CO. New Delhi Chartered Accountants

POWER FINANCE CORPORATION LIMITED पावर फाइनेंस कॉर्पोरेशन लिमिटेड NEW DELHI

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6A Investments (Other than accounted for using equity method)

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2026					
		Amortised Cost (1)	Designated at FVTOCI (2)	FVTPL (3)	Subtotal (4)=(2)+(3)	Others (5)	Total (1)+(4)+(5)
(i)	Government Securities	6,087.23	-	-	-	-	6,087.23
(ii)	Debt securities	5,213.50	-	977.96	977.96	-	6,191.46
(iii)	Equity Instruments	-	2,939.76	225.78	3,165.54	-	3,165.54
(iv)	Preference Shares	101.67	-	-	-	-	101.67
	Total Investments (Other than accounted for using equity method)	**11,402.40**	**2,939.76**	**1,203.74**	**4,143.50**	**-**	**15,545.90**
	Geography wise investment						
(i)	Investments Outside India	-	-	-	-	-	-
(ii)	Investments in India	11,402.40	2,939.76	1,203.74	4,143.50	-	15,545.90
	Gross Geography wise investment	**11,402.40**	**2,939.76**	**1,203.74**	**4,143.50**	**-**	**15,545.90**
	Less: Impairment loss allowance	(108.12)	-	-	-	-	**(108.12)**
	Net Geography wise investment	**11,294.28**	**2,939.76**	**1,203.74**	**4,143.50**	**-**	**15,437.78**

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2026					
		Amortised Cost (1)	Designated at FVTOCI (2)	FVTPL (3)	Subtotal (4)=(2)+(3)	Others (5)	Total (1)+(4)+(5)
(i)	Government Securities	6,144.15	-	-	-	-	6,144.15
(ii)	Debt securities	5,296.39	-	955.58	955.58	-	6,251.97
(iii)	Equity Instruments	-	2,910.99	247.74	3,158.73	-	3,158.73
(iv)	Preference Shares	101.67	-	-	-	-	101.67
	Total Investments (Other than accounted for using equity method)	**11,542.21**	**2,910.99**	**1,203.32**	**4,114.31**	**-**	**15,656.52**
	Geography wise investment						
(i)	Investments Outside India	-	-	-	-	-	-
(ii)	Investments in India	11,542.21	2,910.99	1,203.32	4,114.31	-	15,656.52
	Gross Geography wise investment	**11,542.21**	**2,910.99**	**1,203.32**	**4,114.31**	**-**	**15,656.52**
	Less: Impairment loss allowance	(107.74)	-	-	-	-	**(107.74)**
	Net Geography wise investment	**11,434.47**	**2,910.99**	**1,203.32**	**4,114.31**	**-**	**15,548.78**

FVTOCI - Fair Value through Other Comprehensive Income, FVTPL - Fair Value through Profit or Loss

6B Investments accounted for using equity method

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2026	As at 31.03.2026
(i)	**Associates**		
	- Ultramega Power Projects / Independent Transmission Projects		
	[5,90,000 equity shares of ₹ 10 each; previous year 5,50,000 equity shares of ₹ 10 each]	0.09	0.08
	Sub Total	**0.09**	**0.08**
	Less: Impairment loss allowance	-	-
	Total Investments accounted for using equity method	**0.09**	**0.08**

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7 Other Financial Assets

The Group has categorised other financial assets at amortised cost in accordance with the requirements of Ind AS 109 'Financial Instruments'.

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2026	As at 31.03.2026
(i)	Recoverable on account of Government of India Serviced Bonds	29,357.36	29,356.50
(ii)	Security Deposits	12.95	10.10
(iii)	Advances to Associates	127.32	127.33
(iv)	Advances to Employees	243.41	240.45
(v)	Advance paid towards variation margin	-	63.32
(vi)	Others	373.72	340.76
	Less: Impairment loss allowance on Others	(145.74)	(146.27)
	Total Other Financial Assets	**29,969.02**	**29,992.19**

8 Current Tax Assets / Liabilities (Net)

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2026	As at 31.03.2026
(i)	Advance income tax and TDS net of Provision	123.95	467.46
(ii)	Tax Deposited on income tax demands under contest	4.98	0.96
(iii)	Income tax refundable for previous year	6.46	4.55
	Total Current Tax Assets (Net)	**135.39**	**472.97**
(i)	Provision for income tax net of Advance Tax	879.68	22.04
(ii)	Provision for income tax for demand under contest	0.23	0.23
	Total Current Tax Liabilities (Net)	**879.91**	**22.27**

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9 **Investment property***

(₹ in crore)

Particulars	Opening balance	Additions / transfer during the year	Sales/ adjustment during the year	Closing balance
As at 30-09-2026				
Gross Carrying Value	2.46	-	-	2.46
Accumulated depreciation/ amortisation	(1.48)	(0.01)		(1.49)
Net Carrying Value	**0.98**	**(0.01)**	-	**0.97**
As at 30-09-2025				
Gross Carrying Value	2.46	-	-	2.46
Accumulated depreciation/ amortisation	1.45	0.02	-	1.47
Net Carrying Value	**1.01**	**(0.02)**	-	**0.99**

*pertains to PFC's subsidiary REC Ltd.

10 **Property, Plant and Equipment, Capital Work-in-Progress (CWIP), Intangible assets under development and Other Intangible assets**

FY 2026-27

(₹ in crore)

Particulars	Property, Plant and Equipment (PPE)									Capital Work-in-Progress	Intangible Assets under development	Other Intangible assets
	Freehold Land	Buildings	Plant & Equipment	EDP Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Leasehold Improvements	Total	Immovable property	Computer Software	Computer Software
Gross Carrying Amount as on 01.04.2026	**113.77**	**480.72**	**83.15**	**98.62**	**68.21**	**83.18**	**0.72**	**1.66**	**930.03**	**128.34**	**15.90**	**32.77**
Additions	-	-	0.23	7.80	8.57	1.92	0.14	-	**18.66**	15.43	0.27	2.46
Borrowing Cost Capitalised	-	-	-	-	-	-	-	-	-	3.52	-	-
Disposals / Adjustments	-	-	(0.05)	(4.50)	(3.44)	(0.76)	(0.10)	-	**(8.85)**	-	-	-
Gross Carrying Amount as on 30.09.2026 (A)	**113.77**	**480.72**	**83.33**	**101.92**	**73.34**	**84.34**	**0.76**	**1.66**	**939.84**	**147.29**	**16.17**	**35.23**
Accumulated Depreciation / Amortisation as on 01.04.2026	-	**56.84**	**34.10**	**55.49**	**33.95**	**38.12**	**0.19**	**1.66**	**220.35**	-	-	**26.59**
Charge for the period	-	3.84	4.49	11.97	7.32	4.64	0.03	-	**32.29**	-	-	0.94
Assets disposed /written off from books	-	-	(0.01)	(3.07)	(0.65)	0.18	(0.03)	-	**(3.58)**	-	-	-
Accumulated Depreciation / Amortisation as on 30.09.2026 (B)	-	**60.68**	**38.58**	**64.39**	**40.62**	**42.94**	**0.19**	**1.66**	**249.06**	-	-	**27.53**
Net Carrying Amount as on 30.09.2026 (A-B)	**113.77**	**420.04**	**44.75**	**37.53**	**32.72**	**41.40**	**0.57**	-	**690.78**	**147.29**	**16.17**	**7.70**

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FY 2025-26

(₹ in crore)

Particulars	Property, Plant and Equipment (PPE)									Capital Work-in-Progress	Intangible Assets under development	Other Intangible assets
	Freehold Land	Buildings	Plant & Equipment	EDP Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Leasehold Improvements	Total	Immovable property	Computer Software	Computer Software
Gross Carrying Amount as on 01.04.2025	**113.77**	**479.36**	**83.23**	**71.93**	**77.23**	**86.51**	**0.64**	**1.66**	**914.33**	**76.21**	**11.98**	**32.07**
Additions	-	-	-	10.39	9.60	2.55	0.03	-	**22.57**	26.04	3.75	0.22
Borrowing Cost Capitalised	-	-	-	-	-	-	-	-	-	2.85	-	-
Disposals / Adjustments	-	-	(0.18)	(5.14)	(6.34)	(2.88)	-	-	**(14.54)**	-	-	-
Gross Carrying Amount as on 30.09.2025 (A)	**113.77**	**479.36**	**83.05**	**77.18**	**80.49**	**86.18**	**0.67**	**1.66**	**922.36**	**105.10**	**15.73**	**32.29**
Accumulated Depreciation / Amortisation as on 01.04.2025	-	**49.18**	**25.20**	**47.62**	**39.55**	**35.48**	**0.18**	**1.66**	**198.87**	-	-	**25.00**
Charge for the period	-	3.84	4.48	6.55	8.35	4.06	0.03	-	27.31	-	-	0.81
Assets disposed /written off from books	-	(0.01)	-	(3.75)	(4.12)	(1.16)	(0.01)	-	(9.05)	-	-	-
Accumulated Depreciation / Amortisation as on 30.09.2025 (B)	-	**53.01**	**29.68**	**50.42**	**43.78**	**38.38**	**0.20**	**1.66**	**217.13**	-	-	**25.81**
Net Carrying Amount as on 30.09.2025 (A-B)	**113.77**	**426.35**	**53.37**	**26.76**	**36.71**	**47.80**	**0.47**	-	**705.23**	**105.10**	**15.73**	**6.48**

Right-of-use Assets

(₹ in crore)

Particulars	As at 30.09.2026	As at 30.09.2025
Opening Balance of Leasehold Land	38.00	37.17
Additions	-	-
Less: Disposal / Adjustment	0.03	-
Less: Depreciation*	(0.86)	(1.43)
Closing Balance of Leasehold Land	**37.17**	**35.74**

* As required by Ind AS 116 'Leases', Depreciation expense on Right-of-Use assets is included under Depreciation, Amortization and Impairment line item in the Consolidated Statement of Profit and Loss.

11 Other Non-Financial Assets

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2026	As at 31.03.2026
(i)	Prepaid Expenses	30.49	8.11
(ii)	Deferred Employee Costs	86.54	86.16
(iii)	Advance towards Capital assets	1,590.28	1,594.26
(iv)	Excess Spent - CSR Expenses	-	0.47
(v)	Amount Recoverable From Income Tax Deptt.	51.82	61.69
(vi)	Advance Towards Contractual Obligations - CSR	28.67	39.05
(vii)	Security Deposits - Non Refundable	18.40	18.40
(viii)	Other assets	66.66	80.68
	Total Other Non-Financial Assets	**1,872.86**	**1,888.82**

12 Assets Classified as held for sale*

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2026	As at 31.03.2026
(A)	**Assets classified as held for sale**		
(i)	Investment in associates	1.09	1.33
(ii)	Loan to associates	30.16	33.92
	Sub Total (i+ii+iii)	**31.25**	**35.25**
(B)	Asset Classified as Held for Sale - Building	0.01	0.01
	Total (A+B)	**31.26**	**35.26**
(C)	**Liabilities directly associated with assets classified as held for sale**	-	-
(i)	Less : Payable to associates	-	-
	Total (C)	-	-
	Disposal Group - Net assets (A+B+C)	**31.26**	**35.26**

*Pertains to PFC's Subsidiaries - REC Ltd. and PFC Consulting Ltd.

13 Payables

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2026	As at 31.03.2026
	Trade Payables		
(i)	Total outstanding dues of Micro, Small and Medium Enterprises	0.43	2.35
(ii)	Total outstanding dues of creditors other than Micro, Small and Medium Enterprises	195.97	208.22
	Other Payables		
(iii)	Total outstanding dues of Micro, Small and Medium Enterprises	1.42	2.07
(iv)	Total outstanding dues of creditors other than Micro, Small and Medium Enterprises	9.80	14.21
	Total Payables	**207.62**	**226.85**

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14 Debt Securities

The Company and its Subsidiary REC Ltd., have categorised Debt Securities at amortised cost in accordance with the requirements of Ind AS 109 'Financial Instruments'.

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2026	As at 31.03.2026
(A)	**Secured Bonds / Debenture**		
(i)	- Infrastructure Bonds	13.90	38.51
(ii)	- Tax Free Bonds	15,578.46	15,578.46
(iii)	- 54EC Capital Gain Tax Exemption Bonds	52,780.96	53,428.97
(iv)	- Taxable Bonds	7,721.28	7,826.87
(v)	- Bond Application Money	253.63	525.42
	Sub-Total (A)	**76,348.23**	**77,398.23**
(B)	**Unsecured Bonds / Debenture**		
(i)	- Infrastructure Bonds	3.96	3.96
(ii)	- Taxable Bonds	4,64,139.33	4,74,924.10
(iii)	- Foreign Currency Notes	69,394.06	67,469.13
(iv)	- Commercial Paper	15,034.60	9,505.37
	Sub-Total (B)	**5,48,571.95**	**5,51,902.56**
(C)	**Total Principal Outstanding of Debt Securities (A+B)**	**6,24,920.18**	**6,29,300.79**
(D)	Interest accrued but not due on (C) above	18,270.09	18,822.32
(E)	Unamortised Transaction Cost on (C) above	(825.63)	(768.94)
(F)	Hedging Adjustments - Loan Liability - FV Hedge on (C) above	(133.05)	(208.33)
	Total Debt Securities (iii to vi)	**6,42,231.59**	**6,47,145.84**
	Geography wise Debt Securities		
(i)	Debt Securities in India	5,72,340.09	5,79,312.96
(ii)	Debt Securities outside India	69,891.50	67,832.88
	Total Geography wise Debt Securities	**6,42,231.59**	**6,47,145.84**

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15 Borrowings (other than Debt Securities)

The Company and its Subsidiary REC Ltd., have categorised Borrowings (other than Debt Securities) at amortised cost in accordance with the requirements of Ind AS 109 'Financial Instruments'.

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2026	As at 31.03.2026
(A)	**Secured Borrowings**		
(i)	Other Loans from Banks		
	- Loan against Term Deposits	582.46	849.12
	Sub-Total (A)	**582.46**	**849.12**
(B)	**Unsecured Borrowings**		
(i)	Term Loans from Banks and Financial Institutions		
	- Foreign Currency Loans	1,69,578.16	1,61,869.70
	- Rupee Term Loans	1,53,889.76	1,51,574.75
(ii)	Term Loans From other Parties		
	- Foreign Currency Loans- Multilateral/Bilateral Agencies	15,472.21	14,562.72
	- Rupee Term Loans - NSSF	17,500.00	17,500.00
(iii)	Other Loans from Banks		
	Working Capital Demand Loan / Overdraft / Cash Credit / Line of Credit	5,464.05	5,368.71
	Sub-Total (B)	**3,61,904.18**	**3,50,875.88**
(C)	**Total Principal Outstanding of Borrowings (other than Debt Securities) (A+B)**	**3,62,486.64**	**3,51,725.00**
(D)	Interest accrued but not due on (C) above	1,897.69	1,577.00
(E)	Unamortised Transaction Cost on (C) above	(1,324.89)	(1,365.58)
	Total Borrowings (other than Debt Securities) (C to E)	**3,63,059.44**	**3,51,936.42**
	Geography wise Borrowings		
(i)	Borrowings in India	1,83,023.74	1,84,002.93
(ii)	Borrowings outside India	1,80,035.70	1,67,933.49
	Total Geography wise Borrowings	**3,63,059.44**	**3,51,936.42**

16 Subordinated Liabilities

The Company and its Subsidiary REC Ltd., have categorised Subordinated Liabilities at amortised cost in accordance with the requirements of Ind AS 109 'Financial Instruments'.

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2026	As at 31.03.2026
(A)	**Subordinated Liabilities (Unsecured)**		
(i)	Perpetual Debt Instruments (Principal Outstanding)	5,660.00	5,660.00
(ii)	Subordinated Bonds (Principal Outstanding)	7,562.20	7,562.20
(B)	**Total Principal Outstanding of Subordinated Liabilities**	**13,222.20**	**13,222.20**
(C)	Interest accrued but not due on (B) above	479.51	364.03
(D)	Unamortised Transaction Cost on (B) above	(111.78)	(143.37)
(E)	Hedging Adjustments - Loan Liability - FV Hedge on (B) above	(8.72)	(21.66)
	Total Subordinated Liabilities	**13,581.21**	**13,421.20**
	Geography wise Subordinated Liabilities		
(i)	Subordinated Bonds in India	13,581.21	13,421.20
(ii)	Subordinated Bonds outside India	-	-
	Total Geography wise Subordinated Liabilities	**13,581.21**	**13,421.20**

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17 Other Financial Liabilities

The Group has categorised Other Financial Liabilities at amortised cost in accordance with the requirements of Ind AS 109 'Financial Instruments' other than "Lease Liability" presented below, which is measured in accordance with Ind AS 116 'Leases'.

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2026	As at 31.03.2026
(i)	Payable on account of Unsecured Government of India Serviced Bonds	29,357.36	29,356.50
(ii)	Advance received from Associates	111.38	111.38
(iii)	Unclaimed Dividends	57.93	99.10
(iv)	Unclaimed - Bonds and Interest Accrued thereon		
	- Unclaimed Bonds	28.07	25.08
	- Unclaimed Interest on Bonds	116.18	96.48
(v)	Others		
	- Interest on application money and interest accrued thereon	0.12	0.75
	- Interest on Subsidy Fund and other GOI Funds for disbursement	455.73	56.42
	- Lease Liability	12.26	12.84
	- Derivative Liability - Variation Margin	23,684.78	16,705.42
	- Excess amounts received for Loan Assets	857.82	3,527.55
	- Other liabilities*	1,628.65	1,984.38
	Total Other Financial Liabilities	**56,310.28**	**51,975.90**

*Excludes unreconciled balances from two subsidiaries amounting to ₹ 0.33 crore.

18 Provisions

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2026	As at 31.03.2026
(i)	For Employee Benefits		
	- Gratuity	3.30	5.35
	- Leave Encashment	124.29	122.51
	- Economic Rehabilitation of Employees	14.81	14.64
	- Provision for Bonus / Incentive	62.97	89.92
	- Provision for Staff Welfare Expenses	65.12	58.36
(ii)	Impairment Loss Allowance - Letter of Comfort & Letter of Undertaking	62.41	54.94
(iii)	Impairment Loss Allowance - Undrawn Loan Commitment	662.11	417.23
(iv)	Provision for Unspent CSR Expense	704.99	613.11
(v)	Provision for other expenses	-	-
	Total Provisions	**1,700.00**	**1,376.06**

19 Other Non-Financial Liabilities

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2026	As at 31.03.2026
(i)	Unamortised Fee - Undisbursed Loans Assets	579.76	766.36
(ii)	Sundry Liabilities Account (Interest Capitalisation)	95.45	96.35
(iii)	Statutory dues payable	128.69	196.82
(iv)	Advance received from Govt. towards Govt. Schemes	-	-
(v)	Others	75.64	83.77
	Total Other Non-Financial Liabilities	**879.54**	**1,143.30**

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20 Equity Share Capital

Sr. No.	Particulars	As at 30.09.2026		As at 31.03.2026	
		Number	Amount (₹ in crore)	Number	Amount (₹ in crore)
(A)	**Authorised Capital**				
	Equity Share Capital (Par Value per share ₹ 10)	11,00,00,00,000	11,000.00	11,00,00,00,000	11,000.00
	Preference Share Capital (Par Value per share ₹ 10)	20,00,00,000	200.00	20,00,00,000	200.00
(B)	**Issued, Subscribed and Fully Paid-up Capital**				
	Equity Share Capital (Par Value per share ₹ 10)	3,30,01,01,760	3,300.10	3,30,01,01,760	3,300.10
(C)	**Reconciliation of Equity Share Capital**				
	Opening Equity Share Capital	3,30,01,01,760	3,300.10	3,30,01,01,760	3,300.10
	Changes during the period		-		-
	Closing Equity Share capital	**3,30,01,01,760**	**3,300.10**	**3,30,01,01,760**	**3,300.10**

21 Other Equity

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2026	As at 31.03.2026
(A)	**Other Reserves**		
(i)	Capital Reserve - Common Control	(13,114.50)	(13,114.50)
(ii)	Securities Premium	2,946.07	2,946.07
(iii)	Foreign Currency Monetary Item Translation Difference Account	(709.95)	(920.95)
(iv)	Special Reserve created u/s 45-IC of Reserve Bank of India Act, 1934	30,721.53	27,981.32
(v)	Reserve for Bad & Doubtful debts u/s 31(1) of Income Tax Act, 2025 (section 36 (1) (viia)(c) of erstwhile Income Tax Act, 1961)	1,099.66	1,377.58
(vi)	Special Reserve created u/s 32(e) of Income Tax Act, 2025 (Section 36(1)(viii) of erstwhile Income Tax Act, 1961) upto Financial Year 1996	599.85	599.85
(vii)	Special Reserve created and maintainedu/s 32(e) of Income Tax Act, 2025 (Section 36(1)(viii) of erstwhile Income Tax Act, 1961) from Finar	57,239.95	54,481.75
(viii)	Interest Differential Reserve - KFW Loan	71.31	68.77
(ix)	General Reserve	26,447.73	25,478.34
(x)	Impairment Reserve	671.56	89.18
(B)	**Retained Earnings**	39,729.77	36,045.99
(C)	**Other Comprehensive Income (OCI) Reserves**		
(xi)	Equity Instruments through Other Comprehensive Income	812.14	797.27
(xii)	Effective portion of Cash Flow Hedges	(1,812.58)	(2,895.89)
(xiii)	Costs of Hedging Reserve	(1,169.06)	(3,406.05)
(xiv)	Exchange differences in translating the financials of foreign operations	40.28	32.10
	Total Other Equity	**1,43,573.77**	**1,29,560.84**

22 Non-Controlling Interest

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2026	As at 31.03.2026
	Balance at the beginning of the year	**40,021.68**	**36,858.48**
(i)	Share of Net Profit for the period	3,633.14	7,724.39
(ii)	Re-measurement of Defined Benefit Plans	1.13	0.39
(iii)	Share of Other Comprehensive Income / (Expense)	1,801.60	(1,973.79)
	Share of Total Comprehensive Income	**5,435.87**	**5,750.99**
(i)	Dividend Declared/ Proposed to Non-Controlling Interest	(723.39)	(2,444.57)
(ii)	Dividend Distribution tax paid for Non-Controlling Interest	-	-
(ii)	Others	101.88	(143.21)
	Balance at the end of the year - towards Equity Share Holders	**44,836.04**	**40,021.68**
	Towards Instruments Entirely Equity in Nature	558.40	558.40
	Total Non - Controlling Interest	**45,394.44**	**40,580.08**

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23 Interest Income

(₹ in crore)

Sr. No.	Particulars	Half Year ended 30.09.2026	Half Year ended 30.09.2025
A	**On Financial Assets measured at Amortised Cost**		
(i)	Interest on Loans	55,288.82	55,396.18
	Less : Rebate for Timely Payment to Borrowers	(71.90)	(96.04)
(ii)	Interest on Deposits with Banks	253.90	253.34
(iii)	Interest on Investment	464.00	364.97
(iv)	Other Interest Income	296.17	339.34
	Subtotal (A)	**56,230.99**	**56,257.79**
B	**On Financial Assets classified at Fair Value Through Profit or Loss**		
(i)	Interest on Investment	40.54	40.58
(ii)	Other Income	14.08	28.63
	Subtotal (B)	**54.62**	**69.21**
	Total Interest Income (A+B)	**56,285.61**	**56,327.00**

24 Fees and Commission Income

(₹ in crore)

Sr. No.	Particulars	Half Year ended 30.09.2026	Half Year ended 30.09.2025
(i)	Prepayment Premium on Loans	552.88	703.84
(ii)	Fee based Income on Loans	103.85	122.83
(iii)	Fee for implementation of GoI Schemes	18.73	0.08
	Total Fees and Commission Income	**675.46**	**826.75**

25A Other Operating Income

(₹ in crore)

Sr. No.	Particulars	Half Year ended 30.09.2026	Half Year ended 30.09.2025
(i)	Sale of Services	559.04	240.85
	Total Other Operating Income	**559.04**	**240.85**

25B Cost of services rendered

(₹ in crore)

Sr. No.	Particulars	Half Year ended 30.09.2026	Half Year ended 30.09.2025
(i)	Project and consultancy expenses	265.23	116.36
	Total Cost of services rendered	**265.23**	**116.36**

26 Other Income

(₹ in crore)

Sr. No.	Particulars	Half Year ended 30.09.2026	Half Year ended 30.09.2025
(i)	Excess Liabilities written back	5.46	-
(ii)	Miscellaneous Income	220.79	100.60
	Total Other Income	**226.25**	**100.60**

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27 Finance Costs

(₹ in crore)

Sr. No.	Particulars	Half Year ended 30.09.2026	Half Year ended 30.09.2025
	On Financial Liabilities Measured At Amortised Cost		
(i)	**Interest on Borrowings (other than Debt Securities)**		
	- Term Loans and others	9,638.21	9,696.27
(ii)	**Interest on Debt Securities**		
	- Bonds / Debentures	21,496.38	21,244.89
	- Commercial Paper	238.68	143.22
(iii)	**Interest on Subordinated Liabilities**	550.35	548.28
(iv)	**Other Interest Expense**		
	- Interest under Income Tax Act, 1961	4.31	-
	- Interest expense on Variation Margin	504.24	346.72
	- Interest on liability towards employee benefits	4.66	4.24
	- Other interest expense	0.49	0.52
	Less: Finance Cost Capitalised	(3.52)	(2.85)
(v)	**Swap Premium (Net)**	2,874.37	2,528.47
	Total Finance Costs	**35,308.17**	**34,509.76**

28 Fees and Commission Expense

(₹ in crore)

Sr. No.	Particulars	Half Year ended 30.09.2026	Half Year ended 30.09.2025
(i)	Agency Fees	2.69	3.37
(ii)	Guarantee, Listing and Trusteeship fees	11.37	7.22
(iii)	Credit Rating Fees	5.60	10.26
(iv)	Other Finance Charges	6.21	6.88
	Total Fees and Commission Expense	**25.87**	**27.73**

29 Net Loss / (Gain) on Fair Value changes

(₹ in crore)

Sr. No.	Particulars	Half Year ended 30.09.2026	Half Year ended 30.09.2025
	On financial instruments at Fair value through Profit or Loss:		
(i)	**On trading Portfolio**	-	-
(ii)	**Others**		
	- Change in Fair Value of Derivatives	299.55	659.86
	- Change in Fair Value of Investments	23.89	(79.45)
	- Change in Fair Value of Short Term Investment of Surplus Funds in Mutual	-	-
	Subtotal (ii)	**323.44**	**580.41**
	Total Net Loss / (Gain) on Fair Value changes (i+ii)	**323.44**	**580.41**

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30 Impairment on Financial Instruments

(₹ in crore)

Sr. No.	Particulars	Half Year ended 30.09.2026	Half Year ended 30.09.2025
A	**On Financial Assets measured at Amortised Cost:**		
(i)	Loans	(1,336.66)	(849.78)
(ii)	Other Financial Assets and Trade Receivables	(26.19)	24.18
(iii)	Letter of Comfort & Letter of Undertaking	(4.77)	(84.89)
(iv)	Undrawn Loan Commitment	17.03	-
(v)	Investments	0.38	
B	**On Financial Assets measured at Cost**		
(i)	Investment		0.57
	Total Impairment on Financial Instruments	**(1,350.21)**	**(909.92)**

31 Employee Benefit Expenses

(₹ in crore)

Sr. No.	Particulars	Half Year ended 30.09.2026	Half Year ended 30.09.2025
(i)	Salaries and Wages	185.44	178.50
(ii)	Contribution to Provident and other Funds/ Schemes	33.21	27.03
(iii)	Staff Welfare Expenses	74.13	60.23
(iv)	Rent for Residential Accommodation of Employees	17.67	15.23
	Total Employee Benefit Expenses	**310.45**	**280.99**

32 Other Expenses

(₹ in crore)

Sr. No.	Particulars	Half Year ended 30.09.2026	Half Year ended 30.09.2025
(i)	Rent, Taxes and Energy Cost	11.67	10.29
(ii)	Repairs and Maintenance	36.25	21.37
(iii)	Communication Costs	5.42	5.10
(iv)	Printing and Stationery	1.52	1.31
(v)	Advertisement and Publicity	12.08	12.46
(vi)	Directors Fees, Allowance & Expenses	0.35	0.48
(vii)	Auditor's fees and expenses	2.09	1.83
(viii)	Legal & Professional charges	11.04	8.93
(ix)	Insurance	0.28	0.24
(x)	Travelling and Conveyance	26.12	26.35
(xi)	Net Loss / (Gain) on derecognition of Property, Plant and Equipment	4.78	5.33
(xii)	Govt. scheme monitoring expense	14.22	14.31
(xiii)	Conference And Meeting Expenses	9.73	4.56
(xiv)	Security Expenses	2.24	2.09
(xv)	Other Expenditure	35.37	36.21
	Total Other Expenses	**173.16**	**150.86**

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1 Group's Material Accounting Policy Information

The Group's material accounting policy information in regard to preparation of the Consolidated Financial Statements is as given below:

1.1 Basis of Preparation and Measurement

These Consolidated Financial Statements have been prepared on going concern basis following accrual system of accounting. The assets and liabilities have been measured at historical cost or at amortised cost or at fair value as applicable at the end of each reporting period. The functional currency of the Group is Indian Rupees (₹) except for PIFIL, whose functional currency is USD.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

Fair value measurements are categorised into Level 1, 2 or 3 as per Ind AS requirement, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

1.2 Basis of Consolidation

The Consolidated Financial Statements incorporate the financial statements of the Company and its subsidiaries (collectively referred as the "Group"). The Group has investment in joint venture entity and associates which are accounted using equity method (except when the investment is classified as held for sale) in these Consolidated Financial Statements.

The financial statements of Subsidiaries, Joint Venture and Associates are drawn up to the same reporting date as of the Company for the purpose of Consolidation.

(i) **Subsidiaries:**

A subsidiary is an entity over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which the Company obtains the control (except for Business Combinations under Common Control).

The Company combines the financial statements of its subsidiaries on a line by line basis, adding together like items of assets, liabilities, equity, income and expenses. The carrying amount of the Company's investment in each subsidiary and the Company's portion of equity of each subsidiary are eliminated. Intercompany transactions, balances, unrealised gains on transactions between the Company and subsidiaries are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

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Non-controlling interests (NCI) represent the proportion of income, other comprehensive income and net assets in subsidiaries that is not attributable to the Company's shareholders. Non-controlling interests are initially measured at the proportionate share of the recognised amounts of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non- controlling interests is the amount of the interest at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

The Consolidated Financial Statements are prepared using uniform accounting policies consistently for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's Standalone Financial Statements except as otherwise stated. When necessary, adjustments are made to the financial statements to bring their accounting policies in line with the Group's material Accounting Policies.

If the Company loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognized in Consolidated Statement of Profit and Loss.

(ii) **Joint Venture and Associates:**

A Joint Venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

An Associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of Joint Venture or Associates are incorporated in these Consolidated Financial Statements using the equity method of accounting, except when the investment or a portion thereof, is classified as held for sale, in which case it is measured at lower of their carrying amount and fair value less cost to sell. Under the equity method, an investment in a Joint Venture or Associate is initially recognised in the Consolidated Balance Sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the Joint Venture or Associate. Distributions received from a joint venture/ associate reduce the carrying amount of the investment.

Upon loss of joint control over the Joint Venture or significant influence over the Associate, the Company measures and recognises any retained investment at its fair value. Any difference between a) the carrying amount of the Joint Venture or Associate upon loss of joint control or significant influence respectively and b) the fair value of the retained investment and proceeds from disposal is recognised in Consolidated Statement of Profit and Loss.

1.3 Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits. The Group considers cash equivalents as all short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

1.4 Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instruments.

On initial recognition, financial assets and financial liabilities are recognised at fair value plus/ minus transaction cost that is attributable to the acquisition or issue of financial assets and financial liabilities. In case of financial assets and financial liabilities which are recognised at fair value through profit and loss (FVTPL), its transaction costs are recognised in Consolidated Statement of Profit and Loss.

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1.4.1 **Financial Assets**

All regular way purchases or sales of financial assets are recognised and derecognised on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

After initial recognition, financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(i) Classification and Measurement of Financial Assets (other than Equity instruments)

(a) Financial Assets at Amortised Cost:

Financial assets that meet the following conditions are subsequently measured at amortised cost using Effective Interest Rate method (EIR):

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Effective Interest Rate (EIR) method

The effective interest rate method is a method of calculating the amortised cost of financial asset and of allocating interest income over the expected life. The Group while applying EIR method, generally amortises any fee, transaction costs and other premiums or discount that are integral part of the effective interest rate of a financial instrument.

Income is recognised in the Consolidated Statement of Profit and Loss on an effective interest rate basis for financial assets other than those classified as at FVTPL.

EIR is determined at the initial recognition of the financial asset. EIR is subsequently updated at every reset, in accordance with the terms of the respective contract.

Once the terms of financial assets are renegotiated, other than market driven interest rate movement, any gain / loss measured using the previous EIR as calculated before the modification, is recognised in the Consolidated Statement of Profit and Loss in period during which such renegotiations occur.

(b) Financial Assets at Fair Value Through Other Comprehensive Income (FVTOCI)

A financial asset is measured at FVTOCI if both the following conditions are met:

- the objective of the business model is achieved both by collecting contractual cash flows and selling the financial asset; and
- the contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

All fair value changes are recognised in Consolidated Other Comprehensive Income (OCI) and accumulated in Consolidated Reserve.

(c) Financial Assets at Fair Value Through Profit or Loss (FVTPL)

A financial asset is measured at FVTPL unless it is measured at amortised cost or FVTOCI, with all changes in fair value recognised in Consolidated Statement of Profit and Loss.

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Business Model

An assessment of business model for managing financial assets is fundamental to the classification of a financial asset. The Group determines the business model at a level that reflects how financial assets are managed together to achieve a particular business objective of generating cash flows. The Group's business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The Group is primarily in the business of providing loans across power sector, logistics & infrastructure sector and such loans are managed to realize the contractual cash flows over the tenure of the loan. Further, other financial assets may also be held by the Group to collect the contractual cash flows.

(ii) Classification, Measurement and Derecognition of Equity Instruments

All equity investments other than in subsidiaries, joint ventures and associates are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group at initial recognition makes an irrevocable election to classify it as either FVTOCI or FVTPL. The Group makes such election on an instrument by instrument basis.

An equity investment classified as FVTOCI is initially measured at fair value plus transaction costs. Subsequently, it is measured at fair value and, all fair value changes are recognised in Consolidated Other Comprehensive Income (OCI) and accumulated in Consolidated Reserve. There is no recycling of the amounts from Consolidated OCI to Consolidated Statement of Profit and Loss, even on sale of investment. However, the Group transfers the cumulative gain/loss within consolidated equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Consolidated Statement of Profit and Loss.

(iii) Impairment of Financial Assets

Subsequent to initial recognition, the Group recognises expected credit loss (ECL) on financial assets measured at amortised cost as required under Ind AS 109 'Financial Instruments'. The Group presents the ECL charge or reversal (where the net amount is a negative balance for a particular period) in the Consolidated Statement of Profit and Loss as "Impairment on financial instruments" and as a cumulative deduction from gross carrying amount in the Consolidated Balance Sheet, wherever applicable.

(a) Impairment of Loan Assets, Investments (other than equity) and commitments under Letter of Comfort (LoC) & Letter of Undertaking (LoU):

The Group measures ECL on loan assets (including Credit Conversation Factor (CCF) applied undrawn commitment thereof)and Investments (other than equity)at an amount equal to the lifetime ECL if there is credit impairment or there has been significant increase in credit risk (SICR) since initial recognition. If there is no SICR as compared to initial recognition, the Group measures ECL at an amount equal to 12-month ECL. When making the assessment of whether there has been a SICR since initial recognition, the Group considers reasonable and supportable information, that is available without undue cost or effort. If the Group measured loss allowance as lifetime ECL in the previous period, but determines in a subsequent period that there has been no SICR since initial recognition due to improvement in credit quality, the Group again measures the loss allowance based on 12-month ECL.

ECL is measured on individual basis for credit impaired loan assets, and on other loan assets it is measured on collective basis using homogenous groups.

The Group measures impairment on commitments under LoC & LoU by applying loan-wise ECL percentage on the same.

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(b) Impairment of other financial assets :
ECL on other financial assets is measured at an amount equal to life time expected losses.

(c) Financial assets are written off by RECL either partially or in their entirety only when it has stopped pursuing the recovery or as directed by the order of the Judicial Authority.

A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off/ may assign / sell loan exposure to ARC / Bank / a financial institution for a negotiated consideration.

Recoveries resulting from the Company's enforcement activities are recorded in statement of profit and loss.

(iv) **De-recognition of Financial Assets**
The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset along with all the substantial risks and rewards of ownership of the asset to another party. The renegotiation or modification of the contractual cash flows of a financial asset can also lead to derecognition of the existing financial asset.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received & receivable, and the cumulative gain or loss that had been recognised in Consolidated Other Comprehensive Income and accumulated in Consolidated Equity, is recognised in Consolidated Statement of Profit and Loss if such gain or loss would have otherwise been recognised in Consolidated Statement of Profit and Loss on disposal of that financial asset.

1.4.2 Financial Liabilities

(i) All financial liabilities other than derivatives and financial guarantee contracts are subsequently measured at amortised cost using the effective interest rate (EIR) method.

EIR is determined at the initial recognition of the financial liability. EIR is subsequently updated for financial liabilities having floating interest rate, at the respective reset date, in accordance with the terms of the respective contract.

(ii) Financial guarantee
A financial guarantee issued by the Group is initially measured at fair value and, if not designated as at FVTPL, is subsequently measured at the higher of:
• the best estimate of expenditure required to settle any financial obligation arising as a result of the guarantee; and
• the amount initially recognised less, when appropriate, the cumulative amount of income recognised in the Consolidated Statement of Profit and Loss.

(iii) De-recognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid & payable is recognised in Consolidated Statement of Profit and Loss.

1.4.3 Derivative Financial Instruments

(i) The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks.

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(ii) Under hedge accounting, an entity can designate derivative contracts either as cashflow hedge or fair value hedge.

(iii) To qualify for hedge accounting, the hedging relationship must meet all of the following requirements:

- there is an economic relationship between the hedged item and the hedging instrument.
- the effect of credit risk does not dominate the value changes that result from that economic relationship.
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

(iv) Cash flow hedge

The hedging instruments which meets the qualifying criteria for hedge accounting are designated as cash flow hedge. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in Other Comprehensive Income. The change in intrinsic value of hedging instruments is recognized in 'Effective Portion of Cash Flow Hedges'. The amounts recognized in such reserve are reclassified to the Consolidated Statement of Profit or Loss when the hedged item affects profit or loss. Further, the change in fair value of the time value of a hedging instruments is recognized in 'Cost of Hedging Reserve'. The amounts recognized in such reserve are amortized to the Consolidated Statement of Profit and Loss on a systematic basis. The gain or loss relating to ineffective portion is recognized immediately in Consolidated Statement of Profit and Loss.

(v) Fair Value hedge

A. In respect of PFC

PFC remeasures the hedged item for fair value changes attributable to the hedged risk (i.e. changes in the benchmark rate). Such fair value hedge adjustment are recognised in the Consolidated Statement of Profit and Loss at end of every reporting period. The change in fair value of the underlying hedged item on account of attributable hedged risk (benchmark rate) is offset by corresponding change in fair value of the derivative (Fixed to Float IRS).

B. In respect of RECL

In line with the recognition of change in the fair value of the hedging instruments in the Consolidated Statement of Profit & Loss, the change in the fair value of the hedged item attributable to the risk hedged is recognised in the Consolidated Statement of Profit and Loss. Such changes are made to the carrying amount of the hedged item and are adjusted in Effective Interest Rate in the period when the hedging instrument ceases to exist. If the hedged item is derecognised, the unamortised fair value is recognised immediately in Consolidated Statement of Profit and Loss.

(vi) Hedge accounting is discontinued when the hedging instrument expires, or terminated, or exercised, or when it no longer qualifies for hedge accounting.

(vii) Derivatives, other than those designated under hedge relationship, are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Consolidated Statement of Profit and Loss.







1.4.4 Embedded Derivatives

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative cause some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, foreign exchange rate, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract.

Derivatives embedded in all host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts or if the embedded derivative feature leverages the exposure and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

1.5 Offsetting of Financial Assets and Financial Liabilities

Financial Assets and Financial Liabilities are offset and the net amount is reported in the Balance Sheet when currently there is legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

1.6 Property, Plant and Equipment (PPE) and Depreciation

(i) Items of PPE are initially recognised at cost. Subsequent measurement is done at cost less accumulated depreciation and accumulated impairment losses, if any, except for freehold land which is not depreciated. An item of PPE retired from active use and held for disposal is stated at lower of its book value or net realizable value.

(ii) The expenditure incurred on improvement of leasehold premises is recognised at cost and is shown as "Leasehold Improvements" under PPE.

(iii) In case of assets put to use, capitalisation is done on the basis of bills approved or estimated value of work done as per contracts where final bill(s) is/are yet to be received / approved subject to necessary adjustment in the year of final settlement.

(iv) Cost of replacing part of an item of PPE is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. Maintenance or servicing costs of PPE are recognized in Consolidated Statement of Profit and Loss as incurred.

(v) Under-construction PPE is carried at cost, less any recognised impairment loss. Such PPE items are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as of other assets, commences when the assets are ready for their intended use.

(vi) Depreciation is recognised so as to write-off the cost of assets less their residual values[#] as per written down value method[*], over the useful lives as prescribed in Schedule II to the Companies Act, 2013, except following:

Nature of PPE	Life of PPE
Cell phones	Expensed off in the year of purchase
Lease hold improvement[(1)]	Lease period or their useful lives whichever is shorter (in case of PFCCL)

[#] Residual value is estimated as 5% of the original cost of PPE.

[*] Depreciation is provided using Straight line method by RECL.

[(1)] Leasehold Improvements are amortised on straight line basis.

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(vii) Depreciation on additions to/deductions from PPE during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed (charged for full month if asset is in use for more than 15 days in case of RECL).

(viii) An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the de-recognition of an item of PPE is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Consolidated Statement of Profit and Loss.

(ix) Capital expenditure directly attributable for Smart metering project are initially shown in 'Capital work-in-progress' (net of contribution from client) and capitalised as PPE when it is ready for use. Depreciation on items of PPE in smart metering project is recognised on pro-rata basis on Straight Line Method over the useful life of assets not exceeding project implementation period of 99 months.

(x) Items of PPE costing up to ₹ 10,000/- each are fully depreciated. Further PPE whose WDV as at the beginning of the year is up to Rs. 10,000/, are fully depreciated in PFCCL and PFCL.

(xi) The cost of PPE under construction at the reporting date is disclosed as 'Capital work-in-progress'. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Advances paid for the acquisition/ construction of PPE which are outstanding at the Balance Sheet date are classified under 'Capital Advances.'

1.7 Investment property

Recognition and measurement

Investment property are properties held to earn rentals and/or for capital appreciation.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss, if any. The depreciation is charged on straight-line method over the useful life of the assets as prescribed under Part 'C' of Schedule II of the Companies Act, 2013.

Derecognition

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

Reclassification to / from investment property

Transfers are made to (or from) investment property only when there is a change in use. Transfers between investment property and owner-occupied property do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

Fair value disclosure

The fair value of investment property is disclosed in the notes. Fair value is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the relevant location and category of the investment property being valued.

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1.8 Intangible Assets and Amortisation

(i) Intangible assets with finite useful lives that are acquired separately are recognised at cost. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use. Subsequent measurement is done at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives.

(ii) Expenditure incurred which are eligible for capitalisation under intangible assets is carried as Intangible Assets under Development till they are ready for their intended use. Advances paid for the acquisition/ development of intangible assets which are outstanding at the balance sheet date are classified under 'Capital Advances'.

(iii) Estimated useful life of intangible assets with finite useful lives has been estimated by the Group as 5 years. In case of PFCCL, life is estimated as 36 months.

(iv) An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised.

1.9 Leases

For recognition, measurement and presentation of lease contracts, the Group applies the principles of Ind AS 116 'Leases'.

(i) **The Group as a lessee**

The Group at inception of a contract assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether (a) the Group has substantially all of the economic benefits from use of the asset through the period of the lease, and (b) the Group has the right to direct the use of the identified asset.

The Group at inception of a lease contract recognizes a Right-of-Use (RoU) asset at cost and a corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets which are recognised as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. RoU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use (RoU) assets are initially recognized at cost, which comprise the initial amount of the lease liability adjusted for any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. They are subsequently measured at cost less any accumulated depreciation and accumulated impairment losses. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

The lease liability is initially measured at amortised cost at the present value of future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the Group's incremental borrowing rates in the country of domicile of the leases.

Lease liabilities are re-measured with a corresponding adjustment to the related right-of-use (RoU) asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and RoU asset is separately presented in the Balance Sheet. Interest expense on lease liability is presented separately from depreciation on right of use asset as a component of finance cost in the Consolidated Statement of Profit and Loss. Lease payments for the principal portion are classified as Cash flow used in financing activities and lease payments for the interest portion are classified as Cash flow used in operating activities.

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(ii) **The Group as a lessor**

Leases for which the Group is a lessor is classified as a finance or operating lease. Contracts in which all the risks and rewards of the lease are substantially transferred to the lessee are classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

Amount due from lessee under finance leases is recognised as receivable at an amount equal to the net investment of the Group in the lease. Finance income on the lease is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of lease at the reporting date.

1.10 Assets/ Disposal Groups held for sale

Non-current Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and the sale is highly probable. A sale is considered as highly probable when such assets have been decided to be sold by the Group; are available for immediate sale in their present condition; are being actively marketed for sale at a price and the sale has been agreed or is expected to be concluded within one year of the date of classification. Such non-current assets are measured at lower of carrying amount or fair value less cost to sell.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Non-current assets held for sale are presented separately from other assets in the Consolidated Balance Sheet.

Where the Group is committed to a sale plan involving loss of control of an entity, it classifies investment in the entity (i.e. all the assets and liabilities of that entity) as held for sale.

1.11 Provisions, Contingent Liabilities and Contingent Assets

(i) Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, if it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(ii) The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

(iii) When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(iv) Where it is not probable that an outflow of economic benefits will be required or the amount cannot be estimated reliably, the obligation is disclosed as contingent liability in notes to accounts, unless the probability of outflow of economic benefits is remote.

(v) Contingent assets are not recognised in the Consolidated Financial Statements. However, contingent assets are disclosed in the Consolidated Financial Statements when inflow of economic benefits is probable.

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1.12 Recognition of Income and Expenditure

(i) Interest income on financial assets subsequently measured at amortized cost, is recognized using the Effective Interest Rate (EIR) method. The Effective Interest Rate (EIR) is the rate that exactly discounts estimated future cash receipts through expected life of the financial asset to that asset's net carrying amount on initial recognition.

(ii) Unless otherwise specified, the recoveries from the borrowers of RECL are appropriated in the order of (i) costs and expenses of RECL (ii) delayed and penal interest including interest tax, if any (iii) overdue interest including interest tax, if any and (iv) repayment of principal; the oldest being adjusted first, except for credit impaired loans and recalled loans, where principal amount is appropriated only after the complete recovery of other costs, expenses, delayed and penal interest and overdue interest including interest tax, if any. The recoveries under One Time Settlement (OTS)/ Insolvency and Bankruptcy Code (IBC) proceedings are appropriated first towards the principal outstanding and remaining recovery thereafter, towards interest and other charges, if any.

(iii) Interest on financial assets subsequently measured at fair value through profit and loss (FVTPL), is recognized on accrual basis in accordance with the terms of the respective contract and is disclosed separately under the head 'Interest Income'.

(iv) Rebate on account of timely payment of dues by borrowers is recognized on receipt of entire dues in time, in accordance with the terms of the respective contract and is netted against the corresponding interest income.

(v) The Group uses the principles laid down by Ind AS 115 to determine that how much and when revenue is recognized, what is the nature, amount, timing and uncertainty of revenues etc. In accordance with the same, revenue is recognised through a five-step approach:

a. Identify the contract(s) with customer;
b. Identify separate performance obligations in the contract;
c. Determine the transaction price;
d. Allocate the transaction price to the performance obligations; and
e. Recognise revenue when a performance obligation is satisfied.

Revenues are measured at the fair value of the consideration received or receivable, net of discounts and other indirect taxes.

In Cost Plus Contracts - Revenue is recognised by including eligible contractual items of expenditures plus proportionate margin as per contract;

In Fixed Price Contracts – Revenue is recognised on the basis of stage of completion of the contract. The Group has assessed that the stage of completion is determined as the proportion of the total time expected to complete the performance obligation to that has lapsed at the end of the reporting period, which is an appropriate measure of progress towards complete satisfaction of these performance obligations under Ind AS 115.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

(vi) Revenue from consulting services, in connection with development of Independent Transmission Projects (ITP) taken up as per the directions from the Ministry of Power, Government of India, is recognized when the ITP created for the project is transferred to a successful bidder evidenced by share purchase agreement. The expenses incurred on development of these projects which are not recovered as direct costs are recovered through billing manpower charges at agreed charge out rates decided by the company.

(vii) Income from Smart Metering services of PFCCL are recognised when bills for meter rent is raised to the clients and right to receive such income is established. Income from project development management agency charges (PDMA) during project implementation period is recognized over the period of contract.

(viii) Revenue from PRAAPTI Portal towards usage fee is recognised on accrual basis from registered users using the portal's invoice monitoring services and registration fee is recognised on registration of user on portal and receipt of registration fee.

(ix) Income from sale of bidding documents i.e. Request for proposal (RFP), Request for qualification (RFQ) etc. for Independent Transmission Projects (ITPs) etc. are accounted for when received.

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(x) Income from short /medium term bidding of power and Coal Flexibility Scheme is recognised when letter of award (LOA) is issued to the successful bidder.

(xi) Dividend income from investments including those measured at FVTPL, is recognized in Consolidated Statement of Profit and Loss under the head 'Dividend Income' when the Group's right to receive dividend is established and the amount of dividend can be measured reliably.

(xii) Rental income from investment property is recognised on a straight-line basis over the term of the lease.

(xiii) Interest expense on financial liabilities subsequently measured at amortized cost is recognized using Effective Interest Rate (EIR) method.

(xiv) Other income and expenses are accounted on accrual basis, in accordance with terms of the respective contract.

(xv) A Prepaid expense up to ₹ 1,00,000/- is recognized as expense upon initial recognition in the Consolidated Statement of Profit and Loss.

1.13 Foreign Currency Transactions and Translations

(i) Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction.

At the end of each reporting period, monetary items denominated in foreign currency are translated using exchange rates prevailing on the last day of the reporting period. Exchange differences on monetary items are recognised in the Consolidated Statement of Profit and Loss in the period in which they arise. However, for the long-term monetary items recognised in the consolidated financial statements before April 1 2018, such exchange differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortized over the balance period of such long term monetary item.

(ii) Financial statements of foreign operations whose functional currency is different than Indian Rupees are translated into Indian Rupees as follows:

(a) assets and liabilities for each Balance Sheet presented are translated at the closing rate at the date of that Balance Sheet;

(b) income and expenses for each income statement are translated at average exchange rates; and

(c) all resulting exchange differences are recognised in other comprehensive income and accumulated in equity as foreign currency translation reserve for subsequent reclassification to profit or loss on disposal of such foreign operations.

1.14 Borrowing Costs

Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition and/ or construction of a qualifying asset, till the time such a qualifying asset becomes ready for its intended use, are capitalized. A qualifying asset is one that necessarily takes a substantial period to get ready for its intended use.

All other borrowing costs are charged to the Consolidated Statement of Profit and Loss on an accrual basis as per the effective interest rate method.

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1.15 Employee Benefits

In respect of PFC

(i) Defined Contribution Plan

Company's contribution paid / payable during the reporting period towards pension is charged in the Statement of Profit and Loss when employees have rendered service entitling them to the contributions.

(ii) Defined Benefit Plan

The Company's obligation towards provident fund, gratuity to employees and post-retirement benefits such as medical benefit, economic rehabilitation benefit, and settlement allowance after retirement are determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Actuarial gain / loss on re-measurement of gratuity and other post-employment defined benefit plans are recognized in Other Comprehensive Income (OCI). Past service cost is recognized in the Statement of Profit and Loss in the period of a plan amendment.

In respect of group

(iii) Other long term employee benefits

The Group's obligation towards leave encashment, service award scheme is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These obligations are recognized in the Consolidated Statement of Profit and Loss.

(iv) Short term employee benefits

Short term employee benefits such as salaries and wages are recognised in the Consolidated Statement of Profit and Loss, in the period in which the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

(v) Loan to employees at concessional rate

Loans given to employees at concessional rate are initially recognized at fair value and subsequently measured at amortised cost. The difference between the initial fair value of such loans and transaction value is recognised as deferred employee cost upon issuance of Loan, which is amortised on a straight-line basis over the expected remaining period of the loan. In case of change in expected remaining period of the loan, the unamortised deferred employee cost on the date of change is amortised over the updated expected remaining period of the loan on a prospective basis.

In respect of RECL

(i) Defined Contribution Plan

A defined contribution plan is a plan under which the Company pays fixed contributions in respect of the employees into a separate fund. The Company has no legal or constructive obligations to pay further contributions after its payment of the fixed contribution. The contributions made by the Company towards defined contribution plans are charged to the profit or loss in the period to which the contributions relate.







(ii) Defined benefit plan

The Company has an obligation towards gratuity, Post Retirement Medical Facility (PRMF), Provident Fund (PF) and Other Defined Retirement Benefit (ODRB) which are being considered as defined benefit plans covering eligible employees. Under the defined benefit plans, the amount that an employee will receive on retirement is defined by reference to the employee's length of service, final salary, and other defined parameters. The legal obligation for any benefits remains with the Company, even if plan assets for funding the defined benefit plan have been set aside. The Company's obligation towards defined benefit plans is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The liability recognized in the statement of financial position for defined benefit plans is the present value of the Defined Benefit Obligation (DBO) at the reporting date less the fair value of plan assets. Management estimates the DBO annually with the assistance of independent actuaries.

Actuarial gains/losses resulting from re-measurements of the liability/asset are included in Other Comprehensive Income.

1.16 Material Prior Period Errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

1.17 Income Taxes

Income Tax expense comprises of current and deferred tax. It is recognised in Consolidated Statement of Profit and Loss, except when it relates to an item that is recognised in Consolidated Other Comprehensive Income (OCI) or directly in equity, in which case, tax is also recognised in Consolidated OCI or directly in equity.

(i) Current Tax

Current tax is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustments to tax payable in respect of earlier years.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and liability on a net basis.

(ii) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Consolidated Financial Statements and the corresponding tax bases used in the computation of taxable income. Deferred tax is measured at the tax rates based on the laws that have been enacted or substantively enacted by the reporting date, based on the expected manner of realisation or settlement of the carrying amount of assets / liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against liabilities, and they relate to income taxes levied by the same tax authority.

A deferred tax liability is recognised for all taxable temporary differences. A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

1.18 Earnings Per Share

Basic earnings per equity share are calculated by dividing the net profit or loss attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the financial year.

To calculate diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

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1.19 Expenditure on issue of shares

Expenditure on issue of shares is charged to the securities premium account.

1.20 Dividends and Other Payments to holders of Instruments classified as Equity

Final dividends are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Board of Directors of the respective company in the Group.

Liability for the payments to the holders of instruments classified as equity are recognized in the period when such payments are authorized for payment by the respective company in the Group.

1.21 Business Combination under Common Control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and that control is not transitory.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values, or recognize new assets or liabilities. Adjustments are made only to harmonize material accounting policies.
- The financial information in the Consolidated Financial Statements in respect of prior periods is restated as if the business combination has occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

The balance of the retained earnings appearing in the Consolidated Financial Statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee. The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee.

The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

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Summarised Notes to Special Purpose condensed Interim Consolidated Financial Statements:

1	These Special Purpose condensed Interim Consolidated Financial Statements for the quarter and half year ended 30.09.2026 have been reviewed & recommended by the Audit Committee (presently comprising of one Independent Director, awaiting appointment of other Independent Directors by the Government of India) and subsequently approved and taken on record by the Board of Directors of the Company (the Board) in their respective meetings held on 04.11.2026. Thakur, Vaidyanath Aiyar & Co., Chartered Accountants and Mehra Goel & Co LLP, Chartered Accountants have conducted limited review of these Statements in accordance with Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India.
2	These Statements have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ('Ind AS') - 34 'Interim Financial Reporting', notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other accounting principles generally accepted in India.
3	These Statements include the quarterly limited reviewed consolidated financial results of one subsidiary; management approved consolidated financial results of one subsidiary and management approved standalone financial results of one subsidiary and three associates. The Financial results of these subsidiaries and associates have been consolidated in accordance with Ind AS 110 – 'Consolidated Financial Statements' and Ind AS 28 – 'Investments in Associates and Joint Ventures'.
4	(a) The Board in their meeting held on 04.11.2026 declared second interim dividend @ 41%. on the paid up equity share capital i.e. ₹ 4.10 /- per equity share of ₹ 10/- each for the FY 2026-27. The Company had earlier paid ₹ 3.90/- as first interim dividend for the FY 2026-27.
	(b) Further, the shareholders of the company had approved final dividend @ 39.50% on the paid up equity share capital i.e. ₹ 3.95 /- per equity share of ₹ 10/- each for the FY 2025-26, in Annual General Meeting held on 31.08.2026, which was subsequently paid in September 2026.
5	Pursuant to the Scheme of Merger of REC Limited into the Company, as approved by the Board of Directors on June 28, 2026, the Company has received Reserve Bank of India's no-objection certificate on October 15, 2026 and no objection letters from BSE and NSE on October 19, 2026. The Scheme of Merger remains subject to requisite statutory and regulatory approvals and fulfilment of the conditions to the effectiveness of the Scheme, including the approval of the shareholders and creditors of the Company and REC Limited and sanction by Ministry of Corporate Affairs (MCA), as may be required in accordance with the applicable laws and the provisions of the Scheme.
6	In respect of the Company and its subsidiary REC Limited, impairment loss allowance on loan assets has been provided in accordance with the Board approved Expected Credit Loss (ECL) policy of respective companies

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and based on the report by independent agency, appointed by the respective companies for assessment of ECL as per Ind AS 109 'Financial Instruments'. Details in this regard are given below:

(₹ in crore)

S. No.	Particulars	As on 30.09.2026			As on 31.03.2026		
		Stage 1 & 2	Stage 3	Total	Stage 1 & 2	Stage 3	Total
a)	Loan Outstanding	11,82,572.23	6,579.57	11,89,151.80	11,56,060.87	7,707.33	11,63,768.20
b)	Impairment Loss Allowance *	9,567.53	5,030.53	14,598.06	11,135.91	6,156.30	17,292.21
c)	Impairment Loss Allowance Coverage (%) (b/a)	0.81%	76.46%	1.23%	0.96%	79.88%	1.49%

* In addition to the above, impairment loss allowance of ₹ 62.41 crore (as at 31.03.2026 ₹ 54.94 crore) has been maintained towards Letter of Comfort and Letter of Undertaking. Further, impairment loss allowance of ₹ 662.11 crore (as at 31.03.2026 - ₹ 417.23 crore) has been created towards Undrawn Loan Commitments of the Group.

7 As a matter of prudence, income on credit impaired loans is recognised as and when received and / or on accrual basis when expected realisation is higher than the loan amount outstanding.

8 The Group's operations comprise of only one business segment - lending to power, logistics and infrastructure sector. Hence, there is no other reportable business / geographical segment as per Ind AS 108- 'Operating Segments'.

9 During the quarter, a refund of ₹416.09 crore pertaining to FY 2016-17 was received pursuant to the order passed by the Income Tax Department u/s 154 read with Section 143(1) of the Income-tax Act, 1961. Out of the aforesaid refund, ₹282.25 crore pertains to matters which are yet to attain finality. Provision for the same has already been created in FY 2016-17 and disclosed under the head Current Tax Liabilities. Further, any consequential interest liability, if applicable, shall be accounted for upon finalisation of the underlying matters.

10 Figures for the previous periods have been regrouped / reclassified wherever necessary, in order to make them comparable with the current period figures.

Place: New Delhi
Date: 04.11.2026

Rajesh Kumar Agarwal
Director (Finance)
DIN – 09699001

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