



(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: 06.08.2025

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, बान्द्रा-कुर्ला कॉम्प्लेक्स, बान्द्रा (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-400 001
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Sub: Intimation regarding convening of 39th AGM and submission of Notice and Annual Report for the Financial Year 2024-25.

Madam/Sir,

This is to inform that the 39th Annual General Meeting (AGM) of Power Finance Corporation Limited will be held on Thursday, August 28, 2025 at 11.00 A.M. through video conferencing/other audio-visual means. In this regard following is submitted:

1. In compliance with the Regulation 34(1) of SEBI (LODR) Regulations, 2015, the Notice of 39th AGM and Annual Report, are being sent through e-mails on August 6, 2025, to all the members whose e-mail IDs are registered with the Company/Depository Participant (DP). The said Annual Report is also hosted on the Company's website at the link:
<https://www.pfcindia.co.in/ensite/Home/VS/72>
2. A letter providing web links and QR code to access the Annual Report is being sent by the Company in accordance with Regulation 36(1)(b) of the Listing Regulations to those Members whose email addresses are not registered with Company / Registrar and Transfer Agent / Depositories.

यह आपकी जानकारी और रिकॉर्ड के लिए प्रस्तुत किया गया है।

This is submitted for your information and record.

धन्यवाद,

Thanking you,

Yours faithfully,
For Power Finance Corporation Ltd.

Manish
Kumar
Agarwal
Digitally signed
by Manish
Kumar Agarwal
Date: 2025.08.06
21:39:43 +05'30'

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



Power Finance Corporation Limited
(A Maharatna Company)



Future-Focused. Responsibly-Led.

Future-Focused. Responsibly-Led.

At Power Finance Corporation, we are focused on enabling progress that is both meaningful and responsible. As a key partner in India's power sector journey for nearly four decades, we continue to align our efforts with the nation's evolving development goals.

Our impact goes beyond numbers. We have supported around 60 GW of renewable energy capacity—nearly 25% of India's non-fossil fuel installed base—making us the largest renewable energy financier in the country. We are also the first power and infrastructure lender to establish a subsidiary at IFSC GIFT City, expanding India's presence in global financial markets.

Our approach is rooted in environmental stewardship, inclusive development, and strong governance. As we move forward, we remain committed to scaling our impact with purpose and powering India's growth in a way that is sustainable, resilient, and future-focused.

Cover Narration:

This creative visual represents Power Finance Corporation Limited's pivotal role in India's energy journey — as a conduit that responsibly channels natural resources into sustainable infrastructure. The hourglass metaphor signifies the passage of time and transformation. The upper half contains elemental forces like sunlight, wind, and mountains, while the lower half depicts renewable energy systems and urban development. The visual captures PFC's dual commitment to being Future-Focused and Responsibly-Led, reflecting its long-term vision of financing growth that is both progressive and sustainable.



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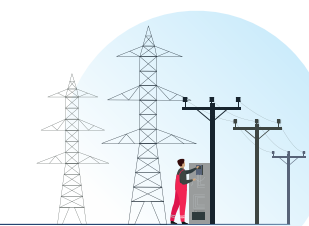
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Board of Directors



Sitting (Left to Right)

Parminder Chopra
Chairman & Managing Director

Naresh Dhanrajbhai Kella
Independent Director

Usha Sajeew Nair
Independent Director

Bhaskar Bhattacharya
Independent Director

Standing (Left to Right)

Shashank Misra
Director (Govt. Nominee)

Prasanna Tantri
Independent Director

Dr. Sudhir Mehta
Independent Director

Sandeep Kumar
Director (Finance)

Manoj Sharma
Director (Commercial)

Rajiv Ranjan Jha
Director (Projects)

Senior Management*



Simmi R. Nakra
CVO



Saurav Kumar Shah
Executive Director



Manoj Kumar Rana
Executive Director



Dr. G. Jawahar
Executive Director



Raj Kumar Malhotra
Executive Director



R. K. Chaturvedi
Executive Director



V. Packirisamy
Executive Director



Rajesh Kumar Shahi
Executive Director



Ali Shah
Executive Director



Sanjay Sharma
Executive Director



Hemant Kumar Das
Executive Director



Pawan Kumar
Executive Director



P. Shanmuga Sundaram
Executive Director



Rajesh Kumar Agarwal
Executive Director



Jasneet Guram
Executive Director



Y. Venugopal
Executive Director



B. S. Arunachalam
Executive Director



D. V. Subba Rao
Executive Director



Praveen Verma
Executive Director



Priya Kumar
Executive Director



Manish Kumar Agarwal
Company Secretary

*As on 06th August 2025

India's 'Maharatna' in Power Finance

Power Finance Corporation Limited (PFC), a Schedule-A Maharatna CPSE under the Ministry of Power, is India's largest government-owned NBFC. Since our inception in 1986, we have been a key enabler of the country's power sector growth, offering a range of financing solutions tailored to generation, transmission, and distribution needs.

We serve as the nodal agency for key government programmes such as the Revamped Distribution Sector Scheme (RDSS), Ultra Mega Power Projects (UMPPs), and the Integrated Power Development Scheme (IPDS). We also act as the Bid Process Coordinator for Independent Transmission Projects (ITPs), further reinforcing our role in sectoral reform.

Our product portfolio includes rupee term loans, short-term funding, lease financing, and transitional support. Expanding beyond power, we now finance projects in e-mobility, charging infrastructure, roads, ports, metro rail, and smart cities.

Our clients include central and state utilities, power equipment manufacturers, government departments, and large infrastructure developers.

PFC is the highest profit-making NBFC in India, ranked #36 in Fortune 500 India 2024, and holds a 'AAA' domestic credit rating. As the first Maharatna in the financial sector, we are proud to have supported nearly 50% of the country's total installed power capacity.

India's Most Profitable NBFC

Govt. of India: Majority Shareholder

1st Maharatna in Financial Services

Ranked #36th – Fortune 500 India 2024

Listed on the MSCI Global Standard Index

Key financial partner for driving reforms & developments in Power Sector

PFC Group Structure

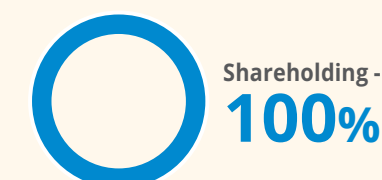
Associates

Ultra Mega Power Projects

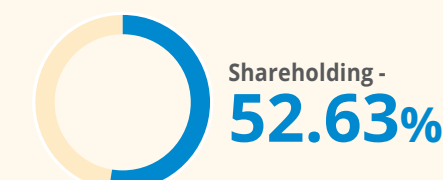


Subsidiaries

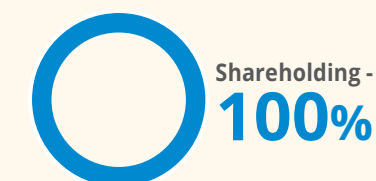
PFC Consulting



REC Ltd.



PFC Infra Finance IFSC



Our Vision

To be the leading institutional partner for the power and allied infrastructure sectors in India and overseas across the value chain.



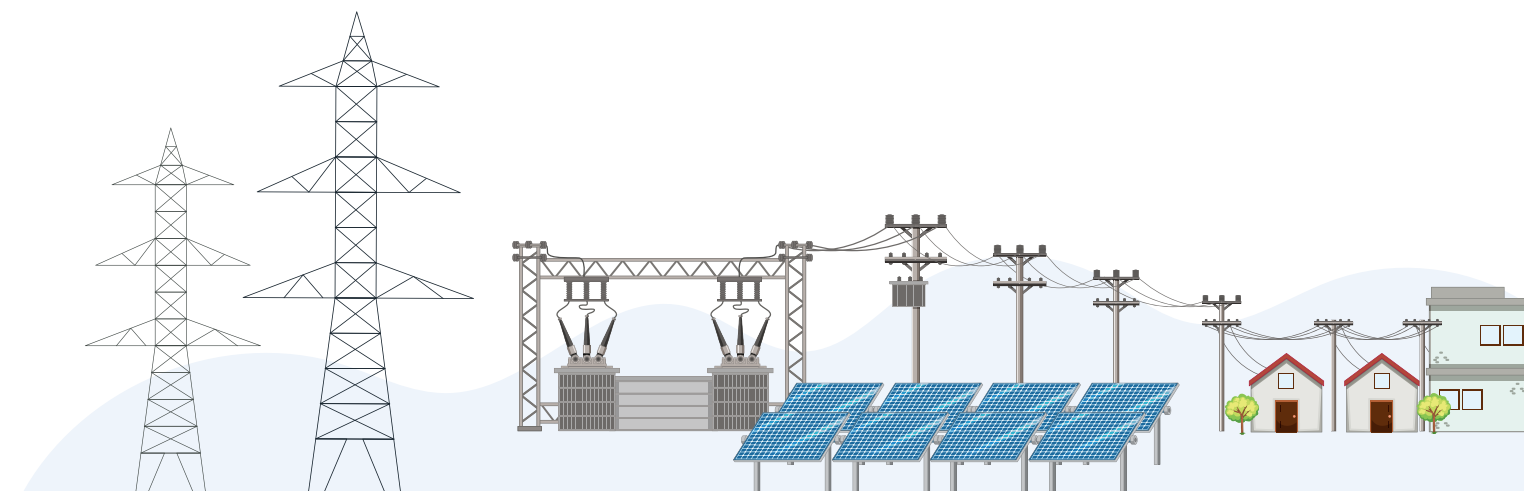
Our Mission

PFC would be the most preferred Financial Institution, providing affordable and competitive products and services with efficient and internationally integrated sourcing and servicing, partnering the reforms in the Indian Power Sector and enhancing value to its stakeholders, by promoting efficient investments in the power and allied sectors in India and abroad.

We will achieve this by being a dynamic, flexible, forward-looking, trustworthy, socially responsible organisation, sensitive to our stakeholders' interests, profitable and sustainable at all times, with transparency and integrity in operations.

Financing the Future of India's Power

At PFC, we remain at the forefront of financing India's evolving power and infrastructure landscape, supporting both established and emerging technologies. Our efforts span the entire energy value chain, enabling reliable, sustainable, and future-ready solutions.



How We Do It



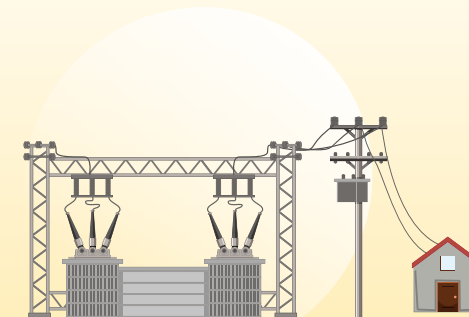
Generation

We finance a broad spectrum of energy sources, ranging from renewable technologies such as solar, onshore and offshore wind, pumped hydro, and battery storage to advanced conventional solutions including ammonia co-firing, flue gas desulphurisation (FGD), thermal power, and nuclear energy projects.



Transmission

Our financing supports critical national initiatives, such as the Green Energy Corridor and Independent Transmission Projects, which aim to enhance grid infrastructure and enable the large-scale integration of renewable energy.



Distribution

We play a key role in government-driven reforms such as the Revamped Distribution Sector Scheme (RDSS), focused on enhancing the operational performance and financial health of discoms. We also support liquidity management through the Revolving Bill Payment Facility (RBPF).



Others

Beyond the core power sector, we are actively financing transformative initiatives in green hydrogen, e-mobility, and infrastructure development, further strengthening our contribution to a low-carbon, innovation-led future.

Through a balanced portfolio and deep sectoral expertise, we continue to align our financing strategy with India's growth aspirations and sustainability commitments.



At the forefront of funding India's Energy Value Chain

Generation

- Renewable-Solar, Off & On-shore wind, Pumped Hydro, Battery Storage, Conventional-Ammonia co-firing, Flue Gas Desulfurisation (FGD), Thermal Plants
- Nuclear

Transmission

- Green Corridor
- Independent Transmission Projects

Distribution

- Revamped Distribution Sector Scheme (RDSS)
- Revolving Bill Payment Facility (RBPF)

Others

- Green Hydrogen
- Infrastructure
- E-mobility

Solutions that Power a Nation

With over 39 years of experience in power sector financing, we provide a comprehensive suite of financial solutions tailored to the evolving needs of our clients and aligned with national priorities. As a leading NBFC and a trusted partner to the Government of India, we offer end-to-end financing support across the entire power value chain—generation, transmission, and distribution.



Our product portfolio includes both conventional and innovative offerings, designed to meet diverse project requirements and enable sustainable, long-term growth. We work closely with central and state utilities, government agencies, and private developers to deliver customised, reliable, and cost-effective financial solutions.

In addition to traditional loan products, we are expanding into emerging infrastructure segments—supporting projects in clean energy, e-mobility, and logistics—reinforcing our commitment to nation-building and sectoral transformation.

Core Offerings

Products & Services

- Project Term Loans
- Debt Refinancing
- Buyer's line of credit

Sources of Funds

- Domestic Bonds and Term Loans
- 54 EC Bonds
- Foreign currency borrowings

AAA – Highest Credit Safety Rating

Eligible to Issue 54EC Tax-free Bonds

From Vision to Impact

Since our inception in 1986, we have marked significant milestones that reflect our growth and leadership in India's power sector. From launching our IPO in 2007 to issuing our first green bond and doubling our loan portfolio within a decade, each achievement underscores our commitment to driving the nation's power and infrastructure progress.

This timeline captures the key moments that have shaped our journey and strengthened our position as India's leading power sector financier.

Our Journey of Milestones

1986

Incorporated as a 100% Government-owned company

2007

Launched IPO; listed on BSE and NSE

2010

- FPO issued
- Government shareholding reduced to 56%

2017

Issued the first green bond of \$400 million

2019

Acquired majority stake in REC, becoming India's largest power sector financier

2021

Appointed nodal agency for RDSS

2023

- Loan assets crossed ₹4 trillion
- Forayed into infrastructure and logistics

2024

Incorporated a foreign subsidiary at IFSC, GIFT City

2025

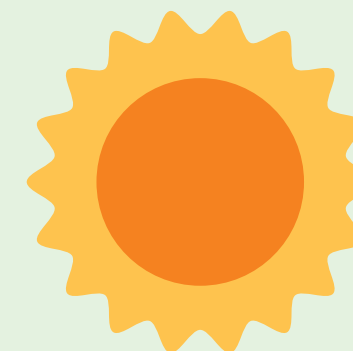
Loan assets surpassed ₹5 trillion
Renewable loan book more than doubled over the past five years

India's Energy Transition Outlook

India's energy transition marks a defining shift in the nation's development journey, balancing rapid economic growth with environmental sustainability. With a strong policy push and growing investment in clean technologies, the country is moving steadily towards a more resilient, inclusive, and low-carbon energy future.

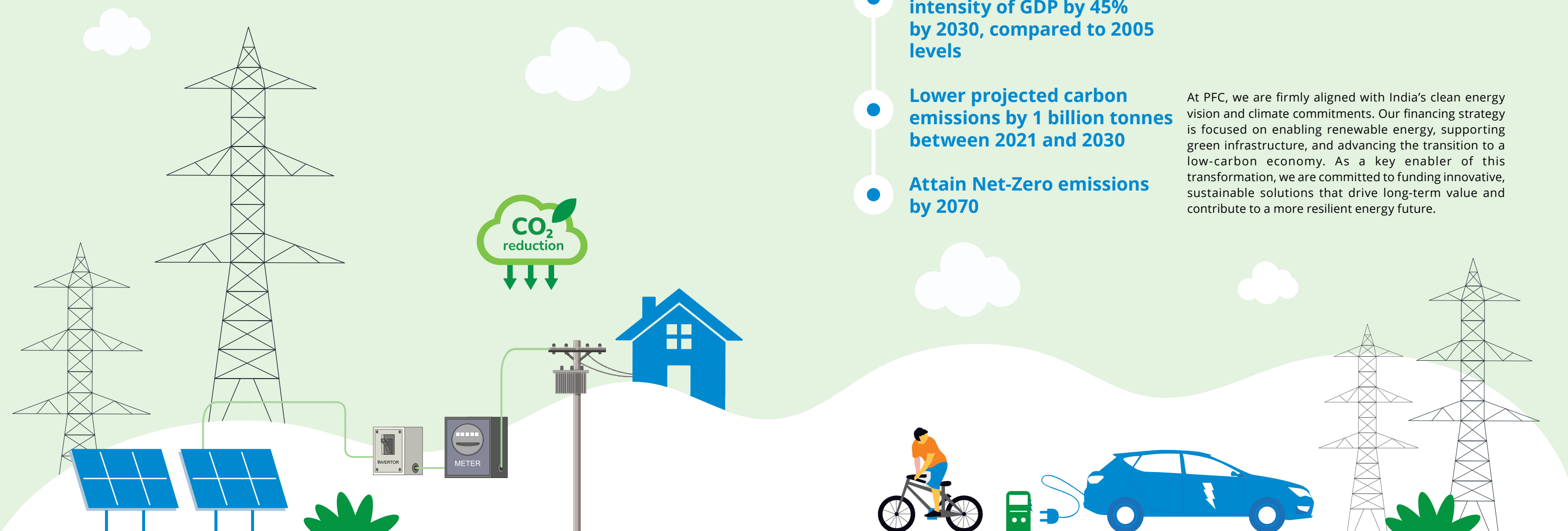
The transition is driven by a broader commitment to decarbonisation, energy security, and long-term climate resilience. It involves reimagining the power sector through greater reliance on renewable energy, adoption of emerging technologies, and modernisation of infrastructure.

India has pledged to achieve Net-Zero emissions by 2070, reflecting its strong commitment to climate action and sustainable development. To support this vision, the Hon'ble Prime Minister has outlined the Panchamrit—a set of five key commitments to guide the nation's energy transition:



- **Achieve 500 GW of non-fossil energy capacity by 2030**
- **Ensure 50% of the country's installed power capacity comes from non-fossil fuel-based sources by 2030**
- **Reduce the emission intensity of GDP by 45% by 2030, compared to 2005 levels**
- **Lower projected carbon emissions by 1 billion tonnes between 2021 and 2030**
- **Attain Net-Zero emissions by 2070**

At PFC, we are firmly aligned with India's clean energy vision and climate commitments. Our financing strategy is focused on enabling renewable energy, supporting green infrastructure, and advancing the transition to a low-carbon economy. As a key enabler of this transformation, we are committed to funding innovative, sustainable solutions that drive long-term value and contribute to a more resilient energy future.



Leading the Energy Transition, Responsibly

As India moves towards a cleaner and more sustainable energy future, PFC continues to play a key role in supporting this transition. We are aligning our lending strategy with the country's green energy goals by financing renewable and energy-efficient projects across solar, wind, biomass, and waste-to-energy.

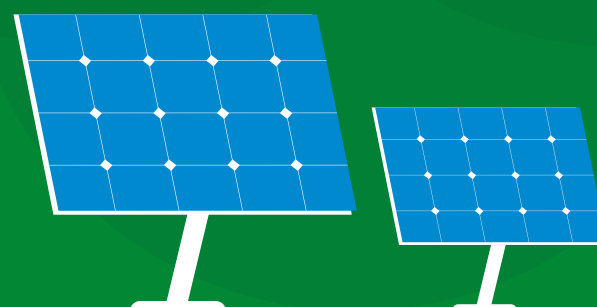
With dedicated loan products and preferential terms, we help improve project viability and accelerate the shift to low-carbon solutions. Our approach reflects a strong commitment to enabling sustainable growth and supporting India's long-term climate objectives.

Our Role in India's Energy Transition

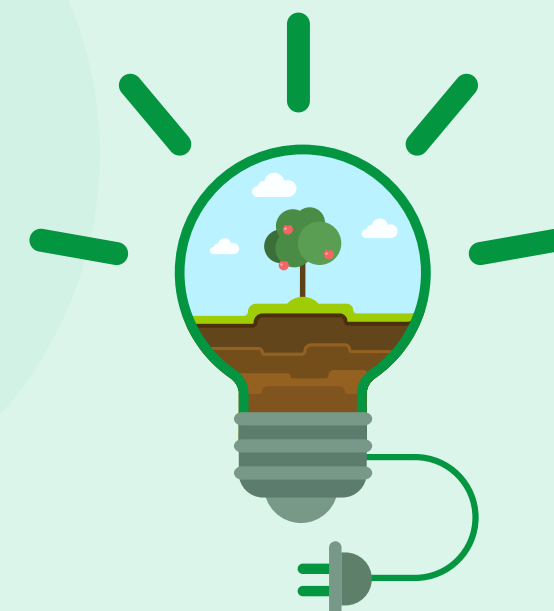
Dedicated loan products for solar, wind, and energy efficiency projects



Supported renewable energy capacity of 60 GW across India



Achieved 17% CAGR in the renewable loan book over the last five years



Preferential interest rates for renewable energy, waste-to-energy, and biomass projects



Lending strategy aligned with India's green energy goals

As a key financial partner in the energy sector, we remain committed to accelerating the transition towards clean and sustainable energy solutions.

Results that Reflect Resilience

Consolidated Financial Highlights of the Year



↑ Y-o-Y growth

Performance at a Glance

PARTICULARS	2020-21	2021-22	2022-23	2023-24	2024-25
RESOURCES (At the end of the year) (₹ crore)					
Equity Capital	2,640	2,640	2,640	3,300	3,300
Reserves and Surplus	49,753	56,710	65,562	75,903	87,637
BORROWINGS (Principal outstanding) (₹ crore)					
(i) Domestic Borrowings	2,75,259	2,63,840	2,98,084	3,34,547	3,76,631
(ii) Foreign Currency Borrowings	49,836	56,288	64,554	72,836	89,132
FINANCING OPERATIONS (during the year) (₹ crore)					
Sanctions	1,66,370	51,616	2,31,625	2,82,269	3,61,068
Disbursements	88,302	51,242	85,756	1,27,656	1,68,265
WORKING RESULTS (for the year) (₹ crore)					
Total Income	37,767	38,591	39,666	46,034	53,128
Total Expenses	27,559	26,364	25,495	28,408	31,955
Profit Before Tax	10,207	12,228	14,171	17,626	21,172
Tax Expense	1,763	2,206	2,565	3,259	3,820
Profit After Tax	8,444	10,022	11,605	14,367	17,352
NO. OF EMPLOYEES					
No. of Employees	483	501	519	545	540

Note: Sanctions and Disbursements are excluding R-APDRP / IPDS/RDSS



Statement of Value Added

PARTICULARS	(₹ in crore)	
	2023-24	2024-25
VALUE ADDED		
Net interest income	15,627	19,337
Non-interest income	2,393	3,253
Operating expenses excluding staff cost, depreciation, amortisation, and CSR expenses	(87)	(402)
Impairment and write-off	171	(457)
Value added available for distribution	18,104	21,731
DISTRIBUTION OF VALUE ADDED		
For equity shareholders as dividend	4,818	5,363
For employees as remuneration and other benefits	243	269
For society as CSR expense	218	270
For the government as an income tax	3,259	3,820
For reinvestment, expansion, and growth: Depreciation, Amortisation, Retained Earnings, Reserves	9,566	12,009
Distribution of value added	18,104	21,731

Key Ratios

Financial Year	2023-24	2024-25
P/E Ratio	8.96	7.88
Capital Risk-Weighted Assets Ratio (%)	25.41	22.08
Net Profit Margin (%)	31.21	32.66
Net NPA (%)	0.85	0.39
Net Debt to Equity Ratio (x)	5.14	5.12
EPS (₹)	43.53	52.58
Book Value Per Share (₹)	240.00	275.56



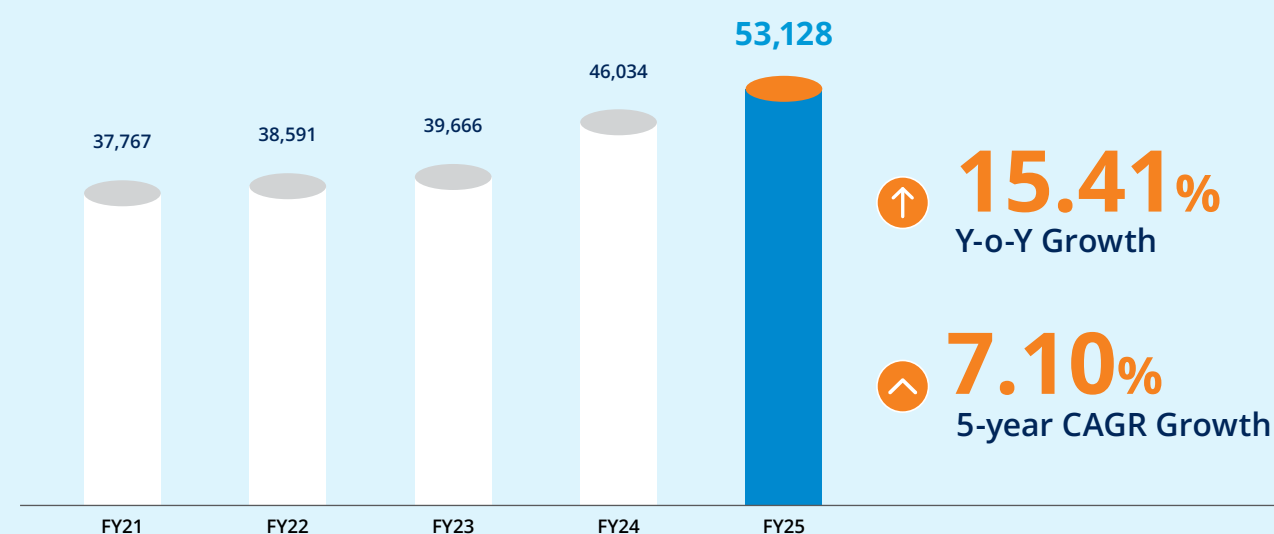


Key Performance Indicators

Financial Performance

Total Income

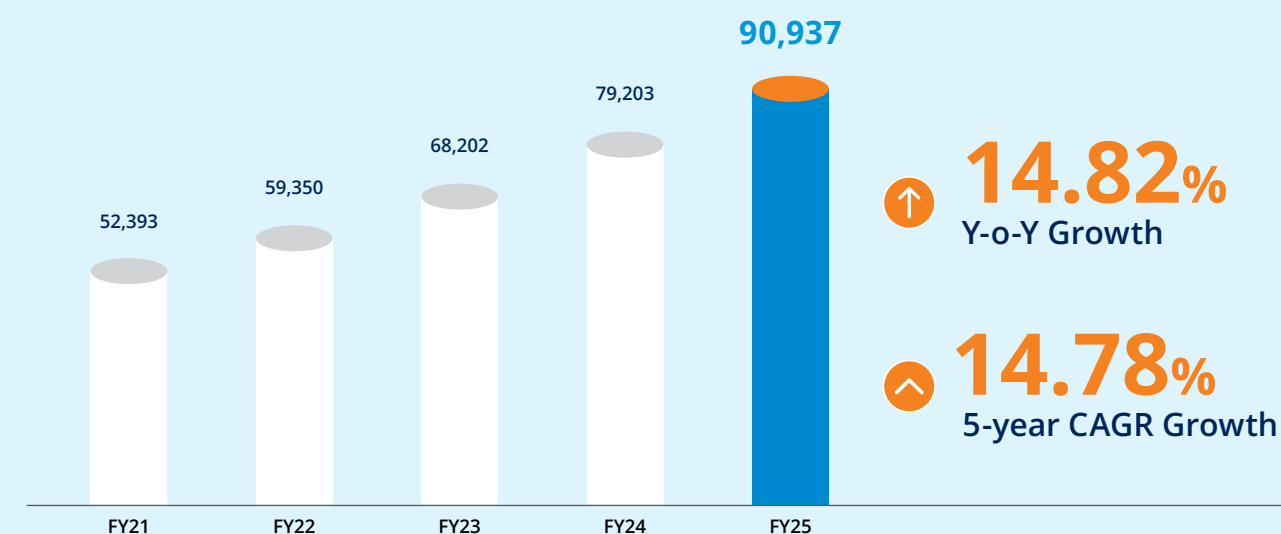
(₹ crore)



Operational Performance

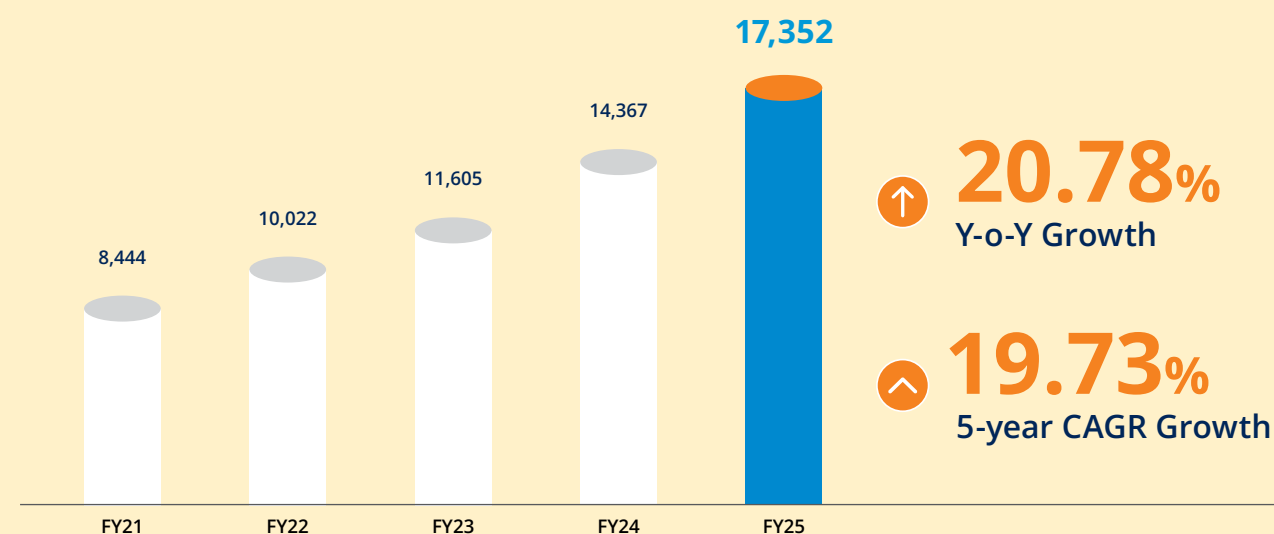
Net Worth

(₹ crore)



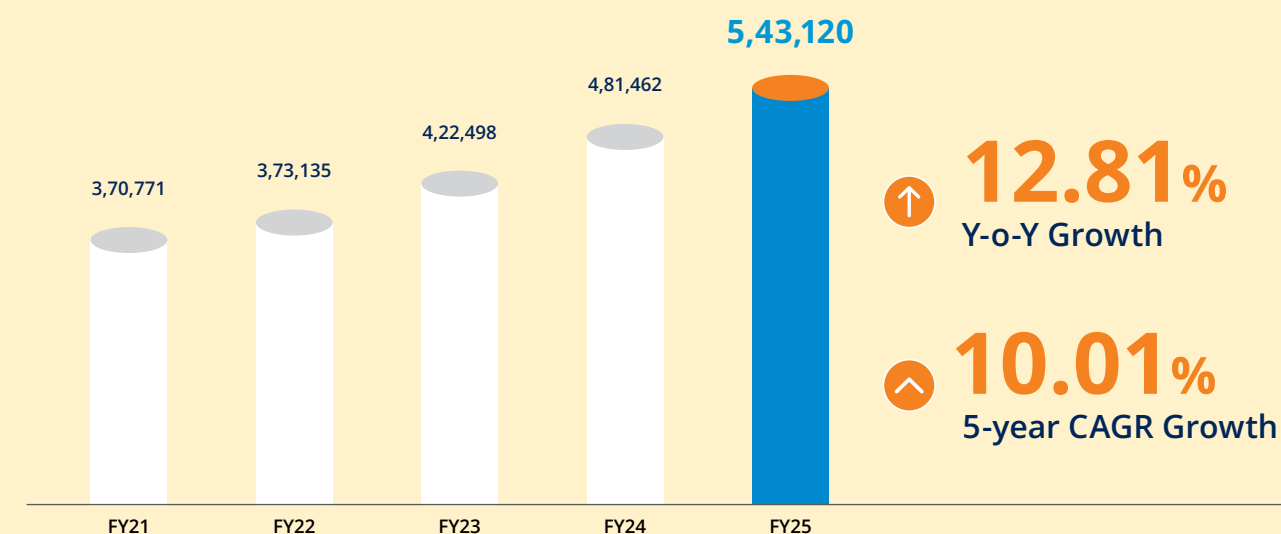
Profit After Tax (PAT)

(₹ crore)



Loan Asset Book

(₹ crore)

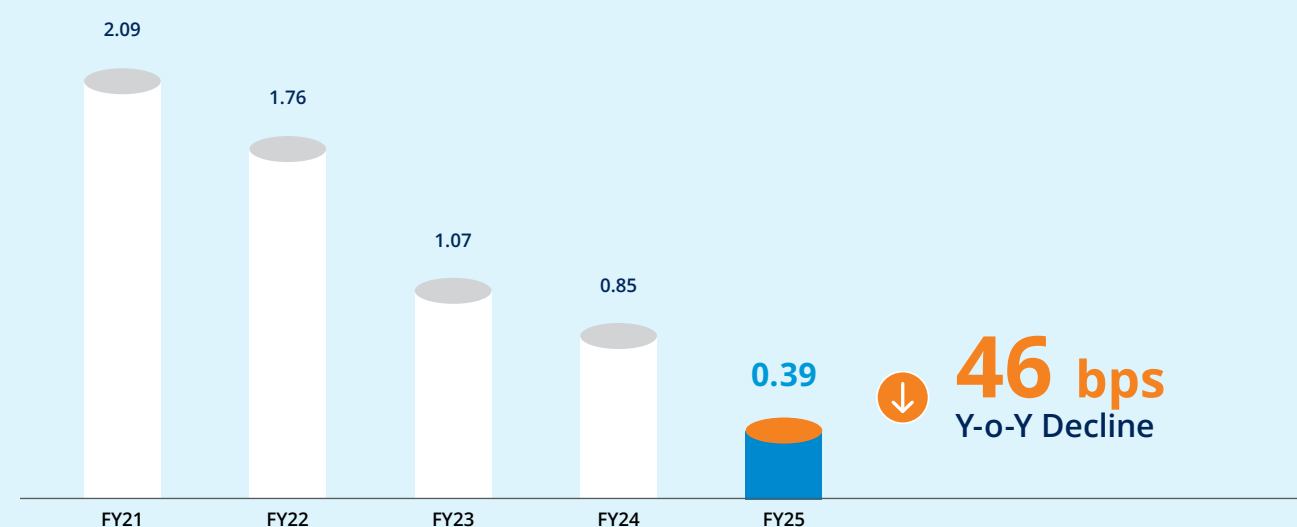




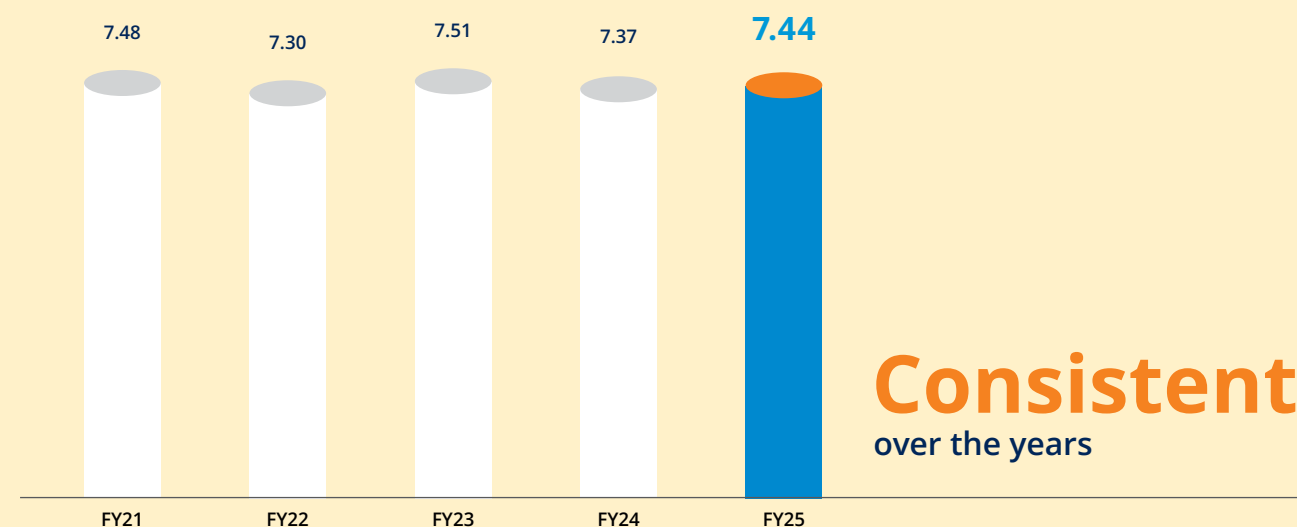
Key Performance Indicators

Operational Performance

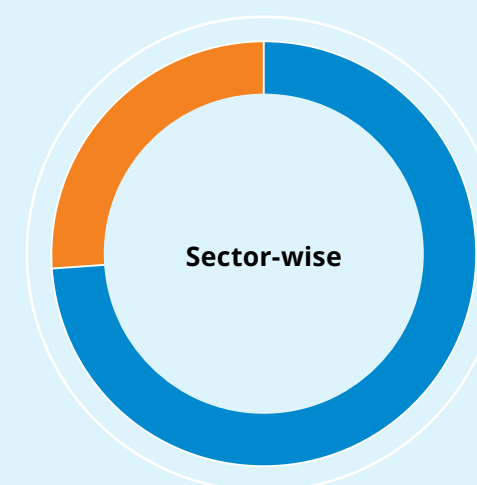
Net NPA Ratio
(%)



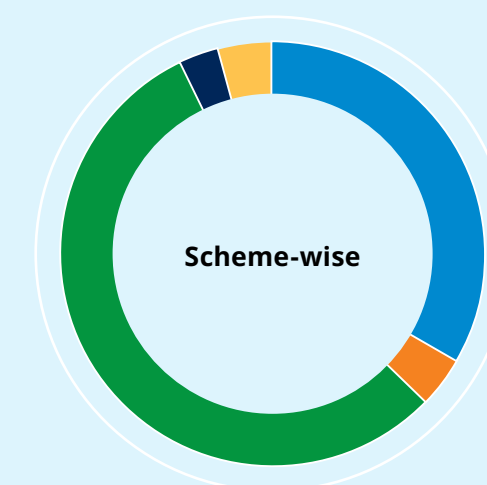
Cost of Funds
(%)



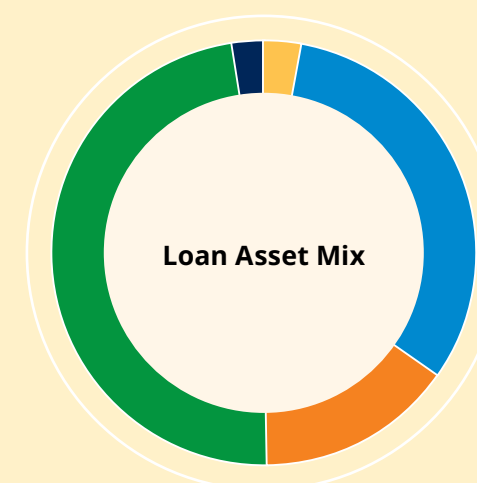
Disbursements



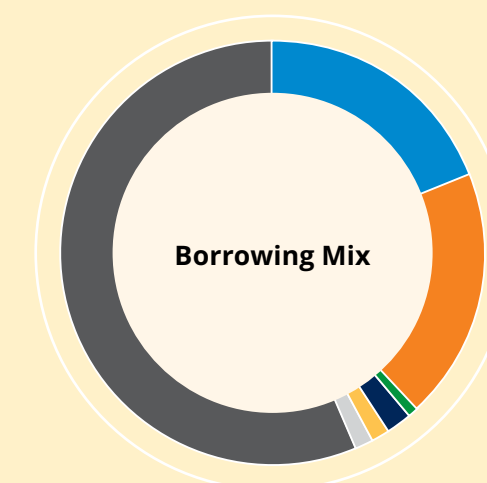
Government	74%
Private Sector	26%



Generation	33%
Transmission	4%
Distribution	55%
Infra & Logistic	3%
Others	4%



Conventional Generation	32%
Renewable (including Large Hydro)	15%
T&D	48%
Infrastructure	2.31%
Others	3.05%

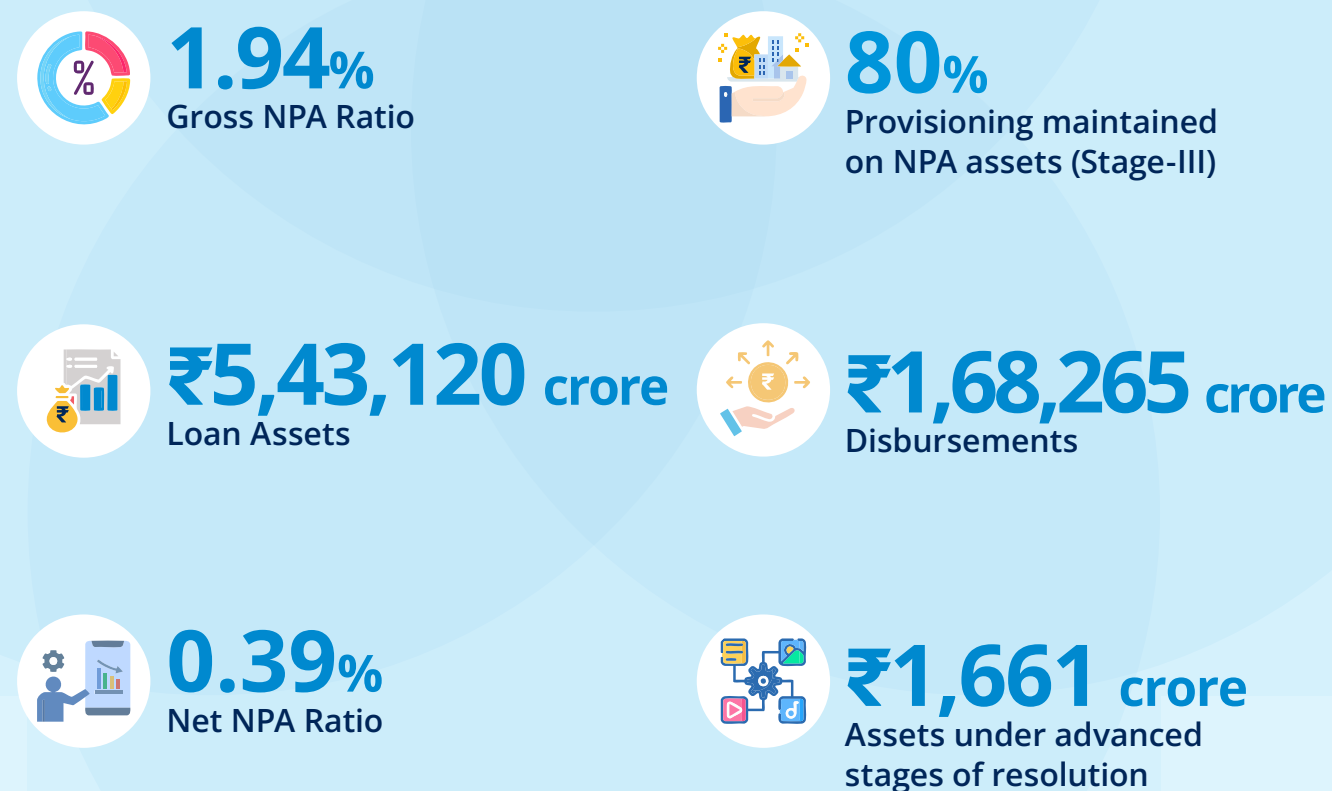


RTL from Banks/FI's	₹88,877 crore	19%
Foreign Currency Borrowing	₹89,132 crore	19%
Subordinated Liabilities	₹3,512 crore*	0.75%
54EC Bonds	₹9,943 crore	2%
Others	₹6,905 crore	1.48%
Commercial Papers	₹5,996 crore*	1.29%
Domestic Bonds	₹2,61,398 crore	56%

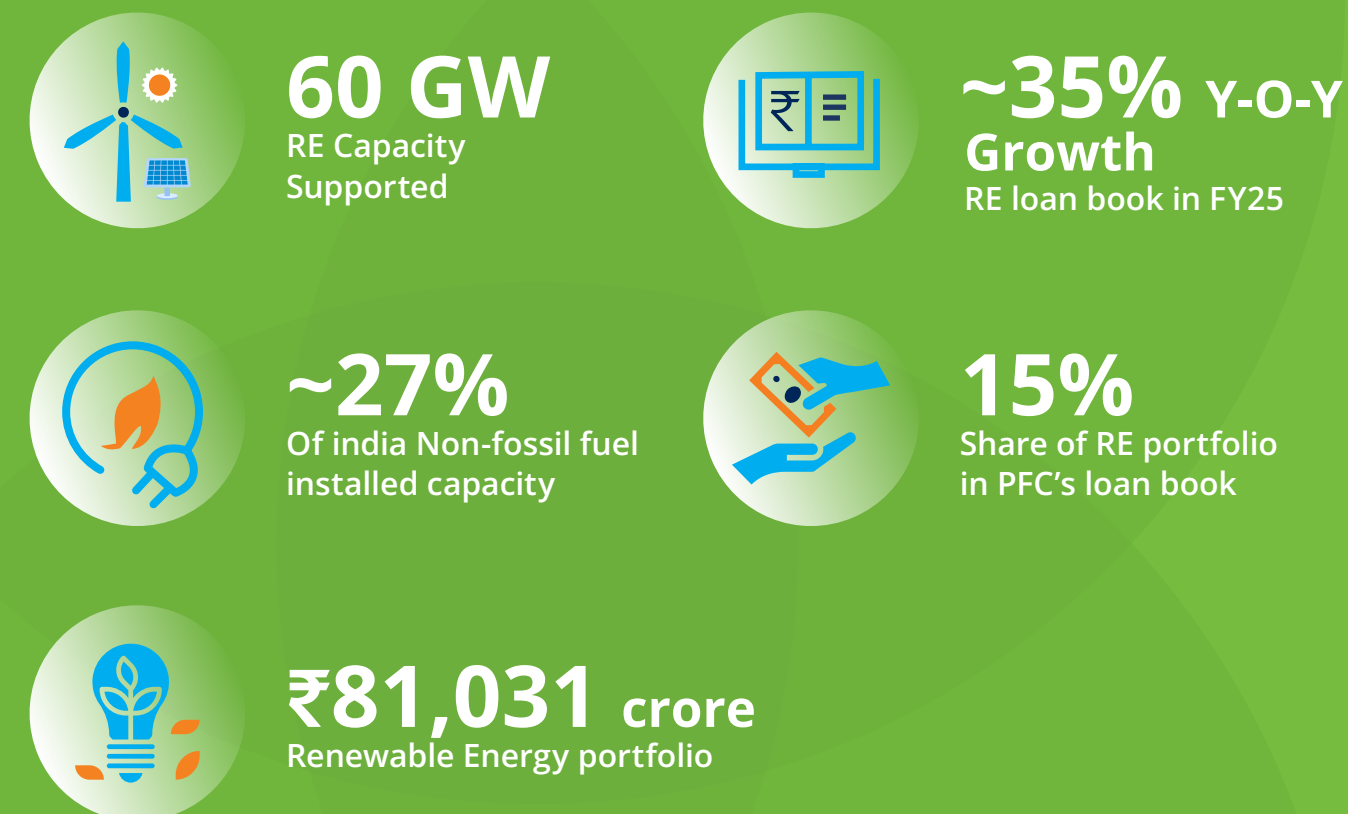
*Includes perpetual debt of ₹100 crores

** As on 31.03.2025

Asset Quality



PFC's Sustainability Journey



Letter to Shareholders

Ladies and Gentlemen,

It is with immense pride and delight that I welcome all of you to the 39th Annual General Meeting of Power Finance Corporation Limited. As we gather today, I reflect with satisfaction on yet another year of strong performance and sustained growth. FY 2024-25 has been a milestone year for PFC, where we not only delivered record financial results but also strengthened our institutional foundation to support India's energy ambitions and long-term sustainability goals.

At PFC, our mission remains firmly aligned with the Government of India's vision of providing 24/7 reliable, affordable, and clean power for all. Supported by unwavering policy support and robust economic fundamentals, we have made significant strides towards this objective.

Let me take this opportunity to share our key achievements, sector outlook, and strategic roadmap as we collectively move forward with optimism and resolve.

Setting New Benchmarks: Financial and Operational Excellence

PFC continues to stand tall as India's largest NBFC group. Our consolidated balance sheet has now surpassed ₹11 lakh crore, further bolstering our position as a dominant force in the power and infrastructure financing landscape.

Encouragingly, our consolidated Profit After Tax (PAT) for FY 2024-25 reached an all-time high of ₹30,514 crore, representing a 15% year-on-year growth. On a standalone basis, we recorded our highest-ever annual PAT of ₹17,352 crore, marking a 21% increase over the previous year. This consistent performance is a testament to the strategic foresight, operational discipline, and prudent financial management that guide our operations.

On a standalone basis, we also achieved our highest-ever annual disbursement of ₹1.68 lakh crore, a remarkable 32% increase from the previous year. Our loan asset book expanded by 13% to ₹5.43 lakh crore. These numbers highlight the strength of our franchise and the confidence that borrowers, government agencies, and investors place in us.

Our net worth grew by 15% to ₹90,937 crore. We declared a record dividend of ₹15.80 per share for FY 2024-25, displaying our commitment to rewarding shareholders while maintaining a strong capital base for future growth.

Macroeconomic Backdrop and Sector Resilience

This year presented a complex macroeconomic environment. Global financial markets faced volatility due to geopolitical tensions, interest rate movements, and inflationary concerns. However, India continued its rise as a global bright spot, supported by strong domestic demand, fiscal discipline, and a thriving digital economy.

The Indian power sector remained resilient, driven by policy stability and continued investments in generation, transmission, and distribution infrastructure. The government's continued thrust on energy security, affordability, and sustainability created an enabling environment for stakeholders across the value chain. The sector is evolving rapidly with an increased focus on clean energy, digital technologies, and public-private partnerships.

Our consistent performance is a testament to the strategic foresight, operational discipline, and prudent financial management that guide our operations.

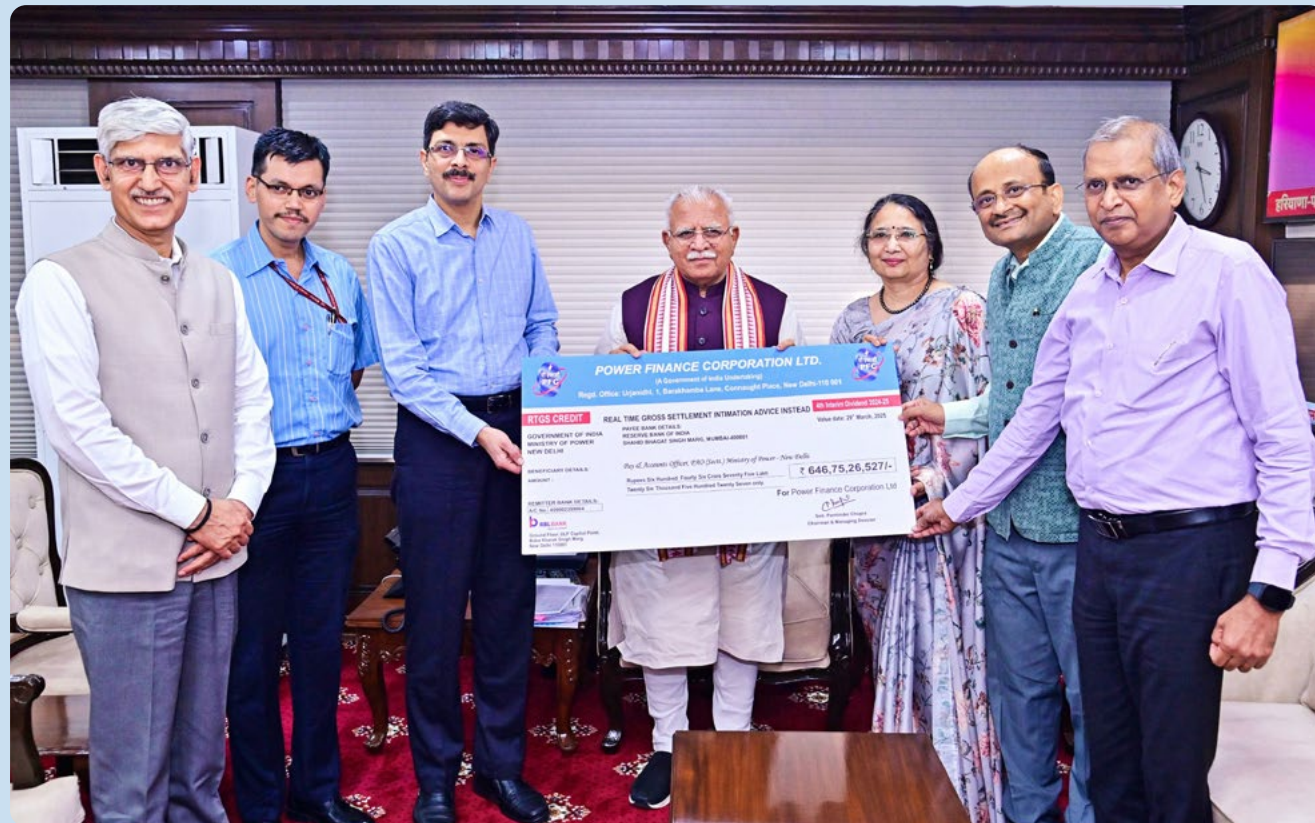


At PFC, our mission continues to be strongly aligned with the Government of India's vision of providing 24x7 reliable, affordable, and clean power for all. Helped by unswerving policy support and robust economic fundamentals, we have been able to take momentous strides towards this objective.



Parminder Chopra
Chairman & Managing Director

Letter to Shareholders



Smt. Parminder Chopra, CMD presenting Interim Dividend cheque to Shri Manohar Lal, Hon'ble Minister of (Power, Housing and Urban Affairs) and Shri Pankaj Agarwal, Secretary, Ministry of Power in the presence of Shri Shashank Misra, Joint Secretary, Minister of Power, Shri Rajiv Ranjan Jha, Director (Projects), Shri Manoj Sharma, Director (Commercial), and Shri Sandeep Kumar, Director (Finance).

As India's energy transition takes firm roots, supported by robust policy frameworks and infrastructure investments, PFC remains committed to playing a catalytic role in shaping a future-ready and inclusive power ecosystem. Our unwavering commitment to ESG and corporate governance ensures that we operate ethically and sustainably, thereby securing our long-term future and that of the power sector.

As of March 2025, India's total Installed Generation Capacity (including Fossil Fuel and Non-Fossil Fuel) stood at 4,75,212 MW (Source: CEA). The electricity generation target (including RE) for the year 2025-26 has been set at 2000 Billion Units, representing a growth of around 9.3% over the actual generation of 1830 billion units in the previous year. It is estimated that the power sector needs an investment of ₹42 lakh crore by 2032.

Driven by stable policies and massive investment, India's power sector is undergoing a large-scale expansion and a rapid transition towards sustainable, clean energy to meet its future needs. Leveraging our deep sectoral expertise and financial strength, PFC will continue to champion this transition

and ensure the sustainable and resilient development of the Indian power sector.

Asset Quality and Risk Management: A Strengthened Framework

We continued to prioritise asset quality and risk prudence. Our efforts over the past few years to strengthen monitoring, recovery, and resolution mechanisms have yielded positive results.

Gross NPAs have declined to 1.94% in FY 2024-25, compared to 3.34% last year. Net NPAs stood at just 0.39% — the lowest in recent memory. Our provisioning coverage on Stage III assets has improved to 80%, reinforcing our conservative and forward-looking approach.

A key success story was the resolution of the KSK Mahanadi project, resulting in the full recovery of our outstanding exposure. With disciplined lending practices and timely interventions, we aim to maintain our record-low NPA levels while continuing to support high-impact projects across sectors.

Leadership in Renewable Energy and Sustainable Financing

PFC remains the largest renewable energy financier in India. As of March 2025, our renewable energy loan book stood at ₹81,031 crore, representing a 35% year-over-year increase. I am pleased to announce that PFC supported over 60 GW of renewable capacity, which accounts for approximately 27% of India's total installed renewable capacity.

We have more than doubled our RE portfolio in the last five years, in line with national commitments under COP and the Net Zero roadmap. Sustainability and growth are not mutually exclusive; instead, they reinforce and complement each other. Moving forward, we will continue to support the entire RE spectrum, including solar, wind, hybrid, green hydrogen, and storage solutions.

Our role as a financier goes beyond capital. We also provide technical expertise, project development support, and policy advocacy to accelerate India's clean energy transition.

Supporting Government Schemes and Strengthening the Distribution Sector

The distribution sector is the most critical link in the power sector value chain. PFC continues to play a crucial role in implementing government schemes that are central to India's power sector reforms. As the nodal agency for the Revamped Distribution Sector Scheme (RDSS) and the Late Payment Surcharge (LPS) mechanism, we have driven a tangible impact on the ground.

Under RDSS, tenders have been floated for the entire sanctioned works, and awards have been placed for 90% of the works. Our efforts in smart metering have led to the awarding of contracts for 5.6 crore meters, representing 63% of sanctioned meters. Electrification of 88,000 Households has been completed out of the 2.2 lakh sanctioned, reflecting our inclusive development agenda. Additionally, we have imparted over 51,000 man-days of training to DISCOM personnel across the country, enhancing their skills and strengthening their operational capacity.

Through the LPS mechanism, PFC has disbursed ₹45,180 crore to date to liquidate legacy dues. This has led to a 70% reduction in dues from peak levels of ₹1.40 lakh crore. More importantly, current dues are now being settled on time, ensuring timely payments to generators and maintaining liquidity in the power ecosystem.



Shri Shashank Misra, Joint Secretary, Ministry of Power, Shri Bhaskar Bhattacharya, Independent Director; Smt. Usha Sajeev Nair, Independent Director, Shri Prasanna Tantri, Independent Director, Shri Manoj Sharma, Director (Commercial), Smt. Parminder Chopra, CMD, Shri Rajiv Ranjan Jha, Director (Projects); Shri Sandeep Kumar, Director (Finance), Shri Naresh Dhanrajbhai Kella, Independent Director and Dr. Sudhir Mehta, Independent Director at the "Investors Meet 2025" held in Mumbai. (Standing from L to R)

Letter to Shareholders

Our innovative debt management strategies reflect our financial resilience and strategic foresight. By diversifying our borrowing sources and launching innovative instruments, we have optimised our funding costs and strengthened our financial position.

During the financial year, we mobilised over ₹1.11 lakh crore - 76% from the domestic market and 24% via foreign currency borrowings, reflecting strong global investor confidence. Strategic timing of fundraising and increased reliance on low-cost sources helped optimise the overall cost of funds, enhancing financial efficiency. Nearly 95% of our foreign currency portfolio is fully hedged against exchange risk. Through proactive liability management, we have continued to replace high-cost borrowings with lower-cost instruments, ensuring long-term financial resilience.

Our global expansion efforts are a testament to our ambition and potential. We are excited to explore new markets and forge strategic partnerships that will further strengthen our position as a global leader in power and infrastructure financing. In a deal which marks the largest green financing agreement ever executed by JBIC with any company in India, a loan facility of JPY 120 billion has been extended to PFC to finance its RE portfolio.

In a landmark development, we became the first government NBFC in the infrastructure and power lending space to establish a wholly owned foreign subsidiary at the IFSC in GIFT City. This entity positions PFC as a global player and provides significant regulatory and tax advantages, including a 10-year 100% income tax exemption and GST-free services.



Smt. Parminder Chopra, CMD, PFC, receiving the prestigious Recognition Certificate from Shri Pralhad Joshi, Hon'ble Union Minister of New and Renewable Energy (MNRE) at RE-INVEST 2024 in the presence of Hon'ble Chief Ministers of Andhra Pradesh, Chhattisgarh & Goa. The certificate was given in recognition of PFC's outstanding contribution to India achieving the 200GW Non-fossil Power Capacity milestone.



Smt. Parminder Chopra, CMD welcoming Shri Shripad Yesso Naik, Hon'ble Minister of State (Power and New & Renewable Energy) at PFC's 40th Foundation Day Celebrations.

Driving ESG and Community Impact

Our ESG framework is built on three pillars: preserving the planet, promoting inclusive growth, and pursuing governance excellence. From energy-efficient projects to employee diversity and stakeholder engagement, ESG considerations are now integral to our decision-making process.

Our second annual ESG Report, released this year, aligns all disclosures with the Global Reporting Initiative (GRI) Universal Standards 2021. This step underscores our firm commitment to strengthening transparency and accountability, ensuring our reporting adheres to the highest global standards for all stakeholders.

Corporate Governance and Stakeholder Engagement

As a listed Maharatna PSU, PFC upholds the highest standards of governance, transparency, and accountability. We adhere to a comprehensive framework of corporate governance frameworks and policies such as the Companies Act, 2013, SEBI's Listing Obligations & Disclosure Requirements Regulations, DPE Guidelines, etc.

Our Board-level and senior management committees oversee risk, audit, finance, and ESG aspects with rigour and independence. We have robust internal controls and disclosure systems that provide confidence to all our stakeholders.

We are committed to ensuring that governance is not a checkbox but a continuous journey of self-improvement and ethical conduct.

Conclusion

As we commemorate four decades of powering India's development, I would like to express my sincere gratitude to all stakeholders – the Ministry of Power, the Board of Directors, our employees, investors, clients, regulatory bodies, and partners. Your steadfast support has enabled us to achieve what we have.

PFC is primed for the future. Our strategic priorities are clearly spelt out: deepen support for clean and sustainable energy, enhance financial resilience, diversify our global presence, and continue delivering value to all stakeholders.

Together, let us continue to illuminate India's path to progress and build a brighter, more sustainable future for generations to come.

Thank You

Parminder Chopra

Chairman & Managing Director

POWER FINANCE CORPORATION LIMITED

CIN: L65910DL1986GOI024862

“Urjanidhi”, 1, Barakhamba Lane, Connaught Place, New Delhi - 110001, India

Tel: +91 11 23456000, Email id: investorsgrievance@pfcindia.com

Website: www.pfcindia.co.in

Notice

Notice is hereby given that the Thirty Ninth Annual General Meeting of the members of Power Finance Corporation Limited will be held on **Thursday, the August 28, 2025 at 11:00 A.M.** through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt:
 - a. the Standalone Audited Financial Statements of the Company for the financial year ended March 31, 2025 including the Audited Balance Sheet as on March 31, 2025 and the Statement of Profit & Loss for the year ended on that date and the Reports of the Board of Directors, Statutory Auditor and comments of Comptroller and Auditor General of India thereon.
 - b. the Consolidated Audited Financial Statements of the Company for the financial year ended March 31, 2025 including the Audited Balance Sheet as on March 31, 2025 and the Statement of Profit & Loss for the year ended on that date and the Reports of Statutory Auditor and comments of Comptroller and Auditor General of India thereon.
2. To confirm the payment of Interim Dividend and declare Final Dividend on Equity Shares for the financial year 2024-25.
3. To appoint a Director in place of Shri Rajiv Ranjan Jha (DIN: 03523954), who retires by rotation and being eligible, offers himself for re-appointment.
4. To fix the remuneration of the Statutory Auditors.

SPECIAL BUSINESS

5. **Appointment/Re-appointment of Smt. Usha Sajeev Nair (DIN: 09408454) as Part-Time Non-official Director (Independent Director) of the Company.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:

“**RESOLVED THAT** pursuant to Section 149, 152,161 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, Regulation 17(1C), 25 (2A) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/ or any other applicable laws (including any statutory amendment(s), modification(s) or re-enactment(s) thereof, for the time being in force), Smt. Usha Sajeev Nair

(DIN: 09408454) who was appointed/re-appointed as Part-Time Non-Official Director in exercise of powers conferred under the Articles of Association of the Company, by the President of India through Ministry of Power vide order No. F.No.46/2/2010-RE(Vol.III)(part-4)(part-1) dated April 17, 2025 and subsequently on the recommendation of the Nomination and Remuneration Committee, appointed as an Additional Director by the Board of Directors with effect from April 17, 2025 to hold office until the date of this Annual General Meeting, be and is hereby appointed as Part-Time Non-Official Director (Independent Director) of the Company, on terms & conditions determined by the Govt. of India from time to time.”

6. **Appointment/Re-appointment of Shri Prasanna Tantri (DIN: 06471864) as Part-Time Non-official Director (Independent Director) of the Company.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:

“**RESOLVED THAT** pursuant to Section 149, 152,161 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, Regulation 17(1C), 25 (2A) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/ or any other applicable laws (including any statutory amendment(s), modification(s) or re-enactment(s) thereof, for the time being in force), Shri Prasanna Tantri (DIN: 06471864) who was appointed/re-appointed as Part-Time Non-Official Director in exercise of powers conferred under the Articles of Association of the Company, by the President of India through Ministry of Power vide order No. F.No.46/2/2010-RE(Vol.III)(part-4)(part-1) dated April 17, 2025 and subsequently on the recommendation of the Nomination and Remuneration Committee, appointed as an Additional Director by the Board of Directors with effect from April 17, 2025 to hold office until the date of this Annual General Meeting, be and is hereby appointed as Part-Time Non-Official Director (Independent Director) of the Company, on terms & conditions determined by the Govt. of India from time to time.”

7. **Appointment of Shri Naresh Dhanrajbhai Kella (DIN: 01176450) as Part-Time Non-official Director (Independent Director) of the Company.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:

“**RESOLVED THAT** pursuant to Section 149, 152,161 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, Regulation 17(1C), 25 (2A) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/ or any other applicable laws (including any statutory amendment(s), modification(s) or re-enactment(s) thereof, for the time being in force), Shri Naresh Dhanrajbhai Kella (DIN: 01176450) who was appointed as Part-Time Non-Official Director in exercise of powers conferred under the Articles of Association of the Company, by the President of India through Ministry of Power vide order No. F.No.46/2/2010-RE(Vol.III)(part-4)(part-1) dated April 17, 2025 and subsequently on the recommendation of the Nomination and Remuneration Committee, appointed as an Additional Director by the Board of Directors with effect from April 17, 2025 to hold office until the date of this Annual General Meeting, be and is hereby appointed as Part-Time Non-Official Director (Independent Director) of the Company, on terms & conditions determined by the Govt. of India from time to time.”

8. **Appointment/Re-appointment of Shri Bhaskar Bhattacharya (DIN: 09406292) as Part-Time Non-official Director (Independent Director) of the Company.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:

“**RESOLVED THAT** pursuant to Section 149, 152,161 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, Regulation 17(1C), 25 (2A) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/ or any other applicable laws (including any statutory amendment(s), modification(s) or re-enactment(s) thereof, for the time being in force), Shri Bhaskar Bhattacharya (DIN: 09406292) who was appointed/re-appointed as Part-Time Non-Official Director in exercise of powers conferred under the Articles of Association of the Company, by the President of India through Ministry of Power vide order No. F.No.46/2/2010-RE(Vol.III)(part-4)(part-1) dated May 13, 2025 and subsequently on the recommendation of the Nomination and Remuneration Committee, appointed as an Additional Director by the Board of Directors with effect from May 13, 2025 to hold office until the date of this Annual General Meeting, be and is hereby appointed as Part-Time Non-Official Director (Independent Director) of the Company, on terms & conditions determined by the Govt. of India from time to time.”

9. **Appointment of Dr. Sudhir Mehta (DIN: 00056867) as Part-Time Non-official Director (Independent Director) of the Company.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:

“**RESOLVED THAT** pursuant to Section 149, 152,161 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, Regulation 17(1C), 25 (2A) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/ or any other applicable laws (including any statutory amendment(s), modification(s) or re-enactment(s) thereof, for the time being in force), Dr. Sudhir Mehta (DIN: 00056867) who was appointed as Part-Time Non-Official Director in exercise of powers conferred under the Articles of Association of the Company, by the President of India through Ministry of Power vide order No. F.No.24-8/3/2022-PFC(MoP) dated May 14, 2025 and subsequently on the recommendation of the Nomination and Remuneration Committee, appointed as an Additional Director by the Board of Directors with effect from May 14, 2025 to hold office until the date of this Annual General Meeting, be and is hereby appointed as Part-Time Non-Official Director (Independent Director) of the Company, on terms & conditions determined by the Govt. of India from time to time.”

10. **Appointment of M/s T. Chatterjee & Associates, Company Secretaries, as Secretarial Auditor of the Company.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to provisions of Section 204 and other applicable provisions of Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 framed thereunder, Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s), re-enactment thereof for time being in force) and circulars issued thereunder from time to time and based on recommendations of the Board of Directors, M/s T. Chatterjee & Associates, Company Secretaries, be and are hereby appointed as the Secretarial Auditors of the Company for a term of five consecutive years commencing from financial year 2025-26 till financial year 2029-30, at a consolidated fee (Inclusive of all applicable taxes) as determined by the Board of Directors.”

“**RESOLVED FURTHER THAT** Board of Directors be and are hereby authorised to alter or vary the terms and conditions as may be deemed necessary and /or expedient from time to time.”

By order of the Board of Directors

Sd/-
Manish Kumar Agarwal
Company Secretary and Compliance Officer

Registered office:

“Urjanidhi”, 1, Barakhamba Lane,
Connaught Place,
New Delhi- 110001
CIN: L65910DL1986GOI024862
Date: August 06, 2025

NOTES:-

1. In view of the MCA Circular dated September, 19 2024 read with Circulars dated May 5, 2020, May 5, 2022 and December 28, 2022 issued by the Ministry of Corporate Affairs ("MCA Circulars") and SEBI Circular dated October 3, 2024 and other notification in force, the 39th AGM of the Company is being conducted through VC/OAVM facility, without physical presence of members at a common venue. The deemed venue for the 39th AGM shall be the Registered office of the Company.
2. The Company has enabled the Members to participate at the 39th AGM through the VC facility provided by KFin Technologies Limited (KFinTech), Registrar and Share Transfer Agents (RTA). The instructions for participation by Members are given in the subsequent paragraphs. Participation at the AGM through VC shall be allowed on a first-come-first-served basis.
3. As per the provisions under the MCA Circulars, Members attending the 39th AGM through VC shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
4. The Company is providing the facility to Members to exercise their right to vote by electronic means both through remote e-voting and e-voting during the AGM. The remote e-voting period shall commence at 9:00 A.M. on August 25, 2025 and will end at 5:00 P.M. on August 27, 2025. The e-voting module shall be disabled by KFinTech at 5:00 P.M. on August 27, 2025. The process of remote e-voting is given in the subsequent paragraphs. Such remote e-voting facility is in addition to voting that will take place at the 39th AGM being held through VC.
5. Members joining the meeting through VC, who have not already cast their vote by means of remote e-voting, shall be able to exercise their right to vote through e-voting at the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also join the AGM through VC but shall not be entitled to cast their vote again.

Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently. A Member can opt for only single mode of voting i.e. through Remote e-voting or voting at the AGM. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

6. The Company has fixed Friday, August 22, 2025 as the Cut-off date for determining the eligibility to vote in respect of items of business to be transacted at the 39th AGM.

A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as e-voting during the AGM. The voting rights shall be as per the number of equity share held by the Member(s) as on cut-off date. Members are eligible to cast vote only if they are holding shares as on that date. Kindly note

that a person who is not a member of the Company as on the Cut-off date should treat this Notice for Information Purposes Only.

7. The Company has appointed Smt. Nayan Handa, Partner, M/s Mehta & Mehta, Company Secretaries (FCS No.:11993, C.P No.:18686) to act as the Scrutiniser, to scrutinise the e-voting process in a fair and transparent manner.
8. As per the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf. Since the 39th AGM is being held through VC as per the MCA Circulars, accordingly the facility for appointment of proxies by the Members will not be made available for the 39th AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
9. Corporate Members are required to send a certified copy of the Board resolution authorising their representative to attend the AGM through VC and vote on their behalf. The said Resolution/Authorisation shall be sent to the Scrutiniser by email through its registered email address to nayan@mehta-mehta.in with a copy marked to evoting@kfintech.com.
10. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
11. The Register of Members and Share Transfer books will remain closed from Tuesday August 19, 2025 to Thursday, August 28, 2025 (both days inclusive).
12. In line with the MCA Circulars, the notice of the 39th AGM along with the Annual Report 2024-25 are being sent only by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. Further, a letter providing a weblink/QR code for accessing the Notice and Annual Report for FY 2024-25 is being sent to those shareholders who have not registered their email address. Members may please note that this Notice and Annual Report 2024-25 will also be available on the Company's website at <https://www.pfcindia.co.in/ensite/Home/VS/72> websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of KFinTech, RTA at <https://evoting.kfintech.com/>
13. In terms of SEBI Circular dated July 2, 2025, a special window has been opened for a period of six months from July 7, 2025 till January 6, 2026, only for re-lodgement of transfer deeds of physical shares, which were lodged prior to April 1, 2019 and were rejected, returned or not attended, due to deficiencies in the documents / process or otherwise. The shares re-lodged for transfer shall be issued only in demat mode after completing the due process. Eligible shareholders are requested to submit their request along with requisite documents to Company's Registrar and Transfer Agent.

14. As required by Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a brief profile of the Director retiring by rotation and seeking re-appointment / appointment under item no. 3, 5, 6, 7, 8 and 9 respectively of the notice in accordance with applicable provisions of the Companies Act, 2013 is forming part of the notice.
15. The Board of Directors of Power Finance Corporation Ltd. recommended final dividend @ ₹ 2.05/- (Rupees two and paise five only) per equity share (subject to deduction of TDS) on the face value of the paid-up equity shares of ₹ 10/- per share for the FY 2024-25 subject to approval of shareholders in the ensuing Annual General Meeting. This is in addition to the interim dividend of ₹ 13.75/- (Rupees thirteen and seventy five paise only) per equity share (subject to deduction of TDS) for the FY 2024-25 already declared and paid during the year. The final dividend, if declared, will be paid within the statutory period of 30 days from the date of approval at AGM.
16. In accordance with the provisions of the Income Tax Act, 1961 as amended by and read with the provisions of the Finance Acts, 2020 and 2021 dividend declared and paid by the Company after April 1, 2020, is taxable in the hands of shareholders. The Company is required to deduct the tax at source on the distribution of dividend income to its shareholders at the applicable rates. The rate for deducting TDS may vary depending on the residential status of the shareholder and the documents submitted to the Company in accordance with the provisions of the Income Tax Act 1961. Certain category of shareholders such as Mutual Funds and Insurance Companies are exempted while for other category like Foreign Portfolio Investor tax has to be deducted at 20% (plus surcharge and cess) or at a beneficial tax rate applicable under Double Taxation Avoidance Agreement (DTAA).

Companies require certain categories of shareholders to submit few details and required documents in order to determine the applicable rate for TDS. Say for example in respect of shareholders in category of Mutual Funds, Insurance companies, etc. companies seek certain set of documents like PAN, registration certificate, self-declaration, etc. in order to determine TDS rates. These details and documents are required to be provided by shareholders to every such company who declare dividends. Generally in respect of shareholders like Mutual Funds, Insurance companies, Foreign Portfolio Investors, etc. these details and documents are provided by their custodian on behalf of shareholders to every such company which is declaring dividend.

The Resident Non-Individual Members i.e. Insurance companies, Mutual Funds and Alternative Investment Fund (AIF) established in India and Non-Resident Non-Individual Members i.e. Foreign Institutional Investors and Foreign Portfolio Investors may alternatively submit the relevant forms / declarations / documents through their respective custodian who is registered on NSDL platform, on or before the aforesaid timelines.

This will provide an alternative to custodians to upload documents of their mutual fund/insurance companies/ FPI clients if already not done on NSDL platform, which will be auto downloaded to RTAs as per the beneficiary positions as of a record date without a need for Issuer / RTAs to track several emails received from custodians. Further, reports containing details of demat accounts for which investor documents are downloaded will be available to issuers/RTAs, thereby facilitating reconciliation.

17. Pursuant to Section 139 of the Companies Act, 2013, the Auditors of a Government Company are to be appointed or reappointed by the Comptroller and Auditor General of India (C&AG) and in pursuant to Section 142 of the Companies Act, 2013, their remuneration has to be fixed by the Company in the Annual General Meeting or in such manner as the Company in general meeting may determine. The Comptroller and Auditor General of India shall appoint the Statutory Auditors of the Company for the FY 2025-26 under section 139 of the Companies Act, 2013. The members may authorise the Board of Directors to fix an appropriate remuneration of Auditors for the FY 2025-26 as may be deemed fit by the Board.
18. In accordance with the proviso to Regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from April 1, 2019, transfers of securities of the Company shall not be processed unless the securities are held in the dematerialised form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialised so as to be able to freely transfer them and participate in corporate actions.
19. The Members holding shares in electronic form are requested to update PAN, Address with PIN, Email, mobile number, bank account details and nomination with their Depository Participants (DPs) with whom they are maintaining their demat accounts.

Members holding shares in physical form are requested to advice for any change/updates to KFin Technologies Limited. The said updation/changes related to physical shares to be intimated in prescribed Form ISR -1 and other forms pursuant to SEBI circular SEBI/HO/MIRSD/ MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021, as per instructions mentioned in the form. The said forms can be downloaded from the RTA website- Investor Support Center (ISC) webpage at <https://ris.kfintech.com/clientservices/isc/default.aspx>

The SEBI has mandated the submission of PAN, KYC details and nomination by holders of physical securities by October 1, 2023 vide its circular dated March 16, 2023.

20. Pursuant to Section 124 read with Section 125 of the Companies Act, 2013, the dividend amounts which remain unpaid/unclaimed for a period of seven years, are required to be transferred to the Investors Education & Protection Fund of the Central Government. The shares in respect of which the dividends have not been paid or claimed for a period of seven consecutive years or more,

are also liable to be transferred to the demat account of the IEPF Authority. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in. The details of investors' (whose payment is due) are available on company's website so as to enable the investors to claim the same.

21. Members holding shares in multiple folios in physical mode are requested to apply for consolidation of their holdings in one folio to the Company or KFinTech, RTA of the Company along with relevant Share Certificates. A Letter of Confirmation would be issued after making requisite changes which the member has to submit with Depository Participant for Demat.
22. Members who hold shares in physical form are requested to send all correspondence concerning transmission, transposition, sub-division, consolidation of shares or any other related matter and/or change in name, address, email address, telephone/ mobile numbers, nominations, power of attorney, or bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to RTA of the Company and in case of shares held in electronic mode, to their respective Depository Participants.
23. The Members holding physical shares in single name or jointly are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the RTA website. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-13 as the case may be. The said form can be downloaded from the RTA website-Investor Support Center (ISC) webpage.
24. Members desirous of getting any information on financial statements and any other item(s) of business of this Meeting are requested to address their queries

to Company Secretary of the Company through email on agm2025@pfcindia.com at least fifteen days prior to the date of the meeting. The same will be replied by the Company suitably.

25. All documents referred to in the accompanying Notice and the Explanatory Statement and Statutory Registers shall be available electronically on Company's website at www.pfcindia.co.in up to the date of AGM i.e. August 28, 2025.
26. The Results on resolutions shall be declared after the Annual General Meeting of the Company and the resolutions will be deemed to be passed on the Annual General Meeting date subject to receipt of the requisite number of votes in favour of the Resolutions. The Results declared along with the Scrutiniser's Report(s) will be available on the website of the Company (www.pfcindia.co.in) and on KFinTech's website (<https://evoting.kfintech.com>) and shall also be communicated to BSE Limited and National Stock Exchange of India Limited.

VOTING THROUGH ELECTRONIC MEANS

In compliance with provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is offering Remote E-voting facility to all the Shareholders of the Company in respect of items to be transacted at this Meeting. The Company has engaged the services of KFinTech for facilitating remote e-voting for AGM.

The remote e-voting period shall commence at 9:00 A.M. on August 25, 2025 and will end at 5:00 P.M. on August 27, 2025. The e-voting module shall be disabled by KFinTech at 5:00 P.M. on August 27, 2025.

Procedure and Instructions for Remote e-voting are given hereunder. All members are requested to read those instructions carefully before casting their e-vote.

Procedure and Instructions for remote e-voting

- I. Instructions for remote e-voting by **Individual shareholders** holding shares of the company in Demat mode.

As per SEBI circular on e-voting Facility, dated December 9, 2020, all individual shareholders holding shares of the Company in the demat mode can cast their vote, by way of single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Accordingly, the procedure to login and access remote e-voting, as devised by the Depositories/ Depository Participant(s), is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1. User already registered for IDeAS facility: I. Visit URL: https://eservices.nsdl.com II. Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section. III. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting" IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period. 2. User not registered for IDeAS e-Services I. To register click on link: https://eservices.nsdl.com II. Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp III. Proceed with completing the required fields. IV. Follow steps given in points 1 3. Alternatively by directly accessing the e-Voting website of NSDL I. Open URL: https://www.evoting.nsdl.com/ II. Click on the icon "Login" which is available under 'Shareholder/Member' section. III. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. IV. Post successful authentication, you will be requested to select the name of the company and the e-Voting Service Provider name, i.e. KFinTech. V. On successful selection, you will be redirected to KFinTech e-Voting page for casting your vote during the remote e-Voting period.
Individual Shareholders holding securities in demat mode with CDSL	1. Existing user who have opted for Easi / Easiest I. Visit URL: https://web.cdslindia.com/myeasitoken/home/login/ or Click on the "Login" icon and opt for "My Easi New(Token) " (only applicable when using the URL: www.cdslindia.com) Click on New System Myeasi II. Login with your registered user id and password. III. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFinTech e-Voting portal. IV. Click on e-Voting service provider name to cast your vote. 2. User not registered for Easi/Easiest I. Option to register is available at https://web.cdslindia.com/myeasitoken/home/login/ II. Proceed with completing the required fields. III. Follow the steps given in point 1 3. Alternatively, by directly accessing the e-Voting website of CDSL I. Visit URL: www.cdslindia.com (click on E Voting) II. Provide your demat Account Number and PAN No. III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. IV. After successful authentication, user will be provided links for the respective ESP, i.e KFinTech where the e- Voting is in progress.
Individual Shareholder login through their demat accounts / Website of Depository Participant	I. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility. II. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. III. Click on options available against company name or e-Voting service provider – KFinTech and you will be redirected to e-Voting website of KFinTech for casting your vote during the remote e-Voting period without any further authentication.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Individual Members who are voting through the facilities provided by their Depository Participants, contact their respective Depository Participants on their helpline/contact details.

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 022-48867000
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 1800 2109 911

II. Login method for e-voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

(A) In case of Members receiving an e-mail from Kfintech [applicable to members whose email IDs are registered with the Company / Depository Participant(s)]:

- Launch an internet browser and open <https://evoting.kfintech.com/>
- Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) 9023, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Kfintech for e-voting, you can use your existing User ID and password for casting your vote.
- After entering the above details Click on 'Login'.
- Password change menu will appear. Change the Password with a new Password of your choice. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$,etc.) The system will also prompt you to update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential. You need to login again with the new credentials.
- On successful login, the system will prompt you to select the EVEN of Power Finance Corporation Limited and click on 'Submit'.
- On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date i.e. August 22, 2025 under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN"

and the shares held will not be counted under either head.

- Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
- Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- You may then cast your vote by selecting an appropriate option and click on "Submit".
- A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutiniser at email ID: nayan@mehta-mehta.in with a copy marked to evoting@kfintech.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_Event No."

(B) In case of Members who have not registered their e-mail address:

- Please follow the steps for registration of e-mail address as mentioned in point no 19 of Note.
- Please follow all steps above to cast your vote by electronic means after registration of Email ID.

III. In case of any queries, you may refer to the Help & Frequently Asked Questions (FAQs) and e-voting user manual available in the downloads section of Kfintech's website <https://evoting.kfintech.com> or contact Ms. Swati Reddy (Unit: POWER FINANCE CORPORATION LIMITED), at einward.ris@kfintech.com and evoting@kfintech.com or call Kfintech's toll free No. 1-800-309-4001 for any further clarifications.

IV. Members who have acquired shares after the dispatch of the Annual Report and on or before the cut-off date i.e. August 22, 2025, may obtain the User ID and Password for exercising their right to vote by electronic means as follows:

- If the e-mail or mobile number of the member is registered against Folio No./ DP ID Client ID:

The member may send SMS: MYEPWD <space> Event number+Folio No. or DP ID Client ID to **9212993399**

Example for NSDL :
MYEPWD <SPACE> IN12345612345678

Example for CDSL :
MYEPWD <SPACE> 1402345612345678

Example for Physical :
MYEPWD <SPACE> XXXXPOW1234567

OR

The member may go to the home page of <https://evoting.kfintech.com>, and click "forgot password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

- Members who may require any technical assistance or support before or during the AGM are requested to contact Kfintech at toll free number 1-800-309-4001 or write to them at einward.ris@kfintech.com.

INSTRUCTIONS FOR ATTENDING THE AGM THROUGH VC:

- Members may access the platform to attend the AGM through VC at <https://emeetings.kfintech.com/> by clicking "Video Conference tab" and login through the user id and password provided in the mail received from Kfintech. The link for the AGM will be available in the shareholder/ members login where the "Event" and the "Name of the company" can be selected. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the Members who have not registered their e-mail address or do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in this Notice.

- The facility for joining the AGM shall open 15 minutes before the scheduled time for commencement of the AGM and shall be closed after the expiry of 15 minutes after such schedule time.
- Members are encouraged to join the Meeting using Google Chrome (preferred browser) for better experience.
- Members will be required to grant access to the web-cam to enable two-way video conferencing.
- Members are advised to use stable Wi-Fi or LAN connection to participate at the AGM through VC in a smooth manner. Participants may experience audio/video loss due to fluctuation in their respective networks.
- Members who may want to express their views or ask questions may visit <https://emeetings.kfintech.com/> and click on the tab "Post Your Questions" to post their queries in the window provided, by mentioning their name, demat account number/folio number, email ID and mobile number. The window shall remain active from August 25, 2025 to August 26, 2025.
- In addition to the above mentioned step, the Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. Accordingly, the Members may visit <https://emeetings.kfintech.com/> and click on 'Speaker Registration' during the period from August 25, 2025 to August 26, 2025. Members shall be provided a 'queue number' before the AGM. The company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.
- Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC platform. Members may click on the voting icon ("Thumb sign") on the left side of the screen to cast their votes.
- Members who may require any technical assistance or support before or during the AGM are requested to contact Kfintech Limited at toll free number 1-800-309-4001 or write to them at evoting@kfintech.com.



EXPLANATORY STATEMENT

(Pursuant to section 102(1) of the Companies Act, 2013)

ITEM NO. 05

The following statement sets out the material facts relating to the special business mentioned in item No.5 of the accompanying Notice:

Appointment/Re-appointment of Smt. Usha Sajeev Nair (DIN: 09408454) as Part-Time Non-official Director (Independent Director) of the Company.

In exercise of powers conferred under the Articles of Association of the Company, Smt. Usha Sajeev Nair (DIN: 09408454) was appointed/re-appointed as Part-Time Non Official Director of the Company by the President of India through Ministry of Power vide order No. F.No.46/2/2010-RE(Vol.III)(part-4)(part-1) dated April 17, 2025 and subsequently on the recommendation of the Nomination and Remuneration Committee, was appointed as an Additional Director by the Board of Directors with effect from April 17, 2025 until the date of this Annual General Meeting. The terms and conditions regulating the appointment of Smt. Usha Sajeev Nair would be as determined by the Government of India from time to time.

Her brief resume, inter-alia, giving nature of expertise in specific functional area is being provided which forms part of this notice.

Smt. Usha Sajeev Nair fulfills the conditions specified in the Act and the Rules made thereunder. She is independent of the Management and has also declared that she is not debarred from being appointed as a Director by SEBI or any other authority, and that is not disqualified from being appointed as a Director of the Company, in terms of the provisions of the Act. Further, she is not related to any Director or Key Managerial Personnel of the Company. The Company has received a notice in writing, proposing her candidature for the office of Director in terms of Section 160 of the Act.

Smt. Usha Sajeev Nair is concerned and interested, in the resolution.

Further, no other Directors or Key Managerial Personnel or their relatives have any concern or interest, financial or otherwise, in passing of the said Resolution, except to the extent of their shareholding in the Company.

The Board recommends the resolution given at Sr. No. 5 of this notice for your approval as a Special Resolution.

ITEM NO. 06

The following statement sets out the material facts relating to the special business mentioned in item No.6 of the accompanying Notice:

Appointment/Re-appointment of Shri Prasanna Tantri (DIN: 06471864) as Part-Time Non-official Director (Independent Director) of the Company.

In exercise of powers conferred under the Articles of Association of the Company, Shri Prasanna Tantri (DIN: 06471864) was appointed/re-appointed as Part-Time Non Official Director

of the Company by the President of India through Ministry of Power vide order No. F.No.46/2/2010-RE(Vol.III)(part-4)(part-1) dated April 17, 2025 and subsequently on the recommendation of the Nomination and Remuneration Committee, was appointed as an Additional Director by the Board of Directors with effect from April 17, 2025 until the date of this Annual General Meeting. The terms and conditions regulating the appointment of Shri Prasanna Tantri would be as determined by the Government of India from time to time.

His brief resume, inter-alia, giving nature of expertise in specific functional area is being provided which forms part of this notice.

Shri Prasanna Tantri fulfills the conditions specified in the Act and the Rules made thereunder. He is independent of the Management and has also declared that he is not debarred from being appointed as a Director by SEBI or any other authority, and that is not disqualified from being appointed as a Director of the Company, in terms of the provisions of the Act. Further, he is not related to any Director or Key Managerial Personnel of the Company. The Company has received a notice in writing, proposing his candidature for the office of Director in terms of Section 160 of the Act.

Shri Prasanna Tantri is concerned and interested, in the resolution.

Further, no other Directors or Key Managerial Personnel or their relatives have any concern or interest, financial or otherwise, in passing of the said Resolution, except to the extent of their shareholding in the Company.

The Board recommends the resolution given at Sr. No. 6 of this notice for your approval as a Special Resolution.

ITEM NO. 07

The following statement sets out the material facts relating to the special business mentioned in item No.7 of the accompanying Notice:

Appointment of Shri Naresh Dhanrajbhai Kella (DIN: 01176450) as Part-Time Non-official Director (Independent Director) of the Company.

In exercise of powers conferred under the Articles of Association of the Company), Shri Naresh Dhanrajbhai Kella (DIN: 01176450) was appointed as Part-Time Non Official Director of the Company by the President of India through Ministry of Power vide order No. F.No.46/2/2010-RE(Vol.III) (part-4)(part-1) dated April 17, 2025 and subsequently on the recommendation of the Nomination and Remuneration Committee, was appointed as an Additional Director by the Board of Directors with effect from April 17, 2025 until the date of this Annual General Meeting. The terms and conditions regulating the appointment of Shri Naresh Dhanrajbhai Kella would be as determined by the Government of India from time to time.

His brief resume, inter-alia, giving nature of expertise in specific functional area is being provided which forms part of this notice.

Shri Naresh Dhanrajbhai Kella fulfills the conditions specified in the Act and the Rules made thereunder. He is independent of

the Management and has also declared that he is not debarred from being appointed as a Director by SEBI or any other authority, and that is not disqualified from being appointed as a Director of the Company, in terms of the provisions of the Act. Further, he is not related to any Director or Key Managerial Personnel of the Company. The Company has received a notice in writing, proposing his candidature for the office of Director in terms of Section 160 of the Act.

Shri Naresh Dhanrajbhai Kella is concerned and interested, in the resolution.

Further, no other Directors or Key Managerial Personnel or their relatives have any concern or interest, financial or otherwise, in passing of the said Resolution, except to the extent of their shareholding in the Company.

The Board recommends the resolution given at Sr. No. 7 of this notice for your approval as a Special Resolution.

ITEM NO. 08

The following statement sets out the material facts relating to the special business mentioned in item No.8 of the accompanying Notice:

Appointment/Re-appointment of Shri Bhaskar Bhattacharya (DIN: 09406292) as Part-Time Non-official Director (Independent Director) of the Company.

In exercise of powers conferred under the Articles of Association of the Company, Shri Bhaskar Bhattacharya (DIN: 09406292) was appointed/re-appointed as Part-Time Non Official Director of the Company by the President of India through Ministry of Power vide order No. F.No.46/2/2010-RE(Vol.III)(part-4)(part-1) dated May 13, 2025 and subsequently on the recommendation of the Nomination and Remuneration Committee, was appointed as an Additional Director by the Board of Directors with effect from May 13, 2025 until the date of this Annual General Meeting. The terms and conditions regulating the appointment of Shri Bhaskar Bhattacharya would be as determined by the Government of India from time to time.

His brief resume, inter-alia, giving nature of expertise in specific functional area is being provided which forms part of this notice.

Shri Bhaskar Bhattacharya fulfills the conditions specified in the Act and the Rules made thereunder. He is independent of the Management and has also declared that he is not debarred from being appointed as a Director by SEBI or any other authority, and that is not disqualified from being appointed as a Director of the Company, in terms of the provisions of the Act. Further, he is not related to any Director or Key Managerial Personnel of the Company. The Company has received a notice in writing, proposing his candidature for the office of Director in terms of Section 160 of the Act.

Shri Bhaskar Bhattacharya is concerned and interested, in the resolution.

Further, no other Directors or Key Managerial Personnel or their relatives have any concern or interest, financial or otherwise, in passing of the said Resolution, except to the extent of their shareholding in the Company.

The Board recommends the resolution given at Sr. No. 8 of this notice for your approval as a Special Resolution.

ITEM NO. 09

The following statement sets out the material facts relating to the special business mentioned in item No.9 of the accompanying Notice:

Appointment of Dr. Sudhir Mehta (DIN: 00056867) as Part-Time Non-official Director (Independent Director) of the Company.

In exercise of powers conferred under the Articles of Association of the Company, Dr. Sudhir Mehta (DIN: 00056867) was appointed as Part-Time Non Official Director of the Company by the President of India through Ministry of Power vide order No. F.No.24-8/3/2022-PFC(MoP) dated May 14, 2025 and subsequently on the recommendation of the Nomination and Remuneration Committee, was appointed as an Additional Director by the Board of Directors with effect from May 14, 2025 until the date of this Annual General Meeting. The terms and conditions regulating the appointment of Dr. Sudhir Mehta would be as determined by the Government of India from time to time.

His brief resume, inter-alia, giving nature of expertise in specific functional area is being provided which forms part of this notice.

Dr. Sudhir Mehta fulfills the conditions specified in the Act and the Rules made thereunder. He is independent of the Management and has also declared that he is not debarred from being appointed as a Director by SEBI or any other authority, and that is not disqualified from being appointed as a Director of the Company, in terms of the provisions of the Act. Further, he is not related to any Director or Key Managerial Personnel of the Company. The Company has received a notice in writing, proposing his candidature for the office of Director in terms of Section 160 of the Act.

Dr. Sudhir Mehta is concerned and interested, in the resolution.

Further, no other Directors or Key Managerial Personnel or their relatives have any concern or interest, financial or otherwise, in passing of the said Resolution, except to the extent of their shareholding in the Company.

The Board recommends the resolution given at Sr. No. 9 of this notice for your approval as a Special Resolution.

ITEM NO. 10

The following statement sets out the material facts relating to the special business mentioned in item No.10 of the accompanying Notice:

To Appoint M/s T. Chatterjee & Associates, Company Secretaries as Secretarial Auditor

Board of Directors in its meeting held on 24.07.2025, recommended appointment of M/s T. Chatterjee & Associates, Company Secretaries, as Secretarial Auditor of Company to hold office for a term of five consecutive years commencing from Financial Year 2025-26 till Financial Year 2029-30 subject to approval of members.

The above appointment of M/s T. Chatterjee & Associates, Company Secretaries as Secretarial Auditor of Company can be appointed for not more than two terms of five consecutive years with approval of the Members in General Meeting and such appointment shall be in terms of Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended vide SEBI circular dated December 12, 2024 and provisions of Section 204 of Companies Act, 2013 and Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

M/s T. Chatterjee & Associates has provided a consent to act as Secretarial Auditor of the Company (If approved) and that M/s T. Chatterjee & Associates is not disqualified and is eligible to be appointed as Secretarial Auditor of Company in terms of amended Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

M/s T. Chatterjee & Associates have also confirmed that they have subjected themselves to the peer review process of the Institute of Company Secretaries of India and hold a valid peer review certificate.

Further information in respect of M/s T. Chatterjee & Associates is encapsulated in the table below:-

Sl. No.	Particular	Details
1.	Proposed fees payable to the Firm:	Consolidated fee of ₹ 1,25,000/- (Rupees One Lakh Twenty Five Thousand Only) (Inclusive of All Applicable Taxes) for consecutive five years.
2.	Any material change in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change;	The proposed consolidated fee payable to Secretarial Auditor is arrived through Bidding process on GeM portal.
3.	Credentials of Secretarial Auditor:	M/s T. Chatterjee & Associates FRN: P2007WB067100 Peer Review No. 908/2020

M/s T. Chatterjee & Associates, Company Secretaries are concerned and interested, in the resolution.

Further, no other Directors or Key Managerial Personnel or their relatives have any concern or interest, financial or otherwise, in passing of the said Resolution, except to the extent of their shareholding in the Company.

The Board recommends the resolution given at Sr. No. 10 of this notice for your approval as an Ordinary Resolution.

DETAILS OF THE DIRECTORS SEEKING APPOINTMENT AT 39TH AGM UNDER ITEM NO. 3 AND 5, 6, 7, 8 & 9

Name	Shri Rajiv Ranjan Jha	Smt. Usha Sajeev Nair	Shri Prasanna Tantri	Shri Naresh Dhanrajbhai Kella	Shri Bhaskar Bhattacharya	Dr. Sudhir Mehta
Date of Birth and Age	26.04.1966 59 years	02.07.1976 49 Years	14.10.1981 43 Years	11.01.1983 42 Years	15.07.1958 66 Years	05.06.1969 55 Years
Qualification	- Bachelor Degree in Science (Mechanical Engg) from NIT Jamshedpur of Ranchi University - Diploma in Management from IGNOU	- LLB - B.A. (Graduation)	- Ph.D, Deakin University - FPM, Indian School of Business - PGP, Indian School of Business - ICWA, Institute of Cost Accountants of India - B.Com, Mangalore University	- Chartered Accountant B. Com - LLB	B. Com (Hons) - LLB - Post Graduate Diploma in Business Management	- Bachelor's Degree in Computer Science & Economics - MBA in Finance & International Business
Date of Appointment	28.10.2021	17.04.2025	17.04.2025	17.04.2025	13.05.2025	14.05.2025
Terms and Conditions of Appointment	Appointed as Director (Projects) by President of India through Ministry of Power for a period from the date of his assumption of charge of the post till the date of his superannuation or until further orders, whichever is the earlier.	Appointed as Part-time Non-official (Independent) Director by President of India through Ministry of Power for a period of one year from the date of his appointment or until further orders whichever is earlier.	Appointed as Part-time Non-official (Independent) Director by President of India through Ministry of Power for a period of one year from the date of his appointment or until further orders whichever is earlier.	Appointed as Part-time Non-official (Independent) Director by President of India through Ministry of Power for a period of one year from the date of his appointment or until further orders whichever is earlier.	Appointed as Part-time Non-official (Independent) Director by President of India through Ministry of Power for a period of three years from the date of his appointment or until further orders whichever is earlier.	Appointed as Part-time Non-official (Independent) Director by President of India through Ministry of Power for a period of three years from the date of his appointment or until further orders whichever is earlier.
Remuneration	As per standard terms of appointment issued by President of India through Ministry of Power.	As per standard terms of appointment issued by President of India through Ministry of Power.	As per standard terms of appointment issued by President of India through Ministry of Power.	As per standard terms of appointment issued by President of India through Ministry of Power.	As per standard terms of appointment issued by President of India through Ministry of Power.	As per standard terms of appointment issued by President of India through Ministry of Power.
Expertise in Functional Areas	He has been working with Power Finance Corporation Limited (PFC) since March 1997. He has been holding Charge of Director (Projects) since October 28, 2021. He has overall 37 years of experience and had been holding the position as Executive Director (Projects), PFC since May 27, 2019. Previously, he has been handling the PFC's loan portfolio in Western Region including State Sector Coordination Work in the States of Maharashtra, Gujarat, Madhya Pradesh, Chhattisgarh and Goa. He has also overseen PFC's entire consortium lending portfolio, where PFC acted as the lead financial institution. In addition, he has handled	She is a female entrepreneur engaged in her own business in Dadra and Nagar Haveli and Daman and Diu. Besides this, she is actively engaged in social work for upliftment of needy people. She is also engaged in raising women issues, support to old and homeless people and orphans.	He is an Associate Professor in the Finance area at the Indian School of Business and Executive Director of the Centre for Analytical Finance at ISB. His research areas include- banking, financial inclusion, financial contagion, regulation, and the relationship between politics and finance. He has several publications to his credit in top tier peer reviewed finance journals.	He has more than 15 years of experience and is currently serving as Member of Gujarat State Fee Revision Committee. He is also having vast experience of serving as Director on the Board of Rajkot Nagarik Sahakari Bank Ltd., a Multi-State Scheduled Co-operative Bank Ltd., during 2014 to 2017. He is also currently serving as President of Zalawad Federation of Trade & Industries, an apex body of Trade & Industries of Surendranagar District.	He has been practicing as an Advocate for more than 30 years. He is the Ex-Chairman of Hooghly Tax Advocates Bar Association and Member of West Bengal Taxation Tribunal. He has also worked as a Gen-Secretary in a NGO named Nibedan and is also presently serving as Vice President of an NGO named Akhil Bharatiya Grahak Panchayat in West Bengal.	He is a serial entrepreneur, policy analyst & a columnist in addition to being the Chairman & Managing Director of Pinnacle Industries, India's leading automotive products and specialty vehicles company. He is also the Founder of EKA Mobility, a commercial electric vehicle & technology company, with joint equity and partnership with Mitsui Co., Ltd. (Japan) & VDL Groep (Netherlands). He has started & successfully led several ventures. His group of companies employs over 5,000 people globally.



Name	Shri Rajiv Ranjan Jha	Smt. Usha Sajeev Nair	Shri Prasanna Tantri	Shri Naresh Dhanrajbhai Kella	Shri Bhaskar Bhattacharya	Dr. Sudhir Mehta
	the complete Renewable Energy (RE) loan portfolio and led the team involved in setting up PFC's RE-focused subsidiary, driving its incorporation, operationalization, business development, and policy formulation. He has also contributed significantly to the resolution of stressed assets, playing a pivotal role in the reduction of PFC's net NPAs over time. He currently heads the Projects Division at PFC, overseeing Business Development and Project Finance functions, including appraisal and structuring, risk analysis, disbursement, credit monitoring, policy formulation, and the management of stressed assets. He also serves as the Director-in-Charge of PFC Consulting Ltd., a wholly owned subsidiary engaged in consultancy services, Bid Process Coordinator (ITP) assignments, and other strategic initiatives. He has played a leading role in supporting the Ministry of Power (MoP) on key initiatives such as the implementation of the Late Payment Surcharge (LPS) mechanism, system-driven data integration through the PRAAPTI portal, Consultant Empanelment for Third-Party Coal Sampling, and the SHAKTI B (v) scheme—served on both the Steering and Bid Evaluation Committees, Pan India Stressed Asset Monitoring, amongst others.			In the past he has also volunteered with Rotaract Club District 3060 as Assistant District Rotaract Representative. He is currently managing the Dhanraj Kella Charitable Trust wherein he undertakes charitable activities of managing Gau-Shala and Students Hostel, conducting medical relief camps, supporting Govt. School students with various curricular activities.		He is also the Member of the Managing Committee, Rambhau Mhalgi Prabodhini (RMP), Advisor of the Nation First Policy Research Centre (NPPRC), and Lead & Coordinator, Pune Platform for COVID-19/ Collaborative Response (PPCR) Foundation. Additionally, he served as the Past Chairman of CII Western Region & Past President of MCCIA. He is a regular contributor of op-ed articles for The Times of India, Indian Express, The Financial Express, The Hindu Business Line, Mint, Sakal, Lokmat & other leading publications.
Number of Meetings of the Board held during the tenure and number of Board Meetings attended	16/16	12/12	12/12	NIL	12/12	NIL
Relationship with any other Director, Manager and other KMP of the Company	NIL	NIL	NIL	NIL	NIL	NIL
Number of shares held in the company	20,005	NIL	NIL	NIL	NIL	NIL
Directorship in other companies	- PFC Consulting Limited - Orissa Integrated Power Limited - Coastal Tamil Nadu Power Limited - Cheykur Infra Limited - PTC India Ltd - PFC Infra Finance IFSC Limited	NIL	NIL	- Dhanraj Sugars and Pharmaceuticals Private Limited - Dhanraj Sugars Private Limited	NIL	- Pune United Pickleball Private Limited - Pinnacle Auto Solutions Limited - Pinnacle Mobility Solutions Private Limited

	- Zenith Instor Retail Solutions Asia Private Limited - Pune Platform For Collaborative Response Foundation - AIC-Pinnacle Entrepreneurship Forum - VDL Pinnacle Engineering India Private Limited - Instor (India) Private Limited - Caveo Pinnacle India Private Limited - Perform Engineering Solutions Private Limited - CB Services India Private Limited - Aicon Intalia Realty Private Limited
Chairman/Membership of committees* across all public companies (as on the date of Notice)	Power Finance Corporation Ltd - Member, Audit Committee Power Finance Corporation Limited - Chairman, Audit Committee Power Finance Corporation Limited - Member, Audit Committee Power Finance Corporation Limited - Member, Audit Committee - Chairman, Stakeholder Relationship and Shareholders'/ Investors' Grievance Committee

Details of listed entities from which resigned in the past three years	NIL	NIL	NIL	NIL	NIL	NIL
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* Does not include Chairmanship/Membership in Board Committees other than Audit Committee and Stakeholders Relationship and Shareholder/ Investor Grievance Committee.



Director’s Profile



Smt. Parminder Chopra
Chairman and Managing Director
DIN: 08530587

Smt. Parminder Chopra, 58 years, is the Chairman and Managing Director (CMD) of PFC. She has over 37 years of varied experience in Power and Financial Sectors. As the Chairman and Managing Director, she is responsible for driving the strategic initiatives at PFC, spearheading the organization's growth trajectory, and further strengthening its position as the premier lender financing India's energy transition goals, apart from funding power & infrastructure sectors. Under her leadership, PFC has significantly increased funding to clean energy projects including Bio fuels, hybrid renewables, renewable equipment manufacturing etc. and has emerged as the principal financier of clean energy projects.

She is also guiding PFC's efforts in supporting the implementation of key power sector initiatives of the Government of India including Revamped Distribution Sector Scheme (RDSS) and Late Payment Surcharge (LPS) rules. Under her leadership, PFC achieved its highest ever Net Profit and highest Net worth. Other strategic initiatives undertaken during her tenure include the establishment of PFC Infra Finance IFSC Limited (PIFIL) — the first finance company in IFSC dedicated to power and infrastructure lending, creation of a dedicated ESG unit to institutionalise sustainability practices and disclosures, and the strengthening of global financing partnerships, by securing loan tie ups with Japanese and Italian sovereign owned entities, i.e. Japan Bank for International Cooperation (JBIC) and SACE, Italian export credit agency.

Prior to being appointed as Chairman and Managing Director, Smt. Chopra held the post of Director (Finance) since July 2020, where she facilitated robust financial performance of PFC. She handled a gamut of finance portfolios including domestic & international fund raising, banking, treasury, asset liability management and stressed asset resolution. She also played a key role in the successful implementation of ₹1.12 trillion Liquidity Infusion Scheme (LIS) for the power distribution sector, which was rolledout as part of Atmanirbhar Bharat initiative by Govt. of India.

Prior to joining PFC, Smt. Chopra has served in power sector majors like NHPC Limited and Power Grid Corporation of India Limited. She has leveraged the rare blend of experience in Power and Financial Sectors to lead PFC's transformational journey.

Smt. Chopra holds a Bachelor's degree in Commerce from Delhi University and is a qualified Cost and Management Accountant. She also has a Post Graduate Diploma in Business Management. She has attended programmes on Risk Management and Global Management in world renowned institutes i.e. Harvard University, USA and European School of Management.

Smt. Parminder Chopra holds 2500 equity shares in the Company.



Shri Rajiv Ranjan Jha
Director (Projects)
DIN: 03523954

Shri Rajiv Ranjan Jha, aged 59 years has been working with Power Finance Corporation Limited (PFC) since March 1997. He has been holding Charge of Director (Projects) since October 28, 2021.

He holds a Bachelor Degree in Science (Mechanical Engg.) from NIT Jamshedpur of Ranchi University and a Diploma in Management from IGNOU. He has overall 37 years of experience and had been holding the position as Executive Director (Projects), PFC since May 27, 2019. Previously, he has been handling the PFC's loan portfolio in Western Region including State Sector Coordination Work in the States of Maharashtra, Gujarat, Madhya Pradesh, Chhattisgarh and Goa. He has also overseen PFC's entire consortium lending portfolio, where PFC acted as the lead financial institution. In addition, he has handled the complete Renewable Energy (RE) loan portfolio and led the team involved in setting up PFC's RE-focused subsidiary, driving its incorporation, operationalization, business development, and policy formulation. He has also contributed significantly to the resolution of stressed assets, playing a pivotal role in the reduction of PFC's net NPAs over time.

He currently heads the Projects Division at PFC, overseeing Business Development and Project Finance functions, including appraisal and structuring, risk analysis, disbursement, credit monitoring, policy formulation, and the management of stressed assets. He also serves as the Director-in-Charge of PFC Consulting Ltd., a wholly owned subsidiary engaged in consultancy services, Bid Process Coordinator (ITP) assignments, and other strategic initiatives. He has played a leading role in supporting the Ministry of Power (MoP) on key initiatives such as the implementation of the Late Payment Surcharge (LPS) mechanism, system-driven data integration through the PRAAPTI portal, Consultant Empanelment for Third-Party Coal Sampling, and the SHAKTI B (v) scheme—served on both the Steering and Bid Evaluation Committees, PAN India Stressed Asset Monitoring, amongst others.

Shri Rajiv Ranjan Jha holds 20,005 equity shares in the Company.



Shri Manoj Sharma
Director (Commercial)
DIN: 06822395

Shri Manoj Sharma, aged 59 years, is a Chartered Accountant and holds a Bachelor of Law (LLB) degree. He joined Power Finance Corporation Limited (PFC) in 1990 and brings over 34 years of experience in the power sector. Prior to his appointment as Director (Commercial), he served as Executive Director (In charge) of the Commercial Division.

In his capacity as Director (Commercial), Shri Sharma is responsible for the overall leadership of the Commercial Division. His role encompasses the appraisal of State Sector Utilities, promoter appraisals in the Private Sector, integrated rating and ranking of distribution utilities, oversight of legal affairs, capacity building, administration, public relations, Corporate Social Responsibility (CSR), and implementation of Rajbhasha. He also provides guidance for the implementation of the RDSS scheme across States and UTs allocated to PFC, aimed at enhancing the operational efficiency and financial sustainability of the power distribution sector. Additionally, he is closely engaged with various Ministry of Power (MoP) assignments focused on institutional development within the power sector.

Throughout his tenure at PFC, he has been instrumental in policy formulation for lending operations, establishment of appraisal frameworks, maintaining compliance with regulatory and statutory requirements, monitoring loan conditions, facilitating disbursements, and formulating resolution mechanisms for stressed assets. His expertise also encompasses appraisal, legal documentation, taxation, budgeting, auditing, preparation of financial statements and reports, resource mobilisation, debt syndication, and consultancy in the power sector.

He is enthusiastic about taking various knowledge management initiatives in PFC and is accredited for establishing a Portal for Enhancing Engagement, Promote Awareness and Learning (PEEPAL) to foster engagement, awareness, and continuous learning across the organization.

He also serves as PFC's Nominee Director on the Board of REC Limited.

Shri Manoj Sharma holds nil equity shares in the Company.



Shri Sandeep Kumar
Director (Finance)
DIN: 08529035

Shri Sandeep Kumar has been holding the charge of Director (Finance) of Power Finance Corporation Limited (PFC) since July 11, 2024. Before this appointment, he was Executive Director (Finance) at PFC since January 1, 2020.

Shri Sandeep Kumar has a distinguished career spanning over 35 years in the power and financial sectors. He holds a Bachelor's degree in Commerce (Honors) and is a Fellow Member of the Institute of Chartered Accountants of India. Throughout his tenure at PFC, he has held various positions within the finance function, consistently demonstrating his expertise and contributing significantly to the company's success and profitability.

He is a proven leader with a strong track record of managing cross-functional teams, fostering innovation to enhance customer and employee experiences, and solidifying PFC's market position. His diversified experience encompasses fund mobilisation, cash management, asset-liability management, lending operations, stressed asset management, policy formulation, tax planning, financial accounting and management control systems.

He has been pivotal in implementing systemic improvements such as IT transformation, loan disbursement procedures, Ind-AS implementation and loan recovery guidelines & has also been instrumental in managing the non-capex loan portfolio, executing Government Schemes like LIS & LPS and advancing PFC's Environmental, Social and Governance (ESG) initiatives.

Shri Sandeep Kumar holds 15,575 equity shares in the Company.



Shri Shashank Misra
Government Nominee Director
DIN: 08364288

Shri Shashank Misra is an IAS Officer (Madhya Pradesh: 2007) and holds B. Tech degree in Electrical Engineering from IIT Delhi. Presently, he is posted as Joint Secretary in the Ministry of Power, Government of India. He was appointed as Government Nominee Director on the Board of Power Finance Corporation Limited (PFC) by Ministry of Power, Government of India w.e.f. June 25, 2024. He is also a Government Nominee Director on the Board of REC Limited. Prior to joining in Ministry of Power, he has served in Department of Revenue, Ministry of Finance, Government of India.

He has also worked in various capacities in Madhya Pradesh Government which includes Managing Director of Madhya Pradesh Road Development Corporation Limited, Madhya Pradesh Building Development Corporation Limited & Madhya Pradesh State Asset Management Company Limited, Chairman of Ujjain Smart City Limited and as CEO of Madhya Pradesh Rural Road Development Authority.

Shri Shashank Misra holds nil equity shares in the Company.



Shri Prasanna Tantri
Independent Director
DIN: 06471864

Shri Prasanna Tantri, 43 years, holds a B.Com degree from Mangalore University and is a qualified Cost Accountant. He has also done Fellow Programme Management and Post Graduate Programme in Management from Indian School of Business and also holds a Ph.D from Deakin University. At present, he is an Associate Professor in the Finance area at the Indian School of Business and Executive Director of the Centre for Analytical Finance at ISB. His research areas include- banking, financial inclusion, financial contagion, regulation, and the relationship between politics and finance. He has several publications to his credit in top tier peer reviewed finance journals.

Shri Prasanna Tantri holds nil equity shares in the Company.



Shri Bhaskar Bhattacharya
Independent Director
DIN: 09406292

Shri Bhaskar Bhattacharya, 67 years, is an Honors Graduate in Commerce and holds a Bachelor's degree in Law. He also holds a Post Graduate Diploma in Business Management. He has been practicing as an Advocate for more than 30 years. He is the Ex- Chairman of Hooghly Tax Advocates Bar Association and Member of West Bengal Taxation Tribunal. He has also worked as a Gen-Secretary in a NGO named Nibedan and is also presently serving as Vice President of an NGO named Akhil Bharatiya Grahak Panchayat in West Bengal.

Shri Bhaskar Bhattacharya holds nil equity shares in the Company.



Dr. Sudhir Mehta
Independent Director
DIN: 00056867

Dr. Sudhir Mehta is a serial entrepreneur, policy analyst & a columnist in addition to being the chairman & managing director of Pinnacle Industries, India's leading automotive products and specialty vehicles company. He is also the Founder of EKA Mobility, a commercial electric vehicle & technology company, with joint equity and partnership with Mitsui Co., Ltd. (Japan) & VDL Groep (Netherlands). He has started & successfully led several ventures. His group of companies employs over 5,000 people globally. He holds a bachelor's degree from Depauw University, USA & an MBA from the University of Chicago, USA. He is also the Member of the Managing Committee, Rambhau Mhalgi Prabodhini (RMP), Advisor of the Nation First Policy Research Centre (NFPRC), and Lead & Coordinator, Pune Platform for COVID-19/ Collaborative Response (PPCR) Foundation. Additionally, he served as the Past Chairman of CII Western Region & Past President of MCCIA. He is a regular contributor of op-ed articles for The Times of India, Indian Express, The Financial Express, The Hindu Business Line, Mint, Sakal, Lokmat & other leading publications.

Dr. Sudhir Mehta holds nil equity shares in the Company.



Smt. Usha Sajeew Nair
Independent Director
DIN: 09408454

Smt. Usha Sajeew Nair, 48 years, holds a graduation degree in Bachelors of Arts and Laws. She is a female entrepreneur engaged in her own business in Dadra and Nagar Haveli and Daman and Diu. Besides this, she is actively engaged in social work for upliftment of needy people. She is also engaged in raising women issues, support to old and homeless people and orphans.

Smt. Usha Sajeew Nair holds nil equity shares in the Company.



Shri Naresh Dhanrajbhai Kella
Independent Director
DIN: 01176450

Shri Naresh Dhanrajbhai Kella is a Chartered Accountant with more than 15 years of experience and also hold degree in LL.B and B.Com. He is currently serving as Member of Gujarat State Fee Revision Committee. He is also having vast experience of serving as Director on the Board of Rajkot Nagarik Sahakari Bank Ltd., a Multi-State Scheduled Co-operative Bank Ltd., during 2014 to 2017. He is also currently serving as President of Zalawad Federation of Trade & Industries, an apex body of Trade & Industries of Surendranagar District. In the past he has also volunteered with Rotaract Club District 3060 as Assistant District Rotaract Representative. He is currently managing the Dhanraj Kella Charitable Trust wherein he undertakes charitable activities of managing Gau-Shala and Students Hostel, conducting medical relief camps, supporting Govt. School students with various curricular activities.

Shri Naresh Dhanrajbhai Kella holds nil equity shares in the Company.



Report of the Board of Directors' FY 2024-25

Dear Shareholders,

On behalf of the Board of Directors, it is my privilege to present the 39th Annual Report of your Company for the Financial Year ended March 31, 2025, along with the Audited Standalone and Consolidated Financial Statements and Auditor's Report thereon.

Your Company has been striving to enhance the value proposition for all stakeholders while maintaining the momentum of project sanctions, sustaining development levels and optimizing costs. Your Company has played an important part in accelerating the progress of the Indian economy, which was amongst the fastest growing economies in FY 2024-25. By consolidating our efforts and continuing to grow sustainably, we can support in meeting the country's expanding energy needs while creating value for stakeholders. Your Company has registered another year of robust performance and made substantial progress.

The year 2024-25 was excellent for your Company as it demonstrated remarkable persistent performance to achieve significant milestones in operational and financial performance. The performance highlights of your company for the FY 2024-25 are briefly mentioned here to give an overview of accomplishments on all fronts:

BUILDING ON 39 YEARS: EMPOWERING FOR FOUR DECADES OF SUCCESS

As your company proudly completes 39 years of empowering India's power sector, it stands tall as a pillar of strength, resilience, and innovation. Over nearly four decades, your company has played a transformative role in financing and developing power infrastructure, driving the nation's energy growth. With a legacy built on integrity, excellence, and strategic foresight, PFC is not only celebrating past achievements but also preparing to embrace the future with renewed commitment. As it is approaching the milestone of 40 years, PFC is poised to scale greater heights, continuing its journey as a key enabler of sustainable and inclusive development in India's energy landscape. In the growth journey, this fiscal year 2024-25 has marked a period of notable accomplishments for your Company, characterized by comprehensive performance. The key highlights of achievements during the FY 2024-25 are outlined as follows:

1. Prominent Accomplishments

- 36th in Fortune 500 India' 2024
- 3rd highest profit making CPSE in India
- Largest Renewable Energy Financer in India
- Crossed ₹5 Lakh crore mark in loan assets
- IFSC's First Finance Company for Power & Infrastructure lending i.e. PFC Infra Finance IFSC Limited received

approval from IFSCA for commencing its operations as a Finance Company in IFSC GIFT City Gujarat.

- PFC has been conferred "Governance Now PSU Award" for both "Financial Performance" and "Excellence in Learning and Development" recognized for its strong financial performance and commitment to employee development, the recognition highlighting PFC's robust institutional governance and its overall contribution to the power and financial sectors.

2. PFC's Financial and Operational Health: A Pillar of Sustainable Growth

i. Financial Excellence (Standalone)

- Profit After Tax (PAT) increased by 21% in FY 2024-25 from ₹14,367 crore in FY 2023-24 to ₹17,352 crore in FY 2024-25.
- Net worth increased by 15% on account of increasing profits i.e. ₹90,937 crore as at March 31, 2025 vs ₹79,203 crore as at March 31, 2024.
- Earnings per share increase by 21% in FY 2024-25.
- 10% year on year increase in 54EC bonds portfolio with 54EC bonds-a low-cost fund avenue available to PFC of ₹9,943.09 crore as on March 31, 2025 vs ₹8,994 crore as on March 31, 2024.

ii. Consolidated Performance: Driving Forward

- 15% increment in PAT i.e ₹30,514 crore in FY 2024-25 vs ₹26,461 crore in FY 2023-24.
- The gross loan assets recorded a growth of 12%, ₹11,09,996 crore as at March 31, 2025 from ₹9,90,824 crore as at March 31, 2024.
- Net Worth of the company grew by 16% in FY 2024-25 to ₹1,55,155 crore as compared to ₹1,34,289 crore in FY 2023-24.
- PFC Group, the nodal agency for implementation of LPS Rules has been instrumental in reduction in legacy dues of DISCOMs by 90% of total legacy dues.
- Significant reduction in NPA

Particulars	As at March 31, 2025	As at March 31, 2024
Gross NPA to Gross Loans	1.64%	3.02%
Net NPA to Net Loans	0.38%	0.85%

iii. Healthy Asset Portfolio

- Total provision of ₹8,424 crore towards Stage- III Loan Assets as at the end of FY 2024-25 against ₹5,43,120 crore Total Gross Loan Assets. The Net Stage-III Assets stands at ₹2,093 crore as on March 31, 2025, which is 0.39% to the Total Gross Loan Assets.
- Major projects resolved during the year:

S. No.	Borrower Name	Details of Resolution Plan
1	Lanco Amarkantak Power Limited	Resolution with change in ownership through NCLT
2	KSK Mahanadi Power Company Limited	
3	Om Shakti Renergies Ltd	Liquidated through NCLT
4	Vyshaka Solar Energy Systems Private Limited	Restructuring with existing promoter outside NCLT

iv. PFC'S Strategic Compass Towards Navigating Tomorrow-'Nayi Soch Nayi Raahein'

Embracing the motto 'Nayi Soch Nayi Raahein' – Your Company is steering into new directions, shaping the future through innovative ideas and forward-looking perspectives. With the amendment in the Memorandum of Association, PFC's lending capabilities have been extended to encompass the wider infrastructure and logistics sectors with focus on charging infrastructure, roads, ports, metro rail, smart cities, other infrastructure projects etc.

During the year, your company has provided financial assistance to projects such as metro rail, petroleum refining, desalination plant and bioethanol manufacturing. It is focused on maintaining a 25% market share in India's renewable capacity and exploring funding opportunities in clean technologies such as energy storage - Battery & Pumped Hydro, e- mobility, Green Hydrogen etc. and also contribute to India's energy transformation and meeting the Net Zero Targets.

Your Company's above navigation of strategic objectives will be on the following lines:

4. Financial Performance - Standalone

i. Profitability

Particulars	Standalone		Consolidated	
	2024-25	2023-24	2024-25	2023-24
Total Income	53,127.76	46,034.10	1,06,598.70	91,174.87
Profit Before Tax	21,172.37	17,625.69	38,632.16	33,588.12
Tax expenses	3,820.18	3,258.67	8,117.76	7,126.94
Profit After Tax	17,352.19	14,367.02	30,514.40	26,461.18
Owners of the Company			22,990.81	19,761.16
Non-Controlling Interests			7,523.59	6,700.02
Total Comprehensive Income	17,051.35	15,755.48	28,698.82	28,893.91
Owners of the Company			21,893.66	21,699.27
Non-Controlling Interests			6,805.16	7,194.64

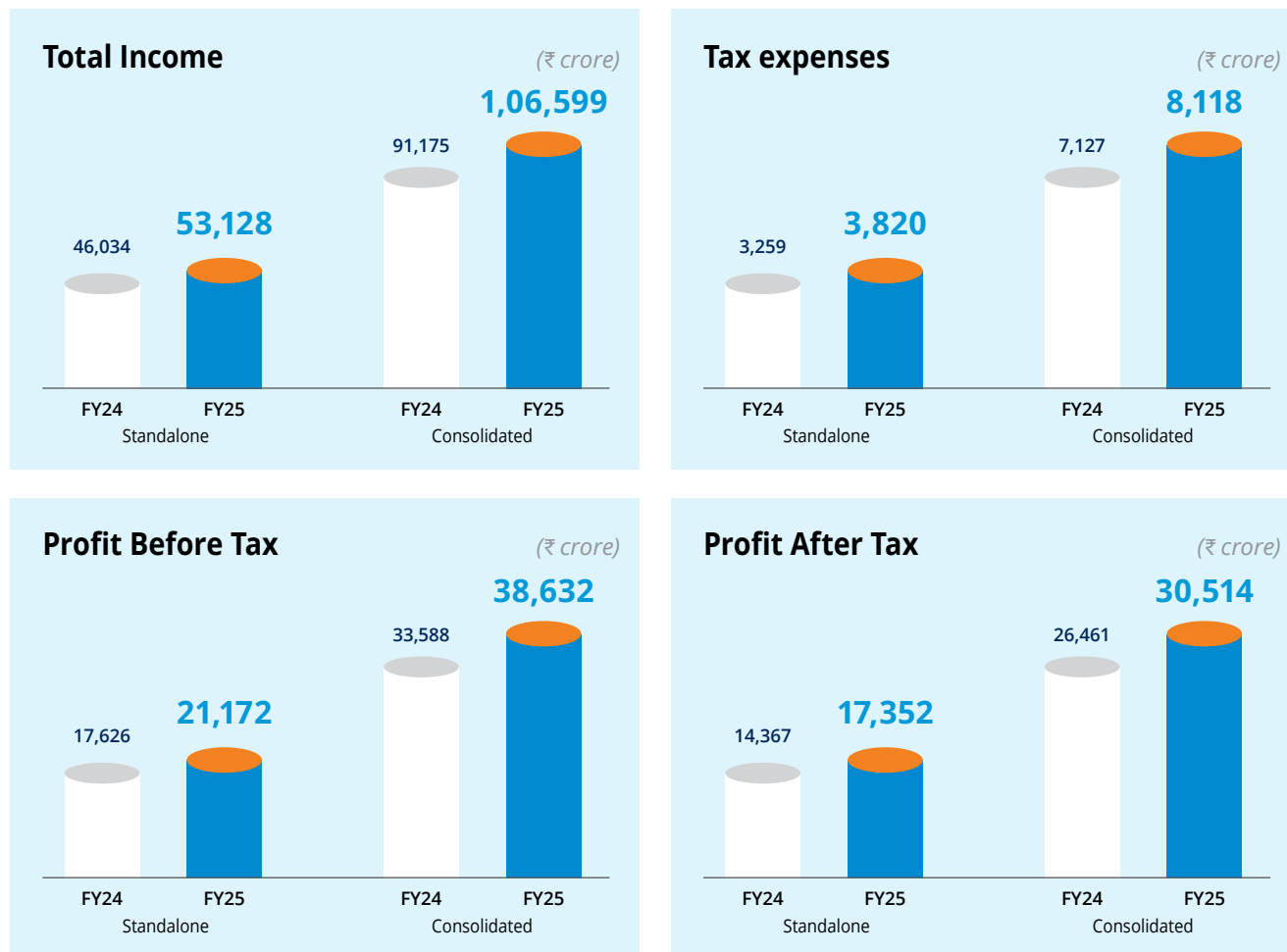
- **Preferred Lending Partner:** Consolidate its position as the lender of choice in the Power, Energy and Infrastructure sectors, financing solutions to government and private borrowers at reasonable costs.
- **Net-Zero Leadership:** Lead investments towards achieving India's Net-Zero emissions goal by prioritizing investments in green infrastructure projects. Leverage the expertise to catalyze sustainable energy solutions that align with global climate objectives.
- **Sectoral Reforms and Innovation:** Spearhead transformative reforms in the Power, Energy, and Climate sectors, collaborating closely with the Government of India to implement policies and programmes of Gol for power sector.
- **Diversified Growth:** Expand the lending portfolio into new and emerging areas in power and infrastructure sector and adapt to evolving market dynamics to capitalize on new opportunities which can help in reducing the cost of power to the end consumer and to ensure viability of emerging technologies.

3. Powering Growth Through Numbers-A Financial Synopsis

Your company has demonstrated strong financial growth in FY 2024-25. Both Profit Before Tax and Profit After Tax have seen significant double-digit increases. This positive trend is supported by a substantial increase in total income, primarily driven by revenue from operations. While total expenses also increased, the growth in revenue outpaced the growth in expenses, leading to improved profitability. The dominance of finance costs within total expenses remains a key characteristic of your company's financial structure. Total Comprehensive Income also saw a healthy increase. The government's substantial holding in the company's equity remains a significant aspect of its ownership structure.



Standalone and Consolidated figures across FY 2023-24 and FY 2024-25



ii. Other Equity (Retained Earnings)

Particulars	(₹ in crore)			
	2024-25	2023-24	2024-25	2023-24
Opening Balance of Surplus	15,876.21	12,648.64	23,413.33	18,236.28
Profit after tax for the year	17,352.19	14,367.02	22,990.81	19,761.16
Re-Measurement of Defined Benefit Plans	(4.72)	(4.27)	(4.42)	(4.66)
Transfer towards Reserve for Bad & Doubtful Debts u/s 36(1)(viiia) (c) of Income Tax Act, 1961	(915.33)	(712.12)	(1,358.42)	(1,074.12)
Transfer to Special Reserve created and maintained u/s 36(1)(viii) of Income Tax Act, 1961	(3,295.53)	(2,804.90)	(5,164.37)	(4,419.18)
Transfer to Special Reserve created u/s 45-IC(1) of Reserve Bank of India Act, 1934	(3,470.45)	(2,873.40)	(5,124.57)	(4,349.20)
Transfer to General Reserve	-	-	(394.76)	-
Transfer to Interest Differential Reserve - KfW Loan (net)	(1.75)	(2.18)	(1.75)	(2.18)
Dividends	(5,362.67)	(4,818.15)	(5,362.67)	(4,818.16)
Reclassification of gain / loss on sale of equity instrument measured at OCI	114.38	164.76	114.38	190.02
Impairment Reserve	-	(89.18)	-	(89.18)
Adjustments	-	-	(17.53)	(17.45)
Closing Balance of Surplus	20,292.33	15,876.21	29,090.03	23,413.33

* Attributable to owners of the Company (PFC)

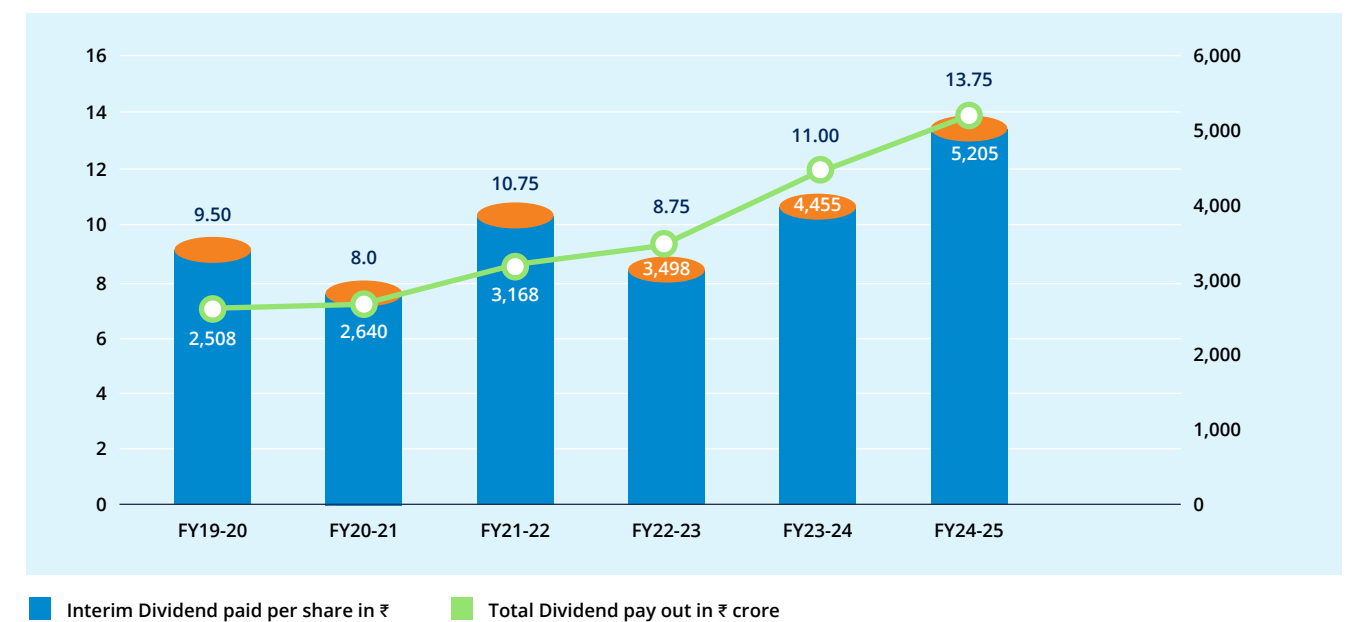
iii. Dividend

The Board of Directors of the Company has recommended final dividend ₹676.52 crore @ 20.5% on the paid up equity share capital i.e. ₹2.05 /- per equity share of ₹10/- each for the FY 2024-25, subject to the approval of the shareholders at the ensuing Annual General Meeting. The Company had also paid interim dividend ₹4,537.64 crore @ 137.5% on the paid up equity share capital i.e. ₹13.75 /- per equity share of ₹10 /- each during FY 2024-25.

Dividend (per share)	FY 2024-25		FY 2023-24	
	In ₹	In %	In ₹	In %
First Interim	3.25	32.5	4.5	45
Second Interim	3.5	35	3.5	35
Third Interim	3.5	35	3.0	30
Fourth Interim	3.5	35	-	-
Final Dividend	2.05 [^]	20.5 [^]	2.5	25
TOTAL DIVIDEND	15.8	158	13.5	135

[^]Recommended for approval of Shareholders

Details of Interim Dividend paid & Final Dividend payable in FY 24-25 and Interim / Final dividends paid in previous years are as follows:



5. Operational Performance

i. Asset Quality

Particulars	FY 2024-25	FY 2023-24
Gross Loan Assets	5,43,120	4,81,462
Stage III Assets	10,517	16,073
Provision on Stage III Assets	8,424	11,963
Gross Stage III as % of Gross Loan Assets	1.94%	3.34%
Net Stage III as % of Gross Loan Assets	0.39%	0.85%

ii. Key Financial Ratios of the Company for FY 2024-25 Vis-À-Vis FY 2023-24 are given below:

Ratio	As at March 31, 2025	As at March 31, 2024
Net Debt Equity Ratio	5.12	5.14
Operating Margin %	39.82%	38.27%
Net Profit Margin%	32.66%	31.21%
Gross Credit Impaired Assets Ratio %	1.94%	3.34%
Net Credit Impaired Assets Ratio %	0.39%	0.85%
CRAR%	22.08%	25.41%
Return on Net Worth (%)	20.40%	19.49%



iii. Sanction/Disbursement (Excluding RDSS/IPDS/R-APDRP)

During FY 2024-25, your Company sanctioned loans amounting to ₹3,61,068 crore, thereby registering an increase of 28% over the previous year's sanctioned amount of ₹2,82,269 crore. Loans disbursed during FY 2024-25 were ₹1,68,265 crore, showing an increase of 32% over the previous year's disbursed amount of ₹1,27,656 crore.

The details of sector wise sanctions and disbursements are provided in below:

(₹ in crore)				
SECTOR	FY 2024-25		FY 2023-24	
Category	Sanctions	Disbursement	Sanctions	Disbursements
State sector	1,35,158	1,15,244	2,16,167	96,349
Central sector	20,049	3,789	14,648	1,459
Joint sector	76,072	5,300	8,804	5,855
Private sector	1,29,789	43,932	42,650	23,993
Total	3,61,068	1,68,265	2,82,269	1,27,656

iv. Infrastructure Financing

As on March 31, 2025, PFC has sanctioned ₹84,433 crore and disbursed ₹12,534 crore.

Summary of loans sanctioned and disbursed to Logistic & Infrastructure sector are as below:

(₹ in crore)		
Discipline	Sanction	Disbursement
Basic Infrastructure	773	0
Desalination & Water Infrastructure	163.6	0
Ethanol and Associated Infra	318.2	167
Logistics Associated Infrastructure	76.5	75
Petroleum and Natural Gas Infra.	4,011.8	986
Port	32,110.5	4,518
Refinery and Petrochemical Complex	3,037.5	3,005
Roads and Highways	43,941.8	3,783
Total	84,433	12,534

v. Renewable Energy

As on March 31, 2025, PFC has Sanctioned around ₹1,13,800 crore and Disbursed ₹64,702 crore to Renewable Energy Projects.

Summary of loans sanctioned and disbursed to Renewable energy projects are as below:

(₹ in crore)		
Discipline	Sanction	Disbursement
Solar	56,037	29,370
Wind	35,968	24,934
WTE	2,469	1,542
Small Hydro (<=25 MW)	2,046	1,570
Bagasse	859	859
Biomass	1,264	149
Hybrid (Solar & Wind)	15,157	6,278
Total	1,13,800	64,702

6. Awards & Recognition

Your Company celebrated excellence across Environmental, Social, Governance & Financial Leadership during FY 2024-25.

A. Environmental Excellence

Award	Awarded By	Recognition
Outlook CSR Award – Non-Fossil Fuel Business Category	Outlook Planet Sustainability Summit 2024	For outstanding CSR initiative in clean energy promotion and sustainable development.
REINVEST Award	Ministry of New and Renewable Energy (MNRE)	For significant contributions to renewable energy infrastructure financing and transition leadership.
Swachhta Pakhwada Award 2024 – 2 nd Prize	Ministry of Power, Government of India	For impactful implementation of cleanliness campaigns under Swachh Bharat Abhiyan.

B. Social & Governance Leadership

Award	Awarded By	Recognition
Best Innovation in CSR Practices	ASSOCHAM	For leveraging assistive technologies to support social inclusion and upliftment of Divyangjan.
Indian CSR One Decade Celebration — Award		Celebrates a decade of impactful CSR interventions in the areas of education, health, sanitation, and community welfare.
Governance Now PSU Award	Governance Now	Conferred for excellence in Financial Performance and Learning & Development, showcasing robust institutional governance.
Rajbhasha Niti Shreshth Karyanwayan Protsahan Puraskar	Ministry of Home Affairs (Rajbhasha Vibhag)	Recognizes exemplary implementation of the Official Language Policy in promoting Hindi usage in official communication.

C. Financial & Institutional Excellence

Award	Awarded By	Recognition
SCOPE Meritorious Award for Best Financial Institution	Standing Conference of Public Enterprises (SCOPE)	Prestigious recognition of PFC's leadership as a high-performing financial institution in the infrastructure sector.
Leading Infrastructure Finance Company Award	Dun & Bradstreet	Acknowledges PFC's pioneering role in power and allied infrastructure financing in India.
Corporate Bond Market Award 2024	ASSOCHAM	Recognizes PFC's leadership in deepening India's corporate bond market and expanding capital availability for long-term infrastructure projects.

7. Events, Outreach & Brand Engagement

In FY 2024-25, your Company significantly enhanced its stakeholder outreach and public engagement through a series of high-impact events, exhibitions, and awareness campaigns which has showcased that your company is a responsible, future-ready public sector leader, blending innovation with impact, and brand building with nation-building. These initiatives were not only aligned with PFC's vision of promoting sustainability, innovation, and inclusivity but also strategically amplified its presence across media and public platforms.

Through these efforts, PFC successfully advanced its image.

1. Central Sector Meet

In the backdrop of Government of India's vision to make India the third-largest economy globally by 2030, your company organized a Meet for Central Sector Entities. In the meet, the importance and role played by Central Sector Entities under various Ministries in the country through investments in the infrastructure projects was emphasized. In this regard, PFC has a dedicated team and focused approach towards financing capex requirements of these entities. PFC also understands the nuances of different types of infrastructure projects and is fully geared up to meet the challenges and cater to the varying requirements of each project.

The meet provided a platform for building stronger ties and relationships, so that the collaborative efforts of

these entities can propel India in the journey of becoming the third-largest economy globally by 2030.

2. Investor engagement through Annual Meet 2025

PFC continues to actively engage with the investor community through regular and transparent communication. As part of these efforts, PFC organised its Annual Investor Meet for FY 2024-25 to facilitate in-person engagement with investors and analysts. During the meet, senior management presented the Company's financial performance, shared key business updates, provided insights into the power sector outlook, and addressed investor queries. Such engagements support transparent, timely, and two-way communication with existing and potential investors, enhancing PFC's visibility and reinforcing stakeholder confidence.

3. Youth Engagement through Energy Conservation Campaigns

Your Company organized the State Level Painting Competition on Energy Conservation under the aegis of the Bureau of Energy Efficiency (BEE), targeting school students in the Delhi-NCR region. The competition aimed to sensitize youth towards energy conservation and climate awareness. The award ceremony, graced by senior officials from PFC and BEE, received strong visibility across educational and public outreach channels, reinforcing the organization's alignment with national sustainability goals.



4. Exhibition Participation & Sectoral Showcases

Your Company maintained a prominent presence at key sectoral exhibitions during the year:

- **GRIDCON 2025:** PFC showcased its leadership in grid modernisation, SCADA automation, and green finance at a dedicated exhibition stall.
- **India Energy Week 2025:** PFC's stall, hosted within the Ministry of Power Pavilion, highlighted cutting-edge intelligent metering systems and digital grid solutions. These exhibits emphasized PFC's commitment to technological excellence and energy efficiency.
- **ELECRAMA 2025:** PFC actively engaged with key themes of smart energy and decarbonisation through coordinated social media and partner participation.

5. Sports Engagement - Hockey India Sponsorship

PFC served as the Title Sponsor for the India vs Germany Bilateral Hockey Series held in October 2024 at Major Dhyan Chand National Stadium, New Delhi. This landmark event marked the return of international hockey to the capital after a decade. PFC enabled free digital ticketing for the public, promoting national sport and social inclusion. The event significantly enhanced PFC's brand visibility and stakeholder goodwill.

6. Swachhata Hi Seva Campaign

As part of the Government of India's nationwide cleanliness drive, PFC organized comprehensive Swachhata activities in Delhi. Employees actively participated in cleaning public areas such as Shivaji Bridge Railway Station and Connaught Place. Hygiene kits were distributed to vendors and sanitation workers. These activities reinforced the corporation's commitment to civic responsibility and sustainable urban development.

7. Strategic Social Media Impact

PFC's digital communication strategy played a critical role in amplifying the impact of these initiatives. Highlights include:

- Consistent engagement on Facebook, LinkedIn, and X (formerly Twitter), especially around CSR initiatives, exhibitions, and national observances.
- Focused campaigns on key themes like energy conservation, Swachhta campaign, smart energy usage, and public health awareness.
- Media recognition through awards such as the CSR Champion Award at the Outlook Planet Sustainability Summit 2024.

8. Borrowings

i. Borrowings from Domestic Market

During the FY 2024-25, an amount of ₹84,609 crore was mobilized through domestic market as per the details given below:-

(₹ in crore)	
Source	Amount
Private Placement of Unsecured Taxable Bonds	50,078
Term Loan from Banks & FIs	26,444
Commercial Paper	5,987
Public Issue of Secured Taxable Bonds	-
54EC Capital Gain Tax Exemption Bonds	2100
Total	84,609

Cash Credit/ Overdraft Facilities

For day to day operations, your company continued to follow prudent strategies for optimum utilization of fund based resources. To hedge any financial liquidity bottlenecks, ample credit lines to the tune of ₹15,750 crore were sanctioned as on March 31, 2025 by various scheduled commercial banks to the company for short term funding.

LCR Compliance

RBI has prescribed Liquidity Coverage Ratio (LCR) framework for NBFCs. These guidelines aims for maintenance of a liquidity buffer in terms of LCR by ensuring that NBFCs have sufficient High Quality Liquid Asset (HQLA) to survive any acute liquidity stress scenario lasting for next 30 days.

PFC is maintaining 100% of the HQLA requirement to cover net cash outflows over the next 30 calendar days, in compliance with the RBI guidelines on LCR. HQLA stood at ₹2,280.88 crore (LCR Ratio 140.64%) as on March 31, 2025.

ii. External Borrowings

The foreign currency denominated borrowings during FY 2024-25 are as follows:

(₹ in crore)		
Sl. No.	Source	Amount
1.	Foreign Currency Term Loans	21,096.66
2.	Short Term Loans in Foreign Currency	5,811.93
TOTAL		26,908.59

Green Bonds

PFC established its Green Bond Framework in October, 2017 as approved by Climate Bonds Initiative (CBI), London, UK. The Green Bond framework for funding renewable

projects (viz. Solar and Wind) has been updated in August, 2021 to align with the latest set of guidelines namely Climate Bonds Standard version 3.0, the Green Bond Principles (GBP), 2021 issued by the International Capital Markets Association (ICMA). In this context, an agreement was executed between PFC & Climate Bonds Initiative.

The Green Bonds issued by PFC:

Particulars	Amount	Listed on
First USD Green bond issued in December, 2017 at a coupon of 3.75%	US \$400 million (₹2,575 crore)	London Stock Exchange's new International Securities Market (ISM), Singapore Stock Exchange and India INX
First Euro Green Bonds issued in September, 2021 at a coupon of 1.84%	EUR 300 million (₹2,597 crore)	Singapore Stock Exchange, India INX and NSE IFSC

Annual update to the holders of the bonds, as required under the PFC's Green bond framework is as follows:-

The funds raised under Green bonds have been utilized to finance renewable energy projects as per the "Eligible Projects" under PFC's Green Bond Framework. As at March 31, 2025, outstanding loan balances of Solar & Wind energy projects funded by PFC are ₹22,118 crore & ₹16,971

crore respectively. The total capacity of Solar & Wind energy projects funded by PFC and which are outstanding as on March 31, 2025 is 14,670 MW. Accordingly, PFC green bond portfolio is more than the amount raised through issue of green bonds.

Externally Aided Projects

Outstanding balance from multilateral/ bilateral agencies as at March 31, 2025 is as follows:

Source	Amount
KfW	EUR 71,646,311*
Credit National	EUR 311,498
ADB	USD 3,432,302

* Includes EUR 58,747,000.56 disbursed by KfW in FY 2022-23 and Eur 17,763,829.26 in FY 2023-24 under Discom Investment Facility (ODA Loan- Without Govt. Guarantee).

9. Domestic and International Credit Rating

Your company has been assigned the highest ratings by Domestic Credit Rating Agencies and Sovereign Rating by International Credit Rating Agencies as at March 31, 2025. Your Company believes that these credit ratings enables us to develop strong relationship with our lenders and borrow funds at competitive rates.

Credit Rating Overview

Domestic Credit Rating Agencies (Borrowing Programme)

CRISIL

Long Term Rating
CRISIL AAA
Short Term Rating
CRISIL A1+

ICRA

Long Term Rating
ICRA AAA
Short Term Rating
ICRA A1+

CARE

Long Term Rating
CARE AAA
Short Term Rating
CARE A1+

International Credit Rating Agencies (Issuer Rating)

Fitch Ratings

Long Term Rating
BBB-

Moody's

Long Term Rating
Baa3

10. Memorandum of Understanding with Govt. of India

Your Company enters into a Memorandum of Understanding (MoU) with the Ministry of Power (MoP) every year wherein your Company is evaluated on various financial and non-financial parameters. The performance of your company in this regard is as follows:

- Consistent Rating: 'Excellent' by Government of India
- FY 2023-24: 'Excellent' Rating Received
- FY 2024-25: Rating Awaited

In FY 2024-25, the achievement of your Company on some of the key MoU parameters (on standalone basis) has been as under:

MoU Parameter	Achievement
Revenue from Operations	₹53,099.22 crore
Loans Disbursed to Total Funds Available	99.99%
Overdue loans to Total Loans	0.06%
NPA to Total Loans	0.39%
Cost of raising funds through Bonds as compared to similarly rated CPSEs	(-)11.94 bps

11. Subsidiaries

A. REC Limited

Your company is the promoter & holding company of REC, with shareholding of 52.63% in its paid up equity share capital.

REC is also a Systemically Important (Non-Deposit Accepting or Holding) Non-Banking Finance Company (NBFC) registered with Reserve Bank of India (RBI) as an Infrastructure Finance Company (IFC). Its business activities involve financing projects in the complete power sector value chain, be it generation, transmission or distribution. REC provides financial assistance to state electricity boards, state governments, central/state power utilities, independent power producers, rural electric cooperatives and private sector utilities.

Further, during the FY 2024-25, the total income of REC was ₹55,979.62 crore vis-à-vis ₹47,571 crore in the previous FY 2023-24 and the net profit earned by REC during FY 2024-25 was ₹15,713.21 crore as against the corresponding net profit of ₹14,019.21 crore for last FY 23-24.

The detailed operational and financial performance of REC is available on its website i.e. www.recindia.nic.in

The following subsidiaries of REC as on March 31, 2025 are also subsidiaries of PFC:

- REC Power Development & Consultancy Limited
- Chandil Transmission Limited
- Dumka Transmission Limited
- Mandar Transmission Limited
- Koderma Transmission Limited
- Luhri Power Transmission Limited
- Shongtong Power Transmission Limited
- Kankani Power Transmission Limited
- Tuticorin Power Transmission Limited

- WRNES Talegaon Power Transmission Limited
- Rajgarh III Power Transmission Limited
- Jejuri Hinjewadi Power Transmission Limited
- Velgaon Power Transmission Limited

B. PFC Consulting Limited

PFC Consulting Limited (PFCCL) is a wholly owned subsidiary of your company. It has been offering consultancy support to the Power Sector. The Services offered by PFCCL are broadly in the following areas:

- **Transaction Advisory:** End-to-End solutions in Transaction Advisory Services across different areas in power sector (Selection of Sellers/Developers, Reform & Restructuring, Independent Transmission Projects, Privatization of Electricity Distribution in Union Territories, Resolution Plan and RE-Bundling)
- **Project Development:** Project Development & implementation of various GoI initiatives (Ultra Mega Power Projects, Lender's Independent Engineer, Lender's Insurance Advisor, Setting up of Manufacturing Zone for power and renewable energy equipment, Subsea Cables)
- **PMA / PMC/ GoI Schemes:** Project management & change agents focusing on revamped solutions & aiming for loss reduction (Revamped Distribution Sector Scheme, Procurement of Power, DEEP Portal, Coal Linkage Auction under SHAKTI Scheme, Pilot Scheme, PRAAPTI Portal, Integrated Power Development Scheme)
- **Smart Solutions:** Smart solutions to improve performance & processes, productivity & pro-active planning (Smart Metering, Energy Portfolio Management)
- **Policy Formulation Support:** Support to Government/Regulators for formulation of Policies, Regulatory framework and Guidelines & SBDs
- **Other Services:** Strategy, Regulatory, Tariff Support, fund mobilization and other aspects of power sector

Till date, consultancy services have been rendered by PFCCL to its clients spread across India. The total no. of projects/ assignments undertaken as on date are more than 200.

Further, during the FY 2024-25, performance of PFCCL is as follows:

Particulars	FY 2024-25	FY 2023-24
Total Income	298.14	267.07
Net Worth (as on March 31, 2025)	340.09	239.49
Net Profit	183.38	158.67

Your Company is designated by Ministry of Power (MoP) as the 'Nodal Agency' for facilitating development of Ultra Mega Power Projects and its wholly owned subsidiary i.e. PFC Consulting Limited is the 'Bid Process Coordinator' for Independent Transmission Projects.

As on March 31, 2025, the following subsidiaries of PFCCL are also subsidiaries of PFC:

- Chhatarpur Transmission Limited
- Siot Transmission Limited
- Joda Barbil Transmission Limited
- Ramakanali B -Panagarh Transmission Limited
- Gola B -Ramgarh B Transmission Limited
- KPS III HVDC Transmission Limited
- Bhuj II Transmission Limited
- Angul Sundargarh Transmission Limited
- Bhadla and Bikaner Complex Transmission Limited
- Bhuj ICT Transmission Limited
- Kakinada I Transmission Limited
- Kandla GHA Transmission Limited
- MEL Power Transmission Limited
- NER Expansion Transmission Limited
- NES Dharashiv Transmission Limited
- NES Navi Mumbai Transmission Limited
- NES Pune East New Transmission Limited
- Raghanesda RE Transmission Limited
- Wahipora and Sallar Transmission Limited

C. PFC Infra Finance IFSC Limited (PIFIL)

PFC Infra Finance IFSC Limited was incorporated on February 11, 2024 as wholly-owned subsidiary of Power Finance Corporation Limited. The Company received approval from International Financial Services Centres Authority (IFSCA) on October 10, 2024 to commence business as Finance Company in IFSC GIFT City Gujarat.

Your Company is the first Govt. NBFC which has established a subsidiary in the International Financial Services Centre (IFSC) at GIFT City, Gujarat dedicated to Power and Infrastructure Lending in foreign currency. IFSC provides a unique platform to access global capital and expertise, which will enable your Company to provide even more efficient and innovative financing solutions to the clients. PFC's entry into the IFSC shall open up new business opportunities and establish its global presence. This Company will focus on providing financial solutions for infrastructure projects across various sectors, including renewable energy.

D. PFC Projects Limited (PPL)

PFC Projects Limited (PPL), formerly Coastal Karnataka Power Ltd., was established as a wholly owned subsidiary of PFC for developing an Ultra Mega Power Project in Karnataka. In 2022, its name and charter were amended to allow participation in Lenders' Backed Resolution Plans (LbRP).

PPL partnered with REC Ltd. and others to submit a resolution plan under CIRP for Lanco Amarkantak Power Ltd. (LAPL). The consortium was initially declared the Successful Resolution Applicant (SRA), but later opted out of the challenge process initiated by NCLT, on the condition that incurred costs be reimbursed—which was done.

Later, PPL submitted an EOI for CIRP of two KSK Mahanadi Power SPVs, but PFC and REC couldn't proceed due to the absence of DIPAM approval. DIPAM, via its letter dated

December 21, 2023, advised against LbRPs citing financial and risk concerns.

As no future business is expected, the Board of PPL approved striking off the company's name from the ROC under the Companies Act, subject to approvals and settlement of liabilities.

E. Other Subsidiaries Established for Development of UMPP'S:

- Orissa Integrated Power Limited
- Coastal Tamil Nadu Power Limited
- Sakhigopal Integrated Power Company Limited
- Ghogarpalli Integrated Power Company Limited
- Deoghar Mega Power Limited
- Cheyur Infra Limited
- Odisha Infrapower Limited
- Deoghar Infra Limited
- Bihar Infrapower Limited
- Bihar Mega Power Limited
- Jharkhand Infrapower Limited

In view of the country making energy transition from fossil to non-fossil fuel, it was deliberated in MoP to close the UMPPs. MoP directed PFC to take necessary action for closure of UMPPs. Accordingly, PFC/PFCCL has initiated the process for closure of SPV's established for development of UMPPs.

12. Building Resilience: Our Multi-Layered Risk Approach

i. Asset Liability Management

Your Company has implemented a comprehensive and robust Asset Liability Management (ALM) Policy, aligned with the Reserve Bank of India (RBI) guidelines. The policy is designed to ensure focused and proactive management of liquidity and interest rate risks as follows:

Risk Monitoring Methodologies:

- Liquidity Risk: Monitored using the cash flow approach to assess the timing of cash inflows and outflows.
- Interest Rate Risk: Measured through traditional gap analysis, as prescribed by the RBI, to understand mismatches across various time buckets.

Measurement and monitoring of Liquidity risk is done through cash flow approach; and for Interest rate risk, it is done through traditional gap analysis technique as detailed in RBI guidelines. Such analysis is made on periodical basis in various time buckets and is used for critical decisions regarding the time, volume and maturity profile of the borrowings and creation of mix of assets and liabilities in terms of time period (short, medium and long-term) and in terms of fixed and floating interest rates. The details of the asset liability management maturity pattern are given at Note No. 53.1 of the Notes to Accounts of the Standalone Financial statements forming part of this Annual Report.

ii. Foreign Currency Risk Management

Your Company has put in place “Policy for Management of Risks on Foreign Currency Borrowings” to manage risks associated with foreign currency borrowings. The Company enters into hedging transactions to cover exchange rate and interest rate risk through various instruments like forwards, options and swaps.

As on March 31, 2025, the total o/s foreign currency liabilities stand at USD eqv 10,415 mn, and the borrowings denominated in different currencies are USD 7,238 mn, JPY 2,86,367 mn, EUR 1,023 mn & GBP 135 mn. Out of the total foreign currency borrowing portfolio 95% is hedged i.e. USD eqv 9,906 mn. Also, 96% of the FC portfolio with residual maturity up to 5 years is hedged.

iii. Information Security Risk Management

Your company has established a Board level “Information Technology Strategy Committee” (ITSC) as per the RBI Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices for the NBFC. ITSC ensures that the IT Strategy aligns with the overall strategy of the organization towards accomplishment of its business objectives. ITSC is headed by an Independent Director.

Further, your company also has in place an Information Security Committee (ISC) headed by Chief Risk Officer (CRO) under the oversight of ITSC for managing information security, development of information security policies, implementation of policies, standards and procedures.

PFC has also nominated a Chief Information Security Officer (CISO) for monitoring information security strategy and ensuring compliance to the extant regulatory/statutory instructions on information/ cyber security.

In compliance with RBI Master Direction, PFC has implemented BoD approved IT policy covering the following security related components:

- Physical and Environmental Security Policy
- Access Control Policy
- IT Cyber Security Policy
- Business Continuity Policy

iv. Integrated Enterprise Wide Risk Management

In order to manage risks faced by your Company, it has put in place an Integrated Enterprise Wide Risk Management Policy (IRM policy). For implementation of the policy, your Company has constituted the Risk Management Committee. Under the IRM policy, the Company has to identify the principal risks which may have an impact on its profitability/revenues. In this regard, the Company has identified significant risk parameters which arise from the

Company’s business model and from its use of financial instruments. These risk parameters cover the major operational risks, financial risks, market risks, regulatory risks etc. faced by the Company and are regularly assessed as per the Risk Assessment Criteria. Further, the Company also maintains a risk register which serves as repository of relevant information related to various risks.

13. Catalyzing Power Sector Reforms: Our Government Partnership

i. Revamped Distribution Sector Scheme (RDSS) & Integrated Power Development Scheme (with Restructured Accelerated Power Development and Reform Programme (R-APDRP) Subsumed in IT)

The Company is involved in various GoI programs for the power sector including acting as the Nodal Agency for operationalization and implementation of Revamped Distribution Sector Scheme (RDSS) launched by Govt. of India in July, 2021. PFC was also the designated nodal agency for operationalization of IPDS and R-APDRP Schemes. Both of the Schemes have been Sunset in March, 2022.

Revamped Distribution Sector Scheme (RDSS)

MoP/ GoI launched the “Revamped Distribution Sector Scheme (RDSS) – A Reforms-based and Results-linked, Distribution Sector Scheme” in July 2021 to improve the operational efficiencies and financial sustainability of DISCOMs, by providing financial assistance to DISCOMs for upgradation of the Distribution Infrastructure and Prepaid Smart Metering & System Metering based on meeting pre-qualifying criteria and achieving basic minimum benchmarks in reforms. PFC and our subsidiary REC are the designated nodal agencies for operationalization of the Scheme, as per RDSS guidelines and directions of inter-ministerial Monitoring Committee/ MoP from time to time.

Nodal agencies are eligible for 0.5% of the sum total of the Gross Budgetary Support (GBS) component of the various projects approved by Monitoring Committee as its fee. PFC is the nodal agency for 17 States/ UTs under the Scheme. The present implementation period of the Scheme is 5 Years (FY 2021-22 to FY 2025-26). The Scheme has an outlay of ₹3,03,758 crore. with an estimated gross budgetary support of ₹97,631 crore. from the GoI. RDSS also envisages electrification of balance/ left-out households.

During April 1, 2022 to June 30, 2025, PFC incurred an expenditure of ₹31.50 crore under various heads like Project Coordinators, Manpower & Consultant, Site Office, Website management etc. maintained under RDSS.

Financial Assistance under RDSS:

For States allocated to PFC, projects for loss reduction (including household electrification works) and smart metering have been sanctioned for 24 Distribution Utilities across 13 States. Details as on March 31, 2025 are tabulated below:

(Amount in ₹ crore):			
Project	Approved Cost	GoI Component (GBS)	GoI Grant Disbursement ^A
Metering	56,887	10,435	6
Power Distribution including Household electrification	65,182	40,323	8,199
Total	1,22,069	50,758	8,205

^AIn addition, MoP has also disbursed ₹198 crore for other than the Project activities viz. nodal agency fee (₹171 crore), training & capacity building etc.

Role of PFC in the implementation of RDSS Scheme and other activities/ Initiatives under RDSS

The wide range of activities being performed by PFC under RDSS and for other allied Schemes of GoI are listed below:

a. Core Activities for RDSS

- Overall facilitation and Program management including appraisal of projects, quality monitoring, monitoring compliance of scheme guidelines, resolving queries of DISCOMs, coordination with MoP/ CEA etc.
- Annual result evaluation framework of DISCOMs including monitoring of regulatory parameters e.g. subsidy accounting, Govt. dues, analysis of tariff orders, analysis of sales data etc.
- Capacity building/ training programme for skills development of DISCOMs’ employees. 450 training programs have been conducted through NPTI, DISCOM institutes and other agencies covering ~13,350 DISCOM personnel including 4,300 days of training imparted to women employees under RDSS cumulatively so far.

b. Supporting Activities for RDSS/ Allied programs of GoI

- Counterpart funding** - PFC is supporting the counterpart (CP) funding @ 40% (10% for special category States) of the project cost for Loss Reduction (LR) projects under RDSS. PFC has so far sanctioned CP loans of ₹18,516 crore and disbursed ₹2,557 crore for LR works under RDSS. To support the RDSS Program of GoI, PFC is offering special interest rate to DISCOMs for RDSS CP loans. In addition, PFC is also extending interim loans to DISCOMs in case of any paucity of GoI funds, to maintain adequate fund flow for project implementation and has sanctioned ₹20,972 crore and disbursed ₹1,186 crore towards interim loans.
- Implementation of Smart Distribution Network pilot projects in selected cities across India.
- Ensuring Household electrification for remotest corner of the Country** - Sanction

and monitoring of electrification of over 80,000 Particularly Vulnerable Tribal Groups (PVTG) households (PFC States) under PM JANMAN Program and 65,000 identified households; 3,000 public institutions across ~9,000 villages under DA-JGUA Scheme being funded under RDSS.

- Facilitation with DISCOMs for Projects covered under National Infrastructure Pipeline (NIP); Ease of Living (EoL) parameters; PM-KUSUM; PM-AJAY; PM Surya Ghar Yojana; Border area electrification; left-out household electrification; supply to BSNL Telecom towers in remote areas etc.

c. Other Concurrent Activities

- PFC is supporting the States by preparing Model Bidding Documents for Automation and ERP projects under RDSS; monitoring of implementation of SCADA systems; developing National SCADA Resource Centre (NSRC); development of Integrated web portal for various government Schemes including RDSS; tie-up with multilateral agencies viz. ADB, KfW for funding under RDSS and FCDO, USAID, GiZ etc. for training & capacity building of DISCOM personnel.
- PFC was instrumental in development of Digital Utility Manager (DUM) training program to enhance the skills of power sector professionals and utility employees in adopting emerging digital technologies. This self-paced course was made available on the iGOT Karmayogi Portal in March, 2025 and is designed to help professionals stay competitive and resilient amidst the evolving energy transition. The program consists of 16 key modules covering a wide range of topics.
- As part of Accelerating Smart Power & Renewable Energy in India (ASPIRE) program supported by the UK Government’s Foreign, Commonwealth & Development Office (FCDO), PFC also took the initiative to assess the composition & participation rate of women in the workforce of Power Distribution sector and published a report on Gender Equity in Power Distribution sector.

Impact of RDSS in Power Distribution Sector

Various regulatory as well as corporate governance related reform measures being implemented in the DISCOMs (*interalia including RDSS*), have started showing desired results:

- Tariff orders are being issued regularly.
- Reduction in Average AT&C loss of distribution utilities in country from 22.3% in FY 21 to 16.3% in FY 24.
- The gap between ACS and ARR (cash basis) has improved from ₹0.92 per KWh in FY 21 to ₹0.39 per KWh in FY 24.
- Timely payments of subsidy and Govt. department dues by State Governments have contributed to reduction of ACS-ARR Gap.
- Quarterly accounts are now being submitted regularly.
- Scheme also places strong emphasis on enhancing consumer satisfaction with improvement in service quality, leading to increased consumer trust and loyalty.

ii. Late Payment Surcharge Rule, 2022

Ministry of Power (MoP) vide Gazette Notification dated June 3, 2022, notified "The Electricity (Late Payment Surcharge and Related Matters) Rules, 2022" (LPS Rules). Your Company has been designated by MoP as the Nodal Agency for implementation of LPS Rules, 2022. PFC shall be responsible for all the activities related to implementation of the said Rules including regular review and monitoring.

With the implementation of Electricity (LPS and Related Matters) Rules, 2022, remarkable improvement has been seen in recovery of outstanding dues of Suppliers including Generating Companies, Transmission Companies and Traders. Against legacy dues of ₹1,39,947 crore as on June 03, 2022, 13 States/UTs have paid instalment of ₹1,24,768 crore (35 EMIs) upto June 2025 i.e. 90% of total legacy dues. Further, 20 States/ UTs reported to have no outstanding dues as on June 03, 2022. Now the legacy dues (overdues) have reduced from ₹1,39,947 crore to ₹13,698 crore and as on date there is no default in payment of instalments for legacy dues by States.

In view of provision of regulation under LPS Rules, 2022, the Distribution companies are paying their current dues in time. Since implementation of the rule, as on June 10, 2025, total bills amounting to ₹13,77,668 crore have been settled against total billed amount of ₹14,58,480 crore from May 2022(excluding EMI Payments against legacy dues and including Disputed Invoices).

iii. Independent Transmission Projects (ITPs)

To promote private investment and accelerate the growth of India's transmission infrastructure, the Ministry of Power has implemented a Tariff-Based Competitive Bidding (TBCB). Projects are prepared up to key milestones—including surveys, route planning, land acquisition, and statutory clearances before being offered to investors.

As on March 31, 2025, 101 SPVs were established for transmission development: 89 for inter-state and 12 for intra-state projects. 2 SPVs were set up by your company, while 99 were established by PFC Consulting Ltd.

Significant Developments

Further, during the FY 2024-25, following SPVs established for development of transmission projects have been transferred to the successful bidders selected through TBCB:

1. Barmer I Transmission Limited
2. Beawar - Mandsaur Transmission Limited
3. Bhadla-III & Bikaner-III Transmission Limited
4. Jamnagar Transmission Limited
5. Khavda PS1 And 3 Transmission Limited
6. Paradeep Transmission Limited
7. Pune- III Transmission Limited
8. Sirohi Transmission Limited
9. South Olpad Transmission Limited
10. Navinal Transmission Limited
11. Mundra I Transmission Limited
12. Kurnool III PS RE Transmission Limited
13. Kudankulam ISTS Transmission Limited
14. Jam Khambhaliya Transmission Limited
15. Gadag II and Koppal II Transmission Limited
16. Fatehgarh II and Barmer I PS Transmission Limited
17. Chitradurga Bellary REZ Transmission Limited
18. Bijapur Rez Transmission Limited
19. Anantapur II REZ Transmission Limited

As on March 31, 2025, out of 99 SPVs, 74 SPVs (69 are related to inter-state transmission scheme and 5 are related to intra-state transmission scheme) were transferred to the successful bidders. Further, due to de-notification of schemes by MoP, 5 SPVs were closed.

iv. Ultra Mega Power Projects (UMPPs)

Development of Ultra Mega Power Projects (UMPPs), with a capacity of about 4,000 MW each, adopting super critical technology is the initiative of MoP, Government of India for which your Company has been designated as the 'Nodal Agency' and Central Electricity Authority (CEA) as the Technical Partner by MoP.

Your Company incorporated a total of 19 Special Purpose Vehicles (SPVs) as its wholly-owned subsidiaries for development of UMPPs. Out of these, 4 UMPPs are awarded and 7 UMPPs are closed.

In view of the country making energy transition from fossil to non-fossil fuel, it was deliberated in MoP to close the UMPPs. MoP directed PFC to take necessary action for closure of UMPPs. Accordingly, PFC/PFCCL has initiated the process for closure of SPV's established for development of UMPPs.

14. Other Major Investments

i. PTC India Limited

PTC India Limited (PTC) was jointly promoted by Power Grid, NTPC, NHPC and PFC. PFC has invested ₹12 crore

in PTC which is 4.05% of PTC's total equity. PTC is the leading provider of power trading solutions in India, a Government of India initiated public-private partnership, whose primary focus is to develop a commercially vibrant power market in the country.

ii. Power Exchange India Limited

Power Exchange India Limited (PXIL) is India's first institutionally promoted Power Exchange that provides innovative and credible solutions to transform the Indian Power Markets. PXIL, provides nation-wide, electronic exchange for trading of power and handles power trading and transmission clearance, simultaneously, it provides transparent, neutral and efficient electronic platform. PXIL offers various products such as Day Ahead, Day Ahead Contingency, Any Day, Intra Day and Weekly Contracts. PXIL provides trading platform for Renewable Energy Certificates. PFC's investment in equity shares of PXIL as on March 31, 2025 is ₹5.06 crore. PFC's investment value as on March 31, 2024 is ₹4.78 crore.

iii. Energy Efficiency Services Limited

Energy Efficiency Services Limited (EESL) was incorporated on December 10, 2009. EESL was jointly promoted by Power Grid, NTPC, REC and PFC with 25% equity stake each for implementation of Energy Efficiency projects in India and abroad. The shareholding of your company (along with its subsidiary REC) as on March 31, 2025 is 21.49%.

iv. NHPC Limited

PFC has initially invested 26,05,42,051 equity shares of NHPC Limited at the rate of ₹21.78 per share (including securities transaction tax, brokerage and other charges) amounting to ₹567.49 crore in April 2016 during disinvestment by Gol through offer for sale route. PFC has sold 15,78,62,576 number of equities shares till March 31, 2025. As on March 31, 2025 PFC holds 10,26,79,475 shares of NHPC Limited valued at ₹844.03 crore. NHPC has reported profit after tax of ₹3083.98 crore for the FY 2024-25 as compared to profit after tax of ₹3,721.80 crore for FY 2023-24.

v. Coal India Limited

PFC has invested 1,39,64,530 equity shares of Coal India Limited at the rate of ₹358.58 per share (including securities transaction tax, brokerage and other charges) amounting to ₹500.74 crore in February 2015 through offer for sale route. As on March 31, 2025, PFC holds 1,39,64,530 equity shares of Coal India Limited valued at ₹556.07 crore. CIL has reported profit after tax of ₹17,016.56 crore for the FY 2024-25 as compared to Profit after Tax of ₹15,766.83 crore for FY 2023-24.

15. Initiatives for Monitoring DISCOM'S Performance

i. Annual Integrated Rating of Power Distribution Utilities

Ministry of Power, as part of its reform initiatives, has put in place an Integrated Rating Framework to evaluate the

performance of power distribution utilities. The primary objective of the Integrated Rating exercise is to grade all utilities in the power distribution sector based on their financial performance and their ability to sustain the performance over time. Private Distribution Utilities and Power Departments are also included to provide complete sectoral coverage.

The rating framework objectively evaluates the performance of distribution utilities across various parameters broadly classified under i) Financial Sustainability ii) Performance Excellence and iii) External Environment. For Power Departments, a subset of metrics with modified weightages has been adopted from the overall methodology to ensure relevance and fairness in assessment.

The ratings were carried out by Deloitte Touche Tohmatsu India LLP, a reputed consulting firm, and were co-ordinated by your Company. These ratings serve as valuable diagnostic tools in the hands of the State Governments as well as Utilities to leverage their strengths and address areas requiring improvements so as to improve their operational efficiency and financial sustainability.

The Thirteenth Integrated Ratings for FY 2023-24, covering 63 utilities across the country, were released by the Hon'ble Union Minister of Power and Housing & Urban Affairs on February 20, 2025.

ii. Annual Performance Report of Power Utilities

PFC has been publishing the Report on Performance of Power Utilities annually. The Report covers State Power Utilities in all states and UTs and major private distribution companies, offering a comprehensive insight into the Indian power sector. The Report covers a range of key financial and operational parameters such as profitability, gap between average cost of supply and average revenue, net worth, receivables, payables, AT&C losses and consumption pattern of the sector at utility, state and national level. The Report is part of PFC's effort to provide a reliable database on the performance of power utilities offering critical inputs for policy interventions and monitoring the progress of various Gol schemes in the power sector. The Report for FY 2023-24 has been published in May 2025.

iii. Categorization of Utilities

For purposes of funding, your Company classifies State Power Generation and Transmission entities into A++, A+, A, B, C and D categories. The categorization (biannually) of State Power Generation and Transmission entities is arrived based on the evaluation of entity's performance against specific parameters covering operational & financial performance including regulatory environment, availability of audited accounts, etc. as per categorization policy.

With respect to State Power Distribution entities (including PDs/entities with integrated operations), your Company's categorization policy provides for adoption of MoP's

Integrated Ratings by aligning such ratings/grading with PFC's standard categories of A+, A, B, C and D.

The categorization of Borrowers in the Logistics and Non-Power Infrastructure sector is carried out on the basis of recommendations of the Internal Committee considering the strengths and weaknesses of the project.

The categorization enables PFC to determine pricing of loans and stipulation of security to the state power entities.

16. Right to Information: Empowering Citizens Through Transparent Communication

The Right to Information (RTI) under the Right to Information Act, 2005 ("RTI Act") is a constitutional right that promotes transparency, accountability, and citizen empowerment. It plays a pivotal role in ensuring that public authorities are answerable for their decisions and actions, while also enabling citizens, journalists, and civil society to engage more meaningfully in governance.

The RTI Act empowers individuals with the right to access information held by public authorities, subject to certain exceptions. The Preamble of the Act highlights its purpose: to promote transparency and accountability in the working of every public authority through access to information.

Power Finance Corporation (PFC) has put in place a robust mechanism for the effective implementation of the RTI Act. A dedicated Public Information Officer (PIO) and a First Appellate Authority (FAA-RTI) have been appointed at the company's registered office to manage information requests. PFC also proactively publishes key information and disclosures on its official website www.pfcindia.co.in, in line with statutory requirements.

Between April 1, 2024, and March 31, 2025, PFC received 96 RTI applications, all of which were processed and responded to within the stipulated timeframes. The company also ensured timely filing of RTI Quarterly Returns through the Central Information Commission's (CIC) online portal.

In furtherance of compliance with Section 4 of the RTI Act, the Department of Personnel & Training (DoPT), through its Office Memorandum No. 1/6/2011-IR dated April 15, 2013, issued specific guidelines regarding:

- Proactive disclosure under Section 4;
- Digital publication of information;
- Enhanced clarity in disclosures under Section 4(1)(b); and
- Establishment of a compliance framework for proactive disclosure.

PFC has fully implemented these guidelines and made all necessary disclosures available on its website. Additionally, PFC is integrated with the RTI Online Portal of the Government of India (<https://rtionline.gov.in>). This portal allows Indian citizens to file RTI applications and first appeals digitally, with payments accepted via SBI

internet banking, credit/debit cards (Visa, MasterCard), and RuPay cards.

17. Corporate Social Responsibility - Driving Social Progress

PFC has formulated its CSR Policy in line with Section 135 of the Companies Act, 2013 and the Companies (CSR) Rules, 2014 (as amended from time to time) and DPE guidelines issued from time to time. The aim of PFC's Corporate Social Responsibility Policy (CSR Policy) is to ensure that the Company becomes a socially responsible corporate entity committed to improving the quality of life of society at large by undertaking projects for Sustainable Development, mainly focusing on Health, Education and Energy needs of the society.

To oversee the activities of CSR, PFC has in place a Board level CSR Committee of Directors headed by an Independent Director. Every year CSR Annual Action Plan and Budget are recommended by CSR Committee and approved by the Board. Third party impact assessment agencies are being engaged to assess the benefit/outcome of the projects.

PFC has implemented wide range of activities throughout the Country in the field of Environment Sustainability, Healthcare, Education, PM Internship, Rural Development, contribution to Swachh Bharat Kosh and other areas as specified under Schedule VII of the Companies Act, 2013.

The CSR Report under Companies (CSR Policy), Rules is annexed herewith.

18. Investing in our People: Training & Development

a. Training & Development and Capacity Building

Investing in employee capacity building is crucial for achieving our strategic objectives and maintaining a competitive edge. During FY 2024-25, the focus on conducting customised programs was maintained to ensure specific skill development aligned with the corporate goals.

The programs on critical areas including Environmental, Social and Governance (ESG), AML, KYC, CFT, General Management Programs, Stressed Asset Resolution under the Insolvency & Bankruptcy Code, 2016, Financial Frauds, GIS, Governance, Public Procurement through GeM Portal, Advanced Excel, Conduct, Discipline & Appeal (CDA) Rules of PFC, Communication skills, CSR practices, RTI ACT etc. were organized along with other need-based programs.

In addition to the above, other compliance-related programs such as Awareness Workshop on Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, Occupational Health & Safety Hazards, Office etiquettes were organised.

All the fresh recruits of your company attended a 3-week Foundation course of National Power Training Institute (NPTI) wherein they were trained on Basics of Power

Sector, Renewables & Solar Energy, Government Schemes, Energy Transition, Energy Conservation & Energy Efficiency, SCADA, and Project Appraisal among other topics. Employees are also encouraged to participate in Conferences related to energy and infrastructure sector, promoting continuous learning and exposure to the industry.

Your Company organised General Management Programs for employees due for promotion to equip them with skills to take on higher roles and develop leadership qualities.

As of March 31, 2025, 28 Nos. of In-house training programs were organised by PFC for its employees. A total of 1921 man-days were achieved through conducting various in-house programs and sponsoring PFC employees to the programs organised by other external training agencies

b. Recreational Activities (Engagement Activity)

- PFC is a founding member of Power Sports Control Board (PSCB). PFC employees participated with full vigour and enthusiasm in various Inter-CPSU sports tournaments organized by the PSCB member organizations during the FY 2024-25.
- As a part of Inter CPSU tournaments, PFC organized a Bridge Tournament from 25-27 November 2024 at New Delhi. 10 Power sector PSUs including MoP participated in the tournament.
- Inter CPSU sports competition details - 118 employees participated in PSCB sports during FY 2024-25.
- PFC celebrated its Foundation Day for its employees & their family member on July 16, 2024 at Bharat Mandapam, New Delhi.

19. Building A Diverse and Equitable Workforce

The Company follows the Presidential Directives and guidelines issued by the Government of India to promote inclusive growth. The status is presented under:

i. Status of Reservation of Posts for various categories (as on March 31, 2025)

Group	Total Employees as on March 31, 2025	SC ¹	SC%	ST ²	ST%	OBC ³	OBC%	EWS ⁴	EWS%
A	526	95	18.06%	35	6.65%	108	20.53%	9	1.71%
B	4	0	0.00%	1	25%	0	0.00%	0	0.00%
C	10	1	10%	1	10%	3	30%	0	0.00%
D	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	540	96	17.77%	37	6.85%	111	20.55%	9	1.66%

PFC makes all efforts to ensure compliance of the Directives and Guidelines issued by the Government of India from time to time pertaining to the welfare of SC/ST/OBC/ ESM⁵/ PwBD⁶ employees. The steps taken include due reservations and relaxation as applicable under the various directives for direct recruitment as well as for promotions. Separate Liaison officers have been appointed to look into the matter of reservations. PFC uploaded dashboard about the details of backlog of any reserved post on career page of PFC website. During the year there was no backlog reserved post.

1 Scheduled Caste

2 Scheduled Tribe

3 Other Backward Classes

4 Economically Weaker Section

5 Ex-Servicemen

6 Persons with Benchmark Disabilities

ii. Women in Leadership and Management

Your Company has women in important and critical functional areas. Women representations have gone across hierarchical levels. The Company provides equal growth opportunities for the women in line with Govt. of India philosophy on the subject. The women are adequately represented, with 22.03% of the total work force.

Group	Total Employees as on March 31, 2025	Number of Women Employees	Percentage (%) of overall staff strength
A	526	117	22.24%
B	4	1	25%
C	10	1	10%
D	0	0	0.00%
Total	540	119	22.03%

PFC as part of its social responsibility makes all efforts to ensure compliance of the Directives and guidelines issued by the Government of India from time to time pertaining to the welfare of female employees.

iii. Internal Complaints Committee

Your company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Details of complaints during FY 2024-25	Nos.
Number of complaints of sexual harassment received in the year	1
Number of complaints disposed off during the year	1
Number of cases pending for more than ninety days	0*

* As on March 31, 2025, no case was pending for more than ninety days.

iv. Talent Management

Your Company continues to strengthen its talent management framework by aligning recruitment, development and retention strategies with overall business objectives. It attracts highly qualified professionals from premier institutions such as IIMs, ICAI, ICMAI, etc. ensuring a strong talent pool. New recruits undergo a well-structured induction program that provides comprehensive exposure to various functions of the Corporation, including practical field visits, which facilitate smooth onboarding and early engagement.

Throughout the year, continuous learning is encouraged through targeted training programs. Your company introduced E-Learning scheme to encourage self-paced learning from renowned learning platforms. Special emphasis is placed on behavioral and leadership development initiatives for senior executives, including Advanced Management and Leadership Programs, to build a robust leadership pipeline and support career progression. Your Company regularly conducts employee engagement surveys to understand workforce sentiments and address concerns through data-driven interventions, resulting in a motivated and productive

work environment. These efforts have contributed to a low attrition rate of 0.73% during FY 2024-25.

Your company recruited 10 new executives during FY 2024-25. Additionally, industrial relations have remained cordial and harmonious, reflecting the employees' strong commitment to the Company's objectives and the effectiveness of its human resource management practices.

20. Corporate Vigilance: a Foundation of Trust

During the Financial Year 2024-25, the Vigilance Unit has continued to serve as a vital instrument in supporting the Corporation's integrity and efficiency. The Unit actively pursued preventive vigilance by conducting regular and surprise inspections across various departments. In addition, it issued operational guidelines and instructions aimed at streamlining systems and procedures, thereby addressing potential vulnerabilities and reinforcing transparency in daily operations.

Power Finance Corporation Limited (PFC) observed Vigilance Awareness Week from October 28 to November 3, 2024, in alignment with the directives of the Central Vigilance Commission (CVC). To mark the occasion, banners promoting Vigilance Awareness Week were prominently displayed at key locations within and outside the office premises. The theme for this year, "Culture of Integrity for Nation's Prosperity", was prominently showcased, including on the desktop screens of all employees. Additionally, extensive publicity was carried out through social media platforms such as Facebook, X (formerly Twitter), and Instagram. A dedicated link was also provided on the Corporation's intranet and official website to facilitate widespread participation in the online Integrity Pledge (e-pledge).

As part of the week-long observance, the Vigilance Unit organized a series of employee engagement activities including slogan writing, poetry, and pictorial competitions centered on vigilance-related themes. These competitions were open to all regular employees, including those stationed at regional offices, with the objective of encouraging creativity and innovation in promoting good governance.

As a new initiative, three dedicated portals were launched by the dignitaries during the VAW event—Vendor Grievance Redressal Portal, Vigilance Complaint Portal,

and Employee Grievance Redressal Portal—aimed at enhancing transparency, accountability, and ease of communication. Additionally, the revised and updated edition of the Vigilance Manual was formally released, reinforcing the Corporation's commitment to robust vigilance practices. During this period, the Vigilance Unit also undertook comprehensive investigations into the complaints received, ensuring thorough examination and appropriate follow-up actions.

In continuation of the broader three-month Vigilance Awareness campaign (VAW-2024), several training and sensitization programs were conducted:

- Workshop on "Conduct, Discipline and Appeal Rules" for PFC employees.
- One-day refresher course on "Cyber Security and Incident Response."
- Two-day residential training program on "Sensitization on Fraud Management and Staff Accountability" for Internal Advisory Committee members and relevant personnel.
- Workshop on "Ethics and Governance" aimed at reinforcing ethical standards across the Corporation.

Additionally, outreach meetings were held with vendors of both PFC and PFCCL, reinforcing the Corporation's commitment to transparency and ethical business practices. To further enhance public engagement, the CVC's jingle was broadcast on two major FM radio channels—Red FM and Radio City—during evening prime time slots.

In adherence to CVC guidelines, sensitive posts within the Corporation were identified and officers were rotated regularly to ensure objectivity and reduce risk. Furthermore, Agreed Lists and the List of Officers of Doubtful Integrity for 2024 were prepared in consultation with the Central Bureau of Investigation (CBI) for the Corporate Office in Delhi and regional offices in Mumbai and Chennai. All prescribed periodical statistical returns were submitted to the CVC, CBI, and Ministry of Power (MoP) within the stipulated timelines.

The Vigilance Unit continuously functioned for systemic improvements with a view to increase transparency, objectivity and accountability in the operations of the corporation. Thus, it has contributed towards strengthening in the functioning of the organization.

21. Implementmation of Official Language

PFC always gives utmost priority to Rajbhasha Hindi in all its official working. It celebrated Hindi Day on September 14, 2024 and Hindi Month from September 14, 2024 to October 13, 2024 successfully. Five (5) competitions, viz. 'Hindi Tippan evam Aalekhan', 'Chitra Kuchh Bolte Hain', 'Smaran Shakti Pratiyogita', 'Humse Badhkar Kaun' and 'Rajbhasha Prashnottari' (for Senior Executives) were conducted during the Hindi Month to encourage and motivate employees to continue working in Hindi.

During the year, Six (6) Hindi workshops were organized on various topics in which 342 employees participated.

A Rajbhasha Sangoshthi was organized on March 17, 2025 on the subject "Bharat ke Bhashai Kshetra mein Aatmanirbharta aur Hindi ki Bhumika" in which 38 employees participated.

Apart from the competitions held during the Hindi month, Four (4) Hindi competitions, viz. 'Paheliyon ka Chakravayuh', 'Naara Lekhan', 'Nibandh Lekhan' and 'Shuddh Varti Pratiyogita' were also conducted during the year in order to promote the usage of Official Language in which 147 employees participated.

Review meetings with various units, Internal inspections and Personal contact programme were conducted for the purpose of reviewing the Rajbhasha related work being done by these units and employees. To motivate the employees towards Hindi, the book "Surykant Tripathi ki Sampurna Kahaniyan" written by renowned poet and writer Surykant Tripathi Nirala was distributed to all the employees.

Inspection was carried out by the Ministry of Power on November 07, 2024 regarding implementation of Official Language in the Corporation and they appreciated the efforts being made by PFC towards the same. Apart from this, the inspection of Power Finance Corporation Limited, Regional Office (South) Chennai, was successfully conducted by the Parliamentary Committee on Official Language on January 6, 2025.

The 59th meeting of the Town Official Language Implementation Committee (Undertaking-1, Delhi) was held on August 9, 2024. In this meeting, Power Finance Corporation was awarded for the Best Implementation of Official Language Policy.

In the meeting of Town Official Language Implementation Committee (Undertaking-1, Delhi) held on January 21, 2025, your company was awarded for successfully organizing the 'Hindi Kavita Paath Pratiyogita' on November 28, 2024. A total of 24 participants from various Office members of the committee participated in this competition. Along with this, 03 employees of the Corporation won prizes in various competitions organized by Town Official Language Implementation Committee (Undertaking-1), Delhi during October-December 2024.

Four (4) issues of the house journal, "Urja Deepti", were published and uploaded on the PFC website as well as the website of the Department of Official Language, Ministry of Home Affairs.

In meetings of OLIC conducted under the chairmanship of CMD, PFC, wherein CMD reviewed the Rajbhasha related work in PFC and motivated the OLIC members to promote Hindi in their area of working.

All these efforts acted as motivational tools for creating possibilities of progressive use of Official Language in the Corporation.

22. Directors' Responsibility Statement

As required under Section 134(5) of the Companies Act, 2013, it is confirmed that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) such accounting policies have been selected and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts have been prepared on a going concern basis;
- e) internal financial controls have been laid to be followed by the Company and such internal financial controls were adequate and operating effectively;
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

23. Auditors

i. Statutory Auditors

M/s Thakur, Vaidyanath Aiyar & Co., Chartered Accountants and M/s Mehra Goel & Co., Chartered Accountants were appointed as Joint Statutory Auditors of the Company for FY 2024-25 by the Office of the Comptroller & Auditor General of India.

The Joint Statutory Auditors have audited the accounts of the Company for the FY 2024-25 and have given their report without any reservation, adverse remark or disclaimer. The copy of the audit report is annexed herewith.

Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is required by the Company and accordingly such accounts and records are made and maintained, is not applicable on the company.

ii. Secretarial Auditor:

Your Company had engaged M/s. Mehta & Mehta, Company Secretaries as Secretarial Auditors for FY 2024-25. Secretarial Audit Report is annexed herewith.

The observations of the Secretarial Auditor and reply of the management on the observations, for the FY 2024-25 along with copy of the audit report is annexed herewith.

iii. Comments of Comptroller & Auditor General of India

The Comptroller and Auditor General of India (C&AG) has mentioned that on the basis of audit, nothing significant has come to their knowledge which would give

rise to any comment upon or supplement to Statutory Auditors' report. The copy of the report of C&AG is annexed herewith.

24. Streamlining Governance Through Technology

In today's rapidly evolving landscape, our organization has significantly advanced its governance practices by strategically leveraging technology. This digital transformation has been instrumental in enhancing efficiency, transparency, and accountability across all operational facets. By implementing robust digital platforms and tools, we have streamlined decision-making processes, automated routine tasks, and improved real-time data accessibility for stakeholders. Our initiatives have focused on secure digital record-keeping, virtual collaboration tools for board and committee meetings etc.

Pursuant to the Companies Act, 2013, the Companies are permitted to send documents like Notice of Annual General Meeting, Annual Report etc. through electronic means to its members at their registered email addresses. PFC, being a socially responsive Company actively supports the implementation of 'Green Initiative' of the Ministry of Corporate Affairs (MCA). Your Company has effected electronic delivery of Notices and Annual Reports to shareholders, whose email ids are registered. Further, pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing e-voting facility to all members to enable them to cast their votes electronically in respect of resolutions set forth in postal ballot and Annual General Meeting (AGM). The Company also conducts the AGM through video conferencing / other audio-visual means. Members can refer to the detailed instructions for e-voting and electronic participation in the AGM, as provided in the Notice of AGM.

25. Statutory Disclosures

i. Deposits

Your Company is a non-deposit taking NBFC, and thus has not accepted any public deposits during the FY 2024-25 and the Board of Directors of the Company has passed requisite resolution in this regard, in compliance of RBI Guidelines. Further, no Perpetual Debt Instruments (PDI) was issued by your company during FY 2024-25.

The outstanding balance of PDI is ₹100 crore as on March 31, 2025. The Interest payment on PDI has been made on time on the due date.

As on March 31, 2025, the PDI to Tier-1 capital is 0.13% and is appearing in notes to accounts Note no. 39.1 of the standalone financial statements forming part of this Annual Report.

ii. Material order

No significant and material orders were passed by any regulator or court or tribunal impacting the going concern status and company's operations during the FY 2024-25.

iii. Adequate system of Internal Control

The Company maintains an adequate system of Internal Control, including suitable monitoring procedures to ensure accurate and timely financial reporting of various transactions, efficiency of operations and compliance with statutory laws, regulations and Company procedures/policies. For details, please refer to the 'Management Discussion and Analysis Report' annexed to this report.

iv. Report on Corporate Governance

Information on composition, terms of reference and number of meetings of the Board and its Committees held during the year, Whistle Blower Policy, remuneration to Whole time Directors, sitting fees to Independent Directors and details regarding IEPF and web-links for familiarization programmes of Directors, Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions, Policy for determining Material Subsidiaries, etc. have been provided in the 'Report on Corporate Governance', prepared in compliance with the provisions of SEBI (LODR) Regulations, 2015 and DPE Guidelines on Corporate Governance, 2010, as amended from time to time, which forms part of this Annual Report.

v. Presidential Directives

During last 3 years, there has been no Presidential Directive.

vi. Loan, Guarantee and Investment

Pursuant to Section 186(11) of the Companies Act, 2013, loans made, guarantees given, securities provided or investment made by a company engaged in the business of financing of companies or of providing infrastructural facilities in the ordinary course of its business are not applicable to the Company, hence no disclosure is required to be made. Further, details of investments are appearing at note no.11 of the Notes to Accounts of the standalone financial statements.

vii. Managerial Remuneration

The provisions of Section 197 of the Companies Act, 2013 and Rules made thereunder relating to managerial remuneration are not applicable to Government companies, therefore no disclosure is required to be made.

viii. Stock options

The Company has not issued any stock options to the Directors or any employee of the Company during the FY 2024-25.

ix. Cost accounts and records

The Central Government has not prescribed the maintenance of cost records for the products/services of the Company under the Companies (Cost Records and Audit) Rules, 2014 read with the Companies (Cost Records and Audit) Amendment Rules, 2014 prescribed by the Central Government under Section 148 of the Companies

Act, 2013. Accordingly, cost accounts and records are not required to be maintained by the Company.

x. Fraud

During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the audit committee, under Section 143(12) of the Companies Act, 2013, any instances of fraud committed against PFC by its officers or employees.

xi. Secretarial Standards

The Company is compliant with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

xii. Independent Directors

The Independent Directors of the Company are appointed by the President of India acting through the administrative ministry, i.e., MoP. Accordingly, the appointing authority considers the integrity, expertise and experience of the individual to be appointed.

In the FY 2024-25, three Independent Directors on completion of their tenure, ceased to be part of the Board of PFC. No new Independent Director was appointed on the Board of PFC during the FY 2024-25.

Subsequently, in the first quarter of FY 2025-26, Ministry of Power, Government of India appointed/ reappointed five Independent Directors (including one Independent Women Director) viz. Smt. Usha Sajeev Nair, Shri Prasanna Tantri, Shri Naresh Dhanrajbhai Kella w.e.f. April 17, 2025 and Shri Bhaskar Bhattacharya & Dr. Sudhir Mehta w.e.f. May 13, 2025 & May 14, 2025 respectively.

xiii. Conservation of Energy and Technology Absorption

There are no significant particulars, relating to conservation of energy and technology absorption as your Company does not own any manufacturing facility.

xiv. Foreign exchange earnings and outgo

The Foreign exchange outgo for the FY 2024-25 aggregated to ₹14,796.34 crore. The payments are majorly for the purpose of servicing principal and interest component of foreign currency borrowings. The Foreign exchange earnings for the FY 2024-25 were nil.

xv. Total expenditure for the FY 2024-25 amounted to ₹31,955.39 crore as against total expenditure of ₹28,408.41 crore in FY 2023-24. Out of it, finance cost amounted to ₹30,538.04 crore in FY 2024-25 as compared to ₹28,013.78 crore in FY 2023-24. During FY 2024-25, employee benefit expenses and other expenses were ₹268.58 crore and ₹162.68 crore respectively against ₹242.72 crore and ₹166.11 crore respectively in the previous year.

xvi. M/s. ASA & Associates LLP, Chartered Accountants, appointed for testing adequacy and operative effectiveness of Internal financial control over financial reporting, has certified that the Company maintains

an adequate system of internal financial controls, evaluates and makes an assessment of its adequacy and effectiveness in a satisfactory manner which takes care of requirements under Companies Act, 2013.

The Statutory Auditors of the Company i.e. Thakur, Vaidyanath Aiyar & Co., Chartered Accountants and Mehra Goel & Co., Chartered Accountants have also given their Report on Internal Financial Controls stating that the Company has, in all material respects, internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2025 based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

xvii. Annual Return

The Annual Return of PFC for FY 2023-24 is available on the link <https://www.pfcindia.com/ensite/Home/VS/10256> and for FY 2024-25 it shall be made available on your Company's website www.pfcindia.co.in.

xviii. Debenture trustees

The details of Debenture trustees appointed by the company for the different series of Bonds issued by your company are annexed herewith.

xix. Insolvency and Bankruptcy Code, 2016

During the year no application has been made or any proceedings pending against PFC under the Insolvency and Bankruptcy Code, 2016. Further, details of the difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the banks or financial institutions, are not applicable.

The details of the procurements made from Micro, Small and Medium Enterprises (MSEs) during the FY 2024-25 and the targets for FY 2025-26 as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 along with Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012 is as under:

S. No.	Particulars	FY 2024-25 (₹ in crore)	Target for FY 2025-26 (₹ in crore)
I.	Total annual procurement (in value)	65.46	96.34
II.	Total value of goods and services procured from MSEs (including MSEs owned by SC/ST entrepreneurs)	27.57	24.09
III.	Total value of goods and services procured from only MSEs owned by SC/ST entrepreneurs	4.48	3.85
IV.	%age of procurement from MSEs (including MSEs owned by SC/ST entrepreneurs) out of total procurement	42.12%	25%
V.	%age of procurement from only MSEs owned by SC/ST entrepreneurs out of total procurement	6.84%	4%
VI.	Total number of vendor development programmes for MSEs	2	2
VII.	Confirmation of uploading annual MSE procurement profile on your website by hyperlink of same	https://pfcindia.com/ensite/Home/VS/125	

xx. Procurement from Micro & Small Enterprises

Government of India has notified Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012 to support marketing of products produced and services rendered by them. In compliance to the policy, annual procurement plan including items to be procured from Micro & Small Enterprises (MSEs) are uploaded on PFC's website for the benefit of MSEs.

The benefits to MSEs like exemption from tender fees and earnest money deposit, purchase preference, interest on delayed payments and exemption from prior experience - prior turnover criteria subject to meeting of quality and technical specifications are also extended to encourage these enterprises.

During the financial year, your company has made all the payments against invoices of MSE vendors within the prescribed timelines, and invoices of MSE vendors pending for payment beyond prescribed timelines at the end of the financial year is Nil.

During the financial year, your Company has procured products and services from MSEs, which constituted 42.12 % of the total annual procurement value, against the mandate of 25 % set by Ministry of Micro, Small and Medium Enterprises, Govt. of India. During the year, 356 MSEs were benefited out of which 21 MSEs belonged to SC/ST category and 72 MSEs were owned by women.

PFC is also registered on four Trade Receivables Discounting System (TReDS) platform (i.e. Receivables Exchange of India Ltd (RXIL), M1xchange, Invoicemart, and C2FO) for financing of trade receivables of Micro, Small & Medium Enterprises (MSMEs). TReDS platform facilitates the discounting of invoices of MSMEs leading to prompt generation of working capital for their regular business operations.

Your Company had also organized/participated in 02 vendor development programmes in co-ordination with Ministry of Micro, Small and Medium Enterprises, Govt. of India to encourage participation of Micro and Small Enterprises.

xxi. Compliance of the provisions relating to the Maternity Benefit Act, 1961

Your company adheres to the obligations in terms of paid leave and other facilities mandated under the Maternity Benefit Act, hence creating a supportive and equitable workplace environment. Your company reaffirms its commitment to protecting the rights and well-being of its women employees.

In addition to this, to facilitate women employees to take care of the needs of their minor children during their examination, sickness, etc., a provision of Child Care Leave (CCL) is in place for a maximum period of 2 years (730 days) to be availed during their entire service in the Corporation.

26. Information Technology Initiatives

The PFC IT Unit promotes effective stewardship of information access and provides a secure, reliable technology infrastructure for customer oriented services and support, so as to meet the ever changing business needs. Accordingly, PFC has undertaken many Information Technology (IT) initiatives to help streamline operations, improve efficiency, optimise resource utilization and devote talent to core business to enable better services and relationship with stakeholders.

IT Governance Structure:

A robust IT governance structure has been established at PFC to ensure strict adherence to the necessary compliance to the guidelines prescribed by various statutory and regulatory bodies. PFC also has BoD approved IT policy in-line with RBI master directions.

IT Strategy Committee (ITSC):

As per the recent RBI Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices, a Board Level ITSC, has been constituted in PFC to ensure that the IT Strategy aligns with the overall strategy of the organization towards accomplishment of its business objectives. ITSC is headed by an Independent Director.

IT Steering Committee:

In line with the Reserve Bank of India's Master Directions for NBFCs, the IT Steering Committee have been duly constituted and regular meetings are conducted to oversee the execution of IT Strategy and ensure that necessary IT risk management processes are in place.

Head of IT Function (HoF):

"Head of IT Function" has been nominated at PFC. HoF is managing the Information Technology setup while planning, giving technical oversight, managing IT compliances and resources.

Chief Information Security Officer (CISO):

CISO has been nominated at PFC. CISO is involved in information security strategy and ensuring compliance to the extant regulatory/ statutory instructions on information/ cyber security.

Information Security Committee (ISC):

In line with RBI Master Directions, an Information Security Committee (ISC), under the oversight of the ITSC, has been formed for managing information security for development of information security policies, implementation of policies, standards and procedures to ensure that all identified risks are managed.

Regulatory & Statutory Requirements:

PFC comply with RBI guidelines/master directions and follows advisories and cybersecurity directives applicable to it is issued by the Ministry of Power (MoP), CERT-In to ensure robust security for its IT infrastructure and critical financial systems. In case any incident happens, the same is reported to RBI, Cert-IN and CSIRT of MoP.

PFC Datacenter:

In order to provide technological support through IT infrastructures, PFC established a Datacenter at its headquarter at Delhi seismic zone (IV), which is operational 24x7, housing Database, Applications, Network, Email, Antivirus, Cyber security systems etc.

Business Applications:

PFC has implemented software applications to cater its business requirement integrating its core business activities. Major applications are "Project Appraisal & Management System", "Loan Accounting & Management System", "Resource Mobilization", "Oracle ERP eBusiness suite for Financial Accounting", "Human Resource Management System" and Payroll.

Automation of Business Processes & Paperless Office:

PFC remains steadfast in harnessing Information Technology to empower its employees in efficiently fulfilling business functions. Implementation of collaboration tools for online meetings, adoption of an e-Office solution for streamlined file processing, conducting paperless digital board meetings through BoardPac, and transitioning to paperless employee claims are among the initiatives undertaken by PFC to enhance organizational efficiency through technological utilization.

PFC Website:

The bi-lingual PFC website is maintained with up-to-date information as per "Guidelines for Indian Government Websites". The website is hosted on NIC.

Cyber Security:

PFC is committed to work towards aligning itself with the changing threat landscape. PFC ensures 24x7 real-time monitoring of its IT infrastructure to promptly detect & alert. This proactive approach helps minimize service disruptions and ensures high availability of critical systems and services. PFC observes "Cyber Jagarukta Diwas" on the first Wednesday of every month to raise awareness about cyber security among its users.

PFC - IT Cyber Security Policy:

The objective of the IT Cyber Security Policy is to establish a comprehensive framework to safeguard PFC's IT systems and digital assets to maintain confidentiality, integrity, and availability of PFC's IT systems and data. Areas covered under Cyber security policy include:

- Network and Cyber Security
- Server Security
- Application Security
- Logging, Monitoring, and Reporting
- Security Review

Multi Factor Authentication (MFA):

To enhance security, comply with RBI guidelines, and safeguard PFC users from emerging cyber threats, Multi-Factor Authentication (MFA) has been successfully implemented across the organization. MFA has been introduced as an additional layer of security to reinforce the organization's cybersecurity posture. This additional layer of security ensures more robust protection against unauthorized access.

Business Continuity & Disaster Recovery:

A Disaster Recovery (DR) site has been established on a cloud platform, replicating the existing data centre setup at Mumbai in a different seismic zone (III) to seamlessly continue its business operations in the event of a disaster. Further, PFC conducts Disaster Recovery (DR) drills half yearly to ensure organizational readiness in the face of unexpected disruptions or disasters. These drills are vital for testing the effectiveness of the DR, identifying potential gaps, and enhancing the organization's ability to respond swiftly and efficiently during critical situations.

27. Establishment of Vigil Mechanism

Your Company has established stringent vigil mechanism by way of implementing various codes and policies like fair practices code, code of conduct, code for prevention of insider trading, fraud prevention policy, policy on related party transactions, public procurement policy, whistle blower policy, etc. The details are also posted on the Corporation's website.

28. Grievance Redressal

PFC has a Grievance Redressal System for dealing with grievances of the public at large. The status of the Public grievances are also available in PFC web portal under public domain. The link for accessing the same is as under:-

https://www.pfcindia.co.in/ensite/DocumentRepository/ckfinder/files/Statutory_Requirements/Status_of_Public_Grievances/CPGRAMS%20Report-Q1%20FY25-26.pdf

The systems are duly notified and the Nodal Officers ensure quick redressal of grievances within the permissible time frame. PFC has also notified Citizen's Charter to ensure transparency in its work activities. The Charter is available on the website of PFC to facilitate easy access.

29. Statutory and other Information

Information required to be furnished as per the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, DPE's Guidelines on Corporate Governance for CPSEs and other applicable statutory provisions is annexed to this report as follows:

Particulars	Annexure
Management Discussion and Analysis Report	A
Integrated Reporting	B
Report on Corporate Governance	C
Business Responsibility and Sustainability Report	D
ESG report	E
Secretarial Audit Report (MR-3)	F
Annual Report on CSR Activities	G
Disclosure of particulars of contracts/arrangements entered into by the company with related parties (AOC-2)	H
Details of Debenture Trustees	I

ACKNOWLEDGEMENT

Your Directors are highly grateful for the valuable support, cooperation, and encouragement extended to the Company by the Government of India—particularly the Ministry of Power, Ministry of Finance, Ministry of Corporate Affairs, various State Governments, the Reserve Bank of India, Department of Public Enterprises, NITI Aayog, DIPAM, Securities and Exchange Board of India, National Stock Exchange of India Limited, BSE Limited, Ministry of Micro, Small and Medium Enterprises, and other relevant government departments and agencies at both Central and State levels. Your Directors acknowledge the constructive suggestions received from Auditors and Comptroller and Auditor General of India and are grateful for their continued support and cooperation.

The Company also extends its gratitude to the Statutory Auditors, Secretarial Auditor, RBI Auditors, and its bankers for their valuable insights, guidance, and continued cooperation.

The Directors further wish to convey their heartfelt thanks to the shareholders, investors, clients, and customers for their steadfast trust and support. Lastly, the Board acknowledges all members of the PFC Family for the unstinting efforts and dedicated contributions put in by the PFCians at all levels to ensure that the Company continues to sustain and grow.

Sd/-
(Parminder Chopra)

Chairman and Managing Director
DIN: 08530587

Dated: August 06, 2025

Annexure A of Board's Report

Management Discussion & Analysis Report

The Management of the Company (PFC) is pleased to present its Report on Industry scenario including Company's performance during the FY 2024-25.

(A) INDUSTRY STRUCTURE AND DEVELOPMENT

The Indian power sector has undergone a dynamic transformation, marked by significant growth in generation capacity, particularly from renewable energy sources which now account for nearly half of the total installed capacity, signaling a strong move toward clean energy leadership on the global stage. This rapid expansion, coupled with improvements in transmission and distribution infrastructure through schemes like the RDSS and increased adoption of smart metering, is enabling India to meet surging power demand with greater efficiency and a significantly narrower demand-supply gap.

The year 2024 marked a landmark period for India's power sector, with historic advancements in energy generation, transmission, and distribution. From meeting record power demand of 250 GW to reducing energy shortages at the national level to a mere 0.1% in FY 2024-25, the sector demonstrated resilience and commitment to sustainable growth. Significant strides in energy conservation, consumer empowerment, and infrastructure development underscore the government's efforts to ensure reliable, affordable, and clean energy for all.

With some of the groundbreaking initiatives by Government of India, such as universal electrification, enhanced rural power availability and the adoption of cutting-edge technologies, India is firmly on the path to becoming a global energy leader. Some schemes/initiatives by Government of India are as follows:

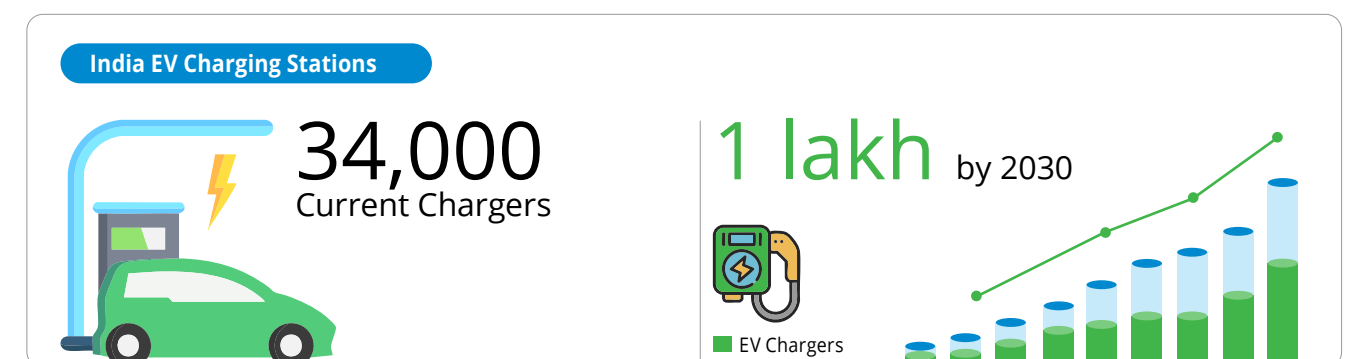
- In FY 2023, the Union Cabinet approved the Viability Gap Funding (VGF) Scheme for Battery Energy Storage Systems (BESS), to support the development of BESS. As per the Scheme, VGF support will be provided for BESS approved during 2023-26. The National Electricity Plan estimates that 236 GWh BESS would be required

by 2031-32. This scheme will support integration of renewable energy and help minimize costs during peak demand periods in non-solar hours. With the decline in battery prices, the scheme capacity has been increased from 4000 MWh to 13,200 MWh while staying within the approved budgetary allocation of ₹3,760 crore.

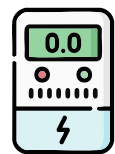
A budgetary provision of ₹96 crore was made for 1000 MWh BESS in 2024-25, assuming 10% disbursement upon financial closure. However, with falling BESS costs, the VGF amount reduced from ₹96 lakh per MWh (estimated in 2023-24) to ₹46 lakh per MWh or 30% of capital cost, whichever is lower. As a result, the budgetary allocation was revised from ₹96 crore to ₹46 crore. As per scheme guidelines, 10% of VGF is to be disbursed after financial closure.

In FY 2024, Guidelines for Installation and Operation of Electric Vehicle Charging Infrastructure were issued to support creation of a nationwide connected and inter operable EV charging network. These guidelines are expected to create a robust, safe, reliable, and accessible EV charging network, enhance the viability of charging stations, encourage use of solar energy for electric vehicle charging, and prepare the electricity grid to handle increased demand of EV charging.

- In FY 24, India took a major step towards a greener future with the introduction of two new building codes: the Energy Conservation and Sustainable Building Code (ECSBC) for commercial buildings and the Eco Niwas Samhita (ENS) for residential buildings. The revised codes apply with a connected electricity load of 100 kW or more which will help in reduction of 18% electricity consumption. Additionally, it incorporates sustainability features related to natural cooling, ventilation, water, and wastewater disposal. States may adopt these building codes.



Application of Revised Load and Subsequent Reduction in Electricity Consumption



100 kW or more
Connected electricity load



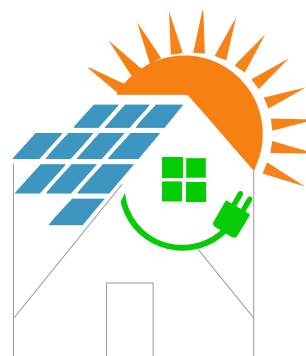
18%
Electricity consumption reduction

- In FY 24, the Ministry of Power has notified the Carbon Credit Trading Scheme, empowering industries to reduce greenhouse gas emissions and earn carbon credits. This initiative fosters investments in transformative technologies, positioning India as a leader in global green finance. It is intended to operationalize the trading of certificates of mandatory sectors by October 2026 and of voluntary sectors by April 2026.



- A dominant theme in Budget 2024 for the power sector was the accelerated transition to clean energy. The PM Surya Ghar Muft Bijli Yojana, stands out as the world's largest domestic rooftop solar initiative, which has achieved a historic milestone with 10 lakh homes now solar-powered as of 10th March, 2025. Every solar installation under PMSGMBY offsets carbon emissions equal to planting 100 trees, driving India towards a cleaner, greener, and self-reliant future. The Government is actively monitoring the progress across all states to ensure the smooth and timely execution of the scheme, with the goal of reaching 1 crore households by 2026-27.

PM Surya Ghar
Muft Bijli Yojana



- In FY 23, The Union Cabinet approved the National Green Hydrogen Mission with an overarching objective of the Mission is to make India a Global Hub for production, usage and export of Green Hydrogen and its derivatives, by targeting production of 5 MMT per annum of Green Hydrogen by 2030. The National Green Hydrogen Mission has an outlay of ₹600 crore for the FY 2024 – 25 under various heads. The Green Hydrogen production capacity envisaged by 2030 is likely to leverage over ₹8 lakh crore in total investments in the Green Hydrogen industry. Green Hydrogen has the potential to replace the utilization of imported fossil fuels across various sectors including fertilizer production, petroleum refining, the mobility sector, steel production and shipping propulsion applications. The Mission is expected to reduce a cumulative ₹1 lakh crore worth of fossil fuel imports by 2030.



Improvement in Power Supply Position:

- India successfully met an all-time maximum power demand of 250 GW during FY 2024-25.
- Due to significant additions in generation and transmission capacities, energy shortages at the national level have reduced to a mere 0.1% in FY 2024-25, a major improvement from 4.2% in FY 2013-14.
- Per capita electricity consumption in India has surged to 1,395 kWh in 2023-24, marking a 45.8% increase (438 kWh) from 957 kWh in 2013-14.
- Villages and households across the country have been electrified, marking a significant milestone in India's power sector.
- The average availability of electricity in rural areas has increased from 12.5 hours in 2014 to 21.9 hours, while urban areas now enjoy up to 23.4 hours of power supply, reflecting substantial improvements in the reliability and reach of electricity services.

HIGHLIGHTS- Improvement in Power Supply

Key Energy

250 GW
Power Generation
Capacity (FY 2024-25)

Reduction In Energy Shortage

4.2%
FY 2013-14

0.1%
FY 2024-25



Generation

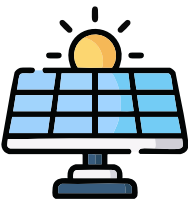
Installed Capacity

For the fiscal year 2024-25, India's power generation capacity, saw unprecedented growth, particularly in the renewable energy sector. The nation achieved its highest-ever annual capacity addition, with a remarkable cumulative power generation capacity reaching 475.2 gigawatts (GW) by the end of the fiscal year. This expansion signifies a substantial increase from the 249 GW recorded in 2014, reflecting an almost doubling of capacity over a decade.

The standout performance was in renewable energy which alone contributed a record 29.52 GW of new capacity in FY 2024-25. This brought the total installed renewable energy capacity to 220.10 GW as of March 31, 2025, up from 198.75 GW in the previous fiscal year demonstrating

a strong commitment to a greener energy mix. Solar power was the primary driver of this growth, with 23.83 GW added during the fiscal year, pushing its total installed capacity to 105.65 GW. Similarly, wind power saw a significant boost with 4.15 GW added, culminating in a total installed capacity of 50.04 GW. While thermal power, predominantly coal-based, also experienced additions, its proportional share in the overall mix continued to decrease, settling at around 46.7% by the close of the fiscal year. These comprehensive additions underscore India's accelerated progress towards its ambitious target of achieving 500 GW of non-fossil fuel-based energy capacity by 2030. The pictorial representation of the same is as under:

29.52 GW
New Renewable Capacity



23.83 Solar
105.65 GW
Total Solar

Current mix

46.70/0
Thermal Share

220.10 GW
Total Renewable Capacity



4.15 Wind
50.04 GW
Total Wind

500 GW
Non-Fossil Fuel by 2030

The strong performance in FY 2024-25 highlights several key trends in the Indian power sector. The accelerated deployment of renewable energy technologies reaffirms India's dedication to its clean energy goals.

RE-Bundling

For the purpose of promoting the Energy Transition and enabling the recipient DISCOM to achieve RPO at the lowest costs while working towards the NET Zero Emissions goal of 2070 by achieving target generation of 500 GW from Non-Fossil fuels based sources, the MoP, Gol announced the scheme for flexibility in generation and scheduling of thermal/hydro power stations through bundling with renewable energy and storage power.

The Ministry of Power has nominated PFCL (Wholly Owned Subsidiary of Your Company) as the Bid Process Coordinator for the scheme's execution.

For NTPC, DVC, HPGCL, MAHAGENCO and UPRVUNL, PFCL is serving as the Bid Process Coordinator in order to bundle RE power with thermal electricity.

Transmission

India's power transmission sector demonstrated remarkable progress in FY 2024-25, aligning its expansion with the country's ambitious renewable energy targets and burgeoning electricity demand. This period saw substantial additions to the transmission network, crucial for evacuating power from remote generation sites, particularly renewable energy projects, to consumption centers across the nation.

A key highlight of FY 2024-25 was the significant increase in commissioned transmission projects and line lengths. India added an impressive 8,830 circuit kilometers (ckm) of transmission lines. This shift towards higher capacity

lines is a strategic move to optimize power flow and reduce corridor constraints, showcasing a pivot towards more efficient transmission and asset utilization.

The government also took proactive measures to facilitate this rapid expansion. Govt. of India has finalised National Electricity Plan from 2023 to 2032 for Central and State transmission systems to meet a peak demand of 458 GW by 2032. The total cost of the plan is ₹9.15 lakh crore. Under the previous plan 2017-22, about 17,700 circuit kilometers (ckm) lines and 73 GVA transformation capacity were added annually. Inter-Regional transfer capacity

will increase from 119 GW to 168 GW. This plan covers the network of 220 kV and above. This plan will help in meeting the increasing electricity demand, facilitate RE integration and green hydrogen loads into the grid.

Further, 50.9 GW of Inter State Transmission Projects costing ₹60,676 crore has been approved. The transmission network required to connect 280 GW of Variable Renewable Energy (VRE) to the Inter-State Transmission System (ISTS) by 2030 is planned to be 335 GW. The pictorial representation of the same is as under:

National Electricity Plan (2023-2032)

458 GW
Peak Demand by 2032

₹9.15 lakh crore
Total Cost

50.9 GW
Inter State Transmission Projects
costing ₹60,676 crore Approved

17,700 ckm
Lines were added annually
in 2017-22 Plan

**Inter-Regional Transfer Capacity to be Increased
from 119 GW to 168 GW**

280 GW
Variable
Renewable Energy
(VRE) by 2030

335 GW
Planned
Transmission
Network

MoP has also initiated Tariff Based Competitive Bidding Process for development and strengthening of transmission system through private sector participation.

The objective of this initiative is to develop transmission capacities in India and to bring in the potential investors after developing such projects to a stage having preliminary survey work, identification of route, preparation of survey report, initiation of process of land acquisition for sub-stations, if any, initiation of process of seeking forest clearance, if required etc.

As on March 31, 2025, 101 SPVs (89 are related to inter-state transmission scheme and 12 are related to intra-state transmission scheme), 2 by your company and other 99 by its wholly-owned subsidiary (PFC Consulting Ltd.) have been established for ITPs.

Distribution

Electricity distribution is a critically important segment of the power sector. While generation plants produce electricity and transmission lines move it over long distances, it's the distribution system that brings

electricity directly to homes, businesses, and industries, making it the final and most crucial link in the entire power delivery chain.

The Government of India focused on power distribution sector through reforms and initiatives. As a part of it, Electricity Rules were notified in February 2024 to empower electricity consumers. This framework lays down their rights and provides mechanisms to enforce them. The rules ensure timely access to services such as new connections, grievance redressal, and billing transparency while facilitating rooftop solar adoption and electric vehicle (EV) integration. Key provisions include: simplifying rooftop solar installation processes with exemptions from technical feasibility study for systems up to 10 kW; allowing separate connections for EV charging stations to promote clean mobility; reducing timelines for new connections: 3 days in metros, 7 days in municipal areas, and 15 days in rural regions (30 days for hilly terrain); mandating consumer rights for separate metering and billing in residential colonies, enhancing transparency and fairness; introducing mandatory check meters to verify consumption in case of complaints.

Moreover, the Electricity Rules, 2005 have been amended in 2024 to rationalise open access charges. New rules now allow large consumers (open access consumers) to buy electricity from the cheapest sources across India, not just from their local Distribution Licensee. Some State regulators charge large consumers heavily to buy electricity from other sources. In an effort to reduce these charges, the additional surcharge levied is now being gradually reduced and will be completely removed within four years. Importantly, large consumers who have never bought electricity from their distribution licensee are not required to pay additional surcharge.

Revamped Distribution Sector Scheme (RDSS)

The Company is involved in various GoI programs for the power sector including acting as the Nodal Agency for operationalization and implementation of Revamped Distribution Sector Scheme (RDSS) launched by Government of India in July, 2021. PFC was also the designated nodal agency for operationalization of IPDS and R-APDRP Schemes. Both of the Schemes have been Sunset in March, 2022.

MoP/ GoI launched the “Revamped Distribution Sector Scheme (RDSS) – A reforms-based and results-linked, Distribution Sector Scheme” in July 2021 to improve the operational efficiencies and financial sustainability of DISCOMs, by providing financial assistance to DISCOMs for upgradation of the Distribution Infrastructure and Prepaid Smart Metering & System Metering based on meeting pre-qualifying criteria and achieving basic minimum benchmarks in reforms. PFC and our subsidiary REC are the designated nodal agencies for operationalization of the Scheme, as per RDSS guidelines and directions of inter-ministerial Monitoring Committee/ MoP from time to time.

Nodal agencies are eligible for 0.5% of the sum total of the Gross Budgetary Support (GBS) component of the various projects approved by Monitoring Committee as its fee. PFC is the nodal agency for 17 States/ UTs under the Scheme. The present implementation period of the Scheme is five Years (FY 2021-22 to FY 2025-26). The Scheme has an outlay of ₹3,03,758 crore with an estimated gross budgetary support of ₹97,631 crore from the GoI. RDSS also envisages electrification of balance/ left-out households.

Generating Companies, Transmission Companies and Traders. Against legacy dues of ₹1,39,947 crore as on June 03, 2022, 13 States/UTs have paid instalment of ₹1,24,768 crore (35 EMIs) upto June 2025 i.e. 90% of total legacy dues. Further, 20 States/ UTs reported to have no outstanding dues as on June 03, 2022. Now the legacy dues (overdues) have reduced from ₹1,39,947 crore to ₹13,698 crore and as on date there is no default in payment of instalments for legacy dues by States.

In view of provision of regulation under LPS Rules, 2022, the Distribution companies are paying their current dues in time. Since implementation of the rule, as on June 10, 2025, total bills amounting to ₹13,77,668 crore have been settled against total billed amount of ₹14,58,480 crore from May 2022(excluding EMI payments against legacy dues and including disputed invoices).

Smart Metering

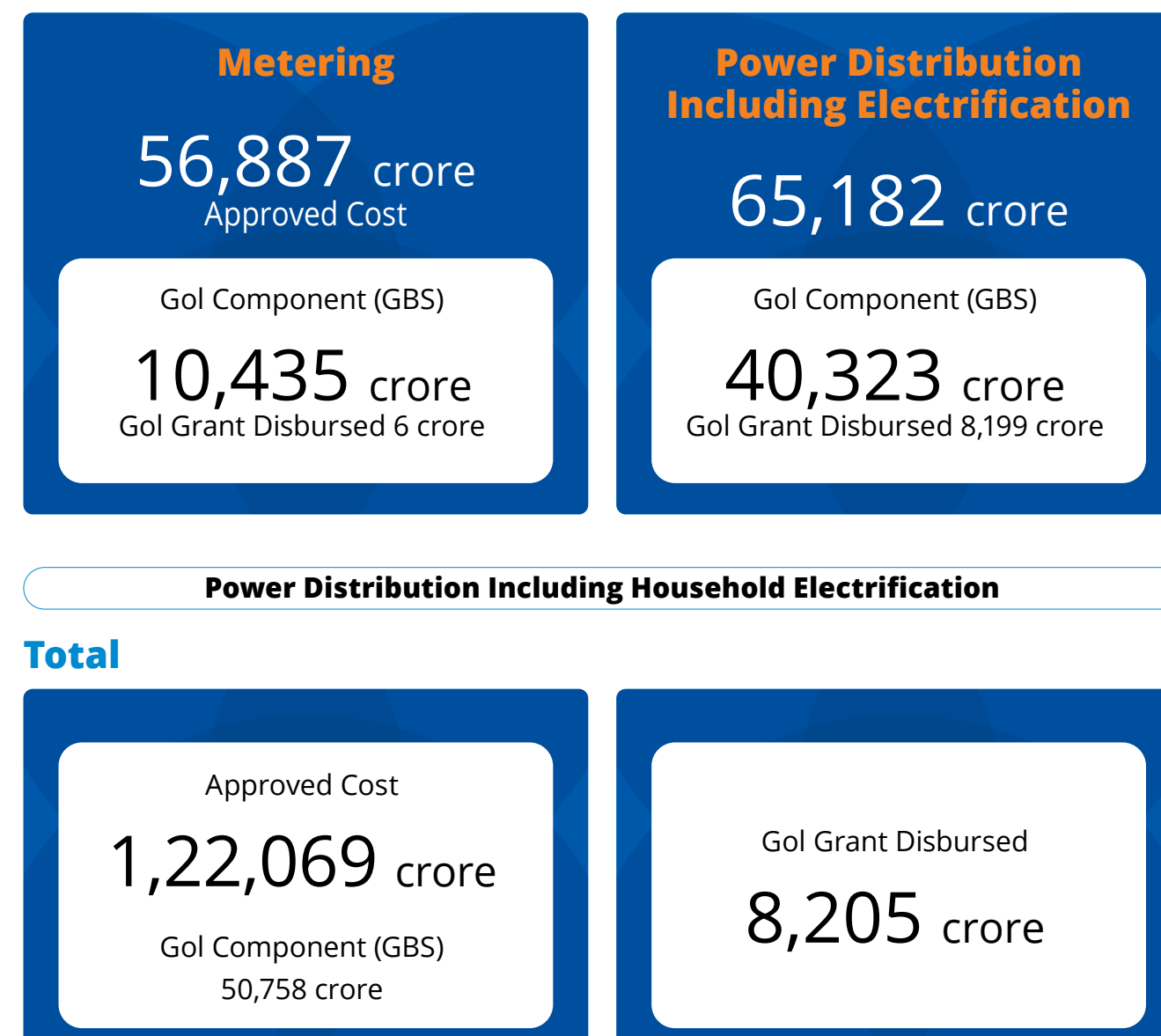
PFCCL is handling projects on implementation of Advanced Metering Infrastructure (AMI) for state DISCOMs which includes procurement of Smart Meters, AMI Communication System,

Back-End IT System, Meter Data Management System (MDMS), integration of Head End System (HES) with MDMS and MDMS with existing DISCOM applications, Data Analytics, capacity building of DISCOMs Manpower, O&M of the complete system and handover of the System to DISCOMs.

PFCCL is undertaking implementation of Smart Metering for about 6.58 lakh consumers in the following States/ UTs:

- Shimla & Dharamshala Towns of Himachal Pradesh for about 1.51 lakh consumers under IPDS Scheme of Govt. of India. The Smart Meters have been successfully commissioned and are in operation.
- UT of Puducherry for about 4.07 lakh consumers under RDSS Scheme of Govt. of India. The project implementation activities would commence shortly.

For States allocated to PFC, projects for loss reduction (including household electrification works) and smart metering have been sanctioned for 24 Distribution Utilities across 13 States. Details as on March 31, 2025 are tabulated below (amount in ₹ crore):



^AIn addition, MoP has also disbursed ₹198 crore for other than the project activities viz. nodal agency fee (₹171 crore), training & capacity building etc.

WIDE RANGE OF ACTIVITIES BEING PERFORMED BY PFC UNDER RDSS AND FOR OTHER ALLIED SCHEMES OF GoI



Overall Facilitation and Program Management

Including appraisal of projects, quality monitoring, monitoring compliance of scheme guidelines, resolving queries of DISCOMs, coordination with MoP/CEA etc.



Annual Result Evaluation Framework of DISCOMs

Including monitoring of regulatory parameters e.g. subsidy accounting, Govt. dues. analysis of tariff orders, analysis of sales data etc.



Capacity Building / Training Programme

For skills development of DISCOMs employees. 450 training programs have been conducted covering ~13,350 DISCOM personnel including 4,300 days of training imparted to women employees under RDSS cumulatively so far.

Late Payment Surcharge Rule, 2022

Ministry of Power (MoP) vide Gazette Notification dated June 3, 2022, notified “The Electricity (Late Payment Surcharge and Related Matters) Rules, 2022” (LPS Rules). These rules provide a mechanism for settlement of outstanding dues of Generating Companies, Inter-State Transmission Licensees and Electricity Trading Licensees.

Power Finance Corporation Limited (PFC) has been designated by MoP as the Nodal Agency for implementation of LPS Rules, 2022. PFC shall be responsible for all the activities related to implementation of the said rules including regular review and monitoring.

For operationalisation of rules, PRAAPTI Portal (developed and managed by PFC Consulting Ltd.) acts as an information portal wherein suppliers enter invoice details and DISCOMs update the corresponding payment information to ensure invoice and payment tracking of power bills in the country. Based on the information available on PRAAPTI, regulations are imposed on defaulting DISCOMs as per LPS Rules, 2022 by Grid controller of India Limited.

With the implementation of Electricity (LPS and Related Matters) Rules, 2022, remarkable improvement has been seen in recovery of outstanding dues of suppliers including

(B) OPPORTUNITIES & THREATS

Opportunities

Your company is a leading financial institution in India's power sector, and FY 2024-25 presented significant opportunities for the company, particularly given the dynamic shifts and ambitious targets within the Indian energy landscape. PFC's strategic positioning as a primary lender for various government schemes allowed it to capitalize on these trends.

During FY 2024-25, Power Finance Corporation (PFC) capitalized on the immense opportunities presented by India's ambitious clean energy transition and overall power sector expansion. A significant highlight was PFC's role in renewable energy financing, where its renewable book crossed ₹80,000 crore, marking an impressive 35% year-on-year growth by March 31, 2025 of ₹81,031 crore.

Furthermore, initiatives like establishing a subsidiary in GIFT City to tap into global capital underscored PFC's proactive approach in leveraging every opportunity to fuel India's energy future.

The long term business strategy of PFC

As the largest Government-owned Non-Banking Financial Company (NBFC) dedicated to funding the power sector, Power Finance Corporation (PFC) is envisaged to play a pivotal role in India's energy transformation and meeting the Net Zero Targets by funding power and infrastructure projects at reasonable costs to ensure sustainable growth across the Power, Energy, and Infrastructure sectors.

PFC's strategic objectives will be on the following lines:

- Preferred Lending Partner: Consolidate its position as the lender of choice in the Power, Energy, and Infrastructure sectors, financing solutions to government and private borrowers at reasonable costs.
- Net-Zero Leadership: Lead investments towards achieving India's Net-Zero emissions goal by prioritizing investments in green infrastructure projects. Leverage the expertise to catalyze sustainable energy solutions that align with global climate objectives.

- Sectoral Reforms and Innovation: Spearhead transformative reforms in the Power, Energy, and Climate sectors, collaborating closely with the Government of India to implement policies and programmes of GoI for power sector.
- Diversified Growth: Expand the lending portfolio into new and emerging areas in power and infrastructure sector and adapt to evolving market dynamics to capitalize on new opportunities which can help in reducing the cost of power to the end consumer and to ensure viability of emerging technologies.

The long term business strategy of PFC going forward is:-

- Grow lending by maintaining share in conventional and non-conventional sectors expanding portfolio to emerging power sectors as well as infrastructure sectors.
- Adapt a paradigm shift in account management and customer experience principles by providing differentiated services, innovative products and re-imagining existing processes to cater to the changing customer mix.
- Optimize the cost of funds by increasing the share of 54EC bonds, institutionalizing a dedicated team for sourcing MDB loans, re-imagining the hedging strategy and fine-tuning resource mobilization process.
- Position to become the focal agency for Net-Zero, to pursue immediate dispensations in the interim to lower the cost of funds.
- Re-align organization as per the key objectives of PFC
- Tap new talent resources and revamp performance management system.

Threats, Risks & Concerns

PFC, as a major financial institution in the Indian power sector, is inherently exposed to various financial and operational risks. PFC faces a multifaceted array of threats and risks within the dynamic Indian power sector, primarily stemming from the inherent complexities of the industry and its ongoing transformation. Understanding these specific risks and concerns faced by your company are crucial:

Credit Risk

Credit risk includes both the possibility of a borrower defaulting on contractual obligations under a loan or advance and the risk of loss resulting from a borrower's declining credit rating. To evaluate and reduce credit risk, your business uses a methodical institutional and project appraisal approach. A thorough appraisal approach, risk identification and appropriate structuring, and credit risk mitigation techniques are some of these procedures.

Liquidity Risk

The maturity mismatch between the company's assets and obligations is the main cause of liquidity risk. The incapacity of the business to finance asset growth, handle unforeseen shifts in funding sources, and fulfill commitments when needed are all examples of liquidity risk. We might have to sell assets on unfavorable terms or raise money. We use a variety of tactics to control liquidity risk, such as proactive resource mobilization based on anticipated payments and maturing commitments.

Foreign Currency Exchange Risk

Exchange rate fluctuations between currencies that could negatively affect the value of assets, liabilities, and of balance sheet arrangements denominated in foreign currencies are known as foreign currency exchange risk. We may be subject to foreign exchange rate risk as a result of our foreign currency borrowings. Lending in foreign currencies and using derivative instruments (such as currency futures, options, principal-only swaps, interest rate swaps, and forward rate agreements) provided by banks that are authorized dealers are two ways to manage foreign exchange risk.

Legal Risk

The uncertainty surrounding the legality of contracts pertaining to our borrowers' responsibilities gives rise to legal risk. This can be the result of a delayed enforcement process or a problem with the application of contractual responsibilities. By creating legal documents that are as protective of our interests as possible, we aim to reduce legal risk.

Interest Rate Risk

Interest rates fluctuate and are influenced by a number of internal and external factors, such as the cost of borrowing, market liquidity, competitive rates, changes in benchmarks like AAA bond/GSEC yields, and changes to RBI policy. The company's financial situation will suffer from changes in market interest rates. Timing discrepancies represent the company's main interest rate-related concerns. By analyzing interest rate sensitivity gap statements and assessing the development of assets and liabilities with a combination of fixed and floating interest rates, interest rate risk is controlled.

Changes in Legislation

According to the Companies Act, PFC is a financial institution under the Companies Act. It was designated as an IFC in July 2010 and is registered with the RBI as a non-deposit taking systemically important NBFC. Consequently, PFC is subject to a number of laws, including the Companies Act of 2013, the Securities and Exchange Board of India Regulations, the DPE's Guidelines for CPSEs, the RBI Act and Guidelines, and tax laws, among others. Modifications to these laws may have an impact on the operations and outcomes of our business.

(C) SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

Company's main business is to provide financial assistance to the power and infrastructure sector and Company does not have any separate reportable segments.

(D) OUTLOOK

Your organization is a prominent Maharatna Central Public Sector Enterprise (CPSE) and Non-Banking Financial Company (NBFC). Since its founding in 1986, it has been instrumental in the development of India's essential power-related infrastructure. In addition to managing a sizable loan portfolio and mobilizing extensive resources, it possesses great competence in the electricity sector.

Embracing the motto 'Nayi Soch Nayi Raahein' - PFC steering into new directions, PFC is boldly moving into new directions, shaping the future through innovative ideas and forward-looking perspectives. With the amendment in the Memorandum of Association, PFC's lending capabilities have been extended to encompass the wider infrastructure and logistics sectors with focus on e-vehicle fleets, charging infrastructure, roads, ports, metro rail, smart cities, and other large infrastructure projects.

Your Company plays a crucial role in helping the government implement policies and schemes in the power sector. It has served as the nodal agency for a number of government programs, including the Late Payment Surcharge Scheme (LPS), Liquidity Infusion Scheme (LIS), RDSS/IPDS/(RAPDRP included in it), and UMPP. It has also coordinated the bidding process for the ITP scheme through its wholly owned subsidiary PFC Consulting Limited.

From project conception to the post-commissioning phase, PFC offers our clients in the power sector a wide range of financial products, related advisory services, and other services. These include transmission, distribution, and generation (both conventional and renewable) projects, as well as related modernization and renovation projects. PFC offers a range of fund-based financial services, such as buyer's lines of credit, short-term loans, long-term project finance, debt underwriting, and debt refinance plans, in addition to non-fund-based services including letters of comfort and credit enhancement guarantees. Through our wholly owned subsidiary, your organization also offers a range of fee-based technical advising and consultancy services for projects in the power sector.



Whether it is financing new sectors like solar, wind, electric vehicles, etc., or accessing global markets through green bonds, PFC has consistently been at the forefront of innovation throughout the years.

It has now expanded its business to include infrastructure and logistics funding, which will be a component of our future loan operations. By creating a wholly owned subsidiary, PFC Infra Finance IFSC Limited, at India's first International Financial Services Centre (IFSC) in GIFT City, Gujarat, your Company will be able to provide even more efficient and innovative financing solutions to the clients. PFC's entry into the IFSC shall open up new business opportunities and establish its global presence. This Company will focus on providing financial solutions for infrastructure projects across various sectors, including renewable energy.

(E) INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

M/s. ASA & Associates LLP, Chartered Accountants, appointed for testing adequacy and operative effectiveness of Internal financial control over financial reporting, has certified that the Company maintains an adequate system of internal financial controls, evaluates and makes an assessment of its adequacy and effectiveness in a satisfactory manner which takes care of requirements under Companies Act, 2013.

The Statutory Auditors of the Company i.e. Thakur, Vaidyanath Aiyar & Co., Chartered Accountants and Mehra Goel & Co., Chartered Accountants have also given their Report on Internal Financial Controls stating that the Company has, in all material respects, internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2025 based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

PFC's ISO certification reflects its commitment to stringent internal controls and credit review mechanisms. These processes effectively reduce defaults and foster strong stakeholder confidence.

(F) DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Your company continued to accomplish a healthy growth during the FY 2024-25. The total income stood at ₹53,127.76 crore and the net profit earned was ₹17,352.19 crore.

Further, Net Worth (share capital plus all reserves) of your company grew by 15% in FY 2024-25 to ₹90,937 crore as compared to ₹79,203 crore in FY 2023-24. The gross loan assets recorded a growth of 12.86%, ₹5,43,120 crore as at March 31, 2025 from ₹4,81,462 crore as at March 31, 2024.

The net Debt Equity Ratio was 5.12 times in FY 2024-25 as compared to 5.14 times in FY 2023-24. The Operating Margin % has increased from 38.27% in FY 2023-24 to 39.82% in FY 2024-25 and the Net Profit Margin % has increased from 31.21% in FY 2023-24 to 32.66% in FY 2024-25.

Healthy Financial Growth (FY 2024-25)

₹53,127,76 crore
Total Income

₹90,937 crore
Net Worth

↑ 15%

5.12 times
Net Debt Equity Ratio

↓ 5.14
(FY 2023-24)

₹17,352.19 crore
Net Profit

₹5,43,120 crore
Gross Loan Assets

↑ 12.86%

39.82%
Operating Margin %

↑ 38.27%
(FY 2023-24)

32.66%
Net Profit Margin %

↑ 31.21%
(FY 2023-24)

↑ YoY growth

In the preparation of financial statements, the Company has followed Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) with effect from April 1, 2018, issued by the Ministry of Corporate Affairs, to the extent applicable.

(G) ESG AT PFC

In FY 2024-25, Power Finance Corporation (PFC) has demonstrated a strong commitment to ESG principles. Environmentally, PFC continued its leadership in India's green energy transition by significantly expanding its financing for renewable energy projects, solidifying its position as a major lender in this sector. On the social front, PFC has been actively involved in various Corporate Social Responsibility (CSR) initiatives, particularly in areas like health and skill development.

(H) MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT

Your company has put in place effective talent acquisition and retention practices, which are benchmarked with best corporate practices designed to meet the organizational needs. This apart from other strategic interventions leads to an effective management of Human Resources thereby ensuring high level of productivity.

The Industrial Relations within the company have been very cordial and harmonious with the employees committing themselves entirely to the objectives of the company. There were no man-days lost during the year under review. The attrition during the period from April 1, 2024 to March 31, 2025 was 0.73%.

(I) CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT (CSR&SD)

Your Company has formulated its CSR Policy in line with Section 135 of the Companies Act, 2013 and the Companies (CSR) Rules, 2014 (as amended from time to time) and DPE guidelines issued from time to time. The aim of PFC's Corporate Social Responsibility Policy (CSR Policy) is to ensure that the Company becomes a socially responsible corporate entity committed to improving the quality of life of society at large by undertaking projects for Sustainable Development, mainly focusing on Health, Education and Energy needs of the society.

Your Company has implemented wide range of activities throughout the Country in the field of Environment Sustainability, Healthcare, Education, PM Internship, Rural Development, contribution to Swachh Bharat Kosh and other areas as specified under Schedule VII of the Companies Act, 2013.

(J) RENEWABLE AND CLEAN DEVELOPMENT MECHANISM

The growth of renewable energy sector in India is critical for ensuring energy security, environmental sustainability, economic growth, technological innovation, improved access to energy, reduced pollution, and global leadership in sustainable development. Investing in renewable energy is not only a strategic necessity but also a significant opportunity for India to achieve long-term sustainable growth.

Power Finance Corporation (PFC) significantly boosted its role in India's clean energy transition during FY 2024-25. Its renewable energy loan portfolio surged by 35% year-on-year, crossing ₹80,000 crore, solidifying its position as the nation's largest green energy financier. PFC actively funded large-scale solar, wind, and hydro projects, alongside emerging technologies like green hydrogen and battery storage.

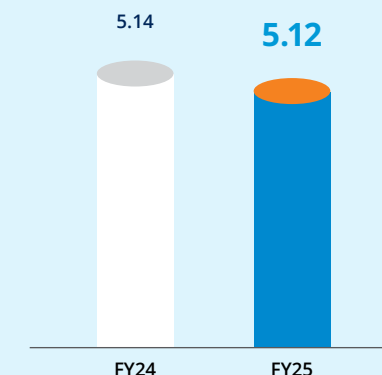
PFC's efforts in FY 2024-25 directly supported India's record-breaking additions to its clean energy capacity. India witnessed a historic 29.52 GW increase in renewable energy capacity, reaching a total of 220.10 GW by March 31, 2025, largely driven by solar and wind power. PFC's financial backing is instrumental in facilitating the development and execution of these projects, which are essential for India to meet its ambitious climate goals.

The gross loan assets recorded a growth of 12.86%, ₹5,43,120 crore as at March 31, 2025 from ₹4,81,462 crore as at March 31, 2024.

(K) KEY FINANCIAL RATIOS

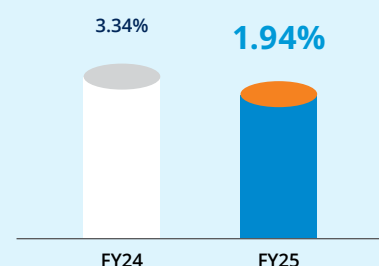
The below illustrative images outlines the company's essential key ratios, for the year ended March 31, 2025. A complete breakdown of these financial outcomes is available elsewhere within this annual report:

1. Net Debt Equity Ratio

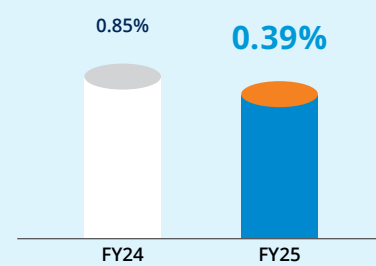


Annexure B of Board's Report

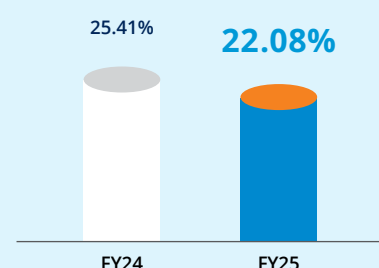
2. Gross Credit Impaired Assets Ratio



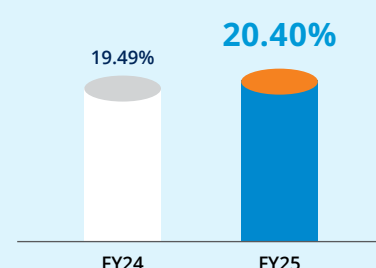
3. Net Credit Impaired Assets Ratio



4. Capital to Risk-Weighted Assets Ratio (CRAR)

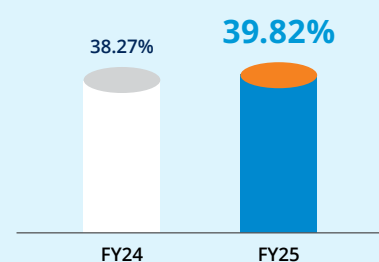


5. Return on Net Worth

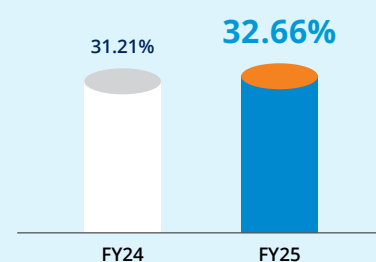


Note: There was no significant change in the Return on Net Worth for the financial year 2024-25 vis-à-vis the last financial year 2023-24.

6. Operating Margin



7. Net Profit Margin



Cautionary Note

Certain statements in the "Management Discussion and Analysis" section may be forward looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results, which could be different from what the Management envisages in terms of future performance and outlook. Readers are cautioned not to place undue reliance on these forward-looking statements.

Integrated Reporting

Integrated reporting (IR), which combines financial and non-financial measures, offers a thorough view of an organization's performance. A comprehensive understanding of an organization's performance, strategy, and effects on different capitals—financial, manufactured, intellectual, human, social, and natural—is what this method seeks to deliver.

This voluntary disclosure explains our reliance on and influence on the forms of capital that are essential to our capacity to generate value over the long run. It is organized according to the capitals model of value creation, which was adopted by the International Integrated Reporting Council (IIRC) in the International Framework.

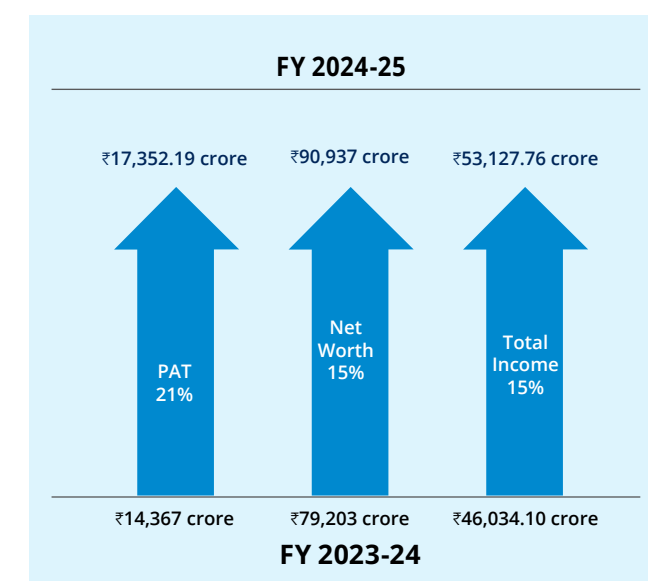
According to the framework mentioned above, the capitals are divided into six categories: Financial, Manufactured, Intellectual, Human, Social & Relationship and Natural.



FINANCIAL CAPITAL

An organization's available finances for usage in the manufacturing of commodities or the supply of services are collectively referred to as financial capital. Equity, loans, grants, and any other type of financial instrument fall under this category. It is necessary for business operations, new project investments, and sustainability in general. An organization's capacity to produce future financial gains is impacted by its ability to manage financial capital effectively. This capital is crucial because it may be converted into other types of capital, such as manufactured, natural, human, social, and intellectual assets, and it also acts as a means of trade.

Dividends and interest on debt instruments are distributed to shareholders from the accrued financial capital. Various taxes are paid to the government, which supports our nation's general development. The following are your company's primary financials:





The volumes mentioned above are self-explanatory. Through its financial capital, PFC is helping to create greater value for its stakeholders, particularly by being a pioneer in funding the power sector and so advancing the nation's power sector.

MANUFACTURED CAPITAL

Physical infrastructure or related technologies, such as buildings, machinery, infrastructure, etc., is included in manufactured capital. PFC primarily provides financial support for initiatives in the power sector and is not a manufacturing company. Additionally, it has begun funding the logistics and infrastructure industries. However, PFC's physical and intangible infrastructure helps to create manufactured capital. PFC's contribution is the substantial development of power infrastructure throughout the nation, since power is an essential component of industrial activity, the services sector, and the daily lives of the average person.

In addition to its New Delhi headquarters, PFC has regional offices that facilitate with business operations.

To unify all corporate operations, PFC has built a state-of-the-art data center that houses an ERP application system and offers a variety of IT services. In order to increase efficiency and delivery mechanisms, PFC makes investments in physical assets, such as IT systems and infrastructure, which eventually results in improved services for all parties involved.

PFC's ability to respond to market demands is made possible by its existing manufactured capital, which also enables its workers to operate remotely easily and effectively, increasing operational effectiveness and productivity.

Additionally, manufactured capital helps PFC concentrate on developing other types of capital, including intellectual and human capital.

INTELLECTUAL CAPITAL

Intangibles based on organizational expertise make up intellectual capital, which is linked to the company's reputation and brand. This covers intellectual property, software, organizational systems, processes that an organization has created, patents, and copyrights. It promotes organizational learning, competitive advantage, and innovation. Organizations may create new products, streamline operations, and strengthen their position in the market with the help of intellectual capital.

In addition to working with state governments, power sector utilities, other power sector intermediaries, and private sector clients to develop and implement policies as well as structural and procedural reforms in the Indian power sector, your company plays a strategic role in the government's initiatives for the development of the country's power sector. As the nodal agency for the Revamped Distribution Sector Scheme (RDSS), Ultra Mega Power Projects (UMPPs), Integrated Power Development Scheme (IPDS), bid process coordinator for Independent Transmission Projects (ITPs), DISCOM Liquidity Package under Atmanirbhar Bharat, and Late Payment Surcharge (LPS) Rules, 2022, it is involved in a number of Gol programs pertaining to the power sector.

Given its contribution to the growth of the Indian power industry, PFC has created strong organizational structures, practices, software, and protocols that provide it a competitive advantage and aid in building its name and brand in the marketplace.

Since human resources are the primary component of intellectual capital, PFC has implemented an efficient method for acquiring and maintaining human resources that is compared to best practices in the industry and tailored to the needs of the company.

PFC has accumulated the information and intelligence required for its operations and processes through these organizational structures, protocols, and procedures, and together, this is known as intellectual capital. PFC keeps creating intellectual capital and preparing its talent pool to accept disruptions, innovate, and be able to adjust to the changes brought about by altered business models in order to survive in this dynamic business community.

HUMAN CAPITAL

The abilities, backgrounds, and proficiencies of the individuals in the organization are referred to as human capital. Their drive, involvement, and general well-being are also included in this. Organizational culture, operational effectiveness, and strategy creation and implementation all depend heavily on human capital. Productivity, creativity, and customer happiness all increase when human capital is invested in.

PFC employs a highly trained, experienced, and competent personnel. PFC adheres to industry best management standards. An efficient welfare package that includes comprehensive insurance, medical facilities, and other amenities that promote a healthy workforce ensures employee commitment.

During FY 2023-24, the focus on conducting customised programs was maintained to ensure specific skill development aligned with the corporate goals. The programs on critical areas including Environmental, Social and Governance (ESG), AML, KYC, CFT, General Management Programs, Stressed Asset Resolution under the Insolvency & Bankruptcy Code, 2016, Financial Frauds, GIS, Governance, Public Procurement through GeM Portal, Advanced Excel, Conduct, Discipline & Appeal (CDA) Rules of PFC, Communication skills, CSR practices, RTI ACT etc. were organized along with other need-based programs.

Programs on Critical Areas



Environmental, Social Governance (ESG)



Public Procurement through GeM



AML



Governance



Know Your Customer



Advanced Excel



General Management Programs



Conduct, Discipline & Appeal CDA Rules of PFC



Stressed Asset Resolution under IBC, 2016



Communication skills



Financial Frauds



CSR Practices



GIS



RTI Act



Other Need-Based Programs

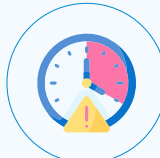
PFC as Nodal Agency for



Ultra Mega Projects (UMPPs)



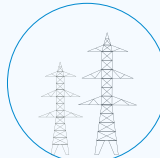
Bid Process Coordinator for Independent Transmission Projects (ITPs)



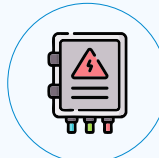
Late Payment Surcharge (LPS) Rules, 2022



DISCOM Liquidity Package under Atmanirbhar Bharat



Integrated Power Development Scheme (IPDS)



Distribution (RDSS)

Annexure C of Board's Report

Report on Corporate Governance

In addition to the above, other compliance-related programs such as Awareness Workshop on Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, Occupational Health & Safety Hazards, Office etiquettes were organised.

All the fresh recruits of your company attended a 3-week Foundation course of National Power Training Institute (NPTI) wherein they were trained on Basics of Power Sector, Renewables & Solar Energy, Government Schemes, Energy Transition, Energy Conservation & Energy Efficiency, SCADA, and Project Appraisal among other topics. Employees are also encouraged to participate in Conferences related to energy and infrastructure sector, promoting continuous learning and exposure to the industry.

PFC has been able to build a strong human capital as a result, and because of this highly driven staff, PFC has been able to accomplish exceptional growth year after year. PFC's expansion is generating value for its stakeholders and aiding in the nation's development. The entire society is changing as a result of this extremely driven workforce.

SOCIAL AND RELATIONSHIP CAPITAL

The networks and connections that businesses have with stakeholders, including customers, suppliers, investors, communities, the government, and regulators, are referred to as social and relationship capital. This encompasses institutional frameworks, common ideals, and social cohesiveness as well. Strong social and relationship capital fosters loyalty and trust, which makes operations run more smoothly and opens up prospects for cooperation. It improves the organization's standing and capacity to work with stakeholders to generate value.

PFC's has formulated its CSR Policy in line with Section 135 of the Companies Act, 2013 and the Companies (CSR) Rules, 2014 (as amended from time to time) and DPE guidelines issued from time to time. The aim of PFC's Corporate Social Responsibility Policy (CSR Policy) is to ensure that the Company becomes a socially responsible corporate entity committed to improving the quality of life of society at large by undertaking projects for Sustainable Development, mainly focusing on Health, Education and Energy needs of the society.

PFC has implemented wide range of activities throughout the Country in the field of Environment Sustainability, Healthcare, Education, PM Internship, Rural Development, contribution to Swachh Bharat Kosh and other areas as specified under Schedule VII of the Companies Act, 2013.

As part of its social responsibility, PFC does all in its power to guarantee adherence to the guidelines and directives periodically released by the Indian government regarding the

welfare of its SC, ST, OBC, and PwD workers. Due reservations and relaxations as necessary under the different directives for direct recruitment and promotions are among the actions implemented.

PFC is always working to improve the lives of individuals and society as a whole. PFC constantly works to live up to societal standards in order to contribute to the actual and long-term elimination of social and economic inequalities and environmental preservation. PFC is still supporting initiatives that try to protect the earth's ability to sustain life in all its diversity while also enhancing the quality of life for current and future generations.

NATURAL CAPITAL

All ecosystem services and environmental resources on which a business depends or has an influence are considered natural capital. This encompasses biodiversity, ecosystem health, air, water, land, minerals, and forests. Regulation compliance and long-term profitability are guaranteed by sustainable management of natural capital. It facilitates risk mitigation for the environment and synchronizes corporate operations with the objectives of ecological sustainability.

PFC constantly endeavors to safeguard the environment by reducing both the use and waste of natural resources. By digitizing procedures wherever feasible, PFC aims to lower its paper usage using IT solutions. Because PFC is a financial institution, its mechanisms for recycling garbage and goods are restricted. Nevertheless, the company has placed an Organic Composting machine on the office grounds to recycle organic waste that is regularly created in the office building's kitchen, pantry, and other areas.

Whenever possible, PFC has eliminated paper use, enabling its staff to operate with a lower carbon impact.

With a vision of accelerating India's net-zero goal, PFC is funding renewables in a big way. The gross loan assets recorded a growth of 12.86%, ₹5,43,120 crore as at March 31, 2025 from ₹4,81,462 crore as at March 31, 2024.

During FY 2024-25, your Company was conferred with the prestigious "Swachhta Pakhwada Award 2024", securing the second prize for its exemplary performance under the nationwide "Swachhta Pakhwada 2024" program, demonstrating its dedication to cleanliness and the vision for a garbage-free India.

Your business enhances and preserves natural capital by doing such actions. PFC is dedicated to create Natural Capital through its investments in renewable products, promotion of renewable energy, and efforts to integrate ethical economic practices with environmental action.

Corporate governance establishes a framework for directing and controlling the Company, ensuring it operates ethically, responsibly, and in the best interests of all stakeholders. PFC's Corporate Governance philosophy prioritizes transparency, fairness, and accountability across all levels, aiming to achieve the Company's ability to maximize value for stakeholders through sound business practices. The Company endeavors to uphold the principles governing disclosures and obligations, to achieve the objectives such as protection of rights & equitable treatment of shareholders, fair and timely disclosures, accountability, responsibility, sustainability, etc. in implementation of its philosophy of corporate governance in letter and spirit.

Corporate Governance at PFC is managing the business in an ethical and responsible manner geared to sustainable value creation for stakeholders within the prevalent regulatory framework. It emphasizes building and maintaining strong relationships between the company's management, Board of Directors and various stakeholders, including shareholders, employees, customers etc.

As part of the Director's Report, the following section presents a comprehensive Corporate Governance Report, outlined in accordance with all applicable statutory requirements including the following:

- Companies Act, 2013 ("the Act")
- SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LoDR Regulations")
- Guidelines on Corporate Governance for Central Public Sector Enterprises by Department of Public Enterprises ("DPE Guidelines")
- Secretarial Standards prescribed by the Institute of Company Secretaries of India

A certificate from a Practicing Company Secretary attesting to compliance with these provisions is also annexed.

1. PFC'S GOVERNANCE PHILOSOPHY:

Your Company's Corporate Governance philosophy is based on two core principles. These are:

- Management must have the executive freedom to drive the enterprise forward for sustainable growth without undue restraints; and
- This freedom of management should be exercised within the framework of regulatory environment and effective accountability.

Your Company's corporate structure, conduct of business and disclosure practices have been accordingly aligned to its Corporate Governance Philosophy.

The Company firmly endorses the principles of governing disclosures and obligations as provided in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as guiding force. The Company has ensured compliance with the objectives of 'the principles of Corporate Governance' stated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. BOARD OF DIRECTORS

The Company's Board of Directors plays a pivotal role in shaping its strategic direction, offering independent judgment, and ensuring sound governance. With a well-rounded composition that brings together a diverse mix of skills, experience, knowledge, and independence, the Board provides effective oversight and leadership.

Its operations are governed by a robust framework comprising the Companies Act, the Memorandum and Articles of Association, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Company's internal codes and policies.

Committed to upholding the highest standards of governance, the Board diligently monitors key business policies, financial integrity, and compliance with regulatory and ethical norms. Its members represent a rich blend of talent and experience, bringing valuable perspectives from diverse fields.

Composition of Board

PFC being a Government Company within the meaning of Section 2(45) of the Companies Act, 2013. The President of India holds 55.99% of the total paid up share capital of the Company as March 31, 2025. Pursuant to the Articles of Association of your Company, the power to appoint Directors on the Board of PFC vests with the President of India acting through the Administrative Ministry i.e., Ministry of Power (MoP) which shall not be less than three and not more than fifteen.

The Directors of PFC are equipped with the necessary skills and knowledge to efficiently and effectively run the Company's operations. They work together to offer the strategic direction and support needed to achieve the Company's goals and objectives. The Board has inter-alia adopted a Board diversity policy, available at:

https://www.pfcindia.co.in/ensite/Default/ViewFile/?id=1633451500881_PFCs_Board_diversity_policy.pdf&path=Page

Additionally, following the RBI's Master Directions and based on the recommendation of the Nomination and Remuneration Committee, the Board has implemented a

policy on 'fit & proper' criteria for Directors. This policy outlines the internal process for assessing Directors' qualifications, expertise, track record, integrity, and other relevant factors to determine their suitability as a Director. The "fit & proper" criteria specified in the policy are checked during the appointment or reappointment of Directors and annually thereafter. The Nomination and Remuneration Committee of the Company has in terms of the said policy ascertained all the Members on the Board of the Company as fit and proper for the FY 2024-25.

a) During the FY 2024-25, the following changes took place in the composition of the Board of Directors of the Company:-

- Shri Shashank Misra, Joint Secretary, Ministry of Power was appointed by Ministry of Power, Government of India as Government Nominee Director on the board w.e.f. June 25, 2024 vice Shri Ajay Tewari - Additional Secretary, who was earlier nominated on the Board of PFC.
- Consequent upon appointment by Ministry of Power, Government of India, Shri Sandeep Kumar assumed the charge of Director (Finance) w.e.f. July 11, 2024.

- Consequent upon completion of tenure on December 22, 2024, the three Independent Directors on the Board of PFC i.e. Shri Bhaskar Bhattacharya, Smt. Usha Sajeev Nair and Shri Prasanna Tantri, ceased to be Members of the Board w.e.f. December 23, 2024.

As on March 31, 2025, the Company's Board comprised of five Directors which includes four Whole Time Functional Directors including Chairman and Managing Director (CMD) and one Part Time Government Nominee Director. During the FY 2024-25, the composition of the Board of Directors was not in conformity with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. With effect from December 23, 2024, some of the Board Level Committees also became non-compliant pursuant to applicable provisions of Companies Act and SEBI LoDR. The Company requested Ministry of Power, Government of India, to expedite appointment of the requisite number of Independent Directors on the Board of the Company to enable the company to comply with the applicable provisions.

b) The composition of the Board as on March 31, 2025 and other relevant information, is outlined below:

Sl. no.	Name of the Director	DIN	Position in the Company	No. of other Directorships in Indian public limited companies ⁵	Directorships held in other listed entities, category of Directorships ⁵	No. of Committee positions held in other companies ⁵⁵	
						Member	Chairperson
Whole Time Directors							
i)	Smt. Parminder Chopra	08530587	Chairman and Managing Director, Chief Executive Officer and Key Managerial Personnel	4	REC Limited [#]	Nil	Nil
ii)	Shri Rajiv Ranjan Jha	03523954	Director (Projects) and Key Managerial Personnel	6	PTC Limited [*]	Nil	Nil
iii)	Shri Manoj Sharma	06822395	Director (Commercial) and Key Managerial Personnel	7	REC Limited [*]	1	1
iv)	Shri Sandeep Kumar	08529035	Director (Finance), Chief Financial Officer and Key Managerial Personnel	3	-	Nil	Nil
Government Nominee Director							
vi)	Shri Shashank Misra	08364288	Director (Government Nominee)	1	REC Limited	1	Nil

On completion of tenure on December 22, 2024, all the 3 Independent directors ceased to be Directors on the Board of PFC w.e.f. December 23, 2024.

⁵ Does not include Directorship in Private Companies, Section 8 Companies under the Companies Act, 2013 and Foreign Companies.

⁵⁵ Does not include Chairmanship/Membership in Board Committees other than Audit Committee and Shareholders'/Investors' Grievance Committee.

[#] Held additional charge of CMD, REC wef March 21, 2025 to April 21, 2025.

^{*} Appointed as Nominee Director of PFC

None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees, across all the companies in which he/she is a Director. None of the Directors of the Company are in any way related to each other.

c) Appointment of 5 Independent Directors on the Board of PFC (after March 31, 2025)-Regulatory Excellence: SEBI LODR-Compliant Board

In the first quarter of FY 2025-26, Ministry of Power, Government of India appointed five Independent Directors (including one Independent Women Director) viz. Smt. Usha Sajeev Nair, Shri Prasanna Tantri, Shri Naresh Dhanrajbhai Kella w.e.f. April 17, 2025 and Shri

Bhaskar Bhattacharya & Dr. Sudhir Mehta w.e.f. May 13, 2025 & May 14, 2025 respectively.

Accordingly, your company is in conformity with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

d) Key skills, expertise, competencies and attributes of the Board

As a public sector company, the Directors on the Board of the Company are appointed by the President of India through the Ministry of Power. The Ministry prudently selects individuals who possess the requisite expertise and domain knowledge necessary for effectively steering the Company's operations. Comprehensive profiles of all Directors, detailing their qualifications and professional experience, are included in this Annual Report.

Matrix providing the skills/expertise/competence of the members of the Board, fundamental for the effective functioning of the Company, during the year FY 2024-25, is as follows:

Key Qualifications of the Board										
Name of the Director	Area of expertise									
	Financial Management	Power Sector Domain Expertise	Legal	Project Appraisal	Corporate Planning & Strategy	Risk Management	Leadership	Board practices & Governance	Environment & Social	Business Development
Smt. Parminder Chopra	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Shri Shashank Misra*	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Shri Rajiv Ranjan Jha	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Shri Manoj Sharma	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Shri Sandeep Kumar**	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Shri Bhaskar Bhattacharya [#]	✓		✓		✓	✓	✓	✓	✓	✓
Smt. Usha Sajeev Nair [#]	✓				✓	✓	✓	✓	✓	✓
Shri Prasanna Tantri [#]	✓				✓	✓	✓	✓	✓	✓
Shri Ajay Tewari ^{##}	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

The absence of tick mark against a member's name, does not necessarily mean that the said member does not possess the corresponding skill or expertise.

^{*} appointed w.e.f. June 25, 2024

^{**} appointed w.e.f. July 11, 2024

[#] completion of tenure on December 22, 2024

^{##} upto June 24, 2024

Board Meetings

The Board meetings are normally conducted at the Company's registered office and are scheduled well in advance. The Board meetings of PFC are convened at regular intervals. These meetings follow a structured agenda, and any Board member may propose any subject matter in the agenda for discussion. Comprehensive agenda papers, along with explanatory notes are circulated beforehand to enable informed and independent decision-making. The Company adheres to Secretarial Standard-1 on Board Meetings, as prescribed

by the Institute of Company Secretaries of India, in both letter and spirit.

During the year under review, the Board met Sixteen (16) times on the following dates:

- April 15, 2024
- May 15, 2024 & May 16, 2024 (adjourned)
- June 20, 2024
- July 03, 2024
- July 19, 2024
- July 30, 2024
- August 06, 2024
- August 29, 2024
- September 20, 2024
- October 18, 2024 & October 28, 2024 (adjourned)
- November 08, 2024
- December 18, 2024
- January 31, 2025
- February 12, 2025
- March 12, 2025
- March 21, 2025

Annual General Meeting

The last Annual General Meeting of the Company was held on August 21, 2024.

Directors' attendance (physical presence/through video conferencing) in Board Meetings & last AGM:

Name and Designation	Board Meetings		Attendance at the last AGM held on August 21, 2024
	Held during the tenure	Attended	
Smt. Parminder Chopra Chairman and Managing Director (CMD)	12	12	Present
CMD & Additional Charge Director (Finance) (upto July 10, 2024)	4	4	NA
Shri Shashank Misra Director (Government Nominee Director) (w.e.f. June 25, 2024)	13	13	Present
Shri Ajay Tewari Director (Government Nominee Director) (upto June 24, 2024)	3	01	NA
Shri Rajiv Ranjan Jha Director (Projects)	16	16	Present
Shri Manoj Sharma Director (Commercial)	16	16	Present
Shri Sandeep Kumar Director (Finance) (w.e.f. July 11, 2024)	12	12	Present
Shri Bhaskar Bhattacharya Independent Director (Upto December 22, 2024)	12	12	Present
Smt. Usha Sajeev Nair Independent Director (Upto December 22, 2024)	12	12	Present
Shri Prasanna Tantri Independent Director (Upto December 22, 2024)	12	12	Present

Separate Meeting of Independent Directors

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Schedule IV of Companies Act, 2013 and as per the Guidelines issued by DPE on Roles & Responsibilities of Non-Official Directors (Independent Directors) of CPSEs. One Separate Meeting of Independent Directors was held on December 12, 2024, which was attended by all the Independent Directors.

Declaration by Independent Directors

The Independent Directors in the first meeting of the Board, of the FY 2024-25 held on April 15, 2024, gave a declaration that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE's Guidelines on Corporate Governance for CPSEs.

Further, all the Independent Directors in the meeting of the Board wherein their appointment was done gave a declaration that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE's Guidelines on Corporate Governance for CPSEs. The Board of Directors in the said meeting

confirmed that the Independent Directors of the Company fulfill the conditions specified in Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE's Guidelines on Corporate Governance for CPSEs and are independent of the management. No Independent Director has resigned during the FY 2024-25.

Familiarization programme for Independent Directors

The Company familiarizes its Independent Directors about the nature of business & operations, strategy and performance of the Company, their roles & responsibilities as Independent Directors and other relevant topics from time to time. In addition to the same, the Company provides them with necessary documents, reports, internal policies etc., to familiarize them with the Company's procedures and practices. Further, with the help of presentations at the Board & Committee meetings, regular interactions with Directors, Senior Management Personnel and other officials of the Company, efforts are made to provide all relevant information to the Independent Directors.

The details of familiarization programmes imparted to Independent Directors are displayed on the Company's website after completion of the programme. The details

posted on the website can be accessed by following the web link given hereunder:

[https://pfcindia.com/ensite/DocumentRepository/ckfinder/files/Investors/Equities/Disclosure/2024/Disclosure%20under%20Regulation%2046\(2\)%20iHR.pdf](https://pfcindia.com/ensite/DocumentRepository/ckfinder/files/Investors/Equities/Disclosure/2024/Disclosure%20under%20Regulation%2046(2)%20iHR.pdf)

3. BOARD LEVEL COMMITTEES

The Board has constituted various statutory and non-statutory Board Level Committees for detailed discussions and aid effective decision making. Company Secretary acts as the Secretary to all the Board Level Committee(s). The Committees constituted by the Board focus on specific areas and take informed decisions within

the framework designed by the Board and make specific recommendations to the Board on matters in their areas or purview. To enable better and more focused attention on the affairs of the Company, the Board has delegated particular matters to the Committees of the Board set up for the purpose.

The three Independent Directors on the Board of PFC, on completion of their tenure on December 22, 2024 ceased to be the Directors on the board and hence members of the Committees of PFC w.e.f. December 23, 2024.

Subsequently, PFC had reconstituted the board level Committees on January 31, 2025 with the balance number of Directors present on the board.

Board Level Committees:



3.1 Audit Committee of Directors

As per the requirements under the Companies Act, DPE's Guidelines on Corporate Governance for CPSEs, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and RBI's Corporate Governance norms, the Board of Directors of the company has constituted an Audit Committee of Directors.

Upon completion of tenure on December 22, 2024 as Board Members, Shri Prasanna Tantri (Independent Director) and Shri Bhaskar Bhattacharya (Independent Director) ceased to be member of the Committee w.e.f. December 23, 2024. The Audit Committee was reconstituted on January 31, 2025, with the available members on the Board of PFC.

As on March 31, 2025, the Composition of the Audit Committee of Directors is as follows:

Shri Shashank Misra
Chairman

Shri Rajiv Ranjan Jha
Member

Shri Manoj Sharma
Member

During the FY 2024-25, Seven (7) meetings of the Audit Committee were held i.e. (i) May 15, 2024 (ii) July 18, 2024 (iii) August 06, 2024 (iv) October 17, 2024 (v) November 08, 2024 (vi) November 25, 2024 and (vii) February 12, 2025.

Details of meetings attended (Physical Presence / Through Video Conferencing) by members during FY 2024-25 are as follows:

Name of the Member	Designation	No. of Meetings	
		Held during the tenure	Attended
Shri Prasanna Tantri Independent Director	Chairman (upto 22.12.2024)	6	6
Shri Bhaskar Bhattacharya Independent Director	Member (upto 22.12.2024)	6	6
Shri Rajiv Ranjan Jha Director (Projects)	Member	7	7
Shri Shashank Misra Government Nominee Director	Chairman (w.e.f 31.01.2025)	1	1
Shri Manoj Sharma Director (Commercial)	Member (w.e.f 31.01.2025)	1	1

Director (Commercial) and Director (Finance) were permanent invitees to the meetings of the Audit Committee of Directors upto January 30, 2025. After reconstitution, Director (Finance) continued to be the permanent invitee to the meetings of the said committee. The Company Secretary continued to be the Secretary to the Committee. The head of Internal Audit, Independent Internal Auditors and representative of the Statutory Auditor(s) were invited to the Audit Committee Meetings for interacting with the Members of the Committee as and when required.

The role, terms of reference, scope and authority of Audit Committee are as provided under the relevant provisions of Companies Act, 2013, DPE's Guidelines on Corporate Governance for CPSEs, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and RBI's Corporate Governance norms.

In the first quarter of FY 2025-26, with the appointment of five Independent Directors on the Board of PFC, the Audit Committee of Directors was reconstituted and is now in compliance with the applicable provisions of Companies Act, 2013, DPE's Guidelines on Corporate Governance for CPSEs, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and RBI's Corporate Governance norms.

3.2 Nomination and Remuneration Committee

Your company is a Central Public Sector Undertaking, and accordingly the appointment of CMD & Directors and fixation of their remuneration are decided by President of India in terms of the Articles of Association of the Company. However, your company has constituted a Nomination and Remuneration Committee pursuant to the provisions of the Companies Act, 2013, DPE's

Guidelines on Corporate Governance for CPSEs, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and RBI's Corporate Governance norms.

Upon completion of tenure on December 22, 2024 as Board Members, Shri Prasanna Tantri (Independent Director), Smt Usha Sajeev Nair (Independent Director) and Shri Bhaskar Bhattacharya (Independent Director) ceased to be members of the Committee w.e.f. December 23, 2024. The Nomination and Remuneration Committee was reconstituted on January 31, 2025, with the available members on the Board of PFC.

As on March 31, 2025, the Composition of the Nomination and Remuneration Committee of Directors is as follows:

Shri Shashank Misra
Chairman

Shri Rajiv Ranjan Jha
Member

Shri Manoj Sharma
Member

Shri Sandeep Kumar
Member

During the FY 2024-25, Five (5) meetings of the Nomination and Remuneration Committee were held i.e. (i) May 14, 2024 (ii) July 03, 2024 (iii) July 18, 2024 (iv) November 08, 2024 & (v) March 21, 2025.

Details of meetings attended (Physical Presence / Through Video Conferencing) by members during FY 2024-25 are as follows:

Name of the Member	Designation	No. of Meetings	
		Held during the tenure	Attended
Smt. Usha Sajeev Nair Independent Director	Chairperson (upto 22.12.2024)	4	4
Shri Bhaskar Bhattacharya Independent Director	Member (upto 22.12.2024)	4	4
Shri Prasanna Tantri Independent Director	Member (upto 22.12.2024)	4	4
Shri Shashank Misra Government Nominee Director	Chairperson (w.e.f 31.01.2025)	1	1
Shri Rajiv Ranjan Jha Director (Projects)	Member (w.e.f 31.01.2025)	1	1
Shri Manoj Sharma Director (Commercial)	Member (w.e.f 31.01.2025)	1	1
Shri Sandeep Kumar Director (Finance)	Member (w.e.f 31.01.2025)	1	1

Director (Finance), Director (Projects) and Director (Commercial) were permanent invitees to the meetings of the said committee till January 30, 2025. The Company Secretary acts as the Secretary to the Committee.

The Role and Terms of Reference of the Nomination and Remuneration Committee are as provided under the relevant provisions of Companies Act, 2013, DPE's Guidelines on Corporate Governance for CPSEs, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and RBI's Corporate Governance norms.

In the first quarter of FY 2025-26, with the appointment of five Independent Directors on the Board of PFC, the Nomination and Remuneration Committee of Directors was reconstituted and is now in compliance with the applicable provisions of Companies Act, 2013, DPE's Guidelines on Corporate Governance for CPSEs, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and RBI's Corporate Governance norms.

Remuneration Policy

Your Company is a Central Public Sector Undertaking in which all members of the Board are appointed by the President of India through the administrative ministry i.e. Ministry of Power, Government of India, which, inter-alia, fixes the remuneration of such Whole Time Directors through their respective appointment orders/ pay fixation orders. The appointment and remuneration of other employees of the Company is done as per the DPE guidelines. The members of the Board, apart from receiving Directors' remuneration, in case of CMD and Whole Time Directors, do not have any material pecuniary relationship or transaction with the company, its promoters or its subsidiary, which in the judgment of Board may affect independence of judgment of Directors. PFC being a Government Company, the evaluation of

performance of all the members of the Board including Independent Directors is undertaken by administrative ministry i.e. Ministry of Power, Government of India.

The Ministry of Corporate Affairs (MCA) vide its notification dated June 5, 2015 has inter-alia exempted the Government Companies in case the Directors are evaluated by the Ministry or Department of the Central Government which is administratively in charge of the Company, as per its own evaluation methodology. Accordingly, PFC being a Government company is exempted in terms of above notification as the evaluation of performance of all the members of the Board including Independent Directors is undertaken by administrative ministry i.e. Ministry of Power, Government of India.

Further, MCA vide Notification dated July 5, 2017 prescribed that the provisions relating to review of performance of Independent Directors and evaluation mechanism, prescribed in Schedule IV of the Companies Act, 2013, is also not applicable to Government Companies.

However, the said requirements are still not exempted under the SEBI (Listing Obligation & Disclosures Requirements) Regulations, 2015 for government Companies. Accordingly, a draft evaluation policy has been referred to Ministry of Power seeking guidance in the matter, who has in turn further referred the said draft policy to the CPSE policy division for further examination.

In the meantime, to comply with Regulation 17(10) SEBI LODR, the Board of Directors in its meeting held on December 18, 2024 evaluated the performance of Independent Directors. During evaluation, the concerned Independent Director abstain himself/herself from the participation.

The evaluation of Non-Independent Directors for the FY 2024-25 was carried out by Independent directors in their meeting held on May 22, 2025 in compliance of SEBI LoDR.

Remuneration of Whole Time Directors

The remuneration paid to whole time directors including the Chairman & Managing Director was as per the terms and conditions of their appointment.

Details of remuneration of Whole Time Directors of the company during FY 2024-25 are given below:

Name of the Director	Salary (₹)	Benefits (₹)	Bonus/ Commission Ex-gratia (₹)	Performance Linked Incentives (₹)	Stock Options	Total (₹)	No. of shares held as on March 31, 2025
Smt. Parminder Chopra	61,75,649	7,84,923	-	21,40,001	-	91,00,573	2,500
Shri Rajiv Ranjan Jha	68,32,470	5,43,474	-	22,55,814	-	96,31,758	20,005
Shri Manoj Sharma	61,21,673	4,03,395	-	21,36,598	-	86,61,666	0
Shri Sandeep Kumar	45,04,721	5,05,234	-	0	-	50,09,956	15,575

Notes:

- Salary & Allowances have been considered on paid basis for the period working in capacity of Director.
- Above information does not include Non-Taxable allowances & Perquisites, Non-Taxable Medical reimbursement, Contribution to Superannuation Benefits except Employer's Contribution towards NPS etc.
- The performance linked incentives are paid as per DPE guidelines.
- The appointment of Directors and terms of appointment including remuneration, notice period, severance fees, if any etc. are decided by President of India.
- Remuneration details of Shri Sandeep Kumar is considered from July 11, 2024 i.e. the date of holding of directorship.

Remuneration of Non-Executive Directors/Independent and Government Nominee Directors

The Independent & Government Nominee Directors do not have any material pecuniary relationship or transactions with the Company. However, the Independent Directors were paid the sitting fees i.e. ₹40,000/- for attending each Meeting of the Board of Directors and ₹30,000/- for attending each Meeting of Committee of Directors.

Government Nominee Director is not entitled to any remuneration or sitting fee from the Company. As on March 31, 2025, Shri Shashank Misra, Government Nominee Director held nil shares in the Company.

Senior Management:

a) The details of senior management personnel as on March 31, 2025 are as follows:

Sl. No	Employee Name	Designation
1	Shri Saurav Kumar Shah	Executive Director
2	Shri Manoj Kumar Rana	Executive Director
3	Shri Jawahar G	Executive Director
4	Shri Raj Kumar Malhotra	Executive Director
5	Shri Rajeev Kumar Chaturvedi	Executive Director
6	Shri Packirisamy v	Executive Director
7	Shri Rajesh Kumar Shahi	Executive Director
8	Shri Ali Shah	Executive Director
9	Shri Sanjay Sharma	Executive Director, Chief Risk Officer
10	Shri Hemant Kumar Das	Executive Director
11	Shri Pawan Kumar	Executive Director, Chief Compliance Officer
12	Shri Shunmuga Sundaram Palanivel	Executive Director
13	Shri Manish Kumar Agarwal	Company Secretary

b) Subsequently, the appointment/promotion of following Senior Management positions were approved:

Sl. No	Employee Name	Designation	Remark
1	Smt. Priya Kumar	Executive Director	Promoted
2	Shri B. S. Arunachalam	Executive Director	Promoted
3	Shri Venugopal Yakasiri	Executive Director	Promoted
4	Shri Rajesh Kumar Agarwal	Executive Director	Promoted
5	Shri D. V. Subba Rao	Executive Director	Promoted
6	Smt. Jasneet Guram	Executive Director	Promoted
7	Shri Praveen Verma	Executive Director	Promoted

c) The details of changes by virtue of superannuation during FY2024-25 are as follows:

Sl. No	Employee Name	Designation	Remark
1	Shri. Sanjay Mehrotra	Executive Director	Superannuated
2	Shri Pranab Kumar Sinha	Executive Director	Superannuated

3.3 Stakeholder Relationship and Shareholders' Investors' Grievance Committee (SIGC)

The Company has set up a Stakeholders Relationship and Shareholders'/Investors' Grievance Committee (SIGC) as per the requirement of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to look into various aspects of interest of shareholders of the Company, specifically into the redressal of requests, complaints or grievances from various security holders including shareholders and debenture holders, such as non-receipt of dividend credit / warrants, non-receipt of interest on debentures etc.

Upon completion of tenure on December 22, 2024 as Board Member, Smt. Usha Sajeew Nair (Independent Director) ceased to be member of the Committee w.e.f. December 23, 2024. The Stakeholders Relationship and Shareholders'/Investors' Grievance Committee was reconstituted on January 31, 2025, with the available members on the Board of PFC.

As on March 31, 2025, the Composition of the Stakeholders Relationship and Shareholders'/Investors' Grievance Committee of Directors is as follows:

Shri Shashank Misra
Chairman

Shri Rajiv Ranjan Jha
Member

Shri Manoj Sharma
Member

During the FY 2024-25, Four (4) meetings of the Stakeholder Relationship and Shareholders'/Investors' Grievance Committee were held i.e. (i) May 14, 2024 (ii) August 22, 2024 (iii) November 07, 2024 and (iv) March 21, 2025.

Details of meetings attended (Physical Presence / Through Video Conferencing) by members during FY 2024-25 are as follows:

Name of the Member	Designation	No. of Meetings	
		Held during the tenure	Attended
Smt. Usha Sajeew Nair Independent Director	Chairperson (upto 22.12.2024)	3	3
Smt. Parminder Chopra* Additional Charge Director (Finance)	Member (upto 10.07.2024)	1	NIL
Shri Sandeep Kumar Director (Finance)	Member (w.e.f. 11.07.2024)	3	3
Shri Rajiv Ranjan Jha Director (Projects)	Member	4	4
Shri Shashank Misra Government Nominee Director	Chairperson (w.e.f. 31.01.2025)	1	1

* Director (Finance) is the member of the Sub-Committee. Meeting not attended by virtue of holding full time charge of CMD alongwith additional charge of Director (Finance)

Company Secretary acts as the Secretary to the Committee. The Role and Terms of Reference of the Stakeholders Relationship and Shareholders'/Investors' Grievance Committee are as provided under the relevant provisions of Companies Act, 2013, DPE's Guidelines on Corporate Governance for CPSEs, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and RBI's Corporate Governance norms.

In the first quarter of FY 2025-26, with the appointment of five Independent Directors on the Board of PFC, the Stakeholders Relationship and Shareholders'/Investors' Grievance Committee of Directors was reconstituted and is now in compliance with the applicable provisions of Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Information on investor complaints for the year ended March 31, 2025 is as follows:

Particulars	Equity	Bonds	Total
Pending at the beginning of the year	5	0	5
Received during the year	195	4515	4710
Disposed off during the year	199	4515	4714
Lying unresolved at the end of the year	1*	0	1

* The complaint received 29-03-2025 has been disposed off on 08-04-2025.

3.4 Board Level Risk Management Committee

The Board of Directors constituted a Board Level Risk Management Committee to monitor and review the risk management plan of the Company and to make recommendations to the Board of Directors for taking up various risk management activities.

Upon completion of tenure on December 22, 2024 as Board Member, Shri Bhaskar Bhattacharya (Independent Director) ceased to be member of the Committee w.e.f. December 23, 2024. The Board Level Risk Management Committee was reconstituted on January 31, 2025, with the available members on the Board of PFC.

As on March 31, 2025, the Composition of the Board Level Risk Management Committee of Directors is as follows:

Shri Shashank Misra Chairman	Shri Manoj Sharma Member
Shri Rajiv Ranjan Jha Member	Shri Sandeep Kumar Member

During the FY 2024-25, Four (4) meetings of the Board Level Risk Management Committee were held i.e. (i) June 20, 2024 (ii) November 07, 2024 (iii) December 18, 2024 and (iv) February 12, 2025.

Details of meetings attended (Physical Presence / Through Video Conferencing) by members during FY 2024-25 are as follows:

Name of the Member	Designation	No. of Meetings	
		Held during the tenure	Attended
Smt. Parminder Chopra CMD & Additional Charge Director (Finance)	Chairman (upto 27.10.2024)	1	1
Shri Bhaskar Bhattacharya Independent Director	Chairman (from 28.10.2024 to 22.12.2024), Member (upto 27.10.2024)	3	3
Shri Rajiv Ranjan Jha Director (Projects)	Member	4	4
Shri Manoj Sharma Director (Commercial)	Member	4	4
Shri. Sandeep Kumar Director (Finance)	Member (w.e.f. 11.07.2024)	3	3
Shri Shashank Misra Government Nominee Director	Chairman (w.e.f. 31.01.2025)	1	1

Chief Risk Officer (CRO) is a Permanent Invitee to all the meetings of Board Level Risk Management Committee. Company Secretary acts as the Secretary to the Committee.

In the first quarter of FY 2025-26, with the appointment of five Independent Directors on the Board of PFC, the Board Level Risk Management Committee was reconstituted and is now in compliance with the applicable provisions of Companies Act, 2013, DPE's Guidelines on Corporate Governance for CPSEs, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and RBI's Corporate Governance norms.

3.5 CSR & Sustainable Development Committee

CSR & Sustainable Development Committee has been constituted to give direction to the CSR and SD activities of the Company and to make recommendations to the Board of Directors for taking up various CSR & SD projects.

Upon completion of tenure on December 22, 2024 as Board Member, Shri Prasanna Tantri (Independent Director) and Smt. Usha Sajeew Nair (Independent Director) ceased to be members of the Committee w.e.f. December 23, 2024. The CSR & Sustainable Development Committee was reconstituted on January 31, 2025, with the available members on the Board of PFC.

As on March 31, 2025, the Composition of the CSR & Sustainable Development Committee is as follows:

Shri Rajiv Ranjan Jha Chairman	Shri Manoj Sharma Member
Shri Shashank Misra Member	Shri Sandeep Kumar Member

During the FY 2024-25, Six (6) meetings of the CSR & Sustainable Development Committee of Directors were held i.e. (i) May 14, 2024 (ii) September 03, 2024 (iii) September 25, 2024 (iv) October 17, 2024 (v) November 25, 2024 and (vi) March 21, 2025.

Details of meetings attended (Physical Presence / Through Video Conferencing) by members during FY 2024-25 are as follows:

Name of the Member	Designation	No. of Meetings	
		Held during the tenure	Attended
Shri Prasanna Tantri Independent Director	Chairman (upto 22.12.2024)	5	5
Smt Usha Sajeew Nair Independent Director	Member (upto 22.12.2024)	5	5
Shri Rajiv Ranjan Jha Director (Projects)	Chairman (w.e.f 31.01.2025)	1	1
	Member (till 30.01.2025)	5	5
Shri Manoj Sharma Director (Commercial)	Member	6	6
Smt. Parminder Chopra* Additional Charge Director (Finance)	Member (upto 10.07.2024)	1	Nil
Shri Sandeep Kumar Director (Finance)	Member (w.e.f. 11.07.2024)	5	4
Shri Shashank Misra Government Nominee Director	Member (w.e.f. 31.01.2025)	1	1

* Director (Finance) is the member of the Sub-Committee. Meeting not attended by virtue of holding full time charge of CMD alongwith additional charge of Director (Finance)

Company Secretary acts as the Secretary to the Committee.

In the first quarter of FY 2025-26, with the appointment of five Independent Directors on the Board of PFC, the CSR & Sustainable Development Committee was reconstituted and is now in compliance with the applicable statutory provisions.

3.6 Board Level IT Strategy Committee

Pursuant to RBI's Master Directions for Information Technology Governance, Risk, Controls and Assurance Practices, the Board of Directors of the Company constituted a Board Level IT Strategy Committee.

Upon completion of tenure on December 22, 2024 as Board Member, Shri Bhaskar Bhattacharya (Independent Director) ceased to be member of the Committee w.e.f. December 23, 2024. The Board Level IT Strategy Committee was reconstituted on January 31, 2025, with the available members on the Board of PFC.

As on March 31, 2025, the Composition of the Board Level IT Strategy Committee is as follows:

Shri Shashank Misra Chairman	Shri Manoj Sharma Member
Shri Rajiv Ranjan Jha Member	Shri Sandeep Kumar Member



During the FY 2024-25, Five (5) meetings of the Board Level IT Strategy Committee were held i.e. (i) June 20, 2024 (ii) July 30, 2024 (iii) September 02, 2024 (iv) February 12, 2025 and (v) March 12, 2025.

Details of meetings attended (Physical Presence / Through Video Conferencing) by members during FY 2024-25 are as follows:

Name of the Member	Designation	No. of Meetings	
		Held during the tenure	Attended
Shri Bhaskar Bhattacharya Independent Director	Chairman (upto 22.12.2024)	3	3
Smt. Parminder Chopra* Additional Charge Director (Finance)	Member (upto 10.07.2024)	1	Nil
Shri Sandeep Kumar Director (Finance)	Member (w.e.f 11.07.2024)	4	4
Shri Rajiv Ranjan Jha Director (Projects)	Member	5	5
Shri Manoj Sharma Director (Commercial)	Member	5	5
Shri Shashank Misra Government Nominee Director	Chairman (w.e.f. 31.01.2025)	2	2

* Director (Finance) is the member of the Sub-Committee. Meeting not attended by virtue of holding full time charge of CMD alongwith additional charge of Director (Finance)

Chief Information Security Officer (CISO) is the Permanent Invitee to all the meetings of Board Level IT Strategy Committee. Company Secretary shall act as the Secretary to the Committee.

In the first quarter of FY 2025-26, with the appointment of five Independent Directors on the Board of PFC, the Board Level IT Strategy Committee was reconstituted and is now in compliance with the applicable statutory provisions.

3.7 Investment Committee of Directors

The Investment Committee of Directors has been constituted for approving equity investment in IPOs of Central Power Sector Undertakings and also other related matters like exit/sale decisions, the number of shares to be applied through IPO, individual investment limit in each company on case to case basis, etc.

As on March 31, 2025, the Composition of the Investment Committee of Directors is as follows:

Smt. Parminder Chopra Chairman	Shri Manoj Sharma Member
Shri Rajiv Ranjan Jha Member	Shri Sandeep Kumar Member

During the FY 2024-25, Two (2) meetings of the Investment Committee of Directors were held i.e. (i) June 20, 2024 and (ii) February 12, 2025.

Details of meetings attended (Physical Presence / Through Video Conferencing) by members during FY 2024-25 are as follows:

Name of the Member	Designation	No. of Meetings	
		Held during the tenure	Attended
Smt. Parminder Chopra CMD	Chairman	2	2
Smt. Usha Sajeev Nair Independent Director	Member (upto 22.12.2024)	1	1
Shri Rajiv Ranjan Jha Director (Projects)	Member	2	2
Shri Manoj Sharma Director (Commercial)	Member	2	2
Shri Sandeep Kumar Director (Finance)	Member (w.e.f 11.07.2024)	1	1

3.8 HR Committee

HR Committee has been constituted to consider and submit their recommendations to the Board of Directors on all HR related matters before they are submitted to the Board for approval.

As on March 31, 2025, the Composition of the HR Committee is as follows:

Shri Manoj Sharma Chairman	Shri Rajiv Ranjan Jha Member	Shri Sandeep Kumar Member
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During the FY 2024-25, Three (3) meetings of the HR Committee were held i.e. (i) April 12, 2024 (ii) July 15, 2024 and (iii) August 02, 2024.

Details of meetings attended (Physical Presence / Through Video Conferencing) by members during FY 2024-25 are as follows:

Name of the Member	Designation	No. of Meetings	
		Held during the tenure	Attended
Shri Manoj Sharma Director (Commercial)	Chairman	3	3
Smt. Parminder Chopra* Additional Charge Director (Finance)	Member (upto 10.07.2024)	1	Nil
Shri Rajiv Ranjan Jha Director (Projects)	Member	3	3
Shri Sandeep Kumar Director (Finance)	Member (w.e.f 11.07.2024)	2	2

* Director (Finance) is the member of the Sub-Committee. Meeting not attended by virtue of holding full time charge of CMD alongwith additional charge of Director (Finance)

3.9 ALM Committee of Functional Directors

ALM Committee of Functional Directors has been constituted as per PFC's Asset Liability Management Policy formulated in line with the RBI's guidelines.

As on March 31, 2025, the Composition of the ALM Committee of Functional Directors is as follows:

Shri Sandeep Kumar Chairman	Shri Rajiv Ranjan Jha Member
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During the FY 2024-25, One (1) meeting of the ALM Committee was held i.e. October 22, 2024.

Details of meetings attended (Physical Presence / Through Video Conferencing) by members during FY 2024-25 are as follows:

Name of the Member	Designation	No. of Meetings	
		Held during the tenure	Attended
Shri Sandeep Kumar Director (Finance)	Chairman	1	1
Shri Rajiv Ranjan Jha Director (Projects)	Member	1	1

4. GENERAL BODY MEETINGS

a. The details of the last three Annual General Meetings of the company are as under:

AGM	Date	Day	Time	Venue	Special Resolution Passed
36 th	September 21, 2022	Wednesday	11:30 A.M.	At the Registered Office of the Corporation through Video Conferencing	- To appoint Shri Bhaskar Bhattacharya (DIN: 09406292), as Director of the Company - To appoint Smt. Usha Sajeev Nair (DIN: 09408454), as Director of the Company - To appoint Shri Prasanna Tantri (DIN: 06471864), as Director of the Company - To change Object Clause of the Memorandum of Association of the Company
37 th	September 12, 2023	Tuesday	11:30 A.M.	At the Registered Office of the Corporation through Video Conferencing	Nil
38 th	August 21, 2024	Wednesday	11:00 A.M.	At the Registered Office of the Corporation through Video Conferencing	Nil

b. Postal Ballot:

No Special resolution was passed last year through Postal Ballot. Further, no special resolution is proposed to be conducted through Postal ballot upto the ensuing AGM.

c. Extraordinary General Meeting:

No Extraordinary General Meeting of the Members was held during FY 2024-25.

5. DISCLOSURES

1. Related Party Transactions/ Material Contracts

The Company enters into contracts or arrangements with related parties, ensuring compliance with the requirements of the Companies Act, 2013 and the Listing Regulations. Details of related party transactions are separately provided in prescribed form AOC-2, which is annexed as part of Board's Report.

The Company has not entered into any materially significant related party transaction that may have any potential conflict with the interest of the Company during FY 2024-25. Further, the Company did not enter into any significant related party transactions with board members where they had personal interest. Further, pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company has formulated a "Policy on Related Party Transaction" and on dealing with related party transactions and the same is available at

https://www.pfcindia.co.in/ensite/Default/ViewFile/?id=1683559406964_POLICY%20ON%20MATERIALITY%20OF%20RPT13012023.pdf&path=Page

2. Penalty, stricture imposed by SEBI, Stock Exchanges or any other Statutory Authority

Neither any penalty nor any stricture has been imposed by SEBI, Stock Exchanges or any other Statutory Authority on any matter relating to capital market during the last three years. However, during FY 2024-25, the Company was in receipt of notices of penalty from National Stock

Exchange of India Limited and BSE Limited for non-compliance of the requirement of composition of the Board and its Committees. As the said compliances were beyond the ambit of PFC and the Company was short of Independent Directors till May 14, 2025, the Company followed up with the stock exchanges for waiver of the said fine(s) and requested Ministry of Power to expedite the process of appointment of requisite number of Independent Directors on the Board of the Company.

3. Disclosure in Compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

Your company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Details regarding the same may be referred in Directors' report.

4. Maternity Benefit Act, 1961.

Your company adheres to the obligations in terms of paid leave and other facilities mandated under the Maternity Benefit Act, hence creating a supportive and equitable workplace environment. Your company reaffirms its commitment to protecting the rights and well-being of its women employees.

5. Vigil Mechanism/Whistle Blower Policy

In terms of the requirements under Section 177 of the Companies Act, 2013 read with the relevant Rules and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to, inter-alia, establish a 'Vigil Mechanism' / 'Whistle Blower Policy'.

Your Company has established stringent vigil mechanism by way of implementing various codes and policies like fair practices code, code of conduct, code for prevention of insider training, fraud prevention policy, policy on related party transactions, public procurement policy, whistle blower policy, etc.

The Company also has in place the Whistle-Blower Policy which lays down the necessary mechanism to provide protection to the complainant, against any discrimination, harassment, victimisation or any other unfair employment practice, if any.

Annual Affirmation under Whistle Blower Policy

The status of complaints under whistle blower policy is 'Nil' for calendar year 2024. The same was reported in the quarterly and half yearly report under PFC Whistle Blower Policy.

The same is available at: https://www.pfcindia.co.in/ensite/Default/ViewFile/?id=1490188785276_WBP.pdf&path=Page

6. Policy on Material Subsidiary

Pursuant to the requirements under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company has formulated a "Policy on Material Subsidiary" and the same is available at: https://www.pfcindia.co.in/ensite/Default/ViewFile/?id=1561552854274_Final%20Policy%20for%20Material%20Subsidiary17052019.pdf&path=Page

7. No item of expenditure was debited in books of accounts which was not for the purpose of the business. Further, no expense was incurred which was personal in nature and was incurred for the Board of Directors and Top Management.

8. Stock Options/ESOPs

The Company has not issued any Stock Options/ESOPs during the FY 2024-25.

9. Embracing Best Practices: Status of Voluntary Requirements

Your Company has broadly complied with all requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises, Government of India, as amended from time to time, except for the compliances related to appointment of requisite number of Independent Directors. The status of adoption of non-mandatory requirements is as under:

- The Board:** The Company is headed by an executive Chairman. Further, during FY 2024-25, upto December 22, 2024, there was a woman independent director on the Board of the Company.
- Shareholder Rights:** The quarterly/half yearly/ annual financial results of the Company are published in leading newspapers as mentioned under the heading "Means and Communication" of the Corporate Governance report and also displayed on the website of the Company.

iii. **Modified opinion(s) in audit report:** It is always Company's endeavor to move towards a regime of financial statements with unmodified audit opinion. The company has received unmodified report from its statutory auditors in FY 2024-25.

iv. **Separate posts of Chairman and MD or CEO:** There are no separate posts of Chairman and CEO. Being a Government Company, presently the role of CEO is performed in PFC by the Chairman & Managing Director and the role of CFO is performed by Director (Finance).

v. **Reporting of Internal Auditor:** The Internal auditors of the company are invited to the Meetings of the Audit Committee and regularly interact with the members of the Audit committee.

vi. **Risk Management Committee:** The Board has constituted a Board Level Risk Management Committee. The details of which are available under the section Corporate Governance Report.

10. The Company has complied with the requirements of Regulation 17 to 27 of Listing Regulations relating to Board, Committees and Corporate Governance, as amended from time to time; and maintaining and updating the website of the Company as required under Regulation 46 of Listing Regulations, except where the Company did not have requisite number of Independent Directors. The Company has also complied with the disclosure requirements under Corporate Governance Report as per Part C of Schedule V of the Listing Regulations.

11. The Company has laid down the procedures to inform the board about the risk assessment and minimization. The Board of Directors of the company periodically reviews these procedures to ensure risks are managed through a properly defined framework.

12. Details of utilization of funds raised through preferential allotment as speci-fied under Regulation 32(7A) and Regulation 52(7) of the Listing Regulations was not applicable during the year under review. Further, there was no variation in use of issue proceeds of private placement of bonds during the FY 2024-25.

13. During the FY 2024-25, there was no instances where the Board of Directors did not accept the recommendations given by any Board Level Committee of the Company.

14. As per information available, no agreement has been entered as referred under clause 5A of paragraph A of Part A of Schedule III of Listing Regulations by the parties referred therein.

15. Total Fees Paid to Auditors

A total fee of ₹1.58 crore was paid by the Company (PFC) in FY 2024-25 to its statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part. However, as per consolidated Financial Statements, total fee of ₹3.51 Crore was paid by the company, its subsidiaries, network firm/network entity, to their respective statutory auditors in FY 2024-25.

16. In the preparation of financial statements, the Company has followed Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) with effect from April 1, 2018, issued by the Ministry of Corporate Affairs, to the extent applicable.

17. As per the requirements of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and DPE Guidelines on Corporate Governance, Certificate regarding compliance to conditions of Corporate governance and certificate stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by the Board/Ministry of Corporate Affairs or any such statutory authority have been received from M/s Mehta and Mehta, practicing Company Secretaries. The certificate forms the part of this report as annexed.

6. MEANS OF COMMUNICATION

- **Quarterly/ Annual Results:** The Company regularly intimates un-audited as well as audited financial results to the Stock Exchanges, immediately after approval of Board. These financial results are published in the leading English and vernacular newspapers having nationwide circulation newspapers like The Economic Times, Times of India, The Hindustan Times, Business Standard and Hindustan (H), etc. The results are also displayed on the website of the Company www.pfcindia.co.in.
- **News Release, Presentation etc:** The official news releases, detailed presentations made to media, institutional investors, financial analysts etc. are displayed on the Company's website www.pfcindia.co.in.
- **Website:** The Company's website www.pfcindia.co.in contains separate dedicated section 'Investors' where the information for shareholders, namely annual report, shareholding pattern, press releases, presentation to institutional investors/ analysts etc. is available.
- **Annual Report:** Annual Report containing Standalone and Consolidated Financial Statements along with Auditor's Report thereon, Integrated Report, Board's Report, Management Discussion and Analysis (MD&A) Report, Business Responsibility and Sustainability Report, Corporate Governance Report etc are issued annually and available in public domain.
- **Communication to Investors:** The Company sends communication to shareholders from time to time regarding various updates including financial results, updation of KYC, and claim of dividend etc. The Company also communicates with its institutional shareholders through investor conferences, conference calls etc.

7. CEO/CFO CERTIFICATION

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Certificate duly signed by CEO i.e., Chairman & Managing Director and CFO i.e., Director (Finance) was placed before the Board of Directors at its meetings held on May 21, 2025. (Copy enclosed at Annexure I of this Report).

8. COMPLIANCE WITH APPLICABLE LAWS

The Company has established a strong compliance framework to ensure adherence to all applicable laws, regulations, and internal procedures. The Board of Directors periodically reviews the compliance status to ensure timely and accurate adherence across all functional areas, reinforcing the Company's commitment to sound corporate governance.

9. CODE OF CONDUCT

The Company has adopted a comprehensive Code of Business Conduct and Ethics applicable to all Directors and Members of the Senior Management. This Code serves as a guiding framework for ethical behavior and responsible decision-making at the highest levels of leadership.

Aligned with the Company's vision, mission, and core values, the Code aims to foster a culture of integrity, transparency, and accountability in the conduct of business and governance processes.

A copy of the Code is available on the Company's website: www.pfcindia.co.in

Based on the affirmation received from Board Members and Senior Management Personnel, declaration regarding compliance of Code of Conduct made by the Chairman & Managing Director is enclosed at Annexure ii of this Report.

10. CODE FOR PREVENTION OF INSIDER TRADING

Pursuant to Regulation 9(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, your company has formulated the comprehensive Code i.e. "Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Conduct for Regulating, Monitoring & Reporting of Trading in the Securities of Power Finance Corporation Limited" to preserve the confidentiality and to prevent misuse of unpublished price sensitive information.

All Designated Persons and other Connected Persons as mentioned in the Code have a duty to safeguard the confidentiality of all such information obtained in the course of his or her assignment at the company and not to misuse his or her position or information to gain personal benefit or to provide benefit to any third party. The code lays down guidelines and procedures to be followed and disclosures to be made while dealing with the securities of the Company and the consequences of non-compliance.

The Company Secretary has been appointed as Compliance Officer and is responsible for ensuring adherence of the said Code. In line with the requirement of the said Code, trading window was closed from time to time, whenever some price sensitive information was submitted to the Board. The Compliance Officer notified the closure of trading window on the website of the company well in advance restraining all the designated persons and their Immediate Relatives not to deal in the securities of the Company when the trading window is closed.

The copy of the "Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Conduct for Regulating, Monitoring & Reporting of Trading in the Securities of Power Finance Corporation Limited" is also available on the PFC's website at: https://www.pfcindia.co.in/ensite/Default/ViewFile/?id=1737396430529_Revised%20CodeCS.pdf&path=Page

11. SHAREHOLDERS INFORMATION

a) Annual General Meeting

The 39th Annual General Meeting shall be held through Video Conferencing/Other Audio Visual Means as per the below mentioned information:

Date	Time	Venue
August 28, 2025	11 A.M.	Through Video Conferencing (VC)

The Company will provide facility to shareholders to attend the said AGM electronically and also enable shareholders to exercise their right to vote through electronic means at the said AGM. Details regarding participation in the said AGM and other relevant information is appearing in the Notice of the 39th AGM of the Company.

b) Financial calendar for FY 2025-26 (Tentative)

Particulars	Date
Financial year	April 1, 2025 to March 31, 2026
Un-audited financial results for the first three quarters	Will be announced within 45 days from the end of each quarter.
Audited Financial Results	Audited Financial Results will be announced on or before 60 days from the end of financial year.
AGM (Next year)	August 2026

c) Date of Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, August 19, 2025 to Thursday, August 28, 2025 (Both Days Inclusive).

d) Payment of Dividend

Dividend Distribution Policy

The Company has formulated a Dividend Distribution Policy in compliance of Regulation 43A of the SEBI (LODR) Regulations, which, inter-alia, specifies the external and internal factors including financial parameters, that shall be considered while declaring dividend and the circumstances under which the shareholders of the Company may or may not expect dividend.

The policy is available on PFC's website at: https://www.pfcindia.co.in/ensite/Default/ViewFile/?id=1747395560632_Dividend%20Distribution%20Policy.pdf&path=Page

Dividend details for the FY 2024-25

The Board of Directors of the Company, has recommended payment of final dividend of ₹2.05 per equity share (subject to deduction of TDS) for the financial year ended March 31, 2025 on the paid up equity share capital of the Company, which will be paid after approval at the Annual General Meeting. This is in addition to the Interim Dividend of ₹13.75 per share (subject to deduction of TDS) already declared and paid during the year in four tranches on the paid up equity share capital of the Company. Thus, the total dividend for the FY 2024-25 amounts to ₹15.80 per equity share (subject to deduction of TDS).

The final dividend on equity shares as recommended by the Board of Directors, subject to the provisions of the Companies Act, 2013, if approved by the members at the Annual General Meeting, will be paid to the Members or their mandates whose names appear on the Company's Register of Members on June 13, 2025 in respect of physical shares. In respect of dematerialised shares, the dividend will be payable to the "beneficial owners" of the shares whose names appear in the Statement of Beneficial Ownership furnished by National Securities Depository Limited and Central Depository Services (India) Limited at the close of business hours on June 13, 2025. The Dividend, if declared at the AGM, would be paid to the shareholders within 30 days from the date of declaration of the same at the AGM.

Dividend History

Year	Total Paid-up Capital (₹ in crore)	Total Amount of Dividend paid (₹ in crore-approx.)	Rate of Dividend (%)	Date of Payment (Interim & Final)
2020-21	2640.08 (Interim)	2112	80	March 31, 2021
	2640.08 (Final)	528	20	October 12, 2021
	Total	2640	100	
2021-22	2640.08 (1 st Interim)	594	22.5	September 10, 2021
	2640.08 (2 nd Interim)	660	25	December 10, 2021
	2640.08 (3 rd Interim)	1584	60	March 11, 2022
	2640.08 (Final)	330	12.5	October 11, 2022
2022-23	Total	3,168	120	
	2640.08 (1 st Interim)	594	22.5	September 09, 2022
	2640.08 (2 nd Interim)	792	30	December 08, 2022
	2640.08 (3 rd Interim)	924	35	March 10, 2023
	3300.10 * (Final)	1,188	45	September 27, 2023
2023-24	Total	3,498	132.50	
	3300.10 (1 st Interim)	1,485	45	December 07, 2023
	3300.10 (2 nd Interim)	1,155	35	February 29, 2024
	3300.10 (3 rd Interim)	990	30	March 30, 2024
	3300.10 (Final)	825	25	September 13, 2024
2024-25	Total	4,455	135.00	
	3300.10 (1 st Interim)	1,073	32.5	September 05, 2024
	3300.10 (2 nd Interim)	1,155	35	December 06, 2024
	3300.10 (3 rd Interim)	1,155	35	March 11, 2025
	3300.10 (4 th Interim)	1,155	35	March 29, 2025
	3300.10 (Final)	677	20.5	Yet to be declared & paid (Recommended)
Total		5,215	158	

* Share capital increased to 3300.10 crore due to Bonus Issue in the ratio of 1:4.

Status of Unclaimed Amounts and Shares/ Dividend/Bonds transferred to IEPF Account: Bonds

The total unclaimed and unpaid amount as on March 31, 2025 was ₹79.39 crore. The unpaid / unclaimed amount of bonds transferred to IEPF during FY 2024-25 is ₹72,34,978/-.

Unclaimed Dividend-Equity

The unclaimed balance amount of dividend (equity) as on March 31, 2025 was ₹5.75 crore. The unclaimed dividend of ₹1.25 crore became due for transfer during the year ended March 31, 2025 and was accordingly transferred to Investor Education and Protection Fund (IEPF).

Equity Shares transferred to IEPF

As per the provisions of Section 124(6) of the Companies Act, 2013 read with Rule 6 of IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 {IEPF Rules}, all shares in respect of which dividend has not been claimed for seven consecutive years, are required to be

transferred by the Company to the Demat Account of the Investor Education and Protection Fund Authority (IEPFA). Accordingly, the Company has transferred 7,582 Equity shares (of ₹10/- each) in May, 2024 and 4,332 Equity shares (of ₹10/- each) in February, 2025. As on March 31, 2025, the number of equity shares held in Demat account to IEPF Authority were 1,47,740.

The shareholders who have a claim on the above dividend and shares may claim the same from IEPF Authority by filling and submitting an IEPF-5 web form available under the link "MCA Services" at <https://www.mca.gov.in>. No claims shall lie against the Company in respect of the dividends/shares, so transferred to the IEPF Authority.

Nodal Officer

Pursuant to Rule 7(2A) of the IEPF Rules, the following persons are the Nodal Officers of the Company:-

Nodal Officer	Shri Manish Kumar Agarwal, Company Secretary
Deputy Nodal Officer in respect of bonds/debentures	Shri Gian Singh, CGM (RMD - II)

e) Listing on Stock Exchanges

PFC shares are listed on the following stock exchanges:

Stock Exchange Listings

National Stock Exchange of India (NSE)

ADDRESS

Exchange Plaza, Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051

SCRIP CODE

PFC EQ

BSE Limited (BSE)

ADDRESS

Floor - 25, PJ Towers, Dalal Street, Mumbai - 400 001

SCRIP CODE

532810

Common Stock Code (ISIN)

INE134E01011

The annual listing fees for the FY 2024-25 have been paid to NSE and BSE.

f) Registrar and Transfer Agent for Equity Shares

Communication Address

COMPANY NAME

KFin Technologies Limited

LOCATION

Selenium Tower B, Plot Nos. 31 & 32 Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad 500032

Direct Contact

TELEPHONE

+91 40 67162222

EMAIL

einward.ris@kfintech.com

WEBSITE

www.kfintech.com

Transfer of equity shares in electronic form are done through the depositories with no involvement of the Company. Share transactions are simpler and faster in electronic form. After a confirmation of a sale/purchase transaction from the broker, shareholders should approach the depository participant with a request to debit or credit the account for the transaction. The depository participant will immediately arrange to complete the transaction by updating the account. There is no need for separate communication to the Company to register the transfer.

SEBI, effective April 1, 2019, barred physical transfer of shares of listed companies and mandated transfers only through demat mode. However, investors are not barred from holding shares in physical form.

g) Details of Demat Suspense Account

i) The details of shares in the Demat Suspense account as on March 31, 2025 are as follows:-

Description	No. of Cases	No. of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year i.e. April 1, 2024.	3	1,790
Number of shareholders who approached the Company for transfer of shares from suspense account during the year 2024-25.	3*	1,790
Less: Number of shareholders to whom shares were transferred from suspense account during the year 2024-25	0	0
Less: Number of shares which were transferred to IEPF Account during the year 2024-25.	0	0
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year i.e., March 31, 2025.	3	1,790

*Out of 3 cases, 2 cases have been transferred from Demat Suspense Account to the Demat account of respective shareholders on April 7, 2025. For remaining 1 case, shares are pending for transfer due to some formalities at the end of shareholder.

ii) The details of shares in the Unclaimed Securities Suspense Escrow Account (pertaining to Bonus Shares) as on March 31, 2025 are as follows:-

Description	No. of Cases	No. of Shares
Aggregate number of shareholders and the outstanding shares in the unclaimed securities suspense escrow account lying at the beginning of the year i.e. April 1, 2024.	146	6,362
Number of shareholders who approached the Company for transfer of shares from unclaimed securities suspense escrow account during the year 2024-25.	4	281
Less: Number of shareholders to whom shares were transferred from unclaimed securities suspense escrow account during the year 2024-25	4	281
Less: Number of shares which were transferred to IEPF Account during the year 2024-25.	0	0
Aggregate number of shareholders and the outstanding shares in the unclaimed securities suspense escrow account lying at the end of the year i.e., March 31, 2025.	142	6,081

The voting rights in respect of the said shares will be frozen till the time rightful owner claims such shares.

h) Distribution of shareholding

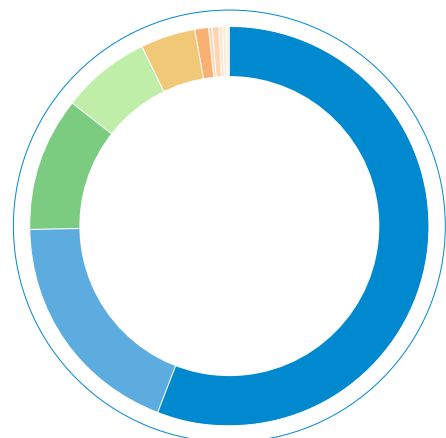
Distribution of shareholding as on March 31, 2025

Sl no	Amount	No of Shareholders	% of Shareholders	Total Shares	Amount	% of Amount
1	1-5000	10,93,130	93.27	8,16,06,006	81,60,60,060	2.47
2	5001- 10000	39,748	3.39	2,88,12,794	28,81,27,940	0.87
3	10001- 20000	22,454	1.92	3,14,61,866	31,46,18,660	0.95
4	20001- 30000	5,880	0.50	1,46,60,615	14,66,06,150	0.44
5	30001- 40000	2,777	0.24	97,91,533	9,79,15,330	0.29
6	40001- 50000	1,688	0.14	78,27,920	7,82,79,200	0.23
7	50001- 100000	2,916	0.25	2,08,69,337	20,86,93,370	0.63
8	100001 & Above	3,381	0.29	3,10,50,71,689	31,05,07,16,890	94.09
Total		11,71,974	100	3,30,01,01,760	33,00,10,17,600	100

Shareholding pattern as on March 31, 2025

Category	Total Shares	Percentage
President of India	1,84,78,64,722	55.99
Foreign portfolio - corp	62,17,89,129	18.85
Mutual funds	35,78,31,386	10.85
Resident Individuals	23,93,72,906	7.25
Qualified Institutional Buyer	14,86,88,542	4.51
Bodies Corporates	3,35,80,248	1.02
Alternative Investment Fund	1,33,01,011	0.40
H U F	1,08,24,712	0.33
Insurance Companies	99,47,799	0.30
Non Resident Indians	51,34,874	0.16
Non Resident Indian Non Repatriable	42,32,113	0.13
Banks	27,60,886	0.08
Trusts	21,20,755	0.06
NBFC	14,17,822	0.04
Employees	10,61,136	0.03
I E P F	1,47,740	0.00
Clearing members	21,300	0.00
Key management personnel	2,400	0.00
Foreign Portfolio Investors	2,214	0.00
Indian Financial Institutions	35	0.00
Financial Institutions	30	0.00
Total	3,30,01,01,760	100.000

Shareholding pattern as on March 31, 2025



● President of India	55.99%	● Non Resident Indians	0.16%
● Foreign portfolio - corp	18.85%	● Non Resident Indian Non Repatriable	0.13%
● Mutual funds	10.85%	● Banks	0.08%
● Resident Individuals	7.25%	● Trusts	0.06%
● Qualified Institutional Buyer	4.51%	● NBFC	0.04%
● Bodies Corporates	1.02%	● Employees	0.03%
● Alternative Investment Fund	0.40%	● IEPF	0.00%
● HUF	0.33%	● Clearing members	0.00%
● Insurance Companies	0.30%		

i) Dematerialization of shares

Number of shares held in dematerialized form with NSDL, CDSL and physical mode as on March 31, 2025.

Description	No. of Shares	% to total Capital Issued
NSDL	3,16,47,92,167	95.90
CDSL	13,52,90,656	4.10
Physical	18,937	0.00
Total	3300101760	100

j) Outstanding GDR and ADR Warrants or any convertible instruments, conversion date and likely impact on equity

No GDR and ADR Warrants/Convertible Instruments have been issued by the Company.

k) Commodity price risk or foreign exchange risk and hedging activities

Your Company has put in place 'Policy for Management of Risks on Foreign Currency Borrowings' to manage risks associated with foreign currency borrowings. The Company enters into hedging transactions to cover exchange rate and interest rate risk through various instruments like forwards, options and swaps.

l) Address for correspondence

Correspondence Details

REGISTERED OFFICE

ADDRESS

'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi- 110001

COMPANY SECRETARY

NAME

Shri Manish Kumar Agarwal

TELEPHONE

+91 11 23456020

FAX

+91 11 23456786

EMAIL

investorsgrievance@pfcindia.com

For general correspondence, please use the Registered Office address. For investor grievances or company secretarial matters, direct your communication to the Company Secretary.

m) Credit Ratings

Your company has been assigned the highest ratings by Domestic Credit Rating Agencies and Sovereign Rating by International Credit Rating Agencies as at March 31, 2025:

Credit Rating Overview

Domestic Credit Rating Agencies (Borrowing Programme)

CRISIL

Long Term Rating
CRISIL AAA

Short Term Rating
CRISIL A1+

ICRA

Long Term Rating
ICRA AAA

Short Term Rating
ICRA A1+

CARE

Long Term Rating
CARE AAA

Short Term Rating
CARE A1+

International Credit Rating Agencies (Issuer Rating)

Fitch Ratings

Long Term Rating
BBB-

Moody's

Long Term Rating
Baa3

n) Preferential Allotment/Qualified Institutions placement

During the year, company has not raised any money by way of Preferential Allotment/Qualified Institutions placement of shares or other convertible securities.



Annexure I of Report on Corporate Governance

CERTIFICATE TO THE BOARD OF DIRECTORS UNDER REGULATION 17(8) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

We hereby certify to the Board of Directors that:

We have reviewed financial statements and the statement of cash flows for the year ended 31.03.2025 and that to the best of our knowledge and belief:

- i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the auditors and the Audit Committee that:-

- i) There are no significant changes in internal control over financial reporting during the year;
- ii) There are no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and
- iii) There are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-
(Parminder Chopra)
Chairman & Managing Director / CEO
DIN – 08530587

Annexure II of Report on Corporate Governance

DECLARATION AS REQUIRED UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND DPE'S GUIDELINES ON CORPORATE GOVERNANCE:

"All the members of the Board and Senior Management Personnel have affirmed compliance of the 'Code of Business Conduct & Ethics for Board Members and Senior Management' for the financial year ended on March 31, 2025."

Sd/-
(Parminder Chopra)
Chairman & Managing Director / CEO
DIN – 08530587

Annexure III of Report on Corporate Governance

Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members
Power Finance Corporation Limited
Urjanidhi, 1, Barakhamba Lane,
Connaught Place, New Delhi-110001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Power Finance Corporation Limited having CIN: L65910DL1986GO1024862** and having registered office at Urjanidhi 1, Barakhamba Lane, Connaught Place, New Delhi 110001 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me / us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2025 have been debarred or disqualified from being appointed or continuing Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Directors	DIN	Date of appointment in Company
1.	Smt. Parminder Chopra Chairman and Managing Director	08530587	14.08.2023*
2.	Shri. Shashank Misra Government Nominee Director	08364288	25.06.2024
3.	Shri Rajiv Ranjan Jha Director (Projects)	03523954	28.10.2021
4.	Shri Manoj Sharma Director (Commercial)	06822395	29.08.2022
5.	Shri Sandeep Kumar Director (Finance)	08529035	11.07.2024

*Original date of appointment on the Board of Directors was July 01, 2020.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Mehta & Mehta**,
Company Secretaries
(ICSI Unique Code P1996MH007500)

Sd/-
CS Nayan Handa
Partner
FCS No: 11993
CP No: 18686
UDIN: F011993G000875493

Place: New Delhi
Date: July 28, 2025



Certificate of Corporate Governance

To,
The Members,
POWER FINANCE CORPORATION LIMITED,
'URJANIDHI', 1, BARAKHAMBHA LANE,
CONNAUGHT PLACE, NEW DELHI 110001

We have examined the compliance of the conditions of Corporate Governance by Power Finance Corporation Limited, (herewith referred as the Company') for the period ended on March 31, 2025 as prescribed under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paras C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as “Listing Regulations”) and Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises Government of India.

We state that compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our knowledge and information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as prescribed under Listing Regulations and in the guidelines on corporate governance issued by the Department of Public Enterprises except that:

- During the financial year, the company has not complied with the provision of Regulation 17 (I)(b) of SEBI (LODR) Regulations, 2015, regarding the requirement of having at least half of the Board of Directors as independent, for which company has received notice from National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).
- With completion of tenure of three Independent Directors on the Board of PFC on 22.12.2024, they ceased to be Directors on the Board and members of the respective committees of PFC. Thereafter during the FY 2024-25, PFC was in non-compliance w.r.t. constitution of the Committees w.e.f. 23.12.2024 for which company has received notice from National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).

We further state that such compliance is neither an assurance to the future viability of the Company nor the efficiency of the effectiveness with which the Management has conducted the affairs of the company

This certificate is issued solely for the purposes of complying with Listing Regulations and may not be suitable for any other purpose.

For **Mehta &Mehta,**
Company Secretaries
(ICSI Unique Code P1996MH007500)

Sd/-
CS Nayan Handa
Partner
FCS No. 11993
CP No.: 18686
UDIN: F011993G000875361

Place: Delhi
Date: July 28, 2025

Business Responsibility and Sustainability Reporting

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

Sl. No	Required Information	
1	Corporate Identity Number (CIN) of the Listed Entity	L65910DL1986GOI024862
2	Name of the Listed Entity	Power Finance Corporation Limited
3	Year of incorporation	July 16, 1986
4	Registered office address	‘Urjanidhi’, 1, Barakhamba Lane, Connaught Place, New Delhi - 110 001
5	Corporate address	‘Urjanidhi’, 1, Barakhamba Lane, Connaught Place, New Delhi - 110 001
6	E-mail	investorsgrievance@pfcindia.com
7	Telephone	011-23456000
8	Website	https://pfcindia.co.in
9	Financial year for which reporting is being done	2024-25
10	Name of the Stock Exchange(s) where shares are listed	NSE & BSE
11	Paid-up Capital	₹3300.10 crore
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Shri Manish Kumar Agarwal Company Secretary 011-23456740 mk_agarwal@pfcindia.com
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Disclosures made in this report are on a standalone basis.
14	Name of Assurance Provider	M/s Mehta & Mehta
15	Type of Assurance obtained	Reasonable Assurance

II. Products / Services

16 Details of business activities (accounting for 90% of the turnover):

Sl. No	Description of Main Activity	Description of Business Activity	% of the Turnover of the entity
1	Financial and Insurance Service	Financial and Credit leasing activities	99.95%

17 Products/Services sold by the entity (accounting for 90% of the entity’s Turnover):

Sl. No	Product / Service	NIC Code	% of total Turnover contributed
1	Other Financial Services and Activities - Other Credit Granting	64920	99.95%

III. Operations

18 Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	NA	3	3
International	NA	0	0

19 Market Served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	36*
International (No. of Countries)	0

* PFC operates across India, covering 28 states and 8 UTs, and extends its resources by accessing both domestic and international capital markets.



b. What is the contribution of exports as a percentage of the total turnover of the entity?

Not Applicable

c. A brief on the type of customers

- PFC (Power Finance Corporation) specialises in offering interest-bearing loans to private sector borrowers and various Central and State utilities.
- The organisation's client base includes central power utilities, state power utilities, private sector power utilities (including independent power producers), and joint sector power utilities.
- PFC also provides financial services to power equipment manufacturers and companies involved in infrastructure and logistics related to power projects.

PFC offers a variety of financial products, including long-term, medium-term, and short-term loans. These products are tailored to meet the unique needs of the power industry, supporting the entire value chain. This includes funding for new projects, upgrades, and expansions. The company's clientele also encompasses state governments, independent power producers, and both state and central utilities, playing a vital role in developing and sustaining the country's power infrastructure.

IV. Employees

20 Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Sl. No	Particulars	Total (A)	Male		Female	
			No.(B)	% (B/A)	No.C	% (C/A)
Employees						
1	Permanent (D)	526	409	77.75%	117	22.24%
2	Other than Permanent (E)	56	54	96.43%	2	3.57%
3	Total employees (D+E)	582	463	80%	119	20.44%
Workers						
4	Permanent (F)	14	12	85.71%	2	14.28%
5	Other than Permanent (G)*	159	139	87.42%	20	12.57%
6	Total workers (F+G)	173	151	87.28%	22	12.71%

*Other than permanent workers have been engaged to provide Support and Peripheral Services at PFC Ltd. through the outsourced agency. All compliance, payroll, and related administrative functions pertaining to this staff are managed by the said agency.

b. Differently abled Employees and workers:

Sl. No	Particulars	Total (A)	Male		Female	
			No.(B)	% (B/A)	No.C	% (C/A)
Differently Abled Employees						
1	Permanent (D)	17	16	94.11%	1	5.88%
2	Other than Permanent (E)	1	0	0	1	100%
3	Total differently abled employees (D+E)	17	16	88.88%	2	11.11%
Differently Abled Workers						
4	Permanent (F)	1	1	100%	0	0
5	Other than Permanent (G)	0	0	0	0	0
6	Total differently abled workers (F+G)	1	1	100%	0	0

21 Participation/Inclusion/Representation of women:

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors*	5	1	20%
Key Management Personnel	1	0	0

*In FY 2025-26 Q1, the Ministry of Power, Government of India appointed five Independent Directors, including one woman, starting April 17, 2025, and others on May 13 and 14, 2025.

22 Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2024-25 (Turnover rate in current FY)			FY 2023-24* (Turnover rate in previous FY)			FY 2022-23 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	0.70%	0.84%	0.73%	0.23%	0.88%	0.37%	0.24%	0.96%	0.39%
Permanent Workers	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

*The company has revised its methodology for calculating the turnover rate compared to the previous year.

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23 (a) Name of holding / subsidiary / associate companies / joint ventures

Sl. No	Name of the holding / subsidiary / associate companies / joint ventures	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	PFC Consulting Limited	Subsidiary	100	No
2	PFC Projects Ltd	Subsidiary	100	No
3	PFC Infra Finance IFSC Limited	Subsidiary	100	No
4	REC Limited	Subsidiary	52.63	No
5	Coastal Tamil Nadu Power Limited	Subsidiary	100	No
6	Orissa Integrated Power Limited	Subsidiary	100	No
7	Sakhigopal Integrated Power Company Limited	Subsidiary	100	No
8	Ghogarpalli Integrated Power Company Limited	Subsidiary	100	No
9	Deoghar Mega Power Limited	Subsidiary	100	No
10	Cheyyur Infra Limited	Subsidiary	100	No
11	Odisha Infrapower Limited	Subsidiary	100	No
12	Deoghar Infra Limited	Subsidiary	100	No
13	Bihar Infrapower Limited	Subsidiary	100	No
14	Bihar Mega Power Limited	Subsidiary	100	No
15	Jharkhand Infrapower Limited	Subsidiary	100	No
16	Chhatarpur Transmission Limited	Subsidiary		No
17	Siot Transmission Limited	Subsidiary		No
18	Joda Barbil Transmission Limited	Subsidiary		No
19	Ramakanali B -Panagarh Transmission Limited	Subsidiary		No
20	Gola B -Ramgarh B Transmission Limited	Subsidiary		No
21	KPS III HVDC Transmission Limited	Subsidiary		No
22	Bhuj II Transmission Limited	Subsidiary		No
23	Angul Sundargarh Transmission Limited	Subsidiary		No
24	Bhadla and Bikaner Complex Transmission Limited	Subsidiary		No
25	Bhuj ICT Transmission Limited	Subsidiary	Wholly-owned subsidiaries of PFCCCL	No
26	Kakinada I Transmission Limited	Subsidiary		No
27	Kandla GHA Transmission Limited	Subsidiary		No
28	MEL Power Transmission Limited	Subsidiary		No
29	NER Expansion Transmission Limited	Subsidiary		No
30	NES Dharashiv Transmission Limited	Subsidiary		No
31	NES Navi Mumbai Transmission Limited	Subsidiary		No
32	NES Pune East New Transmission Limited	Subsidiary		No
33	Raghnesda RE Transmission Limited	Subsidiary		No
34	Wahipora and Sallar Transmission Limited	Subsidiary		No
35	REC Power Development & Consultancy Ltd.	Subsidiary	Wholly-owned subsidiaries of REC Limited	No
36	Chandil Transmission Limited	Subsidiary		No
37	Dumka Transmission Limited	Subsidiary		No
38	Mandar Transmission Limited	Subsidiary		No
39	Koderma Transmission Limited	Subsidiary		No
40	Luhri Power Transmission Limited	Subsidiary		No
41	Shongtong Power Transmission Limited	Subsidiary		No
42	Kankani Power Transmission Limited	Subsidiary		No



Sl. No	Name of the holding / subsidiary / associate companies / joint ventures	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
43	Tuticorin Power Transmission Limited	Subsidiary		No
44	WRNES Talegaon Power Transmission Limited	Subsidiary		No
45	Rajgarh III Power Transmission Limited	Subsidiary		No
46	Jejuri Hinjewadi Power Transmission Limited	Subsidiary		No
47	Velgaon Power Transmission Limited	Subsidiary		No

VI. CSR Details

24	(i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	Yes
	(ii) Turnover (in ₹)	₹53099.22 crore
	(iii) Net worth (in ₹)	₹90936.87 crore

VII. Transparency and Disclosure Compliances

25 Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2024-25			FY 2023 - 24		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes https://pfcindia.com/ensite/Home/VS/45	0	0	-	0	0	-
Investors (other than shareholders)*	Yes. https://www.pfcindia.com/Home/VS/74	4515	0	Resolved	15	0	NA
Shareholders*	Yes https://www.pfcapps.com/Bondgreivance/bond_complaint.aspx https://pfcindia.com/ensite/DocumentRepository/ckfinder/files/Statutory_Requirements/Codes_and_Policies/Fair_Practices_Code/Fair%20Practice%20Code.pdf	195	1	The complaint received on March 29, 2025 was disposed of on April 8, 2025.	1897	5	Complaints received during the year were subsequently resolved by April 5, 2024
Employees and workers	Yes. The Company has a dedicated grievance handling policy accessible to employees on the intranet. It features a three-tier system allowing permanent staff to escalate their issues through various levels. At Stage I, grievances are typically resolved within a week. If not satisfactorily addressed, the issue advances to Stage II, where it is resolved within 10 days of a written appeal. Should the employee remain unsatisfied after Stage II, they can appeal to a higher level. A decision at Stage III is made within one month of receiving the written appeal.	1	0	Closed	0	0	NA

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2024-25			FY 2023 - 24		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Customers	https://pfcindia.com/ensite/DocumentRepository/ckfinder/files/AboutUs/Corporate_Overview/Citizens_Charter/citizen%20Charter%2011062024HR.pdf	31	0	Resolved	20	2	The complaints were resolved subsequently
Value Chain Partners	NA	NA	NA	NA	NA	NA	NA
Other (please specify)	NA	NA	NA	NA	NA	NA	NA

* Details of Investors (including Bond Holders) /Shareholder are covered)

26 Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

Sl. No	Material issue identified	Indicate whether Risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Regulatory and Legal Compliance	Risk	Risk - The threat of non-compliance puts the organisation at risk of incurring legal penalties and financial losses due to its inability to follow industry laws and regulations. Failing to comply with these laws would have a direct impact on the company's revenue and valuation, potentially resulting in a tarnished reputation and lost business opportunities. More compliant companies typically experience enhanced performance and greater efficiency in their processes. Compliance offers reassurance and provides investors with a more comprehensive understanding.	Please refer to the Governance Section in the latest ESG Report for FY 2024-25	Negative: Non-compliance could damage reputation and, in turn, impact business operations.
2	Low Carbon Financing	Opportunity	The company's incorporation of environmental, social, and governance (ESG) factors into its lending practices presents an opportunity to promote eco-friendly activities and fund sustainable projects, thereby encouraging positive change and supporting long-term growth.	Please refer to the Environment Section in the latest ESG Report for FY 2024-25	Positive: This enhances the company's image, attracts investors, provides a competitive advantage, and fosters long-term value creation.
3	Data Security and Data Privacy	Risk	The risk of a data breach poses a threat to the exposure of our customers' personally identifiable information, which can harm our business relationship. Such a breach could compromise the confidentiality, integrity, and security of sensitive customer data, potentially eroding trust and damaging our reputation.	Please refer to the IT Strategy Section in the latest ESG Report for FY 2024-25	Negative: In the event of a data breach, the company could face disruptions to services, financial losses, reputational damage, and loss of customer trust. It may also attract regulatory scrutiny and potential penalties.
4	Corporate Governance and Business Ethics	Risk	Adhering to business ethics highlights the company's commitment to ethical behaviour and integrity in all interactions. By emphasising ethical practices, the company seeks to retain current customers and attract new ones. Upholding these principles fosters trust, strengthens relationships, and solidifies the company's reputation as a responsible and reliable financial institution.	Please refer to the Corporate Governance Section in the latest ESG Report for FY 2024-25	Negative: Unethical behaviour can harm the company's reputation and lead to decreased morale and productivity, negatively impacting growth. By upholding ethical standards and treating customers and employees with integrity, the company fosters a positive work environment and strengthens stakeholder relationships.



Sl. No	Material issue identified	Indicate whether Risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5	Employee Health and Positive Work Environment	Opportunity	This boosts efficiency, reduces employee attrition, enhances capabilities and creativity within the company, and increases diversity, which in turn improves the customer experience.		Positive: A strong, engaged, and diverse workforce brings fresh perspectives and ideas that drive innovation, enhance performance, and foster a positive organisational culture, showcasing the company's commitment to a conducive work environment.
6	ESG Governance and Board Oversight	Opportunity	Having effective ESG oversight at the board level will improve overall ESG performance and demonstrate the company's dedication to responsible business practices within its growth strategy. Embedding ESG into business operations can enhance risk management, governance, accountability, and reporting, as well as inform decision-making. This integration enables the identification and management of risks and opportunities related to environmental and social impacts, while also fostering trust and transparency with investors and stakeholders.	Please refer to the ESG Governance Section in the latest ESG Report for FY 2024-25	Positive: Effective leadership oversight of the ESG strategy, action plan, and performance fosters a positive impact on the environment and community. It also helps the company strengthen monitoring systems across ESG efforts and business operations.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is designed to help businesses demonstrate the structures, policies, and processes in place for adopting the NGRBC Principles and Core Elements.

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
1	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	c. Web Link of the Policies, if available	Please refer to the note below								

Name of the Policy		Weblinks								
CSR and Sustainability Policy		https://pfcindia.co.in/ensite/DocumentRepository/ckfinder/files/CSR/CSR%20Policy_V1.pdf								
Fair Practice Code		https://www.pfcindia.co.in/ensite/DocumentRepository/ckfinder/files/Statutory_Requirements/Codes_and_Policies/Fair_Practices_Code/Fair%20Practice%20Code.pdf								
Code of Business Conduct and Ethics		https://www.pfcindia.com/Default/ViewFile/?id=1472556128687_Code%20of%20Conduct%2017042015.pdf&path=Page&Name=Code%20of%20Conduct%20for%20Board%20of%20Directors%20and%20Senior%20Management%20Personnel								
Anti-Fraud Policy		https://www.pfcindia.com/Default/ViewFile/?id=1471520577857_ANTI%20FRAUD%20POLICY%2005_11_2011.pdf&path=Page&Name=Anti%20Fraud%20Policy								
Whistle-Blower Policy		https://www.pfcindia.com/Default/ViewFile/?id=1490188785276_WBP.pdf&path=Page								
Policy on Related Party Transactions		https://www.pfcindia.com/Default/ViewFile/?id=1561552784406_Final%20Policy%20on%20RPT%2017052019.pdf&path=Page								
Policy on Material Subsidiary		https://www.pfcindia.com/Default/								
Dividend Distribution Policy		https://www.pfcindia.com/Default/ViewFile/?id=1546009180778_DividendDistribution.pdf&path=Page								
Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Conduct for regulating, monitoring & reporting of trading in the securities of Power Finance Corporation Limited		https://pfcindia.com/Default/ViewFile/?id=1614952208955_Insider_Trading_Code_Amended05032021.pdf&path=Page								
Policy for Determination of Materiality of Events		https://www.pfcindia.co.in/ensite/DocumentRepository/ckfinder/files/Statutory_Requirements/Codes_and_Policies/Policy_for_Determination_of_Materiality_of_Events/Final%20Policy%20for%20Determination%20of%20Materiality%20of%20Events17052019.pdf								
2	Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y

3	Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	-	Y	-	Y	Y	Y	Y
4	Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	PFC is an ISO 9001:2015 and ISO 45001:2018 certified company.								
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	Please refer to our FY 2024-25 ESG Report for more details.								
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Please refer to our FY 2024-25 ESG Report for more details.								

Governance, leadership and oversight		
7	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	Please refer to the Chairman & Managing Director's Message in the ESG Report FY 2024-25.
8	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Board of Directors
9	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	At PFC, the governance structure is anchored by the Board of Directors, which stands as the ultimate authority responsible for steering the company in alignment with its strategic objectives and upholding rigorous ethical standards. In this comprehensive framework, the Board Committee on Corporate Social Responsibility (CSR) and Sustainable Development (SD) plays a crucial and dynamic role in shaping the company's initiatives in these essential domains. This specialised committee is responsible for advising the Board on a diverse range of strategies related to CSR and SD. It emphasises the significance of social responsibility and environmental sustainability as integral components of the company's mission. Through careful analysis and thoughtful recommendations, the committee aims to develop impactful programs that not only contribute positively to society but also promote sustainable business practices. By focusing on these critical areas, the committee seeks to foster a culture of responsibility and innovation that permeates the organisation, ultimately benefiting both the community and the environment.

10 Details of Review of NGRBCs by the Company:

Subject of Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Board of Directors									Quarterly/Annually								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Board of Directors									Annually								

11 Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency

P1	P2	P3	P4	P5	P6	P7	P8	P9
All policies are regularly evaluated internally.								

12 If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

a.	The entity does not consider the Principles material to its business (Yes/No)	-
b.	The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	-
c.	The entity does not have the financial or/human and technical resources available for the task (Yes/No)	-
d.	It is planned to be done in the next financial year (Yes/No)	-
e.	Any other reason (please specify)	-



SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.



Essential Indicators

1 Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	2	1. ESG leadership 2. Corporate Governance	16.67%
Key Managerial Personnel	2	1. Awareness workshop on Yoga 2. Session on Introduction to ESG and Materiality Assessment	22%
Employees	11	1. Awareness Workshop on Sexual Harassment of Women at the Workplace (POSH ACT, 2013) 2. Workshop on Good Governance Practices 3. Awareness Workshop on Yoga 4. CDA Rules of PFC Workshop 5. CSR for High-Impact Corporate Performance 6. Environmental Regulations Facilitating ESG & Sustainability for Business 7. Workshop on Ethics & Governance 8. Yoga Workshop 9. Informative Session on ESG 10. Workshop on RTI Act 11. Workshop on Brain Yoga	42.78%
Workers	1	Yoga	57.14%

2 Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/ No)
Penalty/ Fine	1	BSE Limited & National Stock Exchange of India Limited	₹62,51,640	Penal actions prescribed for non-compliance with Applicable Regulation of SEBI (LODR) Regulations, 2015, Regulation 17(1), 17(2A), 18(1), 19(1)/19(2), 20(2)/ (2A), 21(2).	Yes
Settlement	-	-	-	-	-
Compounding fee	-	-	-	-	-
Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions		Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NIL	NIL		NA	NA
Punishment	NIL	NIL		NA	NA

3 Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
*On receipt of letter/e-mail from stock exchanges imposing fine on PFC, the Company requests the exchange to withdraw their letters (imposing fine) as PFC is a CPSE under the administrative control of MOP, Government of India and the Directors on the Board of PFC are appointed by President of India, through Ministry of Power, Government of India.	

4 Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

To ensure fair dealing and transparency in its lending operations, the Company has established a comprehensive Fair Practices Code (FPC) that aligns with the principles set forth by the Reserve Bank of India (RBI). This code serves as a foundational guideline for ethical conduct, emphasising integrity in all business interactions.

The FPC is complemented by a detailed Code of Business Conduct & Ethics, designed explicitly for Board Members and Senior Management. This document outlines the responsibilities and ethical standards expected of those at the highest levels of the organisation. Additionally, the Company has implemented an Anti-Fraud Policy, which outlines proactive measures to prevent and detect fraud, creating a secure environment for its operations and stakeholders.

To further promote accountability, the Conduct, Discipline, and Appeal (CDA) Rules act as a framework for all employees, including the Board of Directors and Senior Management Personnel. These rules ensure strict adherence to relevant anti-bribery laws, rules, and regulations. The Company maintains a strict zero-tolerance policy towards any form of bribery or corruption. It is deeply committed to conducting its business with professionalism, fairness, and unwavering integrity, reinforcing its dedication to ethical practices in every aspect of its operations. The web links of the above-said policies are annexed herewith-

https://www.pfcindia.co.in/ensite/Default/ViewFile/?id=1472556128687_Code%20of%20Conduct%2017042015.pdf&path=Page&Name=Code%20of%20Conduct%20for%20Board%20of%20Directors%20and%20Senior%20Management%20Personnel

https://www.pfcindia.co.in/ensite/Default/ViewFile/?id=1471520577857_ANTI%20FRAUD%20POLICY%2005_11_2011.pdf&path=Page&Name=Anti%20Fraud%20Policy

5 Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6 Details of complaints with regard to conflict of interest:

	FY 2024-25 (Current Financial Year)		FY 2023-24 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NA	NIL	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	NA	NIL	NA

7 Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

NA



8 Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Number of days of accounts payable	Not Applicable	Not Applicable

Considering the nature of the entity's business, the said ratio is not very significant, as the cost of goods /services procured is negligible.

9 Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2024-25 (Current Financial Year)	FY 2023 - 24 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	NA	NA
	b. Number of trading houses where purchases are made from	NA	NA
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	NA	NA
Concentration of Sales	a. Sales to dealers/ distributors as % of total sales	NA	NA
	b. Number of dealers / distributors to whom sales are made	NA	NA
	c. Sales to top 10 dealers/distributors as % of total sales to dealers / distributors	NA	NA
Shares of RPTs in	a. Purchases (Purchases with related parties/ total purchases)	NA	NA
	b. Sales (Sales to related parties/ total sales)	NA	NA
	c. Loans & advances (Loans & advances given to related parties / total loans and advances)	0.04%	0.05%
	d. Investments (Investments in related parties / total investments made)	70%	71.95%

Leadership Indicators

1 Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
	Not Applicable	

2 Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same

Yes. The company has established a comprehensive code of business conduct and ethics that addresses a wide range of essential topics, including the management of conflicts of interest that may arise for both board members and senior management. To effectively navigate these conflicts, a well-defined procedure has been implemented that enables Directors to abstain from discussions or decisions where a conflict of interest may exist. Directors need to perform their duties with integrity, ensuring that their actions align with the best interests of the company. They are entrusted with the responsibility of operating free from external influences that could compromise their ability to make independent and impartial decisions, which are critical to fostering the success and growth of the Company.

Additionally, the code explicitly prohibits Directors from exploiting their positions for personal gain, whether directly or indirectly, at the expense of the Company's interests. To uphold these standards, both the Board of Directors and senior management are required to submit an annual declaration, affirming their commitment to abiding by the Code of Conduct. This declaration also includes a confirmation of their involvement in other companies, ensuring transparency and accountability in their professional engagements.

The Policy is available at <https://www.pfcindia.com/Home/VS/63>

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe



Essential Indicators

1 Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R & D	Given the nature of the business, R&D and CAPEX are not applicable to the company.		
Capex			

2 a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Given the specific nature of our business operations, certain industry standards may not be applicable to our company. Nonetheless, we diligently adhere to the procurement guidelines established by the Government of India (GoI), particularly those that emphasize the importance of supporting Micro, Small, and Medium-Sized Enterprises (MSMEs).

We are committed to actively promoting the engagement of MSME suppliers, recognising their vital role in the economy. To facilitate this, we leverage the Government e-Marketplace (GeM) platform for our procurement needs, ensuring a streamlined and efficient sourcing process.

In line with our commitment to sustainability and responsible practices, our company has established detailed Procurement Guidelines that govern all material and service acquisitions. A key component of our sourcing strategy involves rigorous evaluation criteria that prioritise energy efficiency. When procuring equipment, we pay special attention to star-rated products such as air conditioners, laptops, computers, and lighting fixtures, ensuring that our choices reflect our dedication to both quality and environmental responsibility.

b. If yes, what percentage of inputs were sourced sustainably?

The PFC (Power Finance Corporation) has implemented a mandatory procurement policy for common-use products and services via the Government e-Marketplace (GeM) platform. This initiative prioritises Micro and Small Enterprises (MSEs) and promotes the Make in India (MII) initiative, in strict accordance with government directives.

During the FY 2024-2025, the GeM site became a crucial tool for procurement, facilitating an impressive 88.57% of all purchases of goods and services. Notably, a substantial 42.12% of these transactions were sourced from MSEs, highlighting the government's commitment to supporting small businesses and fostering local manufacturing.

3 Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for

(a) Plastics (including packaging)	NA
(b) E-waste	NA
(c) Hazardous waste	NA
(d) other waste.	NA

4 Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

NA



Leadership Indicators

1 Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product/Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
			NA		

2 If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
	NA	

3 Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material		
	FY 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year	
		NA	

4 Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)						
E-waste (No. of IT Units safely disposed)						
Hazardous waste						
Other waste						
				NA		

5 Reclaimed products and their packaging materials (as percentage of products sold) for each product category

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
	NA

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains



Essential Indicators

1 a Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident insurance		Maternity benefits		Paternity Benefits		Daycare facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	409	409	100%	409	100%	NA	NA	409	100%	NA	NA
Female	117	117	100%	117	100%	117	100%	NA	NA	NA	NA
Total	526	526	100%	526	100%	117	22.24%	409	77.75%	NA	NA
Other than Permanent employees											
Male	54	0	0	0	0	NA	NA	0	0	NA	NA
Female	2	0	0	0	0	0	0	NA	NA	0	0
Total	56	0	0	0	0	0	0	0	0	0	0

b Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health Insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	12	12	100%	12	100%	NA	NA	12	100%	NA	NA
Female	2	2	100%	2	100%	2	100%	NA	NA	NA	NA
Total	14	14	100%	14	100%	2	14.28%	12	85.71%	NA	NA
Other than Permanent workers*											
Male	139	0	0	0	0	NA	NA	0	0	NA	NA
Female	20	0	0	0	0	0	0	NA	NA	0	0
Total	159	0	0	0	0	0	0	0	0	0	0

*Other than permanent workers have been engaged to provide Support and Peripheral Services at PFC Ltd. through the outsourced agency. All compliance, payroll, and related administrative functions pertaining to this staff are managed by the said agency.

c Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Cost incurred on well-being measures as a % of total revenue of the company.	0.002%	0.001%

2 Details of retirement benefits, for Current Financial Year and Previous Financial Year.

Benefits	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Y	100	100	Y
Gratuity	100	100	Y	100	100	Y
ESI	0	0	N	0	0	N
Others*	100	100	Y	100	100	Y
1. PRMS						
2. LEAVE ENCASHMENT						
3. NPS						

* PFC considered only permanent employees and workers for the mentioned category.



3 Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Our offices are thoughtfully designed to be inclusive and accessible for individuals with disabilities. We have installed restrooms equipped with grab rails to assist with mobility, accessible doors that are easy to open and navigate, elevators featuring braille for individuals with visual impairments, and elevated toilet seats to ensure comfort and usability.

In addition to the restroom facilities, the entryway to our building includes a variety of supportive features. This includes sturdy handrails for stability, wheelchair ramps to provide easy access for those with mobility difficulties, and specially designed physical barriers that help guide individuals safely through the entrance. Each aspect of our design is intended to create an environment where everyone feels welcome and comfortable.

4 Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

PFC is deeply committed to rejecting all forms of discrimination and upholding the principle of equal opportunity for individuals with disabilities, as outlined by established regulations. We emphasise the importance of diversity within our organisation and strive to cultivate a workplace that is free from discrimination in any form. This commitment extends to ensuring that there is no differentiation or bias against individuals based on characteristics such as race, gender, religion, disability, age, sexual orientation, gender identity, gender expression, caring responsibilities, marital or civil partnership status, or any other class protected by applicable laws.

In addition to promoting an inclusive work culture that values and respects every employee, PFC also believes in providing equal opportunities for career advancement and professional development. Our adherence to the Equal Remuneration Act of 1976 exemplifies our commitment to pay equity, ensuring that both male and female employees receive equal compensation for equal work, regardless of their gender.

[https://pfcindia.co.in/ensite/Default/ViewFile/?id=1726761667920_Annexure%20I%20\(Equal%20Opportunity%20Policy\)%20_%20Published.pdf&path=Page](https://pfcindia.co.in/ensite/Default/ViewFile/?id=1726761667920_Annexure%20I%20(Equal%20Opportunity%20Policy)%20_%20Published.pdf&path=Page)

5 Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	-	-
Female	100%	100%	-	-
Total	100%	100%	-	-

6 Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes. The Company has a dedicated grievance handling policy available on the intranet. It features a 3-tier system that lets all permanent employees escalate concerns at multiple levels. At Stage I, grievances are addressed within a week. If not satisfactorily resolved, the issue is escalated to Stage II, where it is settled within 10 days of written notice. Unsatisfied with this outcome, employees can appeal to a higher level, with decisions made at Stage III within one month of receiving the written appeal.
Other than Permanent Workers	
Permanent Employees	The company also operates a Whistle-blower Initiative (WI), providing a formal platform for reporting various grievances. Employees receive information about the grievance process and WI through a dedicated module, and new hires are introduced to the WI during induction. The company has a policy in place to prevent and address sexual harassment, with an Internal Complaints Committee (ICC) that is compliant with the Sexual Harassment of Women at Workplace Act, 2013. The ICC members are listed on the PFC notice board, and staff are regularly trained and made aware of sexual harassment prevention through ongoing programs.
Other than Permanent Employees	

7 Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2024-25			FY 2023-24		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent						
Employees	526	526	100%	529	529	100%
Male	409	409	100%	414	414	100%
Female	117	117	100%	115	115	100%
Total Permanent						
Workers	14	14	100%	16	16	100%
Male	12	12	100%	14	14	100%
Female	2	2	100%	2	2	100%

8 Details of training given to employees and workers:

Category	FY 2024-25					FY 2023-24				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. F	% (F/D)
Employees										
Male	463	65	14.30%	334	72.13%	414	77	19%	260	63%
Female	119	36	30.25%	80	67.22%	115	26	23%	71	62%
Total	582	101	17.35%	414	71.13%	529	104	20%	331	63%
Workers*										
Male	151	6	4%	11	7.28%	14	4	24%	8	57%
Female	22	1	5%	1	5%	2	1	50%	2	100%
Total	173	7	4.04%	12	6.93%	16	5	26%	10	63%

*For training purposes, we only considered permanent Employees/Workers. The responsibility for training Non-Permanent Employees/Workers falls to the vendor.

9 Details of performance and career development reviews of employees and worker:

Category	FY 2024-25			FY 2023-24		
	Total (A)	No.(B)*	% (B/A)	Total (C)	No.(D)	% (D/C)
Employees						
Male	463	409	88.33%	414	414	100%
Female	119	117	98.31%	115	115	100%
Total	582	526	90.37%	529	529	100%
Workers						
Male	151	12	7.94%	14	14	100%
Female	22	2	9.09%	2	2	100%
Total	173	14	8.09%	16	16	100%

*In Column B, PFC has only considered the Permanent Employees/Workers.

10 Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system.

PFC is fully committed to fostering the physical and mental health and well-being of its employees through a variety of thoughtfully designed initiatives.

As part of our comprehensive Health and Safety program, several training workshops are scheduled for the FY 2024-25, designed to enhance employee productivity and overall wellness. These initiatives include:

- Workshop on Health & Stress Management:** This interactive session will equip employees with practical strategies to manage stress effectively, creating an environment that boosts both mental resilience and productivity.



2. **Two Workshops on Yoga:** Participants will engage in this enlightening workshop designed to introduce the benefits of yoga and incorporate mindfulness practices into their daily routines.

3. **Training for Internal Quality Auditors:** A specialised program aimed at developing a skilled team of Internal Quality Auditors in alignment with ISO 9001:2015 and ISO 45001:2018 standards, ensuring a robust framework for quality and safety in our operations.

4. **Workshop on ISO 45001:2018 - Occupational Health & Safety Standards:** This session will delve into the essentials of occupational health and safety standards, empowering employees to recognise and implement these crucial practices in the workplace.

In addition to these workshops, the FY 2024-25 witnessed the successful organisation of eight medical camps strategically located at the PFC Corporate Office, PFCCL, and regional offices in Mumbai and Chennai, providing accessible healthcare services to all employees. To further support holistic well-being, we offer daily virtual yoga sessions available to all employees and workers, fostering an inclusive and accessible approach to health and fitness.

At the Corporate Office, a dedicated doctor's room is maintained, staffed with experienced specialists across various fields, including Allopathic medicine, Ayurveda, Gynaecology, Homoeopathy, and Naturopathy. This ensures that employees have access to professional care during working hours, according to a set schedule. Moreover, to address urgent health issues, a Wellness Centre has been established at the Corporate Office. This facility is designed to handle emergencies and offer first aid, ensuring that employees have prompt access to medical assistance when needed. Through these initiatives, PFC demonstrates its unwavering commitment to the health and well-being of its workforce.

- b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

PFC has established a comprehensive and meticulous process to identify health risks and hazards, ensuring a safe and healthy workplace for all employees. The company implements several critical measures, including:

- **Annual Fire Training:** Each year, employees participate in extensive fire training sessions designed to equip them with the knowledge and skills necessary to respond effectively in the event of a fire emergency.
- **Yearly Evacuation Drills:** To reinforce preparedness, PFC conducts evacuation drills annually, allowing employees to practice and become familiar with emergency procedures and exit routes.
- **Regular Fire Safety Advisories:** The company issues fire safety advisories to keep employees informed of the latest safety protocols and best practices, ensuring a safe working environment.
- **Strategically Placed Fire Safety Signage:** Clear and visible fire safety signs are installed at various points throughout the workplace, providing essential information and directions to enhance awareness and safety.
- **E-surveillance and Alert Monitoring:** Advanced electronic surveillance and alert monitoring systems are utilised to monitor the premises and promptly detect any potential hazards continuously.
- **Comprehensive Fire and Burglar Alarm Systems:** PFC is equipped with sophisticated fire and burglar alarm systems, featuring advanced fire detection technology and smoke sensors that provide prompt alerts in the event of emergencies.
- **Readily Accessible Fire Extinguishers:** Fire extinguishers are strategically placed throughout the facility, ensuring they are readily available to support firefighting efforts in the event of a fire.

Through these proactive measures, PFC demonstrates its commitment to maintaining a secure and health-conscious workplace for all its staff.

- c. **Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Yes/ No)**

PFC has a Security Officer responsible for managing security, sensors, and fire alarms.

- d. **Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes. PFC provides coverage for all employees and workforce through the company's Group Personal Accidental Insurance Scheme (GPAIS). Employees have access to medical healthcare services, including medical rooms, at PFC. Additionally, various physical and mental well-being sessions are held to encourage wellness both at work and outside of work.

11 Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2024-25	FY 2023-24
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees		
	Workers		
Total recordable work-related injuries	Employees		
	Workers		
No. of fatalities	Employees		NIL
	Workers		
High consequence work-related injury or ill-health (excluding fatalities)	Employees		
	Workers		

12 Describe the measures taken by the entity to ensure a safe and healthy work place.

Please refer to the answer in response to question 10 a.

13 Number of Complaints on the following made by employees and workers:

	FY 2024-25			FY 2023-24		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions						
Health & Safety		Nil			Nil	

14 Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

This year reflects PFC's strengthened internal processes and proactive efforts to comprehensively evaluate health, safety, and working conditions in offices. This improvement demonstrates our ongoing commitment to employee well-being and workplace standards.

15 Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

NA

Leadership Indicators

- 1 **Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Yes/ No) (B) Workers (Yes/ No).**

Yes.

- 2 **Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

We carry out routine audits to make sure value chain participants have deposited and withheld required dues (vendors).

- 3 **Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Employees	NIL	NIL	NIL	NIL
Workers	NIL	NIL	NIL	NIL

4 Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

As a CPSE, the company complies with DPE employment standards regarding retirement and termination of employment. In addition, the company offers its retired employees welfare benefits, including post-retirement medical coverage.

5 Details on assessment of value chain partners:

% of value chain partners (by value of business done with such partners) that were assessed	
Health and safety practices	Nil
Working Conditions	

6 Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not Applicable

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all their stakeholders



Essential Indicators

1 Describe the processes for identifying key stakeholder groups of the entity.

PFC recognises that a diverse range of stakeholders is significantly impacted by its operations. These stakeholders include consumers, regulatory authorities, competitors, business partners, and local communities. The organisation firmly believes that fostering and maintaining strong, enduring relationships with these stakeholders is essential. To achieve this, PFC commits to open communication and authentic engagement, ensuring that all voices are heard. Through meaningful interactions with various stakeholder groups, PFC gains valuable insights into both the direct and indirect consequences of its activities across social, environmental, and economic dimensions. This engagement is crucial as it enables the organisation to operate as a responsible corporate citizen, attuned to the needs and concerns of the community it serves.

PFC employs a proactive approach to assess its corporate strategies and operations, carefully identifying the material challenges it faces while evaluating its services and solutions. This thoughtful interaction not only nurtures a positive external and internal environment but also helps mitigate potential risks to its reputation. The company has meticulously mapped its stakeholders, differentiating between internal and external groups. Internal stakeholders include employees, staff, and management who play a vital role within the organisation. On the external side, PFC's stakeholders encompass a variety of government bodies and regulatory authorities, including State Governments, the Reserve Bank of India, the Ministry of Corporate Affairs, the Securities and Exchange Board of India, stock exchanges, equity shareholders, bondholders, creditors, bankers, borrowers, and customers from both public and private sectors.

To support these relationships, PFC engages with stakeholders year-round through a diverse array of strategies and communication methods, ensuring that their perspectives and feedback are integrated into the organisation's decision-making processes. This commitment to dialogue not only enhances trust but also drives PFC towards continued growth and improvement in its operations.

2 List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Please refer to the Stakeholder Engagement section in our FY 24-25 ESG Report.				

Leadership Indicators

1 Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Please refer to the Stakeholder Engagement section in our FY 24-25 ESG Report.

2 Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Please refer to the Stakeholder Engagement section in our FY 24-25 ESG Report.

3 Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

Please refer to the CSR Report in the Annual Report FY 24-25

PRINCIPLE 5: Businesses should respect and promote human rights



Essential Indicators

1 Training / Awareness program on Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013, are considered under human rights issues training. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	526	79	15.01%	529	147	28%
Other than permanent	56	0	0	0	0	0
Total Employees	582	79	13.57%	529	147	28%
Workers*						
Permanent	14	1	7.14%	16	0	0
Other than permanent	159	0	0	0	0	0
Total Workers	173	1	7.14%	16	0	0

*For training purposes, we only considered Permanent Employees/Workers. The responsibility for training Non-Permanent Employees/Workers falls to the vendor.

2 Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2024-25				FY 2023-24			
	Total (A)	Equal to Minimum Wage	More than minimum Wage	Total (D)	Equal to Minimum Wage	More than minimum Wage		
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (E)	% (E/D)	No. F
Employees								
Permanent								
Male								
Female								
Other than permanent								
Male								
Female								
Workers								
Permanent								
Male								
Female								
Other than permanent								
Male								
Female								



3 Details of remuneration/salary/wages, in the following format:

a. Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	3	8661666	1	9100573
Key Managerial Personnel	1	5166110	0	0
Employees other than BoD and KMP	415	3265262	118	3169872
Workers	14	2314682	2	2426084

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Gross wages paid to females as % of total wages	19.78%	19.19%

4 Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Employees at PFC are encouraged to express their concerns or grievances directly to Senior Management or the human resources department, assured that they can do so without fear of consequences or retaliation. This open-door policy is reinforced by both the POSH (Prevention of Sexual Harassment) Policy and the Whistle-Blower Policy, which clearly outline PFC's commitment to upholding the human rights of all its workers, stakeholders, and employees. To further support this commitment, PFC has established POSH committees, also referred to as Internal Compliance Committees. These committees play a crucial role in addressing complaints and ensuring adherence to these policies, fostering a safe and respectful workplace environment.

5 Describe the internal mechanisms in place to redress grievances related to human rights issues.

Human rights are fundamental principles that the Company deeply upholds. We are committed to defending and promoting these rights, ensuring all our business and employment practices are fair and ethical. Regular assessments are conducted to review the resolution of grievances and complaints from staff, vendors, and clients, promoting transparency and accountability. To effectively manage human rights issues, we have established dedicated committees and implemented relevant policies. The Company has a strict no-tolerance policy for any form of abuse—be it verbal, psychological, sexual, or physical.

6 Number of Complaints on the following made by employees and workers:

	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	1	0	Closed	0	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/ Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other Human rights related issues	0	0	NA	0	0	NA

7 Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	1	0
Complaints on POSH as a % of female employees / workers	0.71	0
Complaints on POSH upheld	1	0

8 Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The company has established a dedicated Internal Committee tasked with taking all necessary and appropriate measures to safeguard the rights of individuals who have filed complaints or provided evidence and assistance during an Inquiry. This protection is paramount, particularly for those who act in good faith, ensuring that they are not subjected to any form of Retaliatory Conduct for their contributions.

To facilitate this, employees are offered a variety of accessible channels for voicing a diverse array of concerns. These concerns may encompass issues such as discrimination and human rights violations, facilitating comprehensive discussions on sensitive topics. Furthermore, the company promotes a culture of transparency and communication through its open-door policy. This policy encourages employees to approach management or the POSH Internal Committee, ensuring that they feel comfortable escalating their issues without fear of repercussions.

9 Do human rights requirements form part of your business agreements and contracts? (Yes/No)

We periodically assess the aforementioned human rights requirements and, as needed, incorporate them into our contracts and agreements.

10 Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	-

While internal assessments on child labour, forced labour, sexual harassment, discrimination, and wages were conducted last year as part of our HR policies and compliance framework, these were not comprehensively documented or reflected in the previous year's disclosure. This year, strengthened reporting processes and alignment with our HR policy standards have enabled accurate representation of 100% assessment coverage across all plants and offices, demonstrating our unwavering commitment to ethical labour practices and a respectful workplace.

11 Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

NA

Leadership Indicators

1 Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

The company didn't face any situation to modify the business process.

2 Details of the scope and coverage of any Human rights due-diligence conducted.

The company upholds the principle of Human Rights in all its dealings.

3 Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Our offices are specifically designed with features such as restrooms equipped with grab rails, elevators featuring braille, accessible doors, and elevated toilet seats to support individuals with disabilities. The building entrance also includes amenities such as rails, ramps, and specially designed physical barriers, alongside the restrooms.



4 Details on assessment of value chain partners:

% of value chain partners (by value of business done with such partners) that were assessed	
Sexual Harassment	
Discrimination at workplace	
Child Labour	Nil
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

5 Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not Applicable

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment



Essential Indicators

1 Details of total energy consumption (in GJ) and energy intensity, in the following format:

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	-	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	-	-
From non-renewable sources		
Total electricity consumption (D)	5,855.11	6,387.23
Total fuel consumption (E)	37.56	10.8
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	5,892.68	6,398.03
Total energy consumed (A+B+C+D+E+F)	5,892.68	6,398.03
Energy intensity per rupee of turnover (Total energy consumed/turnover in crore)	0.11	0.14
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	0.03	0.03
Energy intensity in terms of physical output	11.20	12.09
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Yes/ No) If yes, name of the external agency. – M/s Mehta & Mehta

2 Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Yes/ No) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable

3 Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	28,376	23,684
(iii) Third party water (tanker)	-	-
(iv) Seawater / desalinated water	-	-
(v) Water from municipal corporation	2,255	2,647.49
(vi) Others - Water Bottles	141.28	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	30,622	26,331.5
Total volume of water consumption (in kilolitres)*	6,126.20	5,266.3
Water intensity per rupee of turnover (Total water consumption / turnover in Cr)	0.12	0.11
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	0.03	0.03
Water intensity in terms of physical output	11.70	9.96
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

*According to the Central Pollution Control Board (CPCB) database report dated December 24, 2009, it is stated that the water released is regarded as 80% of the water extracted from the source. Consequently, it is estimated that merely 20% of the total water withdrawal is used.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Yes/ No) If yes, name of the external agency. – M/s Mehta & Mehta

4 Provide the following details related to water discharged:

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(ii) To Groundwater	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(iii) To Seawater	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties (Municipal Sewers)	24,617.82	21,065.20
No treatment	0	0
With treatment – please specify level of treatment	-	-
(v) Others	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres) *	24,617.82	21,065.20

* Water discharged is regarded as 80% of the water withdrawn from the source, according to the CPCB database report dated December 24, 2009, and is reported as water sent to third parties. The FY 2024-25 data has been aligned using the same methodology.

PERFORMANCE EVALUATION OF SEWAGE TREATMENT PLANTS IN INDIA FUNDED UNDER NRCD

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Yes/ No) If yes, name of the external agency. – M/s Mehta & Mehta

5 Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

The company prioritises responsible water use by solely utilising water for essential human consumption purposes, reflecting its commitment to sustainability and resource management.



6 Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify the unit	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
NOx			
Sox			
Particulate matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others – please specify			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Yes/No) If yes, name of the external agency. – M/s Mehta & Mehta

7 Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	2.78	0.80
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	1182.41	1268.57
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations in crore)	tCO ₂ e/₹ crore	0.02	0.03
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP in crore)	tCO ₂ e/₹ crore	0.01	0.01
Total Scope 1 and Scope 2 emission intensity in terms of physical output (Total Scope 1 and Scope 2 GHG emissions / Full Time Equivalent)	tCO ₂ e/FTE	2.25	2.40
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	Not Applicable	Not Applicable	Not Applicable

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Yes/No) If yes, name of the external agency. – M/s Mehta & Mehta

8 Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Please refer to our latest FY 2024-25 ESG Report

9 Provide details related to waste management by the entity, in the following format:

Parameter	FY 2024-25	FY 2023-24
Total Waste generated (in metric tonnes)		
Plastic waste (A)	-	-
E-waste (B)	0.38	-
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste (Oil-soaked cotton waste, DG filters, paint cans, chemical cans, paint residue, oil sludge, DG chimney soot, coolant oil and used oil). Please specify, if any. (G)	-	-
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	-	-
Total (A+B + C + D + E + F + G + H)	0.38	-
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.00001	-
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.000002	-
Waste intensity in terms of physical output (Total waste generated / Full Time Equivalent)	0.0007	-
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-

Parameter	FY 2024-25	FY 2023-24
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	-	
(ii) Re-used	-	
(iii) Other recovery operations	-	
Total	-	
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	-	
(ii) Landfilling	-	
(iii) Other disposal operations (Through E-waste Recycler)	0.38	
Total	0.38	

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Yes/No) If yes, name of the external agency. – M/s Mehta & Mehta

10 Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes

Please refer to the ESG Section in our latest FY 2024-25 ESG Report.

11 If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Sl. No	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any
			Not Applicable

12 Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes/ No)	Relevant Web link
					Not Applicable

13 Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Yes/ No). If not, provide details of all such non-compliances, in the following format:

Sl. No	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
				Not Applicable

Leadership Indicators

1 Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area	Not Applicable
(ii) Nature of operations	Not Applicable
(iii) Water withdrawal, consumption and discharge in the following format:	Not Applicable

Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:



(i) Name of the area	Not Applicable
(ii) Nature of operations	Not Applicable
(iii) Water withdrawal, consumption and discharge in the following format:	Not Applicable

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Water consumed / turnover)		
Water intensity (optional) – the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
-No treatment		
-With treatment – please specify level of treatment		
(ii) Into Groundwater		
-No treatment		
-With treatment – please specify level of treatment		
(iii) Into Seawater		
-No treatment		
-With treatment – please specify level of treatment		
(iv) Sent to third-parties		
-No treatment		
-With treatment – please specify level of treatment		
(v) Others		
-No treatment		
-With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

2 Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	-		
Total Scope 3 emissions per rupee of turnover	-		
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	-		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

3 With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

4 If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sl. NO	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
		PFC is dedicated to harnessing the power of Information Technology to empower its employees in efficiently managing various business functions. As part of this commitment, the organisation has implemented a range of innovative collaboration tools designed for seamless online meetings, facilitating real-time communication and teamwork, regardless of location. Additionally, PFC has adopted e-Office solutions that streamline file processing, ensuring that essential documents can be accessed and shared swiftly and securely.	
		Among the notable initiatives is the transition to paperless digital board meetings, which not only enhances meeting productivity but also reflects PFC's dedication to sustainability. Furthermore, the implementation of a paperless system for employee claims simplifies the claims process while minimising environmental impact. Through these initiatives, PFC aims to significantly enhance organisational efficiency while simultaneously contributing to a more sustainable and eco-friendly society.	

5 Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

To ensure uninterrupted availability of IT operations and services during unforeseen disruptions, PFC has developed a comprehensive business continuity and catastrophe management strategy. This strategy reflects the organization's proactive approach to safeguarding its operations, ensuring that essential business functions continue seamlessly even in challenging circumstances.

In the event of a disaster, access to critical business applications and IT services will transition to the Disaster Recovery (DR) Site, strategically located within a private cloud infrastructure at the Mumbai Data Center. This facility is managed by a cloud service provider that has received accreditation from the Ministry of Electronics and Information Technology (MEITY), ensuring reliability and compliance with standards.

The Business Continuity Plan (BCP) serves as a crucial internal document outlining the procedures and protocols in place to maintain operations during crises. Due to the sensitive nature of its contents, the BCP is not made available to the public, safeguarding the organization's response strategies and operational integrity.

6 Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard

Not Applicable

7 Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Not Applicable

8 How many Green Credits have been generated or procured:

a. By the listed entity	Nil
b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners	Nil

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent



Essential Indicators

1 a. Number of affiliations with trade and industry chambers/ associations. (As below)

The Company holds membership in ten trade and industry chambers/associations.

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to:

Sl. No	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State / National)
1	Central Board of Irrigation & Power	National
2	SCOPE	National
3	World Energy Council	International
4	Confederation of Indian Industry	National
5	Institute of Internal Auditors	National
6	Power HR Forum	National
7	Institute of Public Enterprise	National
8	ICSI	National
9	CIGRE	International
10	India Habitat Centre	National

2 Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
		Not Applicable

Leadership Indicators

1 Details of public policy positions advocated by the entity:

Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
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PFC engages in numerous public advocacy and transparency-driven initiatives aimed at promoting good governance, social welfare, environmental sustainability, and stakeholder engagement. Here's a detailed overview of our key actions:

1. Cleanliness & Public Hygiene Campaigns

Swachhta Pakhwada: Organised a host of cleanliness drives and public awareness programmes in and around the Corporate Office, which align with the National Swachh Bharat Mission to raise awareness about sanitation and hygiene.

2. Energy Efficiency & Rural Electrification

- Funded the installation of streetlights in various villages, jointly with Municipal Corporations concerned.
- Through its CSR, PFC supported solar LED street lighting, solar home lighting systems, and rooftop solar power plants in rural/remote areas (including North East, Arunachal Pradesh, Uttar Pradesh, Jharkhand)

3. Youth & Student Engagement

- PFC has been successfully organising State Level & National Level Painting Competitions on Energy Conservation, in collaboration with the Bureau of Energy Efficiency, Ministry of Power, Government of India, for students of 5th to 10th in the Delhi/NCR. This is a massive public outreach programme wherein around 10 lakh students participate every year.

4. Skill Development & Vocational Empowerment

- PFC conducts various training programmes for SC/ST/OBC/Women/EWS youth at regular intervals, which help them secure employment.

5. Transparency & Citizens' Right to Information

- Operationalised the RTI Act, 2005: designated PIO and First Appellate Authority, processed RTI applications and regularly filed online disclosures.

6. Vigilance, Anti-Corruption & Vendor Awareness

- Through its Vigilance Unit, PFC performed periodic inspections, issued procurement guidelines, investigated complaints, and conducted vendor outreach sessions on integrity in procurement.

7. CSR-Linked Environmental & Social Advocacy

- Aligned with UN SDGs and the Government Priority Schemes, PFC's CSR is centred on environmental sustainability, renewable energy, sanitation, education, health, disability support, and disaster relief
- Achievements include:
 - Solar home lighting systems in remote hilly areas
 - construction of toilets in schools
 - Holding plantation drives for promoting environment & sustainability

8. Inclusive Welfare Programmes

- Sponsoring cochlear implant surgeries for hearing-impaired children, providing aids and appliances (e.g., wheelchairs, hearing aids) for persons with various disabilities.

PFC's **public advocacy actions** are deeply integrated into its CSR and governance strategy, combining operational transparency, citizen engagement (through initiatives such as cleanliness, Cyber awareness and anti-corruption efforts), and social welfare (through initiatives focused on health, education, the environment, and disability support).

PFC also celebrates Vigilance Awareness Weeks every year, wherein the focus will be on good practices and the same is amplified via social media campaigns, e-pledges, and staff competitions (slogans, poems, posters)

Further, our Senior Management engaged themselves in various public outreach programmes. Some of the Key Engagements are mentioned hereunder:

1. Innovation for Cool Earth Forum (ICEF)

- Message:** To promote blended-finance solutions that accelerate climate action in emerging markets and foster public-private partnerships for clean energy and low-carbon infrastructure.

- Link:** https://www.linkedin.com/posts/power-finance-corporation-ltd_smt-parminder-chopra-cmd-pfc-spoke-at-activity-7250087869074046976-Y4nj/

2. CRISIL Annual Infrastructure Summit 2024

- Message:** To highlight the investment gap in renewable energy and call for competitive financing of storage technologies to ensure continuous, round-the-clock clean power.

- Link:** https://www.instagram.com/p/C8dozB6CA2o/?img_index=3

3. 26th World Energy Congress (WEC 2024)

- Message:** To advocate innovative funding models and promote global knowledge exchange, accelerating clean-energy deployment.

- Link:** <https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=2018624>

4. Outlook Planet Sustainability Summit & Awards 2024

- Message:** To share how public-sector enterprises are shifting investment from fossil fuels to renewables, and to emphasise their role in achieving net-zero goals through low-carbon investments and public-private partnerships.

- Link:** <https://x.com/pfclindia/status/179511220086817089>

5. 5th Annual India Power Conference 2024

- Message:** To explain how financing distribution sector reforms under RDSS promotes both financial sustainability and reliable power delivery.

- Link:** <https://www.facebook.com/pfclindia/posts/shri-rajiv-ranjan-jha-director-projects-pfc-was-a-speaker-at-the-5th-annual-indi/839279571586272/>

6. ASPIRE Smart Grids Training Programme

- Message:** To build technical capacity in smart-grid design, regulatory frameworks, and customer engagement for utility engineers and regulators.

- Link:** <https://x.com/pfclindia/status/1900178916997792231>

7. Metering India 2024 Conference

- Message:** To lead discussions on metering innovations, address challenges in scaling advanced metering infrastructure, and share best practices for using data analytics to reduce technical and commercial losses.

- Link:** <https://psucorner.com/shri-saurav-kumar-shah-chairs-panel-discussion-on-innovations-and-smart-metering-challenges-at-metering-india-2024-conference/>



8. Economic Times Energy Leadership Summit 2024

- Message:** To emphasise the digitalisation of distribution networks—including IoT and AI integration—and the importance of cybersecurity to build a resilient energy system.
- Link:** <https://www.instagram.com/p/DAbMQudyF9w/?hl=en>

Visible Impact:

By participating in these high-visibility platforms, PFC has:

- Enabled policy formulation.
- Mobilised cross-sector partnerships for climate finance.
- Strengthened the technical skills of DISCOMs and regulators.

All events are documented on PFC's website and social media platforms, ensuring these advocacy efforts remain transparent and accessible to stakeholders.

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development



Essential Indicators

1 Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of the project	SIA Notification No.	Date of notification	Whether conducted by an independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

According to the BRSR Guidance paper, this part covers Social Impact Assessment in accordance with the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation, and Resettlement Act of 2013. Given the nature of PFC’s business, this is not relevant to the company.

2 Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sl. No	Name of Project for which R&R is ongoing	State	District	Number of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not Applicable						

3 Describe the mechanisms to receive and redress grievances of the community.

Due to the nature of our business, this has limited applicability. However, we recognise our responsibility to tackle societal challenges. Therefore, we fulfil our Corporate Social Responsibility (CSR) through several NGOs and implementation partners. These partners work closely with our dedicated CSR team to implement on-the-ground initiatives, engage with project beneficiaries, gather their feedback, and undertake various other activities.

4 Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	42%	69.82%
Directly sourced within India	100%	100%

Given that PFC is in the financial services sector, the procurement of goods and services mentioned in the report is solely for operational and administrative purposes.

5 Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost:

Location	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Rural	NIL	NIL
Semi-urban	NIL	NIL
Urban	NIL	NIL
Metropolitan	100%	100%

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Leadership Indicators

1 Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not Applicable	

2 Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sl. No	State	Aspirational District	Amount spent (In INR)
1	Uttar Pradesh	Siddharthnagar	5.98
2	Madhya Pradesh, Punjab	Damoh, Moga	1.38

3 (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

The Government of India has established the Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012, aimed at bolstering the marketing efforts for goods and services produced by these enterprises. This initiative recognises the crucial role that MSEs play in driving economic growth and innovation. In accordance with this policy framework, Power Finance Corporation (PFC) publishes an annual procurement plan that meticulously outlines the specific products and services it intends to procure from MSEs. This plan is made available on PFC's official website, promoting a culture of transparency and encouraging active participation from MSEs in the public procurement process. By doing so, PFC not only seeks to enhance the visibility of MSE offerings but also aims to create a more inclusive and diverse procurement environment.

(b) From which marginalized /vulnerable groups do you procure?

In accordance with legal requirements, PFC is obligated to ensure that at least 25% of its total procurement is sourced from Micro, Small, and Medium Enterprises (MSEs). This initiative aims to support and promote the growth of these enterprises within the economy. Of this 25% allocation, a specific focus is placed on inclusivity, mandating that no less than 4% of all purchases must be made from MSEs that are owned and operated by entrepreneurs belonging to Scheduled Castes (SC) and Scheduled Tribes (ST). Additionally, the policy emphasises the importance of gender equity in entrepreneurship by requiring that a minimum of 3% of procurement comes from MSEs that are owned by women entrepreneurs. These stipulations foster a more diverse and equitable marketplace while contributing to the development of underrepresented business sectors.

(c) What percentage of total procurement (by value) does it constitute?

In the FY 2024-25, an impressive 88.57% of all product and service procurements were successfully conducted via the Government e-Marketplace (GeM) portal. This significant achievement highlights the platform’s pivotal role in facilitating government purchases. Notably, a remarkable 42% of the total procurement was sourced from Micro, Small, and Medium Enterprises (MSMEs), demonstrating a strong commitment to supporting these vital contributors to the economy. Throughout the year, a total of 309 MSEs benefited from these procurement opportunities, including 19 enterprises owned by women, showcasing the empowerment of women entrepreneurs. Additionally, 48 businesses were owned by individuals from the Scheduled Castes and Scheduled Tribes (SC/ST) category, further emphasising inclusivity and support for underrepresented groups in the entrepreneurial landscape.

4 Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Sl. No	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
				Not Applicable

5 Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
		Not Applicable

6 Details of beneficiaries of CSR Projects:

Sl. No	Project Title	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Project for construction of State of Art Building for Interdisciplinary Centre for Energy Research (ICER), IISc Bengaluru, Karnataka' through IISc Bengaluru.	300	30
2	Development works in 25 Villages of Bihiya and Jagdishpur Block in Bhojpur District, Bihar inclusive of taxes plus agency charges		
3	Project for Fisheries community development in Machlipatnam	20,000	50
4	Project for supply, installation and commissioning of 63 nos. of Solar based LED High-Mast Street Lighting Systems in various villages of Azamgarh Parliamentary Constituency, Uttar Pradesh	50,000	50
5	Project for construction of Auditorium Siddharthnagar through Jila Civil Social Responsibility Association (JCSRA), Siddharthnagar, Uttar Pradesh	25,00,000	30
6	Project for Construction of Two classrooms (including supply and installation of sound system, smart board, projector etc.) at School of Legal Studies at Manjeswaram Campus (Kannur University)	200 students each year	30
7	Project for Construction of School building and related infrastructure for Adi Udipi School, Udipi, Karnataka	800 students each year	100
8	Project for distribution of 2000 nos. of Motorized Tricycle to orthopedically impaired, Persons with Disabilities (Divyangjans) in various locations of 10 States	2,000	40
9	Project for Upgradation and renovation of school infrastructure in Rama Krishna Mission Ashram, Gwalior, Madhya Pradesh.	1,800	100
10	Project for upgrading healthcare services at Jayadev Memorial Rashtrorothana Hospital and Research Centre, Bengaluru, Karnataka	22,550 patients each year	50
11	Project for establishment of Cath Lab at Swami Vivekanand Charitable Hospital, Dharmawala, Dehradun, Uttarakhand	7,500 patients each year	50
12	Project for expansion of Hostel Building in Vanvasi Kalyan Ashram premises, Khanvel, Silvassa, Dadra Nagar Haveli (VKA) by construction of 2 nd Floor & 3 rd Floor under Second Phase of Project	200 students each year	100
13	PM Internship Scheme for 390 candidates (Training 360 candidates + Internship 390 candidates) for one year	390	100
14	Contribution to Swachh Bharat Kosh	NA	NA

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner



Essential Indicators

1 Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

To provide unwavering reassurance to all its borrowers regarding the company's commitment to fair dealings and transparency, PFC strictly adheres to the Fair Practices Code (FPC) in its lending operations, which is firmly grounded in the principles set forth by the Reserve Bank of India (RBI). The vigilant oversight of the FPC is entrusted to the Board of Directors, which conducts regular checks to ensure compliance with these vital guidelines. Notably, during the fiscal year 2024-25, PFC proudly reports that no complaints were lodged in connection with the Fair Practices Code, reflecting a consistent standard of excellence in customer relations. For those interested in reviewing the Fair Practices Code in detail, it can be conveniently accessed at https://pfcindia.com/ensite/DocumentRepository/ckfinder/files/Statutory_Requirements/Codes_and_Policies/Fair_Practices_Code/Fair%20Practice%20Code.pdf

In addition, PFC has implemented a robust feedback system designed to gather valuable insights from its borrowers. Regularly distributed customer feedback forms address key areas such as the suitability of PFC's products and services, the duration of the loan approval and disbursement process, and the resolution of any customer issues that may arise. Once this feedback is collected and thoroughly analysed, PFC takes appropriate remedial actions to enhance its offerings and ensure customer satisfaction. This proactive approach underscores PFC's dedication to continuous improvement and responsiveness to borrower needs.

2 Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

As a percentage to total turnover		
Environmental and social parameters relevant to the product		
Safe and responsible usage	Given the nature of the business, this is not applicable to the Company	
Recycling and/or safe disposal		

3 Number of consumer complaints in respect of the following:

	FY 2024-25			FY 2023-24		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	NIL	NIL	-	NIL	NIL	-
Advertising	NIL	NIL	-	NIL	NIL	-
Cyber-security	NIL	NIL	-	NIL	NIL	-
Delivery of Products	NIL	NIL	-	NIL	NIL	-
Quality of Products	NIL	NIL	-	NIL	NIL	-
Restrictive Trade Practices	NIL	NIL	-	NIL	NIL	-
Unfair Trade Practices	NIL	NIL	-	NIL	NIL	-
Other	-	-	-	-	-	-

4 Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Not Applicable	Not Applicable
Forced recalls	Not Applicable	Not Applicable



5 Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

PFC has developed a comprehensive structure and detailed policies to enhance its cybersecurity measures. To safeguard its valuable IT assets, the organisation has established an extensive cybersecurity framework characterised by rigorous protocols and practices. Among its key initiatives, PFC has deployed advanced Anti-APT (Advanced Persistent Threat) devices designed to detect and mitigate sophisticated cyber threats. Additionally, the implementation of a Next Generation Firewall adds an extra layer of defence by providing advanced filtering and monitoring capabilities. To further bolster its security posture, PFC has embraced IPv6 technology, which not only enhances connectivity but also improves security features inherent to this protocol. Moreover, the integration of Managed Detection & Response Services ensures that PFC can proactively identify, respond to, and neutralise potential cyber threats in real-time, thus fortifying its overall cyber defence strategy.

6 Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services

No such instance has occurred during the reporting period.

7 Provide the following information relating to data breaches:

a. Number of instances of data breaches	NIL
b. Percentage of data breaches involving personally identifiable information of customers	NIL
c. Impact, if any, of the data breaches	NA

Leadership Indicators

1 Channels / Platforms where information on products and services of the entity can be accessed (provide web link, if available).

Information about our products and services is available on our corporate website at <https://pfcindia.com/ensite>. In addition, we also use various digital and social media platforms for disseminating information related to our products and services.

2 Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Continuous and context-sensitive communication throughout the customer lifecycle has been vital in our efforts to educate and engage both our customers and the wider community. This engagement takes many forms, including well-crafted press releases that keep stakeholders informed, regular interactions that foster relationships, and a comprehensive company website that serves as a hub of information. Additionally, our dynamic social media campaigns reach audiences where they are, while our visually engaging video content effectively captures attention and conveys key messages. We also implement awareness initiatives designed to highlight important issues, complemented by feature-focused audiovisual materials that delve deeper into specific topics. Together, these strategies create a robust framework for raising awareness and enhancing understanding among our audience.

3 Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

PFC has a comprehensive disaster management and recovery plan that clearly outlines the procedures to maintain IT operations during disruptions or emergencies. Situated in a seismic zone, the Disaster Recovery facility in Mumbai has been strategically activated. This ensures that, in case of a disaster or cybersecurity incident, PFC can continue its business activities seamlessly.

4 Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

As a Non-Banking Financial Company (NBFC) dedicated to delivering a range of financial products, the organisation places a strong emphasis on transparency and customer understanding. To ensure that clients are fully informed, the company provides comprehensive disclosures through various channels, including detailed loan agreements, thorough documentation, and accessible information on its corporate website. This commitment to clarity helps customers make informed financial decisions with confidence.

INDEPENDENT PRACTITIONER’S REASONABLE ASSURANCE REPORT ON IDENTIFIED SUSTAINABILITY INFORMATION IN BRSR OF POWER FINANCE CORPORATION LIMITED

To the Board of Directors of Power Finance Corporation Limited,

We have undertaken to perform a reasonable assurance engagement for Power Finance Corporation dated 24th July 2025 concerning the agreed Sustainability Information listed below (the “Identified Sustainability Information”) by the criteria stated below. This sustainability information is included in the company's BRSR for the year ending March 2025.

Identified Sustainability Information

The Identified Sustainability Information for the year ended 31st March 2025 is summarised below:

Identified Sustainability Information Subject to assurance	Period Subject to assurance	Level of Assurance	Reporting criteria
BRSR Core (Refer to Appendix A)	From 1 st April, 2024 to 31 st March, 2025	Reasonable assurance	- Regulation 34(2)(f) of the Securities and Exchange Board of India (SEBI) Listing Obligations and Disclosure Requirements (SEBI LODR) - Guidance note for BRSR format issued by SEBI - Greenhouse Gas (GHG) Protocol (A Corporate Accounting and Reporting Standard) (Revised)

Our reasonable assurance engagement was with respect to the year ended March 2025 information only unless otherwise stated. We have not performed any procedures with respect to earlier periods or any other elements included in the BRSR and, therefore, do not express any conclusion thereon. This engagement was conducted by an assurance practitioner.

This engagement was conducted by a multidisciplinary team including assurance practitioners, engineers, and environmental and social professionals.

For the purposes of the remainder of our assurance report:

- ‘Information subject to Reasonable Assurance’ refers to the Identified Sustainability Information identified above that was subject to reasonable assurance.
- ‘Assured Sustainability Information’ refers to all Identified Sustainability Information subject to assurance (reasonable assurance); and
- ‘Applicable Criteria’ refers to the reporting criteria relevant to the information subject to assurance as identified above.

Criteria: The criteria used by the company to prepare the Identified Sustainability Information is summarised in ANNEXURE 1:

Intended use or purpose

The ISI and our reasonable assurance report are intended for users who have reasonable knowledge of the BRSR attributes, the reporting criteria and ISI and who have read the information in the ISI with reasonable diligence and understand that the ISI is prepared and assured at appropriate levels of materiality.

Responsibilities for the Assured Sustainability Information

The management of the Company are responsible for:

- designing, implementing and maintaining internal control relevant to the preparation of the Assured Sustainability Information that is free from material misstatement, whether due to fraud or error;

- selecting or developing suitable criteria for preparing the Assured Sustainability Information and appropriately referring to or describing the criteria; and

- preparing the Assured Sustainability Information in accordance with the Applicable Criteria.

Those charged with governance are responsible for overseeing the reporting process for the Company’s Assured Sustainability Information.

Exclusions

Our assurance scope excludes the following, and therefore we do not express a conclusion on the same:

- Operations of the Company other than those mentioned in the “Scope of Assurance”.
- Aspects of the BRSR and the data/information (qualitative or quantitative) other than the Identified Sustainability Information.
- Data and information outside the defined reporting period.
- The statements that describe expression of opinion, belief, aspiration, expectation, aim, or future intentions provided by the Company.
- Any other information included in the Company’s Annual Report that is not covered under our reasonable assurance on BRSR Core attributes conclusion on the select BRSR attributes.

Inherent Limitations

The preparation of the BRSR information requires the management to establish or interpret the criteria, make determinations about the relevancy of the information to be included, and make estimates and assumptions that affect the reported information.

Measurement of certain amounts and BRSR metrics, some of which are estimates, is subject to substantial inherent measurement uncertainty, for example, GHG emissions, water footprint, and energy footprint. Obtaining sufficient appropriate evidence to support our opinion/conclusion does not reduce the uncertainty in the amount and metrics.

Our Responsibility

Our responsibility is to express a reasonable assurance conclusion on the Identified Sustainability Information based on the procedures we have performed and evidence we have obtained.

We conducted our engagement in accordance with the Standard on Sustainability Assurance Engagements (SSAE) 3000, “Assurance Engagements on Sustainability Information,” issued by the Sustainability Reporting Standards Board of the Institute of Chartered Accountants of India. This standard requires that we plan and perform our engagement to obtain reasonable assurance about whether the Identified Sustainability Information is prepared, in all material respects, in accordance with the Reporting Criteria. A reasonable assurance engagement involves assessing the risks of material misstatement of the Identified Sustainability Information, whether due to fraud or error and responding to the assessed risks as necessary in the circumstances.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of quantification methods and reporting policies, analytical procedures, and agreeing or reconciling with underlying records.

Summary of the work we performed as the basis for our opinion/conclusion

We exercised professional judgement and maintained professional and scepticism throughout the engagement. We designed and performed our procedures to obtain evidence that is sufficient and appropriate to provide a basis for our reasonable assurance opinion.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our reasonable assurance opinion.

Reasonable Assurance Opinion

In our opinion, the Power Finance Corporation Limited's Identified Sustainability Information in the Business Responsibility and Sustainability Reporting for the period 1st April, 2024 to 31st March, 2025, subject to reasonable assurance, is prepared, in all material respects, in accordance with Regulation 34(2)(f) of the Securities and Exchange Board of India (SEBI) Listing Obligations and Disclosure Requirements (SEBI LODR) and the Greenhouse Gas (GHG) Protocol (A Corporate Accounting and Reporting Standards) (Revised).

The nature, timing, and extent of the procedures selected depended on our judgement, including an assessment of the risks of material misstatement of the information subject to reasonable assurance, whether due to fraud or error. We identified and assessed the risks of material misstatement through understanding the information subject to reasonable assurance and the engagement circumstances. We also obtained an understanding of the internal control relevant to the information subject to reasonable assurance in order to design

procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal controls. In carrying out our engagement, we:

- Assessed the suitability of the criteria used by the entity in preparing the reasonable assurance information;
- Evaluated the appropriateness of reporting policies, quantification methods, and models used in the preparation of the information subject to reasonable assurance and the reasonableness of estimates made by the entity;
- Evaluated the overall presentation of the information subject to reasonable assurance;
- Made inquiries of relevant staff at the corporate office responsible for the preparation of the information subject to reasonable assurance;
- Applied analytical procedures, as appropriate.

Our opinion is formed on the basis of our assessment of the criteria, policies, methods, and models used by the entity, as well as our evaluation of the overall presentation and our reliance on external information where applicable.

Restriction on Use

Our Reasonable Assurance report has been prepared and addressed to the Board of Directors of Power Finance Corporation Limited at the request of the company solely to assist the company in reporting on the company's sustainability performance and activities. Accordingly, we accept no liability to anyone other than the company. Our Deliverables should not be used for any other purpose or by any person other than the addressees of our Deliverables. The firm neither accepts nor assumes any duty or liability for any other purpose or to any other party to whom our Deliverables are shown or into whose hands it may come without our prior consent in writing.

Report on other Legal and Regulatory Requirements

As an assurance provider, we have conducted our engagement in accordance with the applicable legal and regulatory requirements relevant to Business Responsibility and Sustainability Reporting (BRSR) as mandated by SEBI and the Companies Act, 2013. Our assurance engagement underscores our commitment to providing a reliable and comprehensive evaluation of the company's adherence to these legal and regulatory requirements.

For Mehta & Mehta
Company Secretaries
(ICSI Unique Code P1996MH007500)

Sd/-
CS Nayan Handa
Partner
FCS NO. F11993

Place of Signature: New Delhi
Date: 29.07.2025
UDIN No.: F011993G000888528

ANNEXURE 1

The criteria used by the company to prepare the Identified Sustainability Information is summarised below:

Attribute	Parameter	Measurement
Greenhouse gas (GHG) footprint	Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	GHG (CO ₂ e) Emission in MT Direct emissions from an organisation's owned- or controlled sources
	Total Scope 2 emissions (Break-up of the GHG (CO ₂ e) into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	GHG (CO ₂ e) Emission in MT Indirect emissions from the generation of energy that is purchased from a utility provider
	GHG Emission Intensity (Scope 1 + 2)	Total Scope 1 and Scope 2 emissions (MT) / Total Revenue
Water footprint	Total water consumption	Kiloliter
	Water consumption intensity	Kiloliter
	Water Discharge by destination and levels of Treatment	Kiloliter
Energy footprint	Total energy consumed % of energy consumed from renewable sources	In Joules or multiples In % terms
	Energy intensity	Per Rupee of turnover
Embracing circularity - details related to waste management by the entity	Plastic waste (A) E-waste (B) Bio-medical waste (C) Construction and demolition waste (D) Battery waste (E) Radioactive waste (F) Other Hazardous waste. Please specify, if any. (G) Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector) Total waste generated (A+B + C + D + E + F + G + H) Waste intensity Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations For each category of waste generated, total waste disposed by nature of disposal method	Not Applicable
Enhancing Employee Wellbeing and Safety	Spending on measures towards well-being of employees and workers – cost incurred as a % of total revenue of the company	In % terms
	Details of safety related incidents for employees and workers (including contract-workforce e.g. workers in the company's construction sites)	Number of Permanent Disabilities Lost Time Injury Frequency Rate (LTIFR) (per one million person-hours worked) No. of fatalities
Enabling Gender Diversity in Business	Gross wages paid to females as % of wages paid	In % terms
	Complaints on POSH	- Total Complaints on Sexual Harassment (POSH) reported - Complaints on POSH as a % of female employees/ workers - Complaints on POSH upheld
Enabling Inclusive Development	Input material sourced from following sources as % of total purchases- Directly sourced from MSMEs/ small producers and from within India	In % terms – As % of total purchases by value
	Job creation in smaller towns – Wages paid to persons employed in smaller towns (permanent or non-permanent /on contract) as % of total wage cost	In % terms – As % of total wage cost
Fairness in Engaging with Customers and Suppliers	Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events	In % terms
	Number of days of accounts payable	(Accounts payable *365) / Cost of goods/services procured



Attribute	Parameter	Measurement
Open-ness of business	Concentration of purchases & sales done with trading houses, dealers, and related parties	• Purchases from trading houses as % of total purchases • Number of trading houses where purchases are made from • Purchases from top 10 trading houses as % of total purchases from trading houses
	Loans and advances & investments with related parties	• Sales to dealers / distributors as % of total sales • Number of dealers / distributors to whom sales are made • Sales to top 10 dealers / distributors as % of total sales to dealers / distributors Share of RPTs (as respective %age) in - • Purchases • Sales • Loans & advances • Investments

Powering Progress through Sustainability

@ Power Finance Corporation

ESG Report 2024-25





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About This Report

Statement Of Use



ESG Report prepared 'in reference to' the Global Reporting Initiative (GRI) Universal Standards 2021



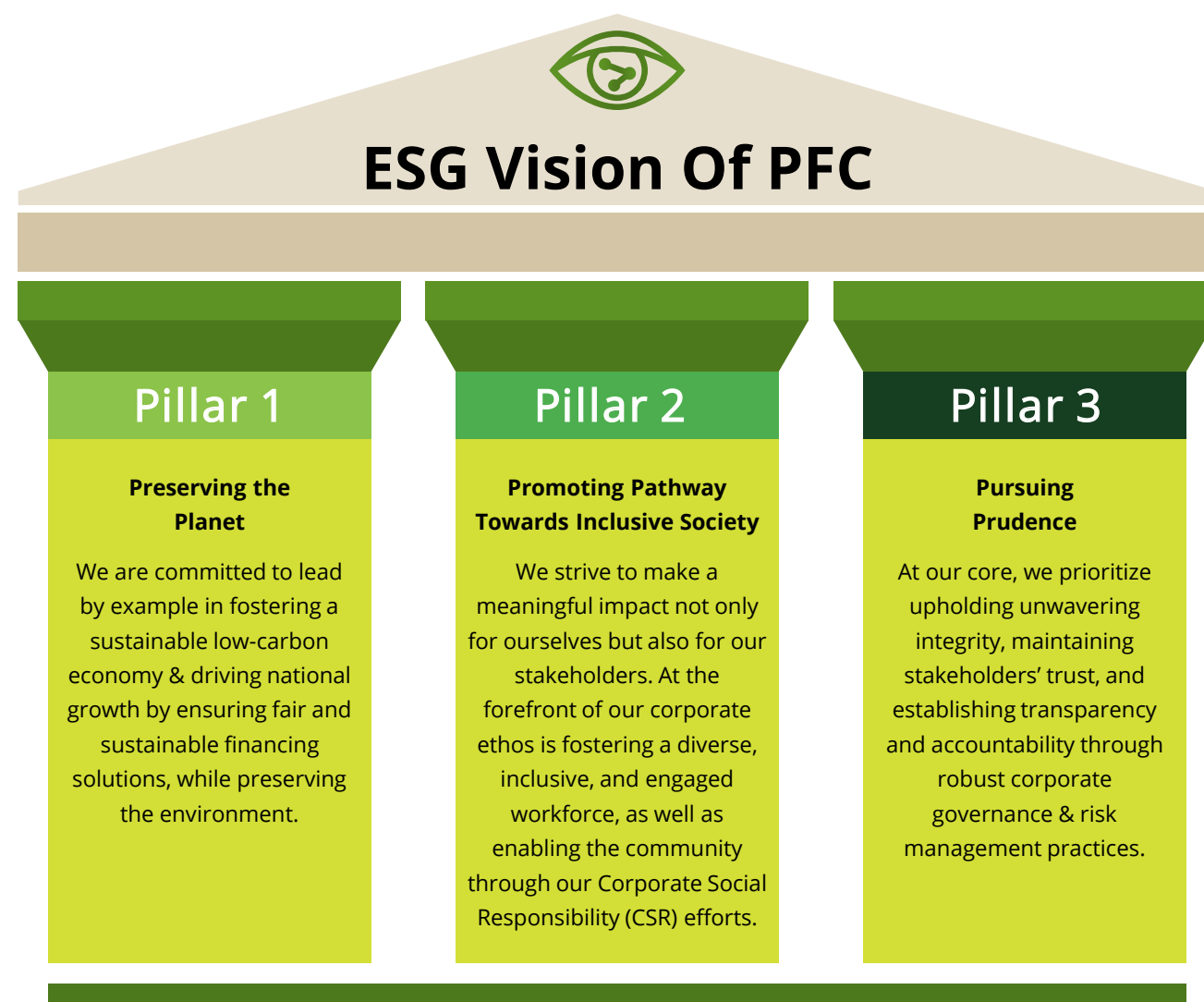
Power Finance Corporation Limited (PFC) is proud to present its second Environmental, Social and Governance (ESG) Report for FY 2024-25 titled "Powering Progress through Sustainability", prepared with reference to the Global Reporting Initiative (GRI) Universal Standards 2021. Our first report is available on our corporate website (<https://pfcindia.co.in/ensite/Home/VS/10201>).

As India advances towards its ambitious Net Zero target by 2070, PFC reaffirms its commitment to being a key catalyst to enabling the low-carbon transition across the power and infrastructure sectors. These sectors are the backbone of a sustainable economy, and PFC is strategically positioned to support this transition through innovative financing solutions. Our priorities are clear—accelerating investments in renewable energy, championing green infrastructure development, and promoting the integration of advanced, clean technologies across the power sector value chain. Sustainability is not just a guiding principle at PFC; it is deeply embedded in

our operational ethos, reflected in our dedication to environmental stewardship, social responsibility, and strong governance practices that uphold transparency, integrity, and accountability.

In this context, this ESG report serves as a strategic communication tool, providing stakeholders with comprehensive insights into our ESG performance, initiatives, and long-term commitments. This report has been prepared in alignment with all eight of GRI's foundational reporting principles—accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, and verifiability—ensuring comprehensive and high-quality sustainability reporting.

Looking ahead, PFC will continue to play a pivotal role in India's green transition by enabling innovation, enabling climate-resilient infrastructure, and supporting inclusive growth. Through active collaboration with public and private stakeholders, both domestically and globally, we remain committed to driving meaningful changes for a greener and more sustainable future.



Reporting period and frequency

This second ESG report presents PFC's ESG performance for the reporting period from **1st April 2024 to 31st March 2025**.

Reporting scope and boundary

The ESG disclosures in this report primarily focus on PFC's standalone operations, covering ESG practices across governance, lending activities, and internal business functions.

The report highlights our direct operational impacts, particularly our role in supporting India's clean energy transition through strategic financing of clean energy projects. It also reflects our commitment to social responsibility, including efforts toward community development and inclusive growth.

The material ESG topics included in this report were identified through a **stakeholder engagement and materiality assessment** exercise conducted in **March-April 2024**, covering both internal and external stakeholders. There has been no change to the material topics disclosed in the first ESG report.

About PFC's ESG Team

As we proudly unveil the second edition of PFC's ESG Report for FY 2024-25 titled '*Powering Progress through Sustainability*', we acknowledge the contributions received from various units that have helped in shaping this comprehensive narrative. Building on the strong foundation laid in the inaugural report, this second edition reflects a deeper integration of environmental, social, and governance considerations into PFC's core business strategy and operations. This report has been developed by ESG Team with support from KfW,

Germany's leading development bank, on behalf of the German government and showcases PFC's progress on its ESG journey, including climate-aligned financing, natural resource stewardship, inclusive community development, and high standards of ethical governance.

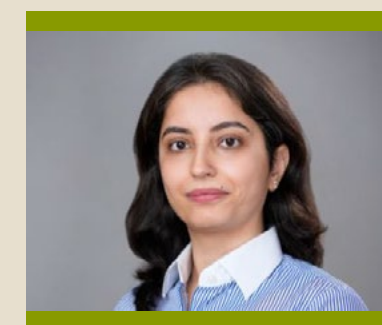
This second edition reinforces PFC's role as a responsible financial institution in India's clean energy transition, while also supporting the nation's development and energy security aspirations.

ESG Team



Jasneet Guram

Executive Director, ESG



Sanya Jand

Chief Manager, ESG



Deepa Jain

Deputy Manager, ESG

We welcome your feedback and questions. Please contact us at: esg@pfcindia.com

Restatement of details from previous ESG report

The list of sustainability disclosures which have been replicated from our first ESG report are as follows:

- Stakeholder engagement process
- Materiality assessment and final list of material topics
- Policies and procedures in relation to corporate governance and business ethics
- Organizational profile including corporate overview, board structure, roles and responsibilities etc.

CMD Message



We see ourselves not just as a financier of infrastructure, but as partners in building a more inclusive and resilient future for the nation.



Smt. Parminder Chopra, CMD



Dear Stakeholders,

Over the past four decades, PFC has played a pivotal role in powering the nation's growth story. As we complete 40 years, we recognize that the next chapter of progress must be shaped not just by financing, but also by a sense of responsibility- one that drives meaningful, inclusive and sustainable change. In recent years, conversations around sustainability have evolved from intent to action. At Power Finance Corporation (PFC), we have embraced this transition with purpose, making conscious efforts to integrate ESG considerations into our operations.

It is with great pride that I present the second edition of our ESG Report for FY 2025, titled "Powering Progress through Sustainability." The report has been developed with the support of KfW, one of Germany's leading development banks, on behalf of the German government. This year, we took meaningful steps to strengthen our ESG foundation. We aligned our ESG disclosures 'in reference to' the Global Reporting Initiative (GRI) Universal Standards 2021 and mapped our material topics to the United Nations Sustainable Development Goals (UN SDGs). This is about strengthening our disclosures in line with global best practices and promoting transparency and accountability.

At PFC, sustainability is not just a buzzword. It is embedded in the very grain of how we operate. Our philosophy, "Funding for a Brighter Tomorrow," defines the path we walk every day. Our approach transcends traditional financing practices, as we consciously integrate environmental stewardship, social progress, and robust governance into the core of our corporate strategy. We see ourselves not just as a financier of infrastructure, but as partners in building a more inclusive and resilient future for the nation.

This past year, we made tangible progress on several fronts. More than 40% of our corporate vehicle fleet is now electric, helping us avoid around 65 tonnes of CO₂ emissions annually- small steps, but big impact. We also

introduced a comprehensive Equal Opportunity Policy aligned with the Rights of Persons with Disabilities Act, 2016, reaffirming our commitment to creating an inclusive and accessible workplace.

Our green lending portfolio continues to be a key strength. Today, PFC stands as India's leading financier of renewable energy, having cumulatively supported approximately 60 GW -around 27% of India's total renewable energy installed capacity. This year, disbursements in renewable energy doubled compared to last year. In FY 2025 alone, we supported additional 10 GW of RE capacity, resulting in estimated annual CO₂ savings of 255 lakh tonnes. The recognition we received at RE-INVEST 2024 was a proud moment, reaffirming our role in India's clean energy journey.

We also undertook a climate impact assessment of our top 22 RE projects, which together contribute to avoiding 5.3 million tonnes of CO₂ emissions annually. These insights will shape how we screen and evaluate future projects, ensuring our financing remains aligned with climate goals in a transparent and measurable way. During the year, we secured around USD 2.5 billion green funding from leading international banks and development financial institutions, including a landmark JPY 120 billion deal with JBIC, the largest of its kind with an Indian entity. In essence, we are scaling up not just capital, but also collaboration.

All of this has been made possible by the people who make up PFC- our committed teams, visionary Board, trusted partners, and the communities we serve. As we look ahead, our focus remains clear- to accelerate progress, while keeping sustainability at the center of everything we do.

The path ahead may be long and complex, but we are committed to walking it with responsibility, purpose, and a shared vision for a cleaner, more resilient future.



Sustainability Profile

PFC's Sustainability Journey

In recent years, PFC has significantly expanded its focus on renewable energy and clean technology financing, in alignment with India's climate goals. PFC has demonstrated strong financial resilience and prudent risk management with its diversified portfolio. PFC's vision is to be the 'leading institutional partner

for the power and allied infrastructure sectors in India and overseas across the value chain'. Through its ESG-aligned initiatives, robust governance practices, and strong stakeholder partnerships, PFC is committed to driving a sustainable, self-reliant and resilient energy future for India.



Total loan Book
INR 5,43,120 Cr



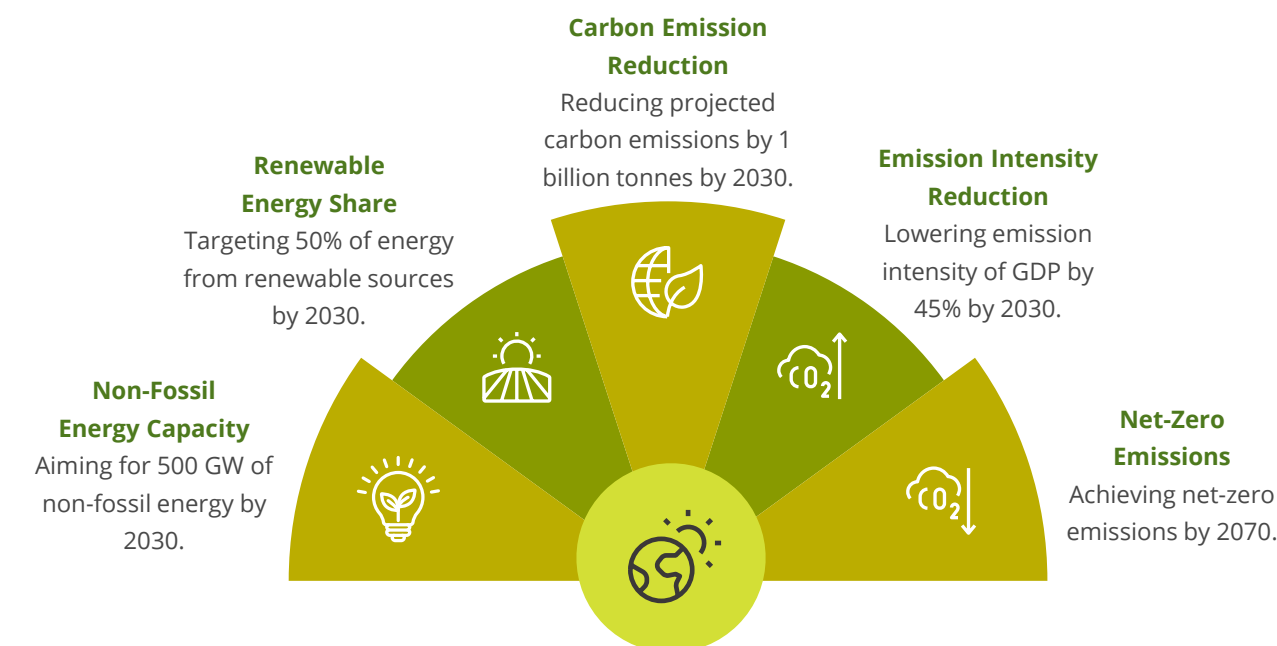
Renewable Energy Portfolio
INR 81,031 Cr



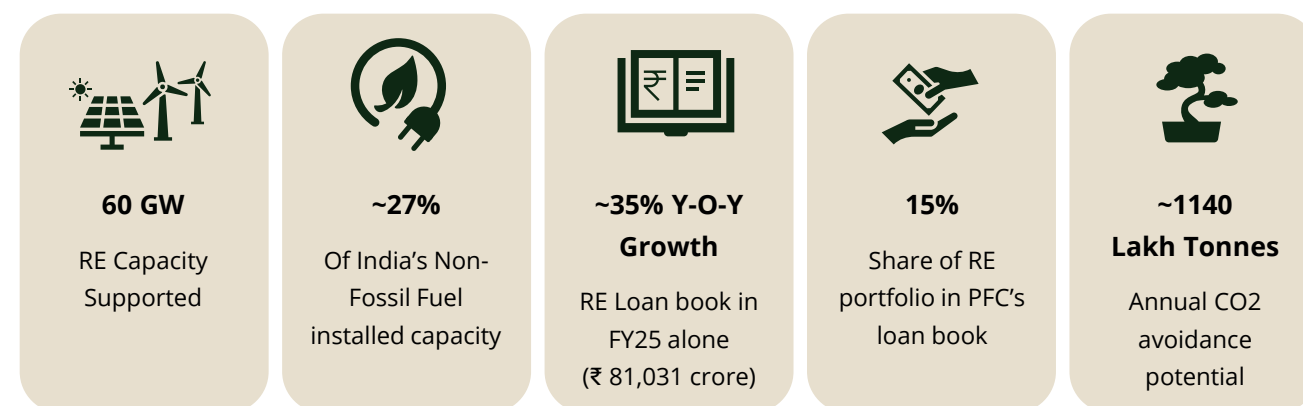
Split between Public & Private loan book
77:23

Our Contribution To India's Panchamrit Goals

India's Panchamrit commitments chart the nation's path for achieving a low-carbon and sustainable future. At PFC, we are proud to play a pivotal role in supporting these national targets through green financing and transformative energy sector interventions.



PFC's alignment with Panchamrit Goals



As illustrated in the figure above, our environmental priorities, are closely aligned with India's climate goals. Through a combination of capital allocation, and technical collaboration, we are helping to transform national ambition into on-ground action. In this regard, our long-term sustainability goals include:

- Financing the full green spectrum—from renewables to emerging technologies like e-mobility, green hydrogen, waste-to-energy, biofuels, and desalination

- Institutionalizing sustainability within PFC, through embedding ESG into our business decision, energy-efficient operations, digitalization, and capacity building

Together, these efforts reflect our strong commitment to supporting India's climate leadership and transition to a low-carbon economy.

Strategic Partnerships With The Government Of India

PFC has remained a trusted partner to the Government of India in driving transformative reforms across the power sector. Through strategic collaborations, we have supported a range of landmark initiatives aimed at strengthening the nation's energy infrastructure. Over the years, we have been at the heart of several landmark initiatives like setting up generation plants under Ultra Mega Power Projects (UMPPs) scheme, modernizing power distribution IT infrastructure under

the Integrated Power Development Scheme (IPDS), among others. More recently, we have extended our support to the Revamped Distribution Sector Scheme (RDSS), a forward-looking initiative aimed at improving the operational efficiency and financial sustainability of distribution companies. These long-standing engagements reflect PFC's commitment in shaping a more reliable and sustainable energy ecosystem across the nation.



The RDSS is a flagship initiative of the Government of India with a total outlay of INR 3.03 lakh crore, aimed at improving the operational efficiency and financial viability of DISCOMs. As nodal agency for RDSS, PFC facilitates financing and provides implementation support to enable utilities to modernize infrastructure, reduce AT&C losses and ensure 24x7 reliable power supply across the country.



PFC is responsible for appraising, sanctioning and disbursing funds to DISCOMs under RDSS



PFC provides loans to DISCOMs, covering the non grant portion of approved RDSS projects covering smart metering and loss reduction infrastructure.



PFC evaluates and tracks scheme proposals and implementation progress, ensuring alignment with RDSS's performance-based funding framework.

Industry Collaboration

We actively engage with key government committees, regulatory authorities, and industry associations to support informed policy formulation and sectoral reforms. As a nodal agency for implementing power sector reforms, we play a pivotal role in shaping policies that promote financial sustainability, renewable energy integration, and infrastructure development. Through industry collaborations, we contribute to constructive dialogues that align public interest with sectoral growth. This strategic engagement strengthens our ability to advocate for progressive financial and regulatory frameworks, enabling a robust and equitable energy ecosystem.



"Asia Transition Finance Study Group"	"Japan's New Energy and Industrial Technology Development Organization"	"World Energy Council"	"Confederation of Indian Industry"
"Institute of Internal Auditors"	"Power HR Forum"	"Institute of Public Enterprise"	"Institute of Company Secretaries of India"

India's Panchamrit commitments chart the nation's path for achieving a low-carbon and sustainable future. We have been playing a pivotal role in enabling these national targets through strategic green financing and transformative energy sector interventions.



Recognition For Financing Sustainability



"Standing Conference of Public Enterprises (SCOPE) Meritorious Award for Best Financial Institution"	"D&B's Leading Infra Finance Company"	"Outlooks' CSR Award Non-Fossil Fuel Business Category"	"Indian CSR One Decade Celebration Award"
"ASSOCHAM's Corporate Bond Market Award 2024"	"REINVEST Award" PFC showcased its renewable energy initiatives at REINVEST 2024, promoting clean energy growth.	"Swachhta Pakhwada Award 2024" PFC was honoured for its outstanding cleanliness and sustainability initiatives.	"Rajbhasha Niti Shresth Karyanwayan Protsahan Puraskar" PFC received recognition for exemplary implementation of the Official Language Policy.
"Best Innovation in CSR Practices Award – Adopting New Technology for Social Upliftment of Divynagjan by ASSOCHAM"		"Governance Now PSU Award"	



Governance now PSU



Swachhta Pakhwada Award



CSR ONE DECADE AWARD

Our ESG Credentials

Agency	Rating Type	Scale (Best to Worst)	FY23	FY24
Sustainalytics 	ESG Risk Rating	0 to 100	20.5 (Medium Risk)	17.3 (Low Risk)
Crisil 	ESG Rating and Core ESG Rating	100 to 0	54	57
National Stock Exchange 	ESG Score (used in NIFTY100 ESG Indices)	100 to 0	-	68
S&P Global 	S&P Global Corporate Sustainability Assessment (CSA)	100 – 0	15 (very low data availability)	26 (medium data availability)
MSCI 	MSCI ESG rating	AAA – CCC (Best to Worst)	BB	BB

Furthermore, PFC has been a constituent company in the FTSE4Good Index series* in both June '24 and June '25.

*The FTSE4Good Index Series is a set of stock market indices created by the FTSE Russell Group to measure the performance of companies that demonstrate strong ESG practices

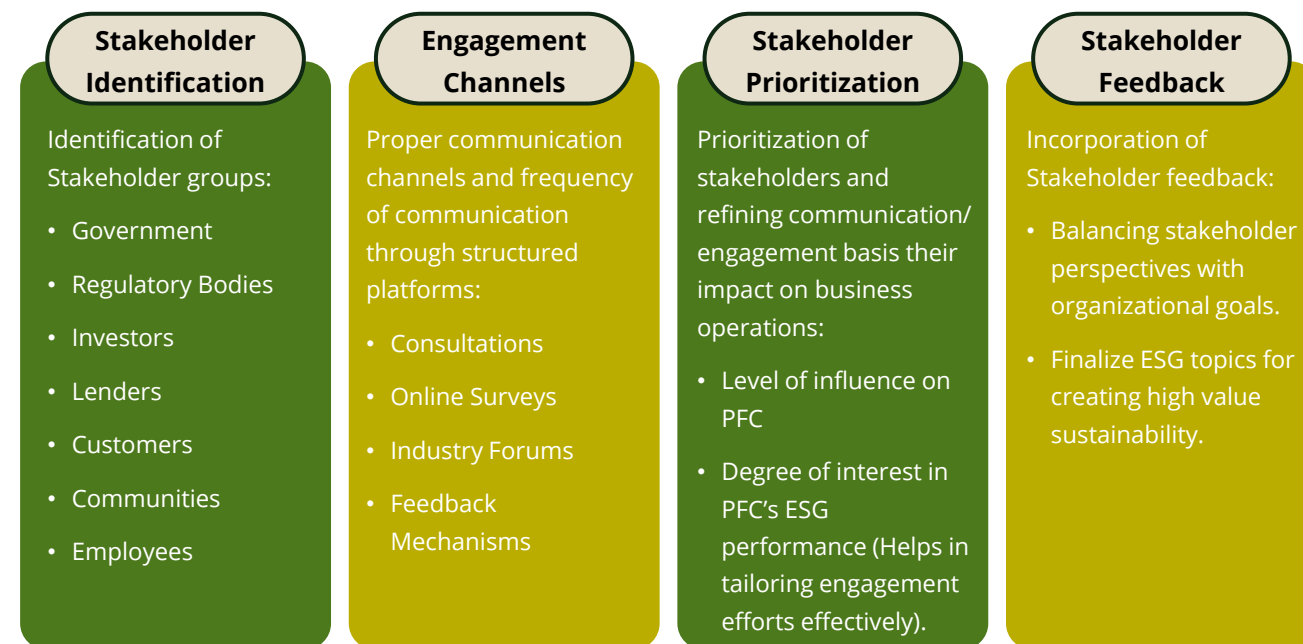


STAKEHOLDER ENGAGEMENT & MATERIALITY ASSESSMENT

Stakeholder Engagement

Stakeholder engagement is a core pillar of our ESG strategy and corporate decision-making process. We believe that a meaningful and an ongoing dialogue with stakeholders is essential for fostering transparency, building trust, and ensuring long-term value creation. Our stakeholder ecosystem includes a diverse range of groups—ranging from government and regulatory

bodies, investors, lenders, and credit rating agencies, to customers, employees, and the communities we serve. These engagements not only shape our business priorities but also provide valuable feedback on evolving expectations around sustainability, governance, and social responsibility.



PFC has institutionalized a structured and responsive engagement framework, as outlined above, enabling both formal and informal interaction with key stakeholder groups. As part of its regular business activities, PFC reaches out to its stakeholders through various feedback mechanisms including meetings, roadshows, conferences and events, etc. In FY 2025, we further expanded our outreach by hosting the 'Central Sector Entities Meet 2004' in Goa bringing together key industry leaders for collaborative discussions on the

future of the energy sector, fostering partnerships and driving innovation for the industry's growth and development.

Internally, we engage with employees and leadership teams through regular town halls, functional training sessions, and capacity-building programs. We also maintain active collaboration under government schemes and CSR initiatives, ensuring that developmental outcomes are aligned with stakeholder expectations.

This proactive approach to stakeholder engagement allows us to identify material issues and create solutions that are socially inclusive and environmentally sustainable. By integrating stakeholder perspectives into our governance and reporting mechanisms, we ensure

that PFC remains agile, accountable, and aligned with India's broader sustainable development agenda. The communication channels, frequency and scope of engagement for each stakeholder group are detailed in the table below.

Stakeholder Group	Channels of Communication	Frequency of Communication	Stakeholder Engagement Initiatives
 Government	- Quarterly Performance Review Meeting - Periodic engagement through meeting with administrative representative from Ministry of Power (MoP) - Parliamentary Committee - MoU (Memorandum of Understanding) document	Regular engagement as per need	Participated in various meetings and forums of MoP.
 Regulatory Bodies	- Mandatory filings with regulators like RBI, SEBI - Meetings & Correspondence on regulatory issues concerning PFC - Periodic Inspections	Periodic, need based	- Submissions of Business Responsibility and Sustainability Reports (BRSR) and other compliances in line with SEBI regulations - Regular engagement with RBI and ensuring compliance with RBI's regulations
 Shareholders and Investors	- Quarterly financial reports, press release, investor earnings calls and investor presentation - Investor relations information portal on website - Dedicated desk for investor relations - Meeting with Institutional investors - Annual general meeting - Annual reports - Stock exchange filings - Social media	Regular engagement/ quarterly/ annual	- Organised regular quarterly earning calls post release of results - Hosted Investors Meet 2025 for interactive discussions on financial performance and strategic direction.
 Lenders	- One to one meetings - Banker meet - Stock exchange filings - Non deal credit roadshow - Bond Issue prospectus	Regular engagement as per need	PFC conducts regular roadshows domestically and internationally to engage lenders, ensuring consistent flow of capital.

Materiality Assessment

Stakeholder group	Channels of communication	Frequency of communication	Stakeholder Engagement Initiatives
 Suppliers and Vendors	- Vendor Development Program - Corporate Website - GEM (Government e-Marketplace) Portal - Grievance Redressal	As and when required	- Conducted Vendor Development Programs and used the GeM portal for transparent procurement. - Introduced a Vendor Grievance Redressal Portal during Vigilance Awareness Week for timely issue resolution.
 Customers	- Business interactions - Borrowers meet - Customer feedback - Grievance channel - Interaction through LE/ LFA and other intermediaries	Regular engagement as per need	- Institutional credit checks and due-diligence with third-party verifications. - Customer satisfaction surveys - Hosted the 'Central Sector Entities Meet 2024'
 Employees	- Company's intranet portal - Internal communications- newsletter, mails, surveys - Training and capacity development programmes - Annual performance appraisal - Townhall session - Festive celebration - Grievance channel - Employees Union/ Association	Regular engagement as per need	- Organized town halls, training programs, festive celebrations, and sports tournaments (e.g., via Power Sports Control Board). - PEEPAL portal for internal engagement and knowledge sharing; celebrated Foundation Day with cultural events.
 Community	CSR activities	Periodic - as per the scope and duration of the project	Implemented 9 impactful CSR initiatives around the 'health and nutrition' theme.

Understanding what matters most to our stakeholders and how these issues intersect with our business objectives- is central to our sustainability reporting and long-term value creation. In-line with this, we conducted a comprehensive materiality assessment in March-April 2024 to align with evolving stakeholder expectations,

regulatory developments, and global reporting frameworks such as GRI and BRSR. Our materiality process is built on a multi-step methodology and is designed to evolve through ongoing stakeholder engagement, ensuring relevance, responsiveness, and accountability throughout our sustainability journey.



Identification of Relevant ESG Topics

- Identification of broad universe of ESG issues relevant to the power sector, public financial institutions, and national sustainability goals.
- Extensive review of peer disclosures, global ESG trends, and regulatory guidelines.



Stakeholder Engagement & Prioritization

- Structured questionnaires to capture perspectives on key environmental, social and governance topics.
- Questionnaires disseminated to both internal and external stakeholders.



Finalization of material ESG Topics

- Stakeholder responses were analyzed and mapped as per their priority.
- Finalization of 19 material topics

This year, we have further strengthened our alignment with global development agendas by mapping our identified material ESG topics to the United Nations Sustainable Development Goals (UN SDGs)

Material Topics		Linked SDGs		Priority
Pillar I Preserving the Planet	Low Carbon Financing	13 CLIMATE ACTION	7 AFFORDABLE AND CLEAN ENERGY	High Priority
	Natural Resource Consumption and Management	13 CLIMATE ACTION	6 CLEAN WATER AND SANITATION 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Medium Priority
Pillar II Promoting Pathway towards Inclusive Society	Employee Engagement	8 DECENT WORK AND ECONOMIC GROWTH		Medium Priority
	Diversity and Inclusion	5 GENDER EQUALITY	10 REDUCED INEQUALITIES	Medium Priority
	Employee Health and Positive Work Environment	3 GOOD HEALTH AND WELL-BEING	8 DECENT WORK AND ECONOMIC GROWTH	High Priority
	Transparency in Procurement	16 PEACE, JUSTICE AND STRONG INSTITUTIONS		Medium Priority
	Participating in Community Development	1 NO POVERTY	11 SUSTAINABLE CITIES AND COMMUNITIES	Medium Priority
	Customer experience and customer satisfaction	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE		Medium Priority

Low Priority

Medium Priority

High Priority

Material Topics		Linked SDGs		Priority
Pillar III Pursuing Prudence	Enterprise Risk Management	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	High Priority
	Reporting and Disclosures	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	High Priority
	Corporate Governance and Business Ethics	16 PEACE, JUSTICE AND STRONG INSTITUTIONS		High Priority
	Code of Conduct	16 PEACE, JUSTICE AND STRONG INSTITUTIONS		High Priority
	Regulatory and Legal Compliance	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	High Priority
	Data Security and Data Privacy	16 PEACE, JUSTICE AND STRONG INSTITUTIONS		High Priority
	Grievance Redressal Mechanism	16 PEACE, JUSTICE AND STRONG INSTITUTIONS		High Priority
	Financial Performance	8 DECENT WORK AND ECONOMIC GROWTH		High Priority
	Digitization of Business Processes	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE		Medium Priority
	Responsible Procurement	12 RESPONSIBLE CONSUMPTION AND PRODUCTION		Medium Priority
	ESG Governance and Board Oversight	16 PEACE, JUSTICE AND STRONG INSTITUTIONS		Medium Priority

Low Priority

Medium Priority

High Priority

PILLAR I - PRESERVING THE PLANET

PFC is well-positioned to lead India's transition towards Net Zero target, leveraging its extensive domain expertise in the power sector, strong financial capabilities and a proven track record. By leveraging these strengths, PFC plays a pivotal role in accelerating the adoption of clean technologies and resilient infrastructure, actively contributing to environment preservation and climate resilience.

Material Topics

Low Carbon
Financing

Natural Resource
Consumption and
Management



Highlights

~60 GW

Total RE
Capacity
supported
till FY 2025



**INR 81,031
Crores**

RE loan
book FY
2025



**1140 Lakh
Tonnes**

Carbon emissions
avoided in FY 2025



~44%

Transitioned corporate
vehicle fleet to Electric
vehicles (EVs)



Introduction

India's power sector is undergoing a rapid and transformative shift, driven by strong economic growth, evolving consumer expectations, and an accelerated push toward clean energy. Central to this transition are the India's Panchamrit Goals, announced at COP26, including the target of expanding non-fossil energy installed capacity to 500 GW by 2030. Additionally, India has pledged to reach net-zero emissions by 2070, signaling its long-term climate ambition. To support these goals, the Government of India has introduced several progressive policies to support renewable energy development—such as the Green Hydrogen Mission, Viability Gap Funding (VGF) for battery storage and offshore wind, and the Production Linked Incentive (PLI) scheme for solar module manufacturing.

At PFC, our commitment to environmental sustainability is central to our vision and operations. Recognizing the critical role we play in India's energy transition, we actively support initiatives that reduce carbon footprints, promote renewable energy, and enhance resource efficiency. Aligned with our ESG vision—"Powering Progress through Sustainability"—we are deeply involved in financing India's clean energy transition, including climate adaptation and mitigation projects, energy efficiency initiatives, and e-mobility advancements. By continuously integrating sustainable financing solutions into our portfolio, we continue to play a key role in renewable energy expansion and climate risk mitigation. Our strategic approach ensures that environmental considerations are factored into our decision-making processes, enabling us to lead responsibly in India's journey towards sustainability.

To guide our environmental sustainability efforts, we have identified two key material topics: (i) responsible natural resource consumption and management and (ii) low-carbon financing. The following section provides an overview of our initiatives, and the progress made in supporting India's clean energy goals and advancing environmental stewardship.

ESG Progress FY25

EV Fleet Launched by PFC in FY25

Green tie ups of
**USD 2.5
Billion**



₹29,260 Cr

Disbursement for RE Generation more than doubled in FY 25

Low Carbon Financing



As India's largest NBFC and a leader in sustainable finance, PFC is committed to supporting the country's Net Zero goals. ESG principles are integral to our strategy and success. In FY25, we obtained over USD 2.5 billion in green funding, including a JPY 120 billion agreement with JBIC, to fund low-carbon infrastructure, renewable energy, and climate adaptation projects. We continue to maintain a strong focus on transparency and integrity in all our activities

Sandeep Kumar, Director (Finance)

As a key enabler of India's energy transition, PFC continues to play a pivotal role in financing clean and sustainable infrastructure. Our commitment to decarbonization is reflected in our efforts to secure funding for green financing and strategic international partnerships that advance low-carbon growth across the nation.

A major milestone in this journey was the execution of a JPY 120 billion green financing agreement with the Japan Bank for International Cooperation (JBIC) – the largest such agreement signed by JBIC with any Indian

company to date. This landmark deal strengthens cross-border collaboration for climate-aligned investments and reinforces PFC's position as a trusted partner in global climate finance. Further validating our role in supporting India's transition, PFC was recognized at RE-INVEST 2024 for its instrumental contribution to the nation's achievement of 200 GW of non-fossil fuel installed capacity—an important step toward its national target of 500 GW by 2030. A brief overview of these loan details and updates on our ongoing green partnerships have been provided herewith.



Green Financing Initiatives	Details
 Asia Transition Finance Study Group (ATFSG)	- PFC has joined the ATFSG initiative, spearheaded by Japanese Ministry of Economy, Trade and Industry (METI), aimed at fostering cooperation and promoting sustainable transition finance across Asian countries. PFC is the first member from India to join ATFSG. - In 2024, PFC, as a key member of the Asia Transition Finance Study Group (ATFSG), contributed to advancing the bankability of transition projects. Through six focused sessions, ATFSG explored blended finance, insurance solutions, and risk management for technologies like CCUS¹ and BESS². - A key outcome was the identification of optimal public-private risk-sharing models, emphasizing the role of governments in enabling frameworks and the private sector in managing project-level risks. The Annual Report highlights practical risk mitigation strategies, stakeholder roles, and the importance of blended finance in mobilizing private capital. Key enablers include strong public leadership, ethical project development, targeted financial instruments, and enhanced stakeholder collaboration.
 JBIC Green loan	- PFC secured a term loan of approximately INR 7,153 Crore (JPY 120 billion) long-term loan from the Japan Bank for International Cooperation (JBIC) under its "GREEN" initiative, aimed at promoting sustainable development. - The loan is co-financed by Sumitomo Mitsui Banking Corporation and other Japanese banks, with JBIC providing a guarantee for the co-financed portion—demonstrating strong international confidence in PFC's green financing strategy. - This transaction marks a significant step in India-Japan clean energy collaboration and strengthens PFC's position as a key enabler of green infrastructure. The project is expected to contribute to energy security, job creation, and sustainable regional development.
 Japan's NEDO	- PFC collaborated with Japan's New Energy and Industrial Technology Development Organization (NEDO) to promote innovation in the fields of environment, energy, and industrial technology. - As a part of this initiative, in June'25, India's first energy-efficient Micro Substation with Power Voltage transformer was inaugurated. This project was developed in collaboration with Nissin Electric, Tata Power – DDL and supported by PFC and NEDO—a major step toward a smarter, more energy-efficient power future.
 Foreign Green Financing tie-ups	- During the year, PFC successfully secured funding commitments totaling USD 2.5 billion from leading international banks and development financial institutions across Southeast Asia and Europe. - In line with PFC's ongoing commitment to decarbonization and the transition to green energy, the funds will primarily be directed to finance assets excluding thermal generation projects.

[1] CCUS - Carbon capture, utilization and storage

[2] BESS - Battery Energy Storage System

Financing Solutions And Policy Support For Energy Transition

PFC has been the pioneer in the clean energy financing space. Over the years, we have introduced a range of initiatives to support the sector, including the development of enabling policies, streamlined processes, and tailored credit products.

Our commitment remains strong as we continue to adapt and innovate our offerings to support emerging technologies and new segments within the clean energy landscape.

Vast Enabling Ecosystem Developed to Promote Clean Energy Financing

Attractive Interest Rates

- Provide interest rates that are 1.0–1.5% lower than those offered for conventional power generation projects.
- Offer additional financial benefits upon successful commissioning of the project.



Processes

- Dedicated business units focused on financing solar, wind, and energy efficiency projects.
- A web-based loan application platform to enable quicker and more efficient project appraisal.
- Use of standardized loan documentation for solar projects to streamline processes and minimize paperwork.



New Products

- Issuance of a Letter of Undertaking to renewable energy (RE) project developers, which can serve as a substitute for a Performance Bank Guarantee in tariff-based bidding processes.
- Launch of specialized financial products to support capital expenditure for establishing manufacturing facilities for RE equipment.
- Provision of project-specific funding tailored for RE equipment manufacturers and EPC (Engineering, Procurement, and Construction) contractors.



Financial Covenants

- To enable faster financial closure, PFC offers the option of sole lending for debt requirements up to ₹2,000 crore.
- Lower prepayment charges are provided to enhance borrower flexibility and reduce financing costs.



Furthermore, in FY 2025, PFC actively participated in various summits, conferences and forums focused on social development, energy transition and inclusive growth. These engagements reinforced our commitment to knowledge exchange, policy dialogue and partnerships that align with national priorities and global sustainability goals.



26 World Energy Congress (WEC), Rotterdam



Outlook Sustainability Summit 2024



CRISIL Annual Infrastructure Summit 2024



5th Annual India Power Conference 2024



#REINVEST 2024



Innovation for Cool Earth Forum (ICEF), Tokyo



Brainstorming Conclave on "Indian Power Sector Scenario by 2047"



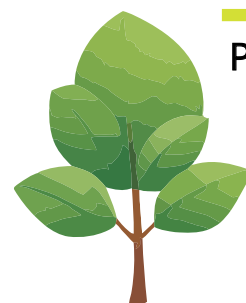
GRIDCON 2025

Green Bond Framework

Our green bond framework, approved in September 2021, governs the deployment of green bond proceeds and is a single methodology in place for all future green financing instruments. This ensures that the principles of the framework are applied to each instrument issued and the proceeds are invested in renewable energy. This

framework is aligned with the global climate financing principles and standards³.

The eligibility criteria for green projects financed through our green bond framework:



Project Eligibility under PFC's Green Bond Framework

Renewable Energy

- Onshore solar electricity generation facilities (with ≥85% of electricity generated to be derived from solar energy), dedicated transmission and other supporting infrastructure
- Onshore wind energy generation facilities (at least 85% of electricity generated from wind energy), dedicated transmission and other supporting infrastructure

Emissions avoided through our Renewable Energy portfolio

This year, to assess the climate impact of our renewable portfolio, we selected top 22 projects spanning across solar, wind, and hybrid technologies, totaling approximately 6.5 GW of installed capacity. The

objective was to conduct a detailed project-wise analysis to estimate emissions avoided (see table below). The emissions avoidance calculations were performed employing internationally recognized methodologies.

Project Type	Capacity (MW)	PFC's support - Disbursements (in ₹ crores)	Financed Emissions Avoided Combined (tonnes)
Solar Power	799	1,723	3,38,761
Wind Power	300.3	1,630	5,10,695
Wind Power	302.4	1,546	2,01,675
Wind Power	252	1,502	3,77,666
Hybrid Power (Solar & Wind)	487	1,302	1,96,056
Hybrid Power (Solar & Wind)	272.4	1,146	1,07,622
Hybrid Power (Solar & Wind)	272.4	1,146	65,562
Solar Power	320	1,125	2,52,769
Hybrid Power (Solar & Wind)	280	1,058	3,75,731
Wind Power	252	954	3,27,909
Solar Power	300	918	3,69,734
Wind Power	199.9	878	1,16,761
Wind Power	199.9	878	71,129
Solar Power	250	858	1,10,235
Solar Power	216	819	2,58,450
Wind Power	326.7	801	2,90,208
Hybrid Power (Solar & Wind)	321.5	790	2,38,804
Wind Power	200	756	2,59,434
Solar Power	216	746	2,57,344
Solar Power	336	742	1,64,757
Wind Power	179.1	714	2,34,427
Solar Power	205	690	1,32,237
TOTAL	6,488	22,721	52,57,965

[3] the Climate Bonds Standard version 3.0, the Green Bond Principles (GBP), 2021 issued by the International Capital Markets Association (ICMA) and the Green Loan Principles (GLP) published by the Loan Markets Association (LMA), Asia Pacific Loan Market Association (APLMA) and Loan Syndications and Trading Association (LSTA) in 2021.

The selected portfolio includes a mix of projects- ranging from those yet to be commissioned, to recently commissioned and projects commissioned with up to 9 years of operational history, providing verified long-term performance validation for climate impact projections.

The portfolio achieves an outstanding intensity of 810 tCO₂e per MW installed, reflecting optimal project selection and geographic deployment strategies. Wind power projects demonstrate the highest climate impact efficiency at 1,080 tCO₂e per MW, reflecting superior capacity factors and optimal site selection in high resource. Solar power projects achieve 713 tCO₂e per MW efficiency, while hybrid projects generate 602 tCO₂e per MW, with the latter benefiting from complementary generation profiles that optimize grid integration and provide enhanced energy security. Key assumptions used in the assessment are as follows:

- Emission Factors:** The baseline methodology utilizes Central Electricity Authority (CEA) of India emission factors Version 20.0 (2024) following the Combined Margin emission factor of 0.757 tCO₂/MWh as specified in CDM Tool 07 Version 7.0, ensuring conservative and scientifically robust calculations. These margin emission factor reflects the grid displacement impact of renewable energy generation, representing the carbon intensity of electricity that would otherwise be generated by conventional thermal power plants.
- Generation Data:** The portfolio maintains high data quality standards with 72.7% of projects reporting

actual available generation data. For the remaining projects, emissions avoided were conservatively estimated using CEA-standard capacity utilization factors- 21% for solar and 25% for wind projects, ensuring robust climate impact calculations.

- Attribution Factor:** Each project incorporates a project-specific attribution factor reflecting PFC's proportional financing contribution to total project costs, following the Partnership for Carbon Accounting Financials (PCAF) Part A methodology for project finance attribution. Further, the calculations are aligned with standard for GHG Protocol Scope 3, Category 15 requirements for avoided emissions quantification.

We partnered with AA Impact to conduct this structured assessment of avoided emissions within our renewable energy portfolio. Through AA Impact's A2 Intelligence platform, we precisely quantified the emissions of our project loan. These insights are invaluable for understanding our current portfolio's climate impact and will guide future investment evaluation with an emissions avoidance focus.

Conclusion - The selected portfolio generates 5.3 million tonnes of CO₂ equivalent in annual financed emissions avoided equivalent to removing approximately 1.12 million passenger cars from Indian roads, demonstrating PFC's substantial contribution to national decarbonization efforts while supporting India's commitment to achieve 500 GW of renewable energy capacity by 2030.

Clean energy projects financed by PFC



PFC is well-positioned to lead India's transition towards its Net Zero target. We are proud to be the largest renewable sector financier in the country, having supported ~60 GW of renewable energy installed capacity. This portfolio helps avoid approximately 1140 lakh tonnes of CO₂ emissions annually- an example of the difference responsible financing can make.

Rajiv Ranjan Jha, Director (Projects)

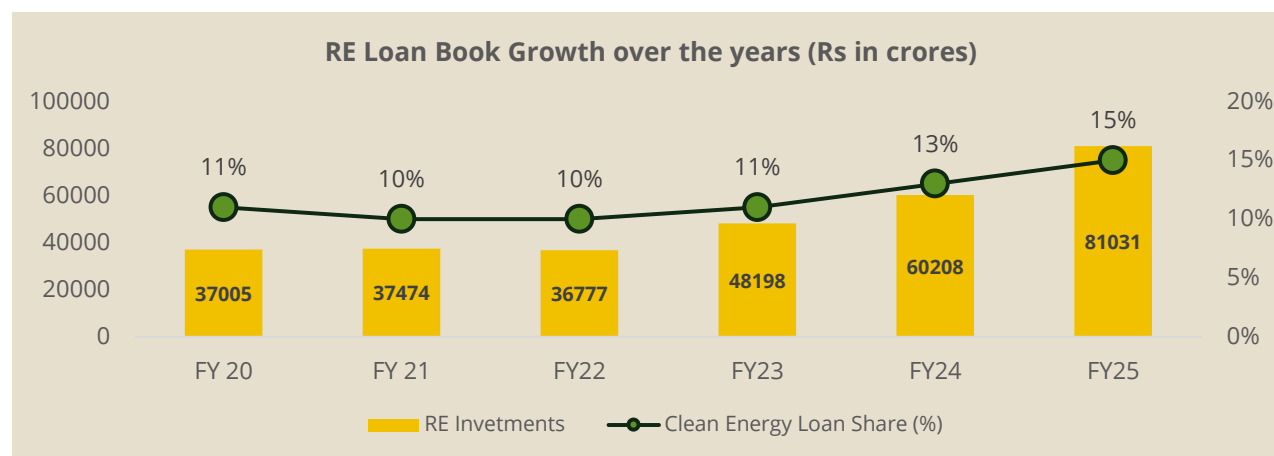
PFC continues to be the largest renewable sector financier in the country, having supported ~60 GW of renewable energy capacity in India till FY 2025. This accounts for ~27% of India's non fossil fuel based installed capacity (around 220.1 GW as per CEA, March 2025).

Our renewable energy loan book has grown at a robust CAGR of ~17%, growing from INR 37,005 crore in FY2020 to INR 81,031 crore in FY25 as seen in figure below.

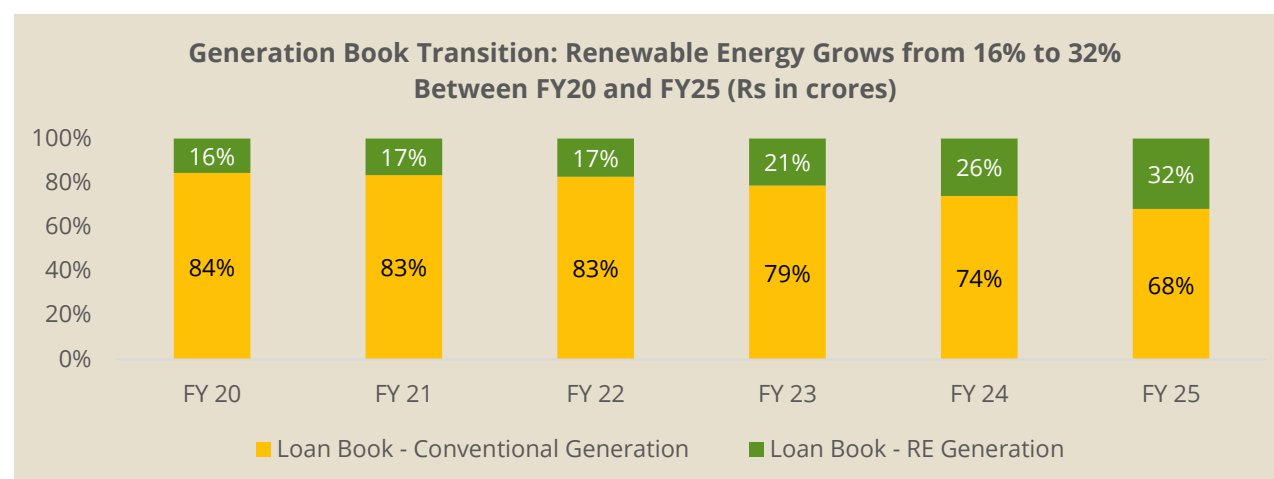
Cumulatively till FY 2025, we have disbursed over INR 1.38 lakh crore towards clean energy projects.

Through ongoing financial innovation, strategic partnerships, and alignment with global climate priorities, PFC continues to mobilize capital into renewable energy, energy efficiency, and sustainable infrastructure. These efforts not only contribute to India's climate goals but also position PFC as a frontrunner in catalyzing green growth at scale.

PFC Leads as the Nation's Top Renewable Financier



Over the past five years, the share of renewable book in our total loan assets has increased from 11% in FY 2020 to 15% in FY 2025, highlighting our strong alignment and commitment to advancing the GoI's clean energy transition goals.



RE Book More Than Doubled

Over the last three years, PFC's renewable energy loan book has more than doubled, reflecting our strong commitment to clean energy financing.



35% Year-on-Year Growth

In FY'25, PFC recorded a 35% Y-o-Y increase in its renewable energy portfolio, driven by strategic investments in solar, wind, and hydro projects.

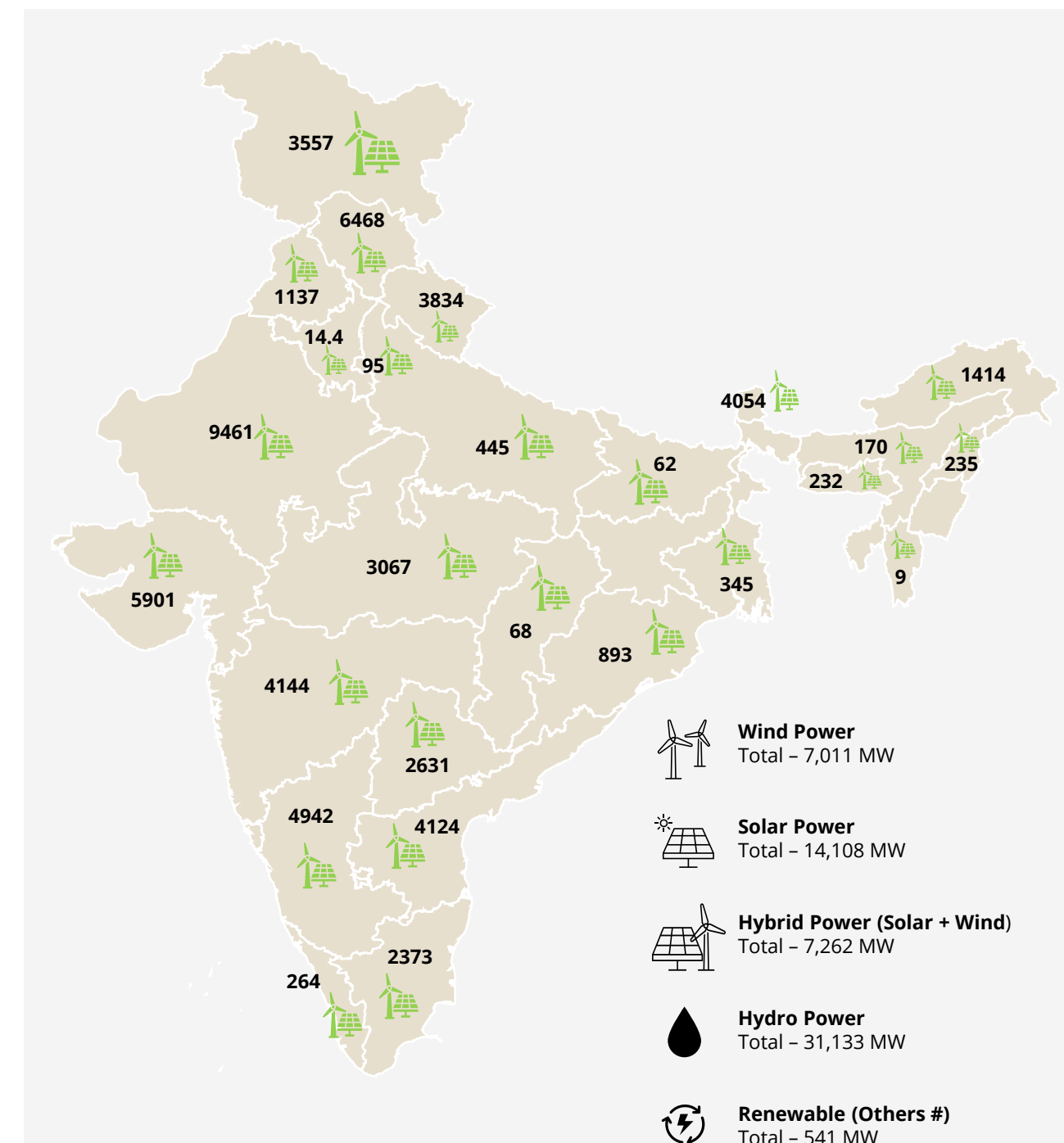


Disbursements Nearly Doubled

Renewable energy disbursements in FY'25 almost doubled compared to the previous fiscal year, underscoring our accelerated support for India's energy transition.

While conventional generation continues to account for a major share of the generation book, the proportion of loans allocated to renewable energy (RE) generation has

grown steadily—from 16% in FY 20 to 32% in FY 25. This trajectory reflects PFC's strategic commitment to accelerating low-carbon financing and aligning its portfolio with national clean energy goals.



*Capacity supported in MW (Mega Watt) state-wise as on 31st March 2025 - cumulative of hydro, solar, wind, hybrid, waste to energy projects

Total Capacity supported- 60,055 MW

Includes Waste to Energy, Biomass, Bagasse

The RE capacity PFC has supported CO2 emission avoidance potential of 1140 Lakh Tonnes per year*, equivalent to the amount of CO2 absorbed by 456 Crore trees in a year**.



Notes:

*Assumptions for estimation of CO2 emission avoidance potential

1. Estimation based on Capacity Utilization Factor (CUF)/ Plant Load Factor (PLF) of each category as per Central Electricity Regulatory Commission (Terms and Conditions for Tariff determination from Renewable Energy Sources) Regulations, 2020.
2. PLF for Large Hydro calculated based on large hydro generation from April 2024 to March 2025 and installed capacity as on 31.03.2025 (CEA)
3. CUF of wind power approximated based on data from National Institute of Wind Energy, Ministry of New and Renewable Energy, Government of India
4. Grid Emission Factor (inc. RES) (tCO2/MWh) of 0.727 tonne CO2 per MWh (CEA December 2024)

** Assuming 25kg CO2 absorbed by a tree a year (EcoTree International)

Natural Resource Consumption And Management

At PFC, we are deeply committed to reducing our natural resource consumption and embedding sustainability into every aspect of our business operations. A comprehensive overview of our resource consumption metrics, reflects our proactive approach to monitoring, managing and continuously improving our environmental performance.

Resource management

Our total energy consumption in FY25, has reduced from ~6398 GJ in FY24 to ~5892 GJ in FY25. Furthermore, our energy intensity per INR crore of turnover has reduced from 0.14 in FY24 to 0.11 in FY25.

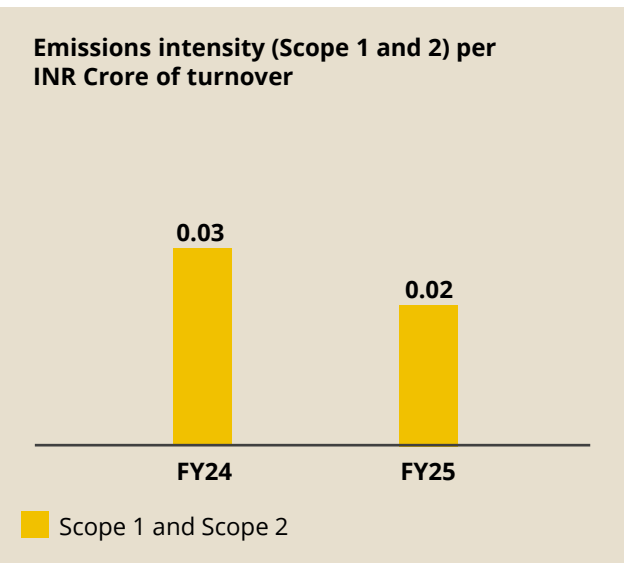
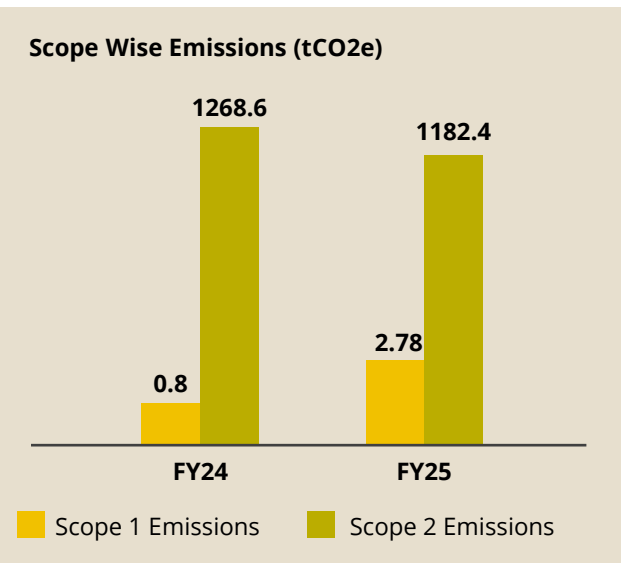
Our total water consumption in FY25 has increased from approximately ~5266 Kilolitres in FY24 to ~6126 Kilolitres in FY25. Our water intensity per INR crore of turnover has seen a marginal increase from FY24 levels of 0.11 to 0.12 in FY 25. We actively monitor our water footprint and remain committed to responsible water stewardship.

Emissions Management

As a responsible and sustainability-focused organization, PFC has undertaken multiple initiatives to reduce its operational carbon footprint. We have adopted several energy-saving strategies, such as using star-rated, energy-efficient appliances and equipment, resulting in measurable reduction in electricity consumption and as a result, Scope 2 emissions.

To further strengthen our commitment to environmental stewardship, we have also digitized several operational workflows. Key initiatives include the use of e-office file management systems, and electronic dissemination of audited financial statements, shareholder communications, and regulatory circulars—reducing paper use and promoting a more sustainable workplace culture.

In a significant step toward low-emission mobility, PFC has transitioned its more than 40% commercial vehicle fleet to electric vehicles (EVs), further reducing Scope 1 emissions. As a result of these measures, we have been able to reduce our GHG emissions intensity from 0.03 TCO2e in FY24 to 0.02 TCO2e in FY25.



E-Vehicle Initiative: Driving Sustainable Mobility



In a bold step towards environmental sustainability, Power Finance Corporation launched its official electric vehicle fleet in FY25, marking a key milestone in its commitment to a low carbon future. The fleet flag off ceremony, held at PFC's headquarters, was led by Smt. Parminder Chopra, CMD, and Shri Manoj Sharma, Director (commercial), reflecting the top leaderships

dedication to climate conscious operation.

As part of this initiative, PFC introduced 24 electric vehicles into its operational fleet. The transition to EVs is expected to significantly reduce tailpipe emission, aligning with the organization's broader sustainability goals and India's push for cleaner transportation solutions.

Impact of the initiative



Promote awareness and adoption of EVs within the power sector ecosystem.



65.1 Tonnes of CO2 emissions avoided annually.



Equivalent to the amount of CO2 absorbed by 2,714 trees in a year.



Waste management

Effective waste management is a vital part of our sustainability efforts. We are committed to minimizing waste generation from our operations, encouraging recycling, and ensuring responsible

waste disposal practices to reduce our environmental footprint. Our waste management practices focus on continuous improvement and resource efficiency.



Paperless Office Transformation

- PFC is actively promoting E-office systems and digital workflows to significantly reduce paper usage across departments.
- Internal file movement is now conducted through online systems, streamlining operations and reducing physical paperwork.



Plastic Reduction Measures

- PFC is committed to minimizing plastic usage within its office spaces.
- Eco-friendly alternatives such as jute bags, cloth bags, and paper folders are being actively promoted among employees and visitors.



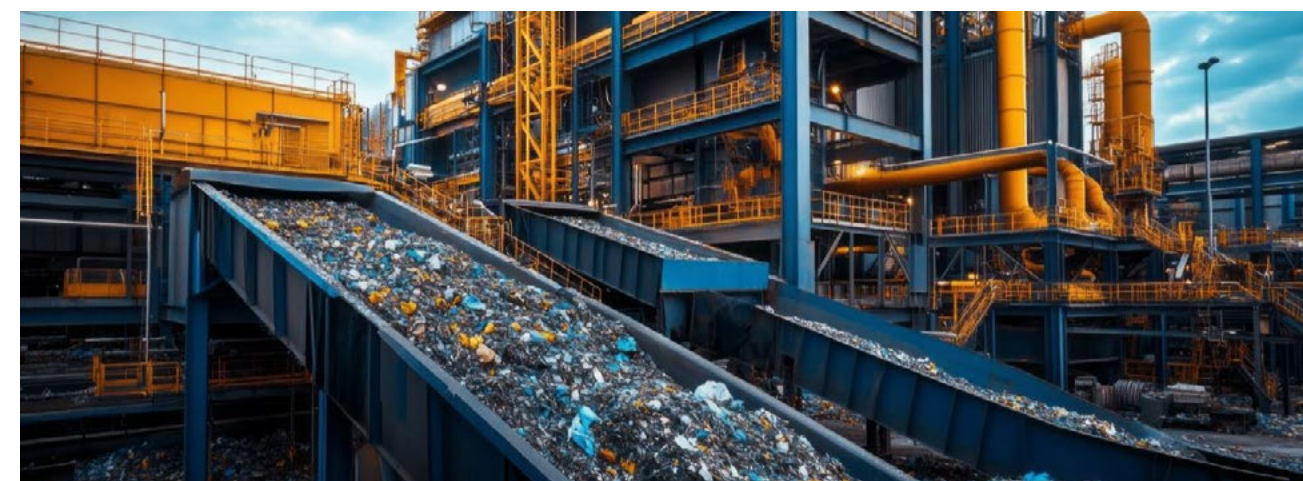
Organic Waste Composting

- PFC has installed a 50 kg capacity composting machine on its premises.
- This machine converts up to 90% of organic waste into compost within 24 hours.
- The generated compost is used for plantation and landscaping within the office premises, supporting green cover enhancement.



E-Waste Management

- PFC ensures the safe disposal of outdated IT hardware through authorized recycling partners under Central Pollution Control Board, Government of India & State Pollution Control Committee/ Board after following due process as per norms
- Devices are refurbished and reused wherever feasible before being responsibly discarded, reducing electronic waste.



Greening Rural Power:

PFC's financing support for solarizing agricultural sector in Maharashtra

Introduction:

India's agriculture sector accounts for nearly 18% of total electricity consumption, with rural areas often facing challenges like unreliable daytime power supply and dependence on fossil-fuel-based solutions. These inefficiencies impact both productivity and sustainability in farming operations.

Recognizing this challenge and the opportunity it presents for accelerating India's solar ambitions, the Government of Maharashtra launched the Mukhyamantri Saur Krushi Vahini Yojana (MSKVY) to promote the solarization of agricultural feeders. This initiative is designed to reduce dependence on conventional power, ensure consistent daytime

electricity for farmers, and enhance rural energy access. MSKVY also encourages decentralized solar planning at the district level, helping minimize transmission losses and promote local energy resilience.

PFC is providing term loans to projects being implemented under the MSKVY scheme. In FY 2024-25, PFC has sanctioned financial assistance of ₹ 3,805 crores to six Special Purpose Vehicles (SPVs) implementing approximately 1.13 GW under this scheme at a total estimated cost of ₹ 5,144 crores, out of which PFC has disbursed ₹ 885 crores during the financial year. For project financed, it will enable around 1.25 GW of solar capacity and mitigate approximately 1.75 million tons of CO2 emissions.

Project Impact/Outcome:

1

Feeder Solarization Target

Aims to solarize 30% of agricultural feeders by 2025, enhancing energy sustainability in rural Maharashtra.



2

Employment Generation

Estimated creation of around 2,500 direct and indirect job opportunities, supporting local economic development.



3

Agriculture Upliftment

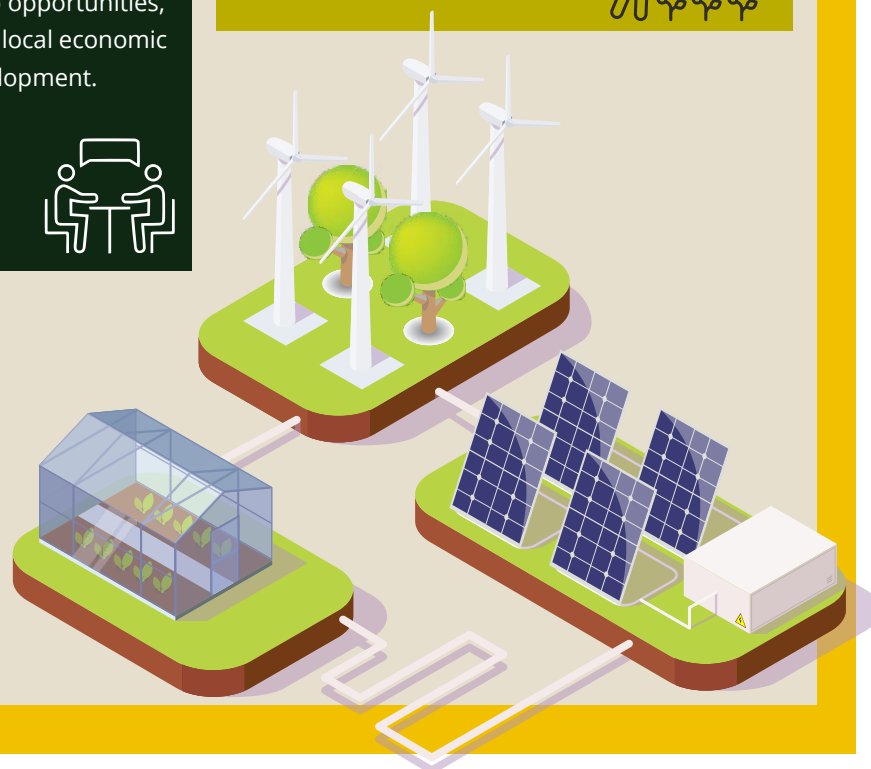
Ensures reliable power supply to boost agricultural productivity and improve rural livelihoods.



4

Household Benefits

Approximately 425,000 rural households are expected to benefit through improved energy access and reliability.



Financing a circular water economy: PFC's support to STP Infrastructure

Introduction:

Sewage Treatment Plants (STPs) are a cornerstone of sustainable urban infrastructure, playing a vital role in safeguarding India's water resources and environmental health. With rapid urbanization, India now produces over 72,000 million litres (MLD) of sewage daily, while the country's treatment capacity stands at only about 31,841 MLD—highlighting a significant gap in wastewater management.

This imbalance contributes significantly to water pollution in rivers and groundwater, threatening ecosystems, public health, and livelihoods. Strengthening sewage treatment infrastructure is therefore essential—not only to reduce pollution, but also to support water recycling and the reuse of treated water in agriculture, industry, and non-potable

urban applications—thereby promoting a circular water economy.

Furthermore, STPs support India's commitment to UN Sustainable Development Goal No. 6 (Clean Water and Sanitation) and contribute to broader objectives such as climate resilience, sustainable urban development, and improved public health. By financing STPs, PFC is actively enabling the development of climate-smart, resilient infrastructure that underpins long-term environmental and social sustainability.



Project Highlights:

Project Financing



PFC has sanctioned ₹164 crore as the sole lender for setting up five STPs with a total capacity of 480.5 MLD across Hyderabad, Telangana.

Technology and Scope



The STPs will use Sequential Batch Reactor (SBR) technology and include 15 years of operation and maintenance at various locations.

Environmental Impact



The project will treat sewage collected from catchment areas before discharging into the Musi River, producing recyclable-quality water for industrial and agricultural use.

Project Impact/Outcome:

Urban Sewage Challenge

Hyderabad generates 1,650 MLD of sewage, but with only 772 MLD of treatment capacity, 878 MLD remains untreated—much of it polluting the Musi River.

Project Vision & Environmental Goal

The STP initiative aims to treat sewage with minimal chemical use before discharge, significantly reducing river pollution and enhancing water quality.

Local Development & Employment

The project is expected to create jobs and support social development by engaging the local workforce in construction, operations, and maintenance.

Public-Private Synergy for Sustainability

The initiative encourages industry-government collaboration to reduce pollution and promote the reuse of treated water for industrial and construction purposes.



Modernizing power distribution through smart metering implementation

In 2021, the Government of India launched the Revamped Distribution Sector Scheme (RDSS), an important initiative aimed at improving the financial viability and operational efficiency of power distribution companies (DISCOMs). A key component of RDSS is the nationwide rollout of 250 million smart prepaid electricity meters, replacing conventional meters to enhance billing accuracy, reduce losses, and empower consumers.

PFC is the nodal agency for RDSS.

As of June 2025, over 30 million smart meters have been installed nationwide. Of these, 5+ million meters are already operational in prepaid mode, enabling consumers to manage their electricity usage more efficiently.

Leading states in terms of deployment include Assam, Bihar, Haryana, Madhya Pradesh, Rajasthan, and Uttar Pradesh, showcasing strong momentum in adoption.

Project Highlights

Environment and Energy



- **Energy Conservation:** Real-time consumption data helps users identify inefficiencies and adopt energy-saving practices.
- **Demand Side Management:** Enables load balancing, peak demand shifting, and integration of renewable energy sources.
- **Customized Tariffs:** 15-minute interval data supports Time-of-Use (ToU) pricing, encouraging off-peak usage and reducing emissions.
- **Carbon Footprint Reduction:** Optimized energy use and net metering reduce excess generation and support Decentralized Renewable Energy (DRE) integration.
- **Automation Benefits:** Remote meter reading, billing, fault detection, and reconnections reduce manual interventions.

Social

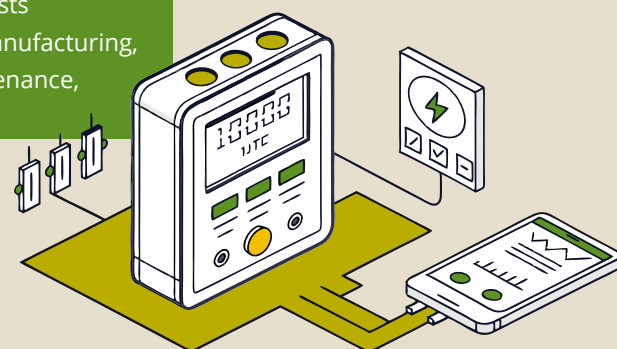


- **Consumer Empowerment:** Detailed usage data enables informed decisions and builds trust in billing accuracy.
- **Ease of Access:** Mobile apps and portals allow remote tracking and "pay-as-you-use" flexibility.
- **Reliability & Safety:** Rapid outage detection improves service reliability, especially during emergencies.
- **Targeted Benefits:** Accurate consumption data ensures fair subsidy distribution and identifies households needing support.
- **Job Creation:** Boosts employment in manufacturing, installation, maintenance, and data analytics.

Governance



- **Data Transparency:** Precise usage data aids national energy monitoring and policy-making.
- **Regulatory Compliance:** Automated reporting simplifies adherence to energy standards.
- **Cybersecurity & Data Protection:** Encryption and protocols safeguard consumer data and grid integrity.
- **Planning & Risk Management:** Real-time data supports long-term energy planning and preventive maintenance.



Project Impacts

Estimated saving of 75 MU & Rs 60 Cr annually in Assam's Govt. offices based on assessment of disconnections in 10,000 Govt offices using Prepaid Smart Meters



Smart meter coverage rose from 11.7% in 2021-22 to substantial levels by 2023-24, improving collections and billing transparency in Bihar (SBPDCL)



20+ lakh meters installed, in Assam leading to a 17% drop in consumption and ₹200 Cr savings in 6 months.



Smart meters installation was leveraged by MP West Discom to enable 6.57 lakh remote disconnections and reconnections and achieved over 98% billing accuracy



PILLAR II - PROMOTING THE PATHWAY TOWARDS INCLUSIVE SOCIETY



At PFC, we recognize that our people are the cornerstone for sustainable growth and long-term value creation. At the heart of our organization is a commitment to cultivate an inclusive, supportive, and growth-oriented workplace- one that promotes professional development, well-being and equal opportunities for all. Through employee engagement and a culture rooted in trust and empowerment, we strive to enable every individual to thrive and contribute meaningfully.

Material Topics	Employee Engagement	Diversity and Inclusion	Employee Health and Positive Work Environment
	Participating in Community Development	Transparent and Responsible Procurement	Customer Experience and Customer Satisfaction

Highlights

Attrition Rate 0.73% 	Diversity & Inclusion 22% Female Employees 	Total training in person days 1921 	Gender pay gap 0 Pay gap at all Grade Levels
Return to work from maternity leave 100% 	Profit per employee 31.6 Crores 	Total disbursed amount for CSR in FY 2025 244 Crores 	

Introduction

Extending beyond the boundaries of our organization, PFC's commitment to progress also embraces the communities we serve. As a responsible public sector enterprise, we integrate social impact into our operations through focused CSR initiatives and inclusive procurement practices. These efforts aim to uplift underrepresented groups, improve access to essential services related to societal wellbeing and foster long term resilience.

Together, our people centric approach – both within and beyond the organization – reflects PFC's beliefs that sustainable development begins with empowering individuals and extends to creating lasting value for society at large.

This section outlines our initiatives and a brief overview of our employee practices, community development, CSR activities, and procurement practices, aligned with our vision of empowering people and supporting inclusive social progress.

ESG Progress FY25

Launched an online employee grievance redressal portal
Attrition rate continues to remain low at 0.73% in FY25
Introduced Equal Opportunity policy
50% women in new hires



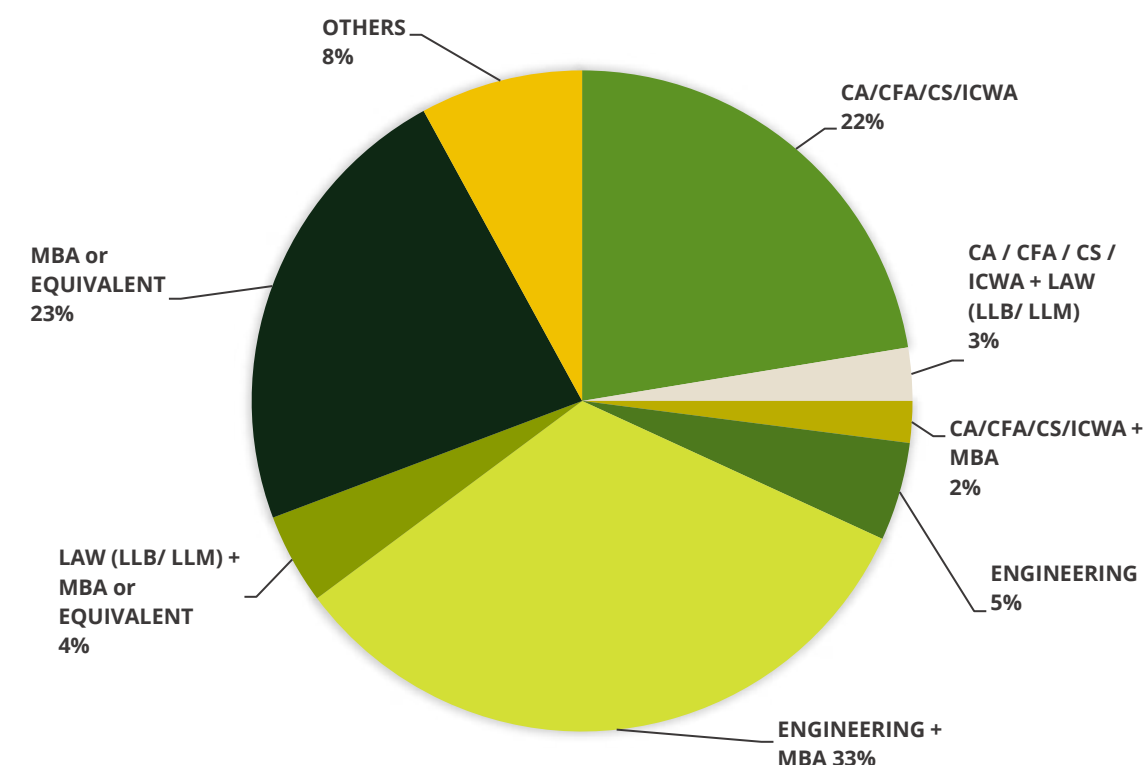
Employee Overview And Inclusive Work Culture

As a nodal institution supporting India's energy transition, PFC remains committed to fostering a diverse, inclusive, future-ready, and actively engaged workforce that plays a pivotal role in long-term value creation. Our employee profile reflects continuity and reliability, supported by a strong emphasis on diversity, well-being, and continuous professional development.

As of FY2024-25, the organization had 540 permanent employees, with 22% women in the workforce. In addition to the permanent employees, 215 personnel have been engaged to provide support and peripheral services at PFC Ltd. through an outsourced agency, which manages all compliance, payroll, and related administrative functions. We are happy to share that the attrition rate continues to be below 1% (0.73% in FY25), underscoring high levels of employee retention and satisfaction. 50% female representation among new

hires this year highlights our dedication to building a gender- diverse and representative workplace. Over the past year, we strengthened our focus on employee empowerment and organizational culture through a range of initiatives—including the expansion of ESG-focused training modules, strengthening of grievance redressal systems by introducing a dedicated online portal, and reinforcement of ethical conduct and governance frameworks.

PFC's workforce comprises a diverse pool of professionals with qualifications spanning management, engineering, finance, accountancy, law, and IT—reflecting the Corporation's commitment to multidisciplinary expertise. Our recruitment practices are merit-based, and we continue to onboard talent through campus hiring from premier institutions, ensuring a high-caliber, future-ready talent base.



Diversity and Inclusion

Progress is truly meaningful when it is inclusive. Diversity, Equity, and Inclusion (DEI) are not treated as independent initiatives but are embedded in the very ethos of our organizational culture. We view DEI not as a

box to be checked, but as a foundation pillar for building a capable and empowered workforce that reflects the values of fairness, representation and equal opportunity.



At PFC, our commitment to sustainability extends beyond the workplace through impactful CSR initiatives that promote inclusive growth and sustainable development across India. Our initiatives focus on improving health & sanitation, environment sustainability, supporting education, and other areas aimed at enhancing the quality of life for society at large. Internally, we strive to create an inclusive and supportive workplace where diversity is embraced. This year, we introduced an Equal Opportunity Policy to ensure every employee feels respected, valued, and empowered to grow.

Manoj Sharma, Director (Commercial)

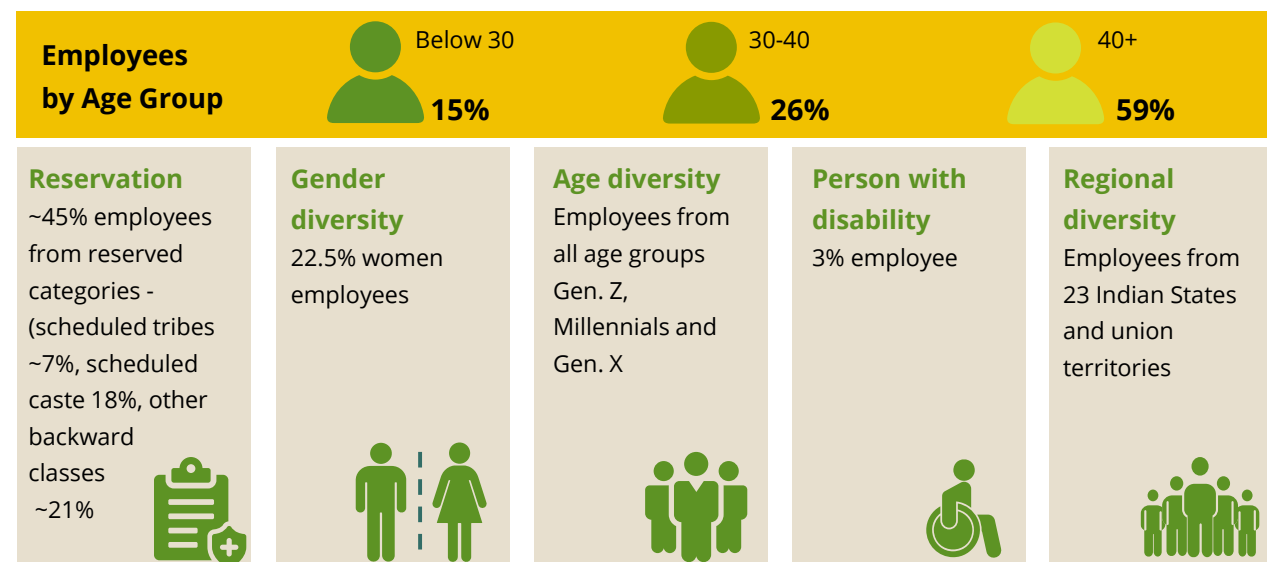
Guided by insights from our first ESG materiality assessment, PFC continues to evolve its people strategy through structured inclusion efforts, equitable access to learning and development opportunities and an enhanced focus on employee experience. These actions are designed to enable our workforce to lead with purpose as we support India's transition to a sustainable energy future.

Building on focus on Diversity and Inclusion, one of the identified material topics, this year PFC has introduced Equal Opportunity Policy in accordance with Rights of Persons with Disabilities Act, 2016. Our policy ensures a discrimination-free, accessible workplace, offer inclusive recruitment practices, and provide necessary support and benefits to foster the professional growth and well-being of employees with disabilities. The policy covers

all employees, irrespective of grade or location, and extends support to those who acquire disabilities during their tenure, reinforcing our dedication to inclusivity, dignity, and fair treatment at every stage.

Our permanent lean workforce brings together the energy and fresh ideas of younger employees with the experience and leadership of seasoned professionals. This diversity in age groups cultivates a balanced environment where innovation is nurtured, and institutional knowledge is preserved.

Ensuring external accountability is also integral to our approach. The measures undertaken to secure the representation of marginalized communities and their welfare in PFC are also examined by Parliamentary Committees and National Commissions from time to time, reinforcing transparency and credibility through independent oversight.



Ensuring Pay Parity

Our commitment to equitable treatment begins with how we value and compensate our people. We ensure equal remuneration to men and women employees in accordance with the Equal Remuneration Act, 1976 with no discrimination based on gender. Being a government undertaking, employee pay, and allowances are

determined according to guidelines issued by the Department of Public Enterprises (DPE), Ministry of Finance, Government of India. These pay guidelines are applicable to all CPSEs in a grade-wise manner without any gender-based disparities.

Human Rights

At PFC, we are committed to upholding human rights across all facets of our operations. We maintain a workplace rooted in equality, dignity, respect, and non-discrimination, guided by relevant national legislations and global best practices. Our approach focuses on safeguarding the rights of marginalized and underrepresented groups while fostering inclusivity, safety, and transparency. These structures

institutionalize the protection of employee rights and reflect our deep commitment to human rights, ensuring that every voice within the organization is heard, respected, and empowered.

To ensure the operationalization of our commitment, PFC has adopted key internal policies and mechanisms, including:

Equal Opportunity Policy:

This policy affirms our commitment to a fair and inclusive workplace by prohibiting discrimination based on religion, race, caste, gender, or place of origin. It promotes equal access to recruitment and career

advancement opportunities and ensures equal pay for equal work, in accordance with Government of India guidelines and the Equal Remuneration Act, 1976.

Promotion Policy Review



Transparent Evaluation Mechanism
Merit-based promotions anchored in performance and potential



Fair and Equitable Opportunities
All executives considered on objective, measurable criteria



Alignment with Company Needs
Promotions designed to meet PFC's evolving strategic goals



Consistent, Structured Review
Policy ensures consistency and clarity across all levels

Equal Opportunity Policy



Inclusive of Persons with Disabilities
In line with the Rights of Persons with Disabilities Act, 2016



Applicable to All Employees
Irrespective of grade, location, or pay scale



Comprehensive Coverage
Recruitment, training, working conditions, compensation, and career growth



Support for Acquired Disabilities
Equal rights and opportunities continue if disability occurs during service

Fair representation of marginalized sections:



To ensure adequate representation of marginalized sections, various safeguards, relaxations, and concessions are available for employees belonging to Scheduled Castes (SC), Scheduled Tribes (ST), Other Backward Classes (OBC) categories (socially and economically disadvantaged sections of society, as designated by the Government of India) and Persons with Disabilities.

The Economically Weaker Section (EWS) from the

general category is provided with a 10% reservation, in line with government guidelines. A Special Reservation Cell, aided by Liaison Officers, Recognized SC/ST/OBC Welfare Associations and an internal grievance redressal system address community-specific concern. Various selection committees for recruitment and promotion include representatives from SC/ST, OBC, minority and women. This further promote inclusion, equity, and effective resolution of employee issues.



Ensuring workplace safety and zero tolerance for Harassment:

PFC has implemented the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 across the organization. PFC has constituted an Internal Complaints Committee (ICC), chaired by senior women employees to address and resolve complaints related to sexual harassment at the workplace. To strengthen awareness, regular workshops are conducted, particularly for women

employees, to educate them about their rights, available support systems, and the provisions of the Act. Gender sensitization programmes are also organized for male employees. PFC adopts a zero-tolerance approach towards any form of harassment—sexual or otherwise. Any instance of misconduct is dealt with through appropriate disciplinary action. Through these efforts, the Corporation aims to ensure a safe, respectful, and responsive work environment for all.



Gender Sensitization Workshop



Gender Equity through Women Empowerment

We champion gender equity through inclusive leadership and equitable workplace practices. PFC is led by Ms. Parminder Chopra, the first woman to serve as Chairman and Managing Director, and one of the two female directors on our Board. Notably, PFC has the highest female workforce ratio among Maharatna PSUs, reflecting its commitment to inclusive and empowered workplace. We foster an exceptionally supportive environment for our women employees, where inclusivity, respect, and equal opportunity are deeply embedded in the organizational culture. For example, we maintain a zero gender pay gap across all grade level

employees and celebrate International Women's Day annually. Through progressive policies, leadership representation, and a commitment to gender parity, we ensure that women professionals thrive, contribute meaningfully, and ascend to leadership roles with confidence and dignity.

PFC also adheres to all the labour legislations enacted by the Indian Government, including laws pertaining to minimum wages, equal remuneration, child labour, contract labour, workers' compensation, maternity benefits, etc., affirming our commitment to uphold fair and lawful employment practices.



Performance Management

As part of our nurturing work culture that prioritizes employee development and accountability, PFC has a well-structured and transparent performance management system in place. The framework is designed to promote transparency, recognize achievements, and provide constructive feedback—reinforcing a culture of continuous improvement.

100% of our workforce actively participates in regular performance and career development reviews. Our

three-tier annual appraisal process facilitates recognition of individual contributions, supports career development, and encourage a culture of continuous learning and improvement.

PFC has a dedicated Promotion Policy in place which enables a transparent assessment mechanism to ensure fair, equitable and merit-based promotion to executives which is consistent with their performance, potential and requirements of the Company.

100% workforce participation in performance management

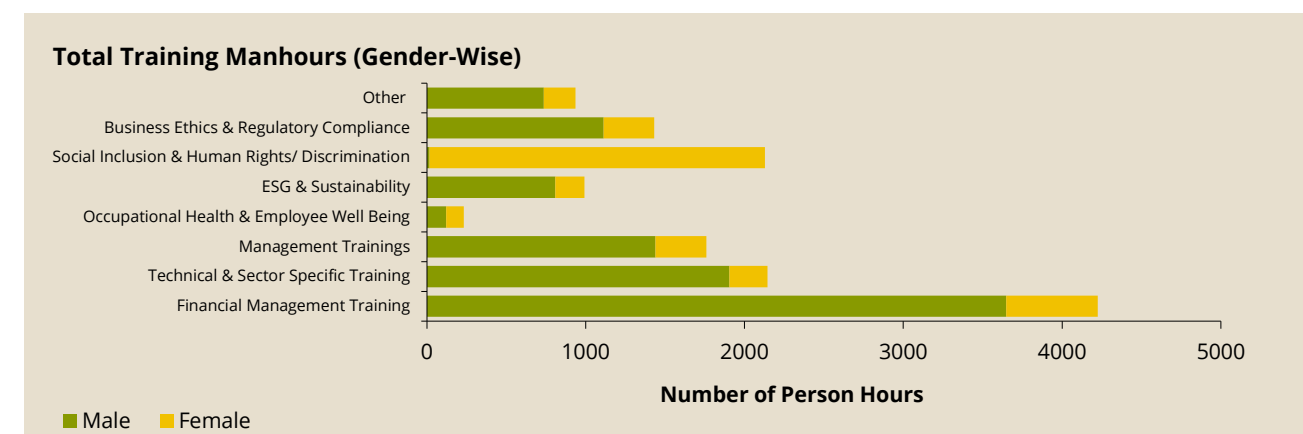
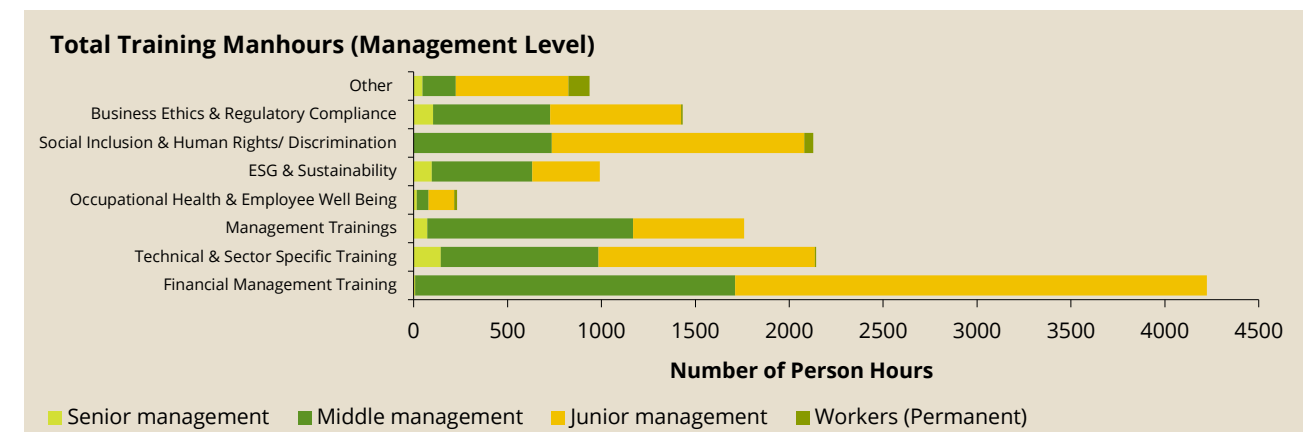


Training And Capacity Development

At PFC, we recognize that developing human capital is central to building a future-ready, resilient organization. At the heart of our capacity-building efforts lies a belief that talent must be continuously nurtured, challenged, and empowered to meet the evolving demands of a rapidly transforming energy landscape. Anchored in this vision, our training philosophy extend beyond routine skill-building to focus on leadership development, adaptability, and sectoral insight that align with the organization's long-term strategic direction.

In FY 2024-25, 15,368 person-hours of training were delivered across a broad set of thematic areas, spanning technical, managerial, and ESG domains. Key programs included:

- General Management and Pre-Promotion Programs
- ESG and Materiality Assessment Workshops
- Strategic Communication and Team Building Skills
- Cybersecurity and Incident Response Training
- Infrastructure Project Planning, Monitoring, and Evaluation
- Procurement Policy Training



Newly inducted executives participated in a structured three-week induction program at National Power Training Institute (NPTI), while mid-level professionals

were supported through General Management Programs designed to prepare them for higher responsibilities.



We also focused on enhancing organizational awareness around sustainability and governance. Multiple sessions were organized on ESG and materiality assessment, reinforcing our employees' capacity to engage with evolving disclosure standards and sustainability risks. Also, an ESG awareness session was delivered to all the new joiners as part of the induction programme. Additionally, targeted training was conducted on cybersecurity and incident response, reflecting the growing importance of digital resilience in our operations.

Our collaboration with premier institutions like IIM Lucknow further enriched learning experiences in areas such as strategic communication, leadership development, and team effectiveness. Employees were

also encouraged to participate in external workshops and seminars by organizations such as the Central Electricity Authority (CEA), Department of Economic Affairs (DEA), and Department of Public Enterprises (DPE), ensuring continued exposure to sectoral best practices.

Furthermore, to promote continuous self-development, a policy supporting enrolment in certified e-learning programs was introduced, enabling flexible, personalized learning through leading digital platforms. By embedding continuous learning into our culture, we are nurturing a workforce that is agile, well-informed, future-ready and empowered to lead responsibly in an increasingly complex and sustainability-focused operating environment.

Empowering Our Workforce in Infrastructure Project Appraisal

PFC partnered with Arun Jaitley National Institute of Financial Management (AJNIFM). The objective was to provide capacity building in Infrastructure Project Appraisal from industry experts and academia.

Empowering Our Workforce in Infrastructure Project Appraisal

Sponsored and provided employees the flexibility to learn at their own pace from reputed E-learning platforms resulting in the development of skilled professionals and improved project appraisal capabilities within PFC's infrastructure domain.



Employee engagement

At PFC, employee well-being extends beyond physical health to encompass emotional connection, creative expression, and a sense of belonging. Our engagement efforts aim to promote a vibrant, inclusive workplace where employees feel valued, motivated, and meaningfully connected to the organization's purpose.

Throughout the year, a wide array of activities is

organized to strengthen interpersonal bonds, promote team spirit, and enhance overall morale. From family picnics and inter-departmental sports tournaments to poetry recitations, theatre performances, and festive celebrations, these engagements bring together employees and their families, encouraging expression and camaraderie.



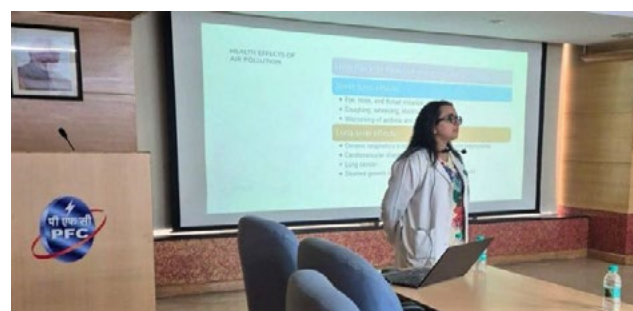
Diwali Celebrations FY 25



New Year Celebration's FY 25



Ethics Workshop FY 25



Health and Safety Workshop FY 25

Annual occasions such as Diwali, New Year, and Foundation Day are celebrated within the office, strengthening cultural unity and camaraderie. Foundation Day, in particular, features employee-led cultural performances and recognition of meritorious employees' children —highlighting our commitment to extended family support. In addition, employees actively participate in sports events conducted both internally and by the Power Sports Control Board (PSCB), reinforcing the spirit of healthy competition and teamwork.



National Sports Day Celebration

PFC celebrated National Sports Day by honoring Major Dhyan Chand's legacy, promoting employee wellness and unity through the Fit India Fitness Pledge.



Swachhata Hi Seva Campaign 2024

Nationwide Swachhata Hi Seva Campaign themed "Swabhay, Swachhata Sanskaar", spearheaded by PFC.



28th Inter CPSU Bridge Tournament

PFC hosted the 28th Inter-CPSU Bridge Tournament in New Delhi, featuring ten power sector PSUs and debut women's teams, with NHPC, DVC, SJVNL, and MoP emerging as winners in team and pair events.



Inter-CPSU Sports Participation

118 PFC employees participated in nine inter-CPSU sports events in FY 2024–25, with the women's team securing 2nd in Carrom and 3rd in Table Tennis tournaments.

To further enhance internal communication, collaboration, and continuous learning, PFC has developed an internal platform—PEEPAL (Portal for Enhancing Engagement and Promoting Awareness and Learning). The portal serves as a hub for sharing knowledge across departments and fostering a culture



Employee Associations and Groups

Employee associations serve as a vital platform for collective representation, enabling open dialogue on workplace matters, employee welfare and mutual understanding between staff and management. These bodies are often formed to ensure that the interests of employees are voiced and addressed in a structured and collaborative manner. Within PFC, two recognized

of openness and inclusion.

Regular cross-functional knowledge-sharing sessions are organized under this initiative, aimed at strengthening interpersonal connections, promoting institutional learning, and encouraging a sense of shared purpose among employees.



Employee Wellbeing and workplace safety

PFC remains committed to having a workplace where the safety, health, and well-being of all employees and workers are safeguarded through robust systems and proactive practices. We have implemented an Occupational Health and Safety Management System aligned with ISO 45001:2018 standards. This is supplemented by annual training sessions and regular safety drills designed to foster awareness and ensure preparedness across its offices.

Our health and safety efforts encompass a wide range of initiatives, including annual fire safety drills, routine evacuation exercises, and infrastructure-based solutions such as fire alarms, smoke detectors, and surveillance systems.

PFC also ensures preventive health support through routine health check-ups, wellness workshops, and a dedicated medical consultation room at the corporate office. The Corporation's office features a dedicated doctor's room where specialists in Allopathy, Ayurveda, Gynecology, Homeopathy, and Naturopathy are available during working hours. Additionally, daily virtual yoga sessions and stress management workshops reinforce mental well-being.

Further advancing our wellness initiatives, PFC established a Wellness Centre within the office premises in March 2024. This facility is equipped with first-aid support, basic diagnostic tools, and full-time nursing services to address the preliminary medical needs of employees, reaffirming our focus on workplace safety.

In FY 2024–25, over 232 person hours of training were received on health and safety measures.



Zero work-related injuries or fatalities

Zero Lost Time Injury Frequency Rate (LTIFR)

were reported during FY 24-25



Employee Benefits

Regular Health Check-ups

Routine health assessments to monitor and maintain employees' health



Onsite Medical Facilities

Immediate access to healthcare service within the workplace



Gymnasium

Encouragement of physical fitness through on-site gym facilities



Yoga programs

Promotion of mental relaxation and stress relief through yoga sessions



Health Camps

Organizational of specialized medical services and wellness activities for employees





Employee benefits

At PFC, we are dedicated to fostering a supporting workplace environment that prioritizes employee well-being at its core. Through a holistic approach, we ensure that our people have access to a comprehensive suite of benefits and resources that support their physical, mental, and emotional health. From wellness initiatives and mental health support to professional development and work-life balance programs, our aim is to create an environment where employees can thrive in every aspect of their lives.

Our employee benefits framework is designed to offer both social and economic protection, addressing essential aspects such as healthcare, family support, post-retirement benefits and financial empowerment.

Health benefits are extended to employees, their dependents and retirees, while flexible work options promote better balance between professional and personal responsibilities. A paperless system of medical claims reimbursement has been implemented to ensure quicker and hassle-free processing.

Complementing these offerings, PFC also extends comprehensive insurance coverage to safeguard employees and their families against unforeseen health and life related risks, reinforcing our commitment to long term happiness and security. These benefits reflect PFC's holistic approach to employee care - supporting our people not just at work, but throughout the various stages of their personal and professional journey.

Health & Wellness



Health Benefits: Medical benefits are extended to employees, their families, and retirees under Post-Retirement Medical Facilities.



Mental Wellness & Flexi-Timing: Flexible working hours introduced across the organization support reduced stress and improved productivity.

Family Support



Parental Leave: For its female employees, PFC offers maternity leaves as per statute. Although there is no statute on paternity leave in India, PFC's male employees are entitled to receive 15 days of paternity leave to be availed at the onset of parenthood. We also offer childcare leave to all female employees to support them in balancing work and family responsibilities.



Death Relief Scheme: In the unfortunate event of death or permanent total disablement causing separation from service before retirement, we offer an Economic Rehabilitation Scheme to compensate for the loss of pay till the normal notional date of superannuation. We offer financial support to the family of a deceased employee, covering body transportation and customary rituals. Upon an employee's death, ₹4,000 is deducted from each member employee's salary, and the total amount, along with a double contribution from the Corporation, is given to the nominee.

Financial Security



Social Security and Employee Insurance: We ensure full compliance with the social security legislations, including Provident Fund, Gratuity, and the NPS (National Pension System). To further support our employees and their families, we offer comprehensive insurance coverage that includes life, accident, and financial protection benefits. These measures are designed to provide long - term security and peace of mind throughout their tenure with us.



Other Defined Retirement Benefits: Inclusive of Post-Retirement Medical and financial schemes.

Additional Benefits



Loans at Concessional Rates: To encourage the adoption of Electric Vehicles, we offer loans at lower interest rates to our employees for the purchase of electric and hybrid vehicles.

Transparent And Responsible Procurement

In alignment with the Public Procurement Policy of the Ministry of MSME, the Corporation actively supports the participation of Micro, Small and Medium Enterprises (MSMEs) by extending benefits such as exemption from tender fees and earnest money deposits, purchase preferences, interest on delayed payments, and exemptions from prior experience and turnover criteria, provided they meet the quality and technical specifications.



Total Procurement
INR 65.5
Crore



Procurement from MSMEs
INR 27.6
Crore



MSME Contribution
~42%
Of total procurement

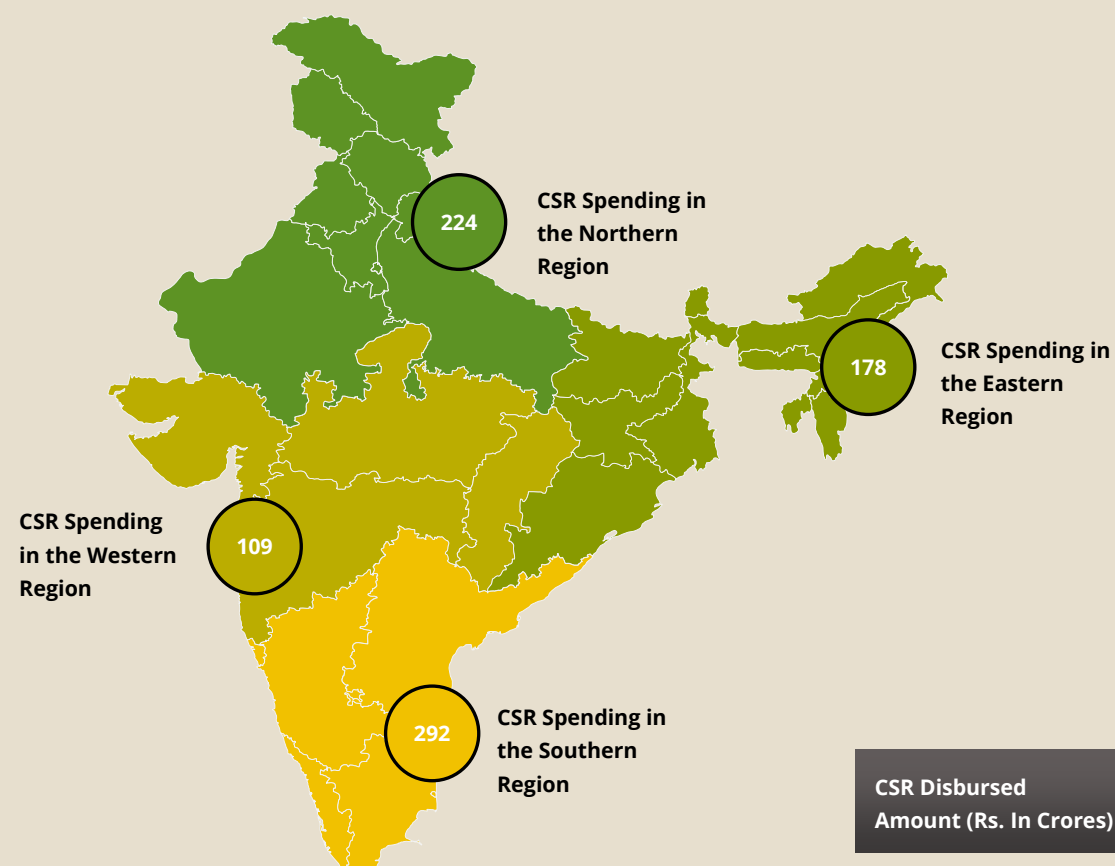
PFC also ensures efficient, transparent, and ecofriendly procurement practices by utilizing the Government of India's online procurement platform, the Government e-Marketplace (GEM). Our approach empowers underrepresented groups, encourages entrepreneurship, and fosters inclusive economic growth.

Community Engagement And CSR Initiatives

We have continued to execute transformative initiatives to uplift society, promote health and hygiene, support employee wellness, and contribute to the national development agenda through our CSR initiatives. In FY 2024-25, our initiatives have focused on grassroots impact, institutional partnerships, and inclusive employee engagement. Cumulatively till date, PFC has sanctioned Rs 1966 Crore and Disbursed Rs 1683 Crore towards CSR.

Major Sectors	Sanctioned Amount (INR Crores)	Disbursed Amount (INR Crores)	Cumulative Sanctioned Amount (INR Crores)	Cumulative Disbursed Amount (INR Crores)
	FY 2025		Till Date	
1 Renewable Energy and Energy Efficient and Environment-friendly Technologies	9	8	182	162
2 Sanitation & Provision of Safe Drinking Water	166	193	599	618
3 Skill Development & Livelihood	9	1	184	148
4 Education	42	11	173	99
5 Health and Activities related to Persons with Disabilities (PwDs)	53	47	576	463
6 Others	22	12	252	193
Total	301	272	1966	1683

PFC's CSR spending across India till FY 25



In addition to the above, PFC has made significant contributions towards national development initiatives, The key initiatives include :

- ₹302 crore to the PM CARES Fund*;
- ₹ 372 crore to the Swachh Bharat Kosh#;
- ₹157 crore for multiple skill development programs across the country;

*A public charitable trust set up in 2020 to support emergency relief efforts like COVID-19, funded by voluntary donations.

#A fund created in 2014 to support sanitation and hygiene initiatives on mission mode, especially through CSR contributions.

Our CSR initiatives cover diverse, high-impact social development areas like healthcare, sanitation, rural electrification, education, and disaster relief. Notable initiatives for FY 25 include installation of rooftop solar power units in rural health centres across Bihar, construction of over 200 Anganwadi centers* in Punjab, distribution of over 3,000 motorized tricycles for differently abled persons in 10 states, funding mobile cancer detection vans in West Bengal, commissioning a 100-bed multispecialty hospital in tribal Maharashtra, among others. These projects are designed to align with

India's national development goals and reflect PFC's commitment to inclusive development, thereby creating long-term, measurable societal value.

Driven by the Government of India's annual CSR theme of 'Health and Nutrition' for FY 2024-25, our CSR expenditure was strategically deployed to improve health care services and promote societal well-being across diverse geographies. Some select case studies highlighting our community development initiative and the impact achieved is provided herewith.

*Anganwadi centres are rural childcare and mother care centres established by the Government of India. Their primary aim is to combat child hunger and malnutrition, while also supporting early childhood education and maternal health



1. Powering critical services



In Bihar's Jhanjharpur Parliamentary Constituency, PFC funded the installation of 30 kW off-grid solar power plants at three sub-divisional health centres. This initiative has ensured continuous power for critical services like vaccine storage, diagnostics, and emergency care—enhancing healthcare delivery for the local population.

Problem Statement



Health Centers in Jhanjharpur, Madhubani lacked reliable electricity, affecting healthcare delivery

Achievement Implemented



Installed 30kW SPV systems in 3 sub-divisional health centers

Impact



Ensured uninterrupted power supply, improving healthcare services and patient outcomes in rural Bihar



2. Supporting grassroots mechanisms delivering public health and early education services



In Ferozepur, Punjab, PFC is supporting the **construction of 200 Anganwadi centers** to enhance early childhood education, maternal care, and nutrition services. This initiative will directly benefit over 8,400 children and 1,400 pregnant and nursing mothers, creating long-term impact in one of India's border districts.

Problem Statement



Inadequate infrastructure for Anganwadi centers in Ferozepur district

Expected Outcome



Construction of 200 Anganwadi centers with necessary facilities

Probable Impact



Improved early childhood education and nutrition services for children and mothers



3. Enabling water recycling for non-potable uses



At SGGGS Vidya Kender in Chattarpur, Delhi, PFC supported the installation of a Sewage Treatment Plant (STP) to address water scarcity and untreated wastewater risks. This initiative has improved hygiene for 250 residents, enabled water recycling for non-potable uses, and promoted long-term environmental and economic sustainability.

Problem Statement



Lack of sewage treatment facilities at SGGGS Vidya Kender

Achievement Implemented



Installation and commissioning of a Sewage Treatment Plant (STP)

Impact



Improved sanitation and environmental sustainability within the school premises



4. Creating sustainable income sources to empower women



In Aurangabad, Maharashtra, PFC supported a transformative project targeting women from SC/ST/OBC/EWS backgrounds in the blocks of Kannad, Gangapur, and Khultabad. These women, often marginal farmers or seasonal migrants faced limited livelihood options. The project addressed this by establishing 500 Oyster Mushroom Cultivation sheds, providing training, technical support, and market linkages. This initiative not only created sustainable income but also strengthened local institutions and reduced distress migration, fostering long-term socio-economic resilience.

Problem Statement



Limited livelihood opportunities for women in Aurangabad

Expected Outcome



Training and support for 500 women in oyster mushroom cultivation, marketing, and branding

Probable Impact



Empowered women economically, promoted entrepreneurship, and enhanced household incomes

PILLAR III – PURSUING PRUDENCE

At PFC, we are committed to maintaining the highest levels of business ethics and corporate governance across all areas of business, to support our long-term growth.

Material Topics

Financial Performance	Enterprise Risk Management	Reporting and Disclosures	Corporate Governance and Business Ethics	Data Security and Data Privacy
Digitization of Business Processes	Code of Conduct	Regulatory and Legal	Compliance	Grievance Redressal Mechanism

Highlights

2 Women in the Board of Directors	50% Independent Directors in the Board of Directors	293 person-days Invested in Vigilance training programs FY25	9 Board level committees
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Introduction

As a Maharatna CPSE and India's largest NBFC, PFC upholds the highest standards of prudence, transparency, and accountability in all aspects of its operations. By embedding strong governance practices and robust risk mitigation frameworks across our functions, we strive to foster stakeholder confidence and ensure long term value creation. This approach reinforces our commitment to responsible growth and positions PFC as a resilient and trusted financial institution in India's evolving energy landscape.

Our operations are guided by a strong governance ethos that ensures responsible conduct, compliance and sound decision making across all levels. As a publicly listed company, we adhere to a comprehensive framework of corporate governance policies such as the Companies Act, 2013, SEBI's Listing Obligations & Disclosure Requirements Regulations, RBI guidelines, Government Guidelines issued by Department of Public Enterprises (DPE) etc.

Given this context, this chapter outlines the various governance policies and procedural framework that reflect PFC's commitment to ethical business conduct, accountability and transparency across all spheres of our operation.

ESG Progress FY25

3 online Grievance Redressal portals operationalized
Currently, Full Board composition in compliance with SEBI Regulations



Philosophy of Corporate Governance

PFC's corporate governance philosophy is based on three core principles

Executive Freedom

Executive freedom for management to drive the enterprise forward for sustainable growth without undue restraints.



Accountability

The freedom of management should be exercised within the framework of regulatory environment and effective accountability.

Assurance

Independent and objective assurance of the overall effectiveness of the controls.

Building on this philosophy, PFC has instituted a robust governance structure designed to translate its guiding principles into action. This structure ensures a clear delineation of roles, strategic oversight, and informed decision making at all levels of the organization.

Through a balanced composition of leadership and dedicated board committees, PFC's governance framework supports long term organizational resilience, reinforces internal responsibility, and ensures alignment of business functions with regulatory expectations.



Governance Structure

PFC has instituted a comprehensive oversight framework that underlines responsible leadership, effective oversight and informed stewardship. The organization adheres to a multi-layered compliance system rooted in statutory provisions such as the Companies Act, 2013, SEBI's Listing Regulations, RBI directives, and guidelines from the Department of Public Enterprises (DPE). These external mandates are further supported by PFC's internal policies, procedural codes, and ethical standards.

The Board of Directors at PFC comprises seasoned professionals, including a Chairperson & Managing Director, executive directors, an official nominee from the Government of India, and independent directors. The Board operates as a collective decision-making body

and delegates specific functions to expert committees, which provide focused oversight on matters such as audit, investment decisions, human resources, and enterprise risk management. Board meetings and meetings of the board level committees are held at regular intervals.

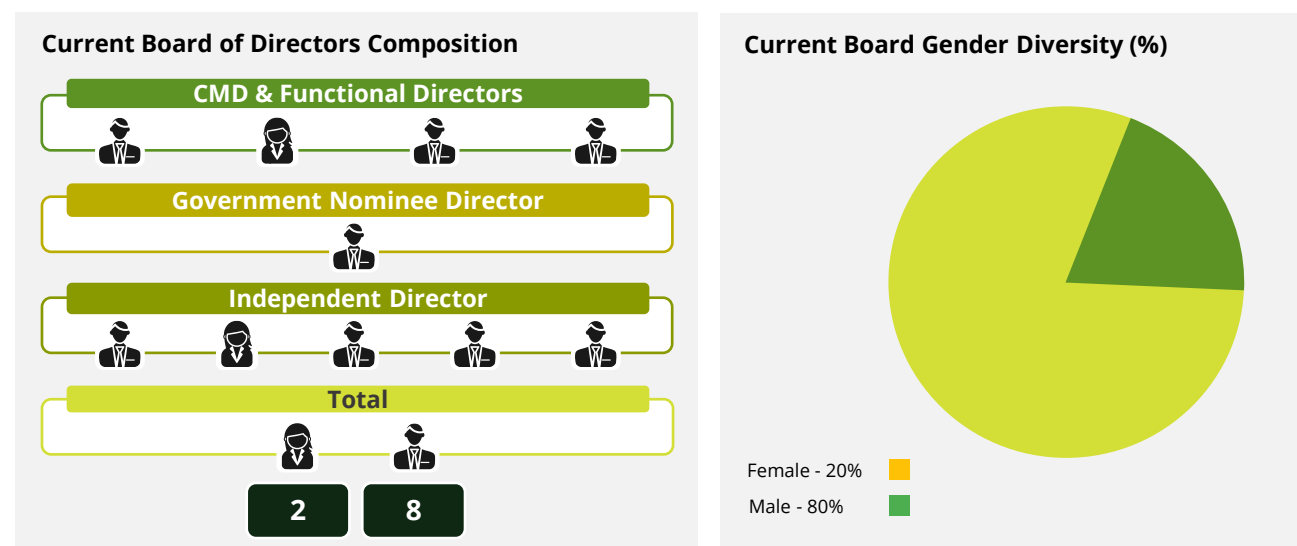
This governance model promotes informed deliberation, clear accountability, and a culture of integrity across the organization. By embedding effective controls and fostering a values-driven culture, PFC ensures operational transparency and consistency in performance. The corporation's structured governance approach strengthens its reputation as a reliable financier supporting India's evolving energy landscape.



Board of Directors

The Board of Directors at PFC comprises a diverse and experienced group of professionals bringing together a balanced mix of strategic insight, sectoral expertise, and leadership capabilities. Collectively, the Board possesses deep knowledge in areas such as finance, power sector

operations, policy and regulation, risk oversight, and corporate governance—ensuring well-rounded guidance and effective oversight of the organization's vision and priorities.



Experience/Expertise of the Board of Directors



In accordance with Article 86 of PFC's Articles of Association (AoA), the directors on PFC's board are appointed by the President of India through the Ministry of Power, Government of India.

Functional Directors are appointed by the Public Enterprises Selection Board (PESB), an independent body established by the Government of India. The Ministry of Power appoints independent directors based on recommendations from a Search Committee,

following approval from the Appointments Committee of the Cabinet (ACC). Additionally, the Ministry of Power appoints a Government Nominee Director to the company's Board.

With currently five independent directors on Board, PFC now complies with the Board composition requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

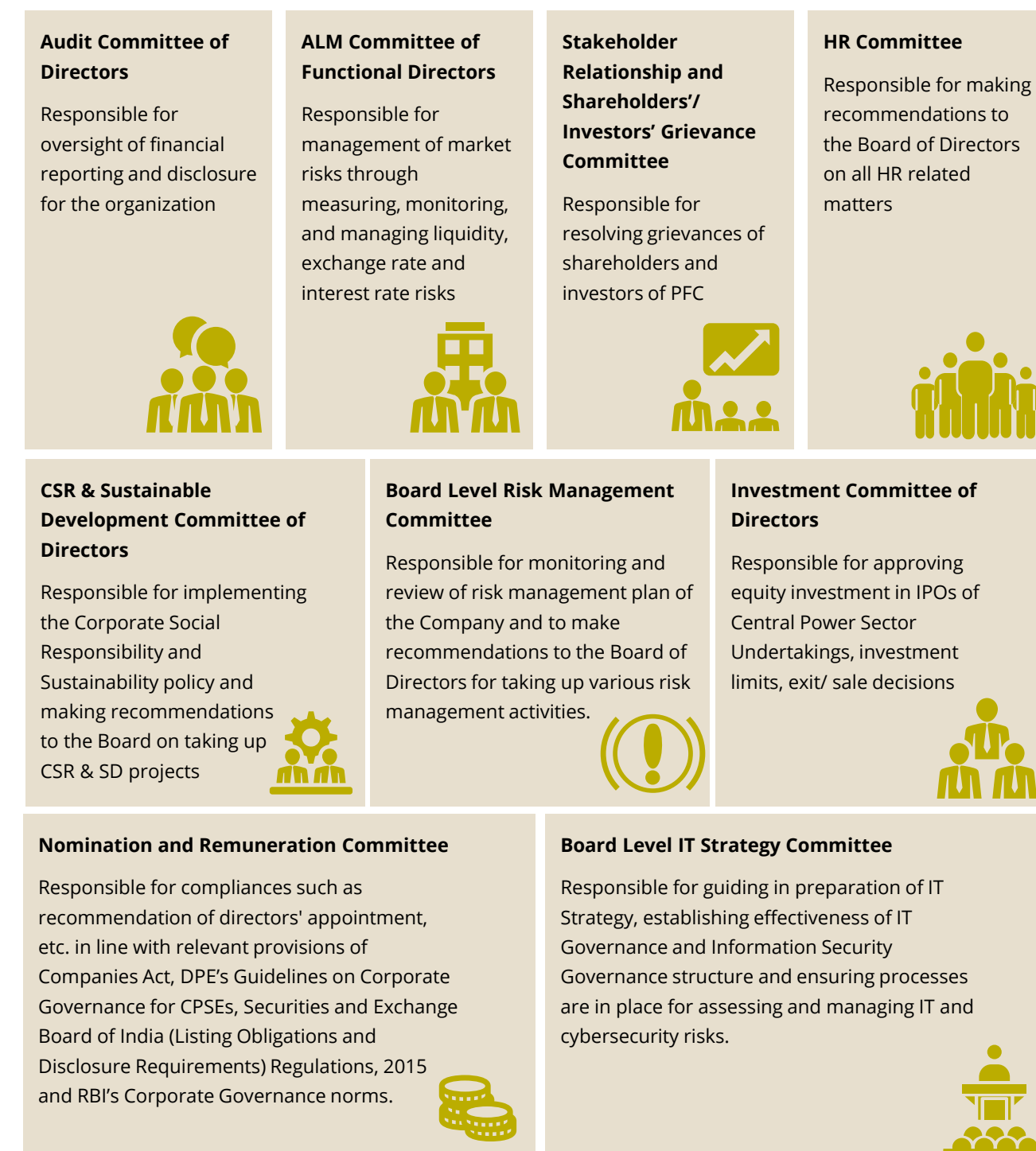


Board Committees

PFC has constituted nine board level committees for the efficient functioning of the organization and focused decision-making across key areas of the organization.

These committees ensure oversight in domains such as audit, risk, CSR, IT governance, etc. Each committee

operates under a defined mandate and comprises a balanced mix of functional directors and independent directors—ensuring diverse perspectives and well-informed deliberations in line with PFC's overall governance framework.





PFC's Governance Policy Framework

PFC's policy framework serves as a foundation for structured governance and responsible decision making across the organization. Covering key areas such as business ethics, IT and risk management, insider

trading, whistleblower protection, these policies ensure that all functions operate in alignment with regulatory norms and organizational values.

PFC's Policy Framework

	Code of Business Conduct and Ethics		Policy on Board Diversity
	Code for Prevention of Insider Trading		Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions
	Anti-Fraud Policy		Integrated Risk Management Policy
	Dividend Distribution Policy		Policy on Material Subsidiary
	Fair Practices Code		Whistleblower Protection Policy
	Corporate Social Responsibility (CSR) and Sustainability Policy		Information Technology

PFC's Corporate Governance Framework



1. Code of Business Conduct and Ethics

At PFC, we prioritize ethical standards and integrity across all levels of the organization. Our code establishes clear principles that guide responsible behaviour and decision marking for our Board members and senior management. The Code emphasizes compliance with regulatory requirements, fair treatment of all stakeholders, and the responsible use of company resources. Regular training and periodic affirmations ensure that all personnel remain aligned with these values, reinforcing PFC's commitment to upholding the highest ethical standards in every aspect of our operations. The conduct and ethics of employees are covered by CDA (Conduct, Discipline & Appeal) rules issued by DPE.

Code of Business Conduct and Ethics



1432 Person hours training in FY 25

Key Pillars of Ethical Governance under PFC's Code of Conduct

	CDA Rules Framework The conduct and ethics of employees are covered by Conduct, Discipline & Appeal (CDA) Rules issued by Department of Public Enterprises (DPE).
	Integrity & Transparency Decisions rooted in fairness, compliance, and principled behaviour.
	Ethical Leadership Guided by a robust Code of Business Conduct and Ethics for Board and Senior Management
	Conflict of Interest & Compliance Ensure independence and avoid misuse of board positions to benefit themselves either directly or indirectly.
	Training Regular training and awareness sessions are conducted to build familiarity with ethical responsibilities and reinforce a culture of compliance

2. Code for Prevention of Insider Trading

"Code of Practice and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Conduct for Regulating, Monitoring and Reporting of Training in the Securities of Power Finance Corporation Limited" is formulated in accordance with SEBI's Prohibition of Insider Trading Regulations. It aims to prevent the misuse of unpublished price-sensitive information (UPSI) and ensure fair disclosure practices. The Code applies to designated persons, including Directors and senior management, and outlines strict protocols such as trading window restrictions, pre-clearance of trades, mandatory disclosures and penalties for contravention. Company Secretary serves as the Compliance officer to oversee adherence with the code.

Conflict of Interest

0

Complaints filed in FY 25



3. Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions

PFC’s “Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions” lays down a clear and transparent framework for identifying, reviewing and approving related party transactions, including those deemed material in nature. It applies to all transactions with subsidiaries, joint ventures, associates and key managerial personnel, ensuring procedural fairness and regulatory compliance.

The policy mandates prior approval of the audit committee and the board for specified transactions, while also requiring shareholders’ approval for material related party transactions. Through this governance mechanism, PFC reinforces its commitment to protecting stakeholder interests and upholding the principles of accountability and transparency in business conduct.

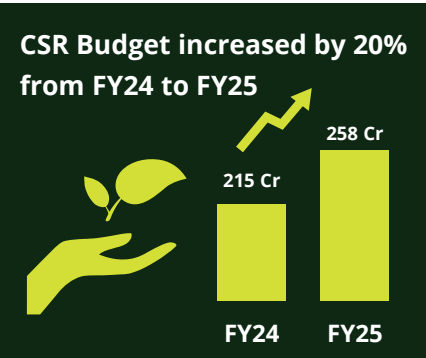
4. Fair Practices Code

PFC’s Fair Practices Code is designed to ensure transparency, fairness, and ethical conduct in its lending operations. Developed in line with RBI guidelines, the Code outlines clear procedures for loan application, appraisal, sanction, and disbursement. It assures borrowers of PFC’s commitment to equitable treatment, timely communication, and responsible financial practices. By setting standards for client interactions and internal processes, the Code reinforces trust and accountability in all business dealings.



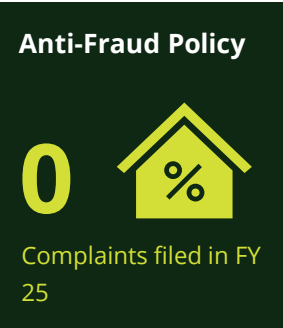
5. Corporate Social Responsibility (CSR) and Sustainability Policy

PFC’s Corporate Social Responsibility (CSR) and Sustainability Policy reflects its commitment to inclusive growth and sustainable development. The policy focuses on addressing critical societal needs such as access to energy, clean water, sanitation, education, and healthcare, especially for marginalized communities. It promotes the use of green technologies and supports projects that enhance environmental sustainability and social equity. Through a structured, project-based approach aligned with national priorities, PFC ensures that its CSR initiatives contribute meaningfully to community welfare while reinforcing its role as a responsible corporate citizen.



6. Anti-Fraud Policy

PFC’s Anti-Fraud Policy is designed to prevent, detect, and respond to fraudulent activities across all levels of the organization. It applies to employees, contractors, consultants, vendors, and other stakeholders engaged with PFC. The policy includes acts such as forgery, misappropriation of assets, financial impropriety, and misuse of confidential information. It outlines clear procedures for reporting suspected fraud, conducting investigations, and enforcing disciplinary actions. By promoting ethical conduct and establishing robust internal controls, PFC reinforces its commitment to integrity and accountability in all business dealings.



7. Dividend Distribution Policy

PFC’s Dividend Distribution Policy reflects its commitment to delivering sustainable value to shareholders while maintaining financial prudence. Dividend decisions are made in accordance with the Government of India regulations and RBI regulations. The policy considers various internal factors such as capital adequacy, financial performance, and future investment needs, as well as external factors like economic conditions and statutory requirements.



8. Integrated Risk Management Policy

PFC’s Integrated Risk Management Policy provides a framework for identifying, assessing, monitoring, and mitigating risks across its operations. The policy encompasses key risk categories including credit, market, operational, liquidity, legal, and reputational risks. It promotes a coordinated approach to risk governance, with oversight from the Board level Risk Management Committee.

9. Whistleblower Protection Policy

PFC’s Whistleblower Protection Policy is a vital component of its Vigil Mechanism, aimed at fostering a transparent and ethical work environment. The policy empowers Directors and employees to report concerns related to unethical behaviour, suspected fraud, or violations of the company’s code of conduct without fear of retaliation. It ensures confidentiality, protects the identity of whistleblowers, and provides a structured process for investigation and resolution. Oversight is provided by the Audit Committee, which ensures impartial handling of disclosures and reinforces PFC’s commitment to integrity and accountability.



10. Policy on Material Subsidiary

The ‘Policy on Material Subsidiary’ has been adopted in line with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Under this policy, a subsidiary is classified as material if it’s income or net worth exceeds 10% of PFC’s consolidated financials as per the latest audited accounts. The policy establishes governance controls to ensure that material subsidiaries operate with appropriate oversight, including the appointment of independent Director where mandated. It also outlines procedures for the disposal of shares or assets in such subsidiaries, subject to necessary approvals. This framework strengthens supervisory alignment across the corporate structure and ensures that PFC maintains strategic oversight and compliance across all its material business entities.

11. Policy on Board Diversity

PFC's Policy on Board Diversity underscores the importance of a varied and inclusive Board composition to enhance the quality of decision-making and governance. The policy promotes diversity in terms of skills, experience, gender, and professional background, recognizing that a heterogeneous Board contributes to more balanced and effective leadership. In line with regulatory requirements, PFC ensures an optimal mix of executive, non-executive, and independent directors, including the mandatory presence of at least one-woman director. Appointments are guided by provisions in the Articles of Association, Companies Act, and government directives, with selections made through structured processes involving the Public Enterprises Selection Board (PESB) and the Ministry of Power.

Policy on Board Diversity

2



Women on the Board of Directors

12. Information Technology

PFC's Information Technology (IT) establishes a secure, efficient, and resilient digital infrastructure to support its business operations and strategic objectives. PFC has established its IT Policy in line with RBI's Master Directions for NBFCs, approved by the Board. The policy outlines standards for data security, system integrity, access control, and cybersecurity, ensuring compliance with regulatory requirements and best practices. It governs the use of IT assets, software, and networks, promoting responsible usage and safeguarding sensitive information. Regular audits, employee training, and disaster recovery protocols are integral to the policy, reinforcing PFC's commitment to operational continuity, data protection, and technological innovation.

IT Practices

Information Technology serves as a vital pillar in strengthening PFC's internal systems and service delivery. The IT Unit leads this digital transformation by integrating adaptability, structured innovation and performance-oriented tools across the organization's technology landscape. The company's strategic IT initiatives is designed to simplify processes, improve responsiveness and ensure seamless access to services through secure and reliable digital platforms.

Aligned with its ESG commitments, PFC has introduced technology driven practices that also reflect its focus on

environmental responsibility and inclusive access. Initiatives of the company include enhanced digital accessibility, strong safeguards for data privacy and regulatory compliance and providing work from anywhere capabilities for its employees.

PFC's technology interventions are centered around three key focus areas - Policy & Risk Management, Infrastructure Enhancement, and Operational Improvements - each supported by a strong foundation of information security and governance.

IT Policy

Ensures robust governance, vendor risk, and capacity assessment. Awareness is promoted via internal circulars.



Data Backup

Automated daily, weekly, and monthly backups with offsite storage in Mumbai, Chennai, and New Delhi to ensure data integrity.



Disaster Recovery & Business Continuity

A DR site on MEITY empaneled cloud in a separate seismic zone ensures uninterrupted operations. Biannual DR drills are conducted to test and validate operational readiness.



Remote Work

Secure remote access with Multi Factor Authentication (MFA) enables seamless work-from-anywhere.



Red Team

An internal Red Team simulates cyberattacks to identify vulnerabilities and strengthen defenses.



Email-SOC Integration

Email services are integrated with SOC for proactive threat filtering and secure communication.



Firewall & Network Upgrades

Nextgen firewall protection, an upgraded Link Load Balancer (LLB), and increased internet bandwidth to improve system performance and security.



Phishing Simulation

Regular exercises are conducted to assess user awareness and reinforce Cyber Security hygiene.



Multi Factor Authentication

For secure access, PFC has implemented Multi Factor Authentication (MFA) for VPNs, critical servers & desktop systems.



Information Security & Risk Management

Ensures data confidentiality, integrity, and availability through proactive risk assessments, regular patching, and policy updates.



Storage Upgrade

Enhanced storage capacity and performance provide seamless support for business operations.



Link Load Balancer (LLB) Upgrade

Upgraded LLB optimizes network traffic, enhances system availability, and supports uninterrupted digital services.



24x7 NOC & SOC Monitoring

Continuous monitoring ensures rapid incident response and system availability. Regular upgrades include SOAR implementation for advanced threat detection and response.



Data Center (DC)

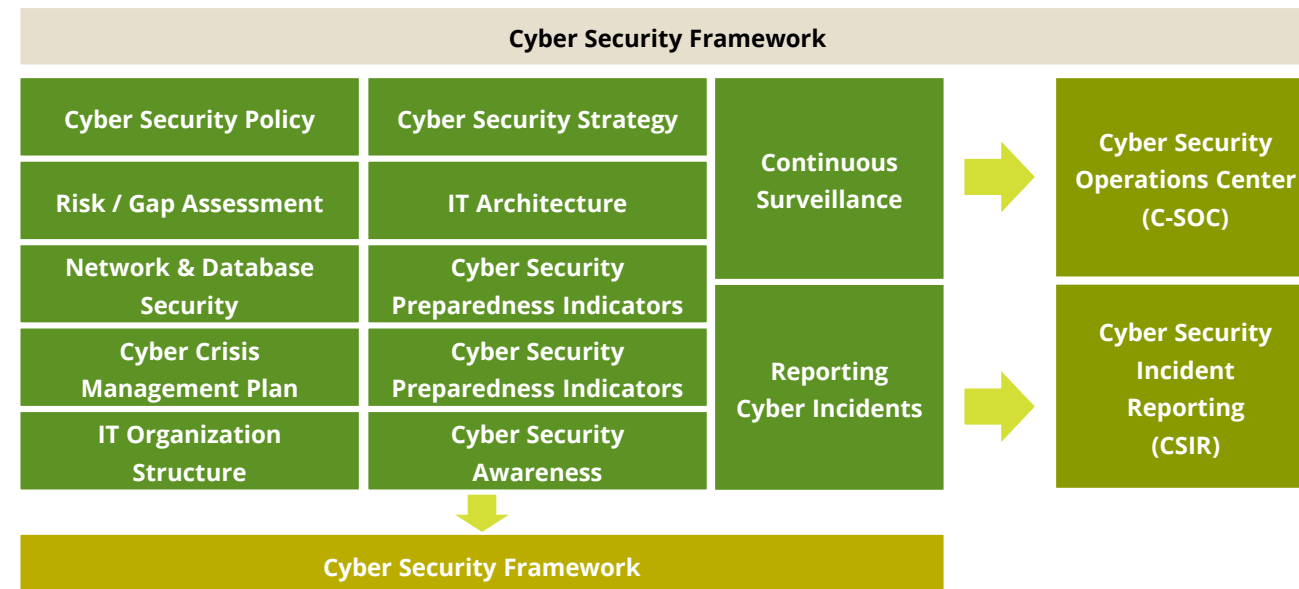
A 24x7 operational DC supports critical IT infrastructure, hosting databases, applications, email, antivirus, and threat protection on high-performance dual-processor servers with full power and data redundancy.



Data Privacy and Cyber Security

PFC is committed to ensuring the confidentiality, integrity, and availability of its information assets through robust data privacy and cybersecurity practices. The organization has adopted a robust Information and

Cybersecurity Framework to address the rising threat landscape and ensure resilience across its IT systems and digital infrastructure.



PFC's MS-IT Infrastructure Unit oversees cybersecurity preparedness and continuously aligns its systems with evolving risks. Information is treated as a critical organizational asset, and controls are enforced to

safeguard access, confidentiality, and integrity. The cybersecurity framework encompasses a combination of preventive, detective, and responsive controls.

Preventive Control

- Application Security Life Cycle (ASLC), Vulnerability Assessment and Penetration Testing (VAPT), Antivirus, IT Outsourcing Policy, Firewall, Intrusion Detection System (IDS)
- Access Management
- Distributed Denial of Service (DDos) mitigation



Detective control

- Security Operation Centre (SOC) Monitoring
- Network Operation Centre (NOC) Monitoring
- RED Teaming exercises



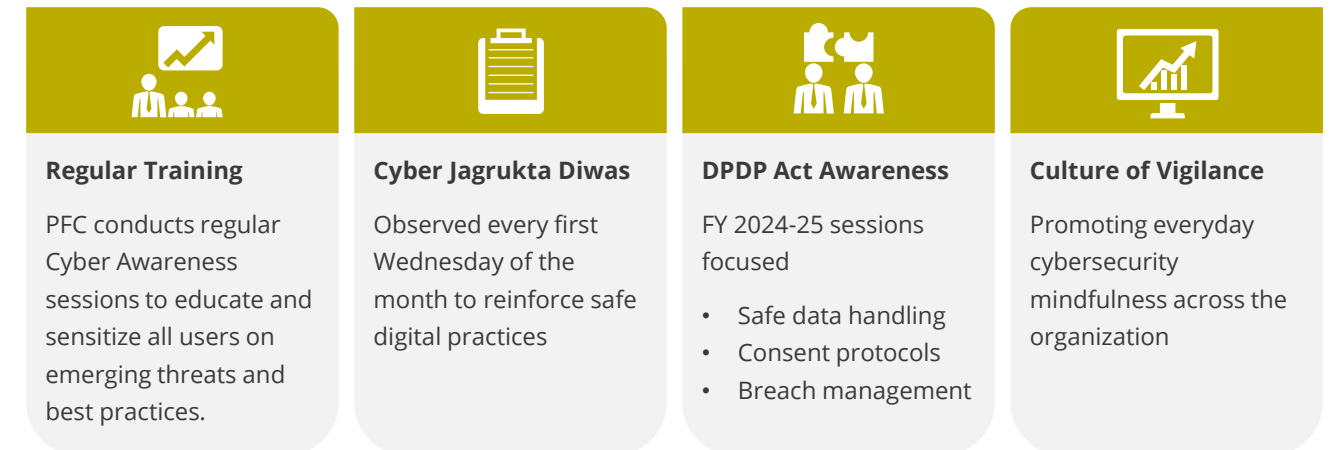
Responsive control

- Incident Response Plan
- Cyber Crisis Management Plan (CCMP)



Cyber risks are embedded within PFC's Enterprise Risk Management (ERM) framework, ensuring systematic monitoring, assessment, and mitigation. Through proactive governance, robust technical safeguards, and

continuous employee engagement, PFC remains committed to safeguarding data and maintaining digital trust across all stakeholder interactions.



Our comprehensive corporate governance framework - encompassing vigilance, and risk management, regulatory compliance, and grievance redressal

mechanism – forms the cornerstone of effective governance and accountability. These have been described below:

1. Risk Management Framework

PFC has instituted a comprehensive Risk Management Framework to proactively identify, assess, and mitigate financial, operational, market, and regulatory risks that could impact business continuity and performance. The framework enables informed decision-making and supports long-term resilience across all business functions.

PFC's Integrated Risk Management Policy sets out clear processes for risk assessment, prioritization, and mitigate, ensuring that high-impact risks are addressed with appropriate mitigation plans. The framework is embedded across departments, promoting a risk-aware culture organization-wide. The figure below illustrates the Three-tiered risk management framework in detail.

Corporate Risk Management Unit (CRM Unit):

- The CRM Unit—headed by the Chief Risk Officer (CRO) — implements the IRM Framework in the organization.
- All loan proposals are examined for their inherent risks and their mitigations



Risk Management Sub-Committee (RMSC):

- Assists the BLRMC in discharging their roles and responsibilities.
- Risk Status Report and Risk Register prepared by the CRM Unit are reviewed on a quarterly basis.



Board-Level Risk Management Committee (BLRMC):

- Ensures strategic alignment of risk management with PFC's business objectives.
- The BLRMC oversees the company's overall risk management practices and gives direction for implementing the risk management framework.

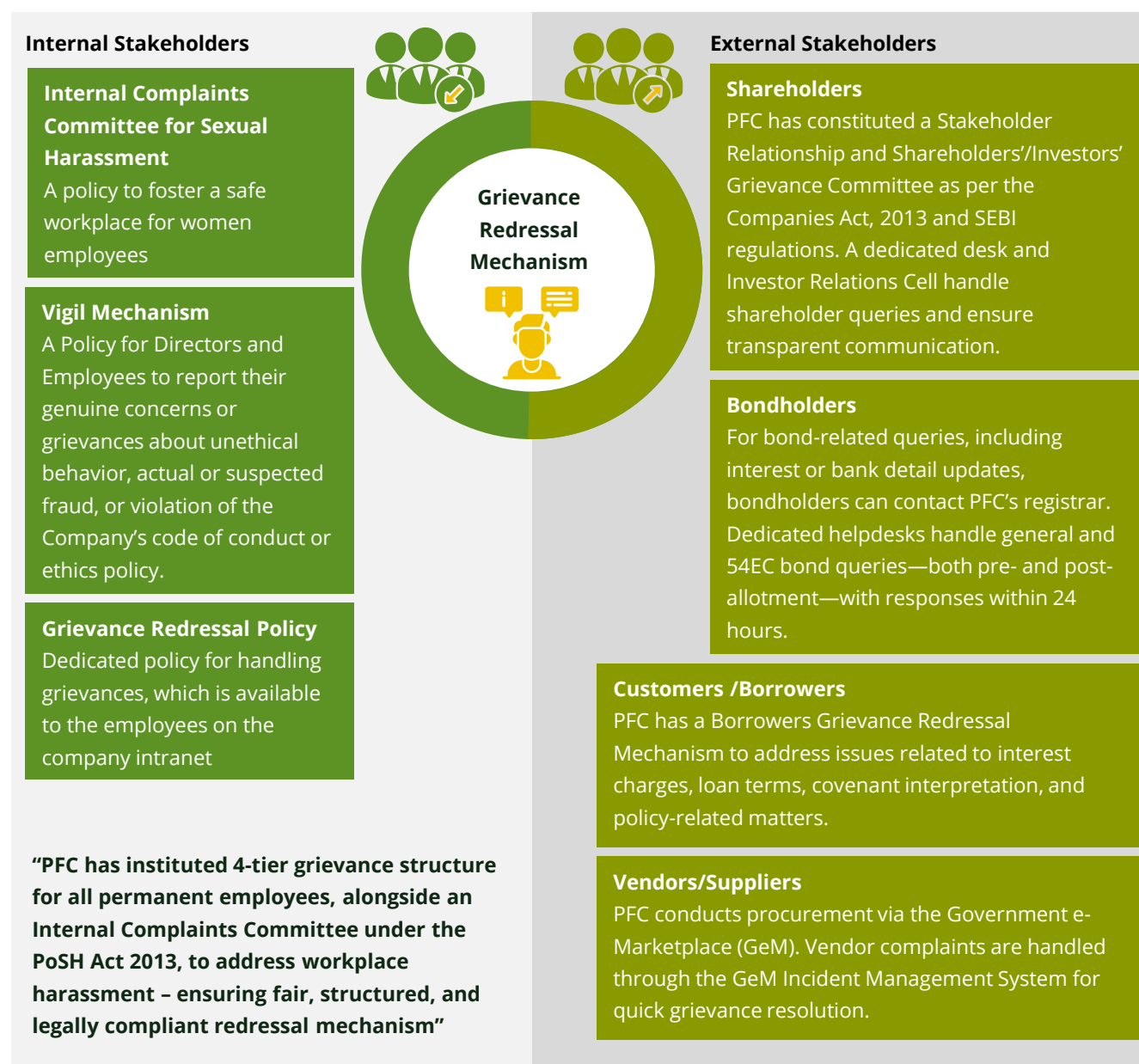


2. Grievance Redressal Mechanism

PFC recognizes the importance of a robust grievance redressal mechanism as a crucial element of effective organizational functioning and ethical business practices. To ensure timely and fair resolution of concerns, PFC has established a comprehensive, multi-tier system that addresses feedback and complaints from a wide spectrum of internal and external stakeholders - including employees, vendors, shareholders, customers and the general public.

This structured approach encourages openness, reinforces principled conduct and strengthens confidence in the company's processes.

The mechanism encompasses dedicated channels such as employee grievance cells, shareholder communication platforms, vendor support systems and customer service interfaces, each tailored to handle queries with objectivity and procedural clarity. Through this integrated framework, PFC fosters a culture of constructive dialogue and continuous improvement.



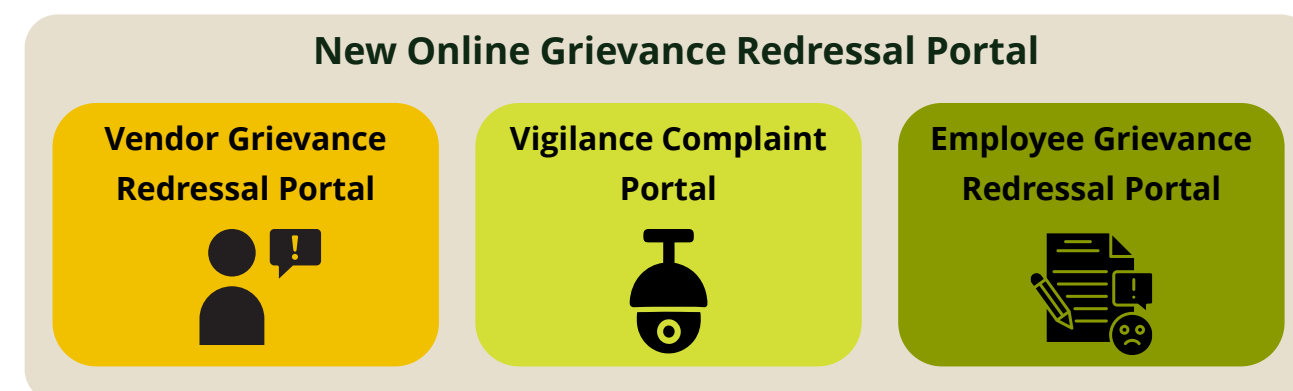
As part of our commitment to transparency and stakeholder responsiveness, during Vigilance Awareness week- 2024, we introduced three dedicated online platforms—Vendor Grievance Redressal Portal, Vigilance Complaint Portal, and Employee Grievance Redressal Portal—to facilitate timely resolution of concerns and promote a culture of accountability across the organization.

To ensure broader public accountability, PFC also facilitates redressal through the following platforms:

- **PIDPI (Public Interest Disclosure and Protection of Informers):** Complaints against PFC lodged through PIDPI are handled by a designated independent government body, being the Central Vigilance Commission (CVC). This is an offline as well an online portal wherein the complaints can be lodged 24X7.

- **CPGRAMS (Centralized Public Grievance Redress and Monitoring System):** CPGRAMS portal is connected to PFC. The status of public grievances is available on the PFC web portal and is accessible to all stakeholders.
- **RTI (Right to Information Act, 2005):** In compliance with the RTI Act, PFC has designated its Company Secretary as Public Information Officer (PIO) to review and respond to RTI applications. Further, an Executive Director level officer has been designated as a First Appellate Authority (RTI) in PFC to review RTI appeals.

Through this integrated approach, PFC ensures that all grievances—whether internal or external—are addressed fairly, promptly, and in compliance with regulatory frameworks.



3. Vigilance - promoting transparency and accountability

PFC's vigilance function serves as a cornerstone of its governance framework, driving ethical conduct, transparency and institutional integrity. Headed by the chief vigilance officer CVO - appointed by the Government of India - the vigilance unit operates under the oversight of the Central Vigilance Commission (CVC) and focuses on three core areas: preventive vigilance, punitive vigilance, and surveillance and detection.

Vigilance Awareness Week

PFC observed Vigilance Awareness Week in the month of October 2024 with the theme given by Central Vigilance Commission "Culture of Integrity for Nation's Prosperity". During the Vigilance Awareness Week, PFC has organized various thought-provoking interactive seminars/ workshops addressed by subject experts from the industry. Further, various activities were organized on matters related to integrity and vigilance to bring the awareness amongst employees.



"सत्यनिष्ठा की संस्कृति से राष्ट्र की समृद्धि"

Furthermore, PFC implemented comprehensive vigilance awareness initiatives in FY2024-25 ranging from specialized trainings, employee outreach programs, employee awareness competitions and publication of the second edition of the Prahari magazine to strengthen organizational integrity and ethical practices.

Integrity Pledge

On the first day of the Vigilance Awareness Week, all PFC employees gathered at the PFC Conference Hall and took the Integrity Pledge as per guidelines of the CVC (Central Vigilance Commission). Later, employees too the e-pledge by logging onto the website of the CVC.



Prahari Magazine

Second Edition Highlights:

- Vigilance, ethical practices, and systemic improvements
- Showcased employee contributions and event highlights from vigilance awareness week 2024
- Served as a knowledge-sharing platform to reinforce a culture of integrity across the organization
- Vigilance handbook-circulated to serve as a reference on key rules, procedures, and ethical practices, enhancing awareness



Awareness Drives & Competitions

Interactive events boosted vigilance awareness:

- Slogan Writing, Poetry & Pictorial Competitions
- Quiz on Vigilance & PIDPI
- Participants: 241 employees
- 135 school students from outreach activities in Mumbai and Chennai



Seminars & Workshops

8 specialized workshops were conducted during FY 2024-25, covering key topics such as:

- Procurement Best Practices
- Ethics & Governance
- Cybersecurity Awareness
- Fraud Prevention & Staff Accountability
- Total Participants Trained: 241 Employee



Vendor Outreach:

- Awareness sessions organized for vendors during Vigilance Awareness Week
- Covered topics: transparency in procurement, ethics in vendor relations



Sensitization Activities

A series of internal awareness programs were organized, including:

- E-brochures and posters shared via Social Media and corporate spaces
- Tree plantation drive with slogan "Ek Ped Satarkata Ke Naam" involving CMD, Directors, and CVO
- In-house refresher sessions on public procurement, preventive forensics, and fraud detection
- Staff Levels Covered: Junior to Senior Management



4. Regulatory Compliance

PFC remains firmly committed to upholding a culture of compliance by embedding regulatory adherence within its enterprise-wide governance and risk management framework. In alignment with applicable legal requirements, industry standards and the expectations of statutory authorities such as RBI, SEBI, and the Ministry of Power, the corporation has instituted a structured regulatory compliance control system.

A designated compliance function operates independently to track regulatory developments, facilitate alignment of internal policies and support departments in maintaining procedural conformity. This

system is further reinforced through periodic audits, regular compliance assessments and timely reporting to senior leadership and the Board. These practices help in identifying gaps, ensuring corrective actions and safeguarding the corporation from potential legal, financial and reputational risks.

By integrating compliance into its broader risk governance structure, PFC not only ensures business continuity but also strengthens corporate credibility and reinforces stakeholder's assurance in its responsible and ethical conduct.

Tax Compliance

- PFC upholds a disciplined and transparent approach to taxation.
- Practices are fully aligned with the prevailing tax laws and statutory obligations prescribed by the Government of India.
- The Corporation ensures accurate and timely filing of tax returns, statutory disclosures, and regulatory submissions.
- Supported by a well-defined internal control mechanism.



GRI INDEX



GRI Standard	GRI Disclosure	Section Reference
GRI 2: General	2-1 Organizational details	Details reported in the Annual Report
	2-2 Entities included in the organization's sustainability reporting	Section : About this report; Subsection: Reporting scope and boundary (ESG Report)
	2-3 Reporting period, frequency and contact point	Section : About this report; Subsection: Reporting period and frequency (ESG Report)
	2-4 Restatements of information	Section : About this report; Subsection: Restatement of details of the ESG Report
	2-5 External assurance	BRSR report is externally assured
	2-6 Activities, value chain and other business relationships	Section : Sustainability profile; Subsection: PFC's Sustainability Journey of the ESG Report
	2-7 Employees	Section : Pillar 2; Subsection: Employee Overview and Inclusive Work Culture of the ESG Report
	2-8 Workers who are not employees	Not Applicable
	2-9 Governance structure and composition	Section : Pillar 3; Subsection: Governance Structure, Board of Directors of the ESG Report
	2-10 Nomination and selection of the highest governance body	Section : Pillar 3; Subsection: Governance Structure, Board of Directors of the ESG Report
	2-11 Chair of the highest governance body	Section : Pillar 3; Subsection: Governance Structure of the ESG Report
	2-12 Role of the highest governance body in overseeing the management of impacts	Section : Pillar 3; Subsection: Governance Structure; Board of Directors; Board Committees of the ESG Report
	2-13 Delegation of responsibility for managing impacts	Section : Pillar 3; Subsection: Board Committees of the ESG Report
	2-14 Role of the highest governance body in sustainability reporting	Section : Pillar 3; Subsection: Board Committees of the ESG Report
	2-15 Conflicts of interest	Section : Pillar 3; Subsection: Board Committees, Code of Business Conduct and Ethics of the ESG Report
	2-16 Communication of critical concerns	Section : Pillar 3; Subsection: PFC's Policy Framework, Grievance redressal mechanism of the ESG Report
	2-17 Collective knowledge of the highest governance body	Section : Pillar 3; Subsection: Board of Directors of the ESG Report

GRI Standard	GRI Disclosure	Section Reference
GRI 2: General	2-18 Evaluation of the performance of the highest governance body	Section : Pillar 3; Subsection: Board Committees of the ESG Report
	2-19 Remuneration policies	Section : Pillar 2; Subsection: Equal Opportunity Policy, Ensuring Pay Parity of the ESG Report
	2-20 Process to determine remuneration	Section : Pillar 3, Pillar 2; Subsection: Board committee on remuneration, Equal Opportunity Policy of the ESG Report
	2-21 Annual total compensation ratio	Details are being reported in its BRSR report
	2-22 Statement on sustainable development strategy	Section : CMD Message of the ESG Report
	2-23 Policy commitments	Section : Pillar 3; Subsection: PFC's Policy Framework of the ESG Report
	2-24 Embedding policy commitments	Section : Pillar 3; Subsection: Vigilance – promoting transparency and accountability of the ESG Report
	2-25 Processes to remediate negative impacts	Section : Pillar 3; Subsection: Grievance redressal mechanism of the ESG Report
	2-26 Mechanisms for seeking advice and raising concerns	Section : Pillar 3; Subsection: Grievance redressals, Stakeholder Engagement of the ESG Report
	2-27 Compliance with laws and regulations	Section : Pillar 3; Subsection: Regulatory compliance of the ESG Report
	2-28 Membership associations	Section : Organisation profile; Subsection: Industry collaboration of the ESG Report
	2-29 Approach to stakeholder engagement	Section : Stakeholder Engagement & Materiality Assessment; Subsection: Stakeholder Engagement of the ESG Report
	2-30 Collective bargaining agreements	Section : Pillar 2; Subsection: Employee Associations and Groups of the ESG Report
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Section : Stakeholder Engagement & Materiality Assessment; Subsection: Materiality Assessment of the ESG Report
	3-2 List of material topics	Section : Stakeholder Engagement & Materiality Assessment; Subsection: Materiality Assessment of the ESG Report
	3-3 Management of material topics	Section : Stakeholder Engagement & Materiality Assessment; Subsection: Materiality Assessment of the ESG Report



GRI Standard	GRI Disclosure	Section Reference
GRI 101: Biodiversity 2024	101-1 Policies to halt and reverse biodiversity loss	Given the nature of PFC's operations, there is no significant direct impact on biodiversity.
	101-2 Management of biodiversity impacts	Given the nature of PFC's operations, there is no significant direct impact on biodiversity.
	101-3 Access and benefit-sharing	Given the nature of PFC's operations, there is no significant direct impact on biodiversity.
	101-4 Identification of biodiversity impacts	Given the nature of PFC's operations, there is no significant direct impact on biodiversity.
	101-5 Locations with biodiversity impacts	Given the nature of PFC's operations, there is no significant direct impact on biodiversity.
	101-6 Direct drivers of biodiversity loss	Given the nature of PFC's operations, there is no significant direct impact on biodiversity.
	101-7 Changes to the state of biodiversity	Given the nature of PFC's operations, there is no significant direct impact on biodiversity.
	101-8 Ecosystem services	Given the nature of PFC's operations, there is no significant direct impact on biodiversity.
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Financial Performance of the Annual Report
	201-2 Financial implications and other risks and opportunities due to climate change	Details are being reported in its BRSR report
	201-3 Defined benefit plan obligations and other retirement plans	Section : Pillar 2; Subsection: Employee benefits of the ESG Report
	201-4 Financial assistance received from government	Section : Organisation profile; Subsection: Strategic partnerships with Govt of the ESG Report
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Details are being reported in its BRSR report
	202-2 Proportion of senior management hired from the local community	Details are being reported in its BRSR report
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Section : Pillar 1; Subsection: Clean energy projects financed by PFC of the ESG Report
	203-2 Significant indirect economic impacts	Section : Pillar 1; Subsection: Clean energy project case studies of the ESG Report
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Section : Pillar 2; Subsection: Transparent and Responsible Procurement of the ESG Report

GRI Standard	GRI Disclosure	Section Reference
GRI 205: Anticorruption 2016	205-1 Operations assessed for risks related to corruption	Section : Pillar 3; Subsection: PFC's Policy Framework of the ESG Report
	205-2 Communication and training about anti-corruption policies and procedures	Section : Pillar 3; Subsection: PFC's Policy Framework of the ESG Report
	205-3 Confirmed incidents of corruption and actions taken	Section : Pillar 3; Subsection: PFC's Policy Framework of the ESG Report
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Section : Pillar 3; Subsection: Anti-Fraud Policy of the ESG Report Details are being reported in its BRSR report
GRI 207: Tax 2019	207-1 Approach to tax	Section : Pillar 3; Subsection: Regulatory Compliance of the ESG Report
	207-2 Tax governance, control, and risk management	Section : Pillar 3; Subsection: Regulatory Compliance of the ESG Report
	207-3 Stakeholder engagement and management of concerns related to tax	Section : Pillar 3; Subsection: Regulatory Compliance Section : Stakeholder Engagement & Materiality Assessment; Subsection: Stakeholder Engagement of the ESG Report
	207-4 Country-by-country reporting	Financial Performance of the Annual Report
301: Materials 2016	301-1 Materials used by weight or volume	Not Applicable - PFC's operations do not involve the use, recycling and processing of major physical materials
	301-2 Recycled input materials used	Section : Pillar 1; Subsection: Waste management of the ESG Report
	301-3 Reclaimed products and their packaging materials	Not Applicable - PFC's operations do not involve the use, recycling and processing of major physical materials
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Section : Pillar 1; Subsection: Resource management of the ESG Report
	302-2 Energy consumption outside of the organization	Not Applicable
	302-3 Energy intensity	Section : Pillar 1; Subsection: Resource management of the ESG Report
	302-4 Reduction of energy consumption	Section : Pillar 1; Subsection: Natural resource consumption and management (ESG Report)
	302-5 Reductions in energy requirements of products and services	Section : Pillar 1; Subsection: Natural resource consumption and management (ESG Report)



GRI Standard	GRI Disclosure	Section Reference
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Section : Pillar 1; Subsection: Resource management of the ESG Report
	303-2 Management of water discharge-related impacts	Details are being reported in BRSR report.
	303-3 Water withdrawal	Section : Pillar 1; Subsection: Resource management of the ESG Report Details are being reported in its BRSR report
	303-4 Water discharge	Details are being reported in BRSR report.
	303-5 Water consumption	Section : Pillar 1; Subsection: Resource management of the ESG Report
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Section : Pillar 1; Subsection: Emissions Management of the ESG Report
	305-2 Energy indirect (Scope 2) GHG emissions	Section : Pillar 1; Subsection: Emissions Management of the ESG Report
	305-3 Other indirect (Scope 3) GHG emissions	NA - the company is in the process of assessing the methodology to measure the Scope 3 emissions.
	305-4 GHG emissions intensity	Section : Pillar 1; Subsection: Emissions Management of the ESG Report
	305-5 Reduction of GHG emissions	Section : Pillar 1; Subsection: Emissions Management of the ESG Report
	305-6 Emissions of ozone-depleting substances (ODS)	Not Applicable
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	The company is in the financial sector and hence this has limited applicability to PFC.
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Details are being reported in BRSR report.
	306-2 Management of significant waste-related impacts	Section : Pillar 1; Subsection: Waste management of the ESG Report
	306-3 Waste generated	Details are being reported in BRSR report.
	306-4 Waste diverted from disposal	Details are being reported in BRSR report.
	306-5 Waste directed to disposal	Details are being reported in BRSR report.

GRI Standard	GRI Disclosure	Section Reference
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Section : Pillar 2; Subsection: Transparent and Responsible Procurement of the ESG Report
	308-2 Negative environmental impacts in the supply chain and actions taken	Not Applicable
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Section : Pillar 2; Subsection: Employee Overview and Inclusive Work Culture of the ESG Report
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Section : Pillar 2; Subsection: Employee Benefits of the ESG Report
	401-3 Parental leave	Section : Pillar 2; Subsection: Employee benefits of the ESG Report
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	PFC adheres to DPE guidelines as provided in the BRSR report
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Section : Pillar 2; Subsection: Employee Wellbeing and workplace safety (ESG Report)
	403-2 Hazard identification, risk assessment, and incident investigation	Section : Pillar 2; Subsection: Employee Wellbeing and workplace safety (ESG Report)
	403-3 Occupational health services	Section : Pillar 2; Subsection: Employee Wellbeing and workplace safety (ESG Report)
	403-4 Worker participation, consultation, and communication on occupational health and safety	Section : Pillar 2; Subsection: Employee Wellbeing and workplace safety (ESG Report)
	403-5 Worker training on occupational health and safety	Section : Pillar 2; Subsection: Training and Capacity Development of the ESG Report
	403-6 Promotion of worker health	Section : Pillar 2; Subsection: Employee Wellbeing and workplace safety (ESG Report)
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Section : Pillar 2; Subsection: Employee Wellbeing and workplace safety (ESG Report)
	403-8 Workers covered by an occupational health and safety management system	Section : Pillar 2; Subsection: Employee Wellbeing and workplace safety (ESG Report)
	403-9 Work-related injuries	Section : Pillar 2; Subsection: Employee Wellbeing and workplace safety (ESG Report)
	403-10 Work-related ill health	Section : Pillar 2; Subsection: Employee Wellbeing and workplace safety (ESG Report)



GRI Standard	GRI Disclosure	Section Reference
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Section : Pillar 2; Subsection: Training and Capacity Development of the ESG Report
	404-2 Programs for upgrading employee skills and transition assistance programs	Section : Pillar 2; Subsection: Training and Capacity Development; IT Practices (ESG Report)
	404-3 Percentage of employees receiving regular performance and career development reviews	Section : Pillar 2; Subsection: Performance Management of the ESG Report
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Section : Pillar 2; Subsection: Diversity and Inclusion of the ESG Report
	405-2 Ratio of basic salary and remuneration of women to men	Section : Pillar 2; Subsection: Ensuring Pay Parity of the ESG Report, Data reported in the BRSR report
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Section : Pillar 2; Subsection: Human Rights
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Section : Pillar 2; Subsection: Employee Association of the ESG Report
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	Section : Pillar 2; Subsection: Human Rights, Fair practice code of the ESG Report
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Section : Pillar 2; Subsection: Human Rights, Fair practice code of the ESG Report of the ESG Report
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Section : Pillar 2; Subsection: Human Rights, Training and Capacity Development of the ESG Report
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Not Applicable - PFC's operations do not involve land acquisition or activities impacting indigenous communities

GRI Standard	GRI Disclosure	Section Reference
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Section : Pillar 2; Subsection: Community Engagement and CSR Initiatives of the ESG Report
	413-2 Operations with significant actual and potential negative impacts on local communities	Section : Pillar 2; Subsection: Community Engagement and CSR Initiatives case study of the ESG Report
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Section : Pillar 2; Subsection: Transparent and Responsible Procurement of the ESG Report
	414-2 Negative social impacts in the supply chain and actions taken	Section : Pillar 2; Subsection: Transparent and Responsible Procurement of the ESG Report
GRI 415: Public Policy 2016	415-1 Political contributions	Not Applicable
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Not Applicable - PFC provides financial services with no physical products or services posing health and safety risks
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Not Applicable - PFC provides financial services with no physical products or services posing health and safety risks
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	Section : Pillar 1; Subsection: Low carbon financing, Green Bond framework of the ESG Report
	417-2 Incidents of non-compliance concerning product and service information and labelling	Not Applicable
	417-3 Incidents of non-compliance concerning marketing communications	Not Applicable
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Section : Pillar 3; Subsection: Data Privacy and Cyber Security of the ESG Report



Annexure F of the Board's Report

FORM MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2025

[Pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
POWER FINANCE CORPORATION LIMITED,
'URJANIDHI', 1, Barakhamba Lane,
Connaught Place, New Delhi 110001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **POWER FINANCE CORPORATION LIMITED** (hereinafter called "the Company"). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct statutory compliance and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2025, complied with the statutory provisions listed here under and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2025, according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

- (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the listed entity during the Period under Review);**
- (e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **(Not applicable to the listed entity during the Period under Review);**
- (f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(Not applicable to the listed entity during the Period under Review);**
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **(Not applicable to the listed entity during the Period under Review);**
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not applicable to the listed entity during the Period under Review);**
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the listed entity during the Period under Review);**
- (j) Other law specifically applicable to companies:
 - a. The Department of Public enterprises Guidelines.
 - b. Reserve Bank of India (Non-Banking Financial Company- Scale Based Regulation) Directions, 2023
 - c. The Competition Act, 2002;
 - d. The Right to information act, 2005;
 - e. E-waste (Management and handling) rules, 2011;
 - f. Labour and social security laws and
 - g. Regulation and prevention of Money laundering Act, 2002;

We have examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of Act, Rules, Regulations, Guidelines, Standards mentioned above subject to the following observations:

- i. During the period under review, the company has not complied with the provision of **Regulation 17(1)(b) of SEBI (LODR) Regulations, 2015**, regarding the requirement of having at least half of the Board of Directors as independent, for which company has received notice from National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).

We further report that:

Adequate notices are given to all Directors to schedule the Board / Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously/ requisite majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company had the following specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

1. The Shareholders of the company at its Annual General Meeting held on August 21, 2024, declared the **final dividend of ₹2.50/-** per equity share (Face value of ₹10/- each) amounting to **₹825.03 crore** for the Financial Year 2023-24.
2. The Board of Directors of the company at its meeting held on August 6, 2024 declared **first interim dividend of ₹3.25/-** per equity share of face Value of ₹10/- each, on November 8, 2024 declared **second interim dividend of ₹3.50/-** per equity share of face Value of ₹10/- each, on February 12, 2025 declared **third interim dividend of ₹3.50/-** per equity share of face Value of ₹10/- each, on March 12, 2025 declared **fourth interim dividend of ₹3.50/-** per equity share of face Value of ₹10/- each for the year 2024-25.
3. The Company, at its General Meeting held on **September 29, 2020**, approved the quantum of debentures to be issued in tranches from the date of the said resolution. Pursuant to this approval, the Company has made the following allotments in the financial year 2024-25:

- **On May 31, 2024**, the Company has allotted 3,17,800 (Three Lakh Seventeen Thousand Eight Hundred) Unsecured, Redeemable, Non-Convertible, Non-Cumulative, Taxable Bonds in the nature of Debentures, Series 239, on a private placement basis, each having a face value of ₹1,00,000 (Rupees One Lakh).
- **On August 22, 2024**, the Company has allotted 3,05,000 (Three Lakh Three Lakh Five Thousand) Unsecured, Redeemable, Non-Convertible, Non-Cumulative, Taxable Bonds in the nature of Debentures, Series 240, on a private placement basis, each having a face value of ₹1,00,000 (Rupees One Lakh).
- **On September 04, 2024**, the Company has allotted 2,74,110 (Two Lakh Seventy-Four Thousand One Hundred Ten) Unsecured, Redeemable, Non-Convertible, Non-Cumulative, Taxable Bonds in the nature of Debentures, Series 241, on a private placement basis, each having a face value of ₹1,00,000 (Rupees One Lakh).
- **On September 23, 2024**, the Company has allotted 3,50,000 (Three Lakh Fifty Thousand) Unsecured, Redeemable, Non-Convertible, Non-Cumulative, Taxable Bonds in the nature of Debentures, Series 242A, and 3,22,655 (Three Lakh Twenty-Two Thousand Six Hundred Fifty-Five) Series 242B, on a private placement basis, each having a face value of ₹1,00,000 (Rupees One Lakh).
- **On December 10, 2024**, the Company has allotted 3,20,000 (Three Lakh Twenty Thousand) Unsecured, Redeemable, Non-Convertible, Non-Cumulative, Taxable Bonds in the nature of Debentures, Series 243A, and 3,05,200 (Three Lakh Five Thousand Two Hundred) Series 243B, on a private placement basis, each having a face value of ₹1,00,000 (Rupees One Lakh).
- **On December 23, 2024**, the Company has allotted 2,70,000 (Two Lakh Seventy Thousand) Unsecured, Redeemable, Non-Convertible, Non-Cumulative, Taxable Bonds in the nature of Debentures, Series 244A, and 2,54,500 (Two lakh Fifty Four Thousand Five Hundred) Series 244B, on a private placement basis, each having a face value of ₹1,00,000 (Rupees One Lakh).
- **On February 06, 2025**, the Company has allotted 2,50,000 (Two Lakh Fifty Thousand) Unsecured, Redeemable, Non-Convertible, Non-Cumulative, Taxable Bonds in the nature of Debentures, Series 245A, and 1,45,000 (One Lakh Forty-Five Thousand) Series 245B, on a private placement basis, each having a face value of ₹1,00,000 (Rupees One Lakh).
- **On February 20, 2025**, the Company has allotted 4,00,000 (Four Lakh) Unsecured, Redeemable, Non-Convertible, Non-Cumulative, Taxable Bonds in the nature of Debentures, Series 246A, and 2,83,500 (Two Lakh Eighty-Three Thousand Five Hundred) Series 246B, on a private placement basis, each having a face value of ₹1,00,000 (Rupees One Lakh).



- **On March 03, 2025**, the Company has allotted 3,34,000 (Three Lakh Thirty-Four Thousand) Unsecured, Redeemable, Non-Convertible, Non-Cumulative, Taxable Bonds in the nature of Debentures, Series 247A, and 307500 (Three Lakh Seven Thousand Five Hundred) Series 247B, on a private placement basis, each having a face value of ₹1,00,000 (Rupees One Lakh).
 - **On March 17, 2025**, the Company has allotted 1,68,500 (One Lakh Sixty-Eight Thousand Five Hundred) Unsecured, Redeemable, Non-Convertible, Non-Cumulative, Taxable Bonds in the nature of Debentures, Series 248A, and 4,00,000 (Four Lakhs) Series 248B, on a private placement basis, each having a face value of ₹1,00,000 (Rupees One Lakh).
4. The Board of Director in its meeting held on May 15, 2024 appointed **Shri Sandeep Kumar** as the **Chief Financial Officer** of the Company vice Smt. Parminder Chopra.

5. In accordance with Ministry of Power, Government of India, vide order No.8 /1/2007- PFC Desk dated June 25, 2024, **Shri Shashank Misra**, Joint Secretary, Ministry of Power appointed as **Director, (Government Nominee)** on the Board of Directors of Power Finance Corporation Limited w.e.f. 25.06.2024.

For **Mehta & Mehta**,
Company Secretaries
(ICSI Unique Code P1996MH007500)

Sd/-
CS Nayan Handa
Partner
FCS No: 11993
CP No.: 18686
UDIN: F011993G000708909

Place: Delhi
Date: July 4, 2025

Note: This report is to be read with our letter of even date which is annexed as '**ANNEXURE A**' and forms an integral part of this report.

Annexure A

To,
The Members,
POWER FINANCE CORPORATION LIMITED,
'URJANIDHI', 1, Barakhamba Lane,
Connaught Place, New Delhi 110001

Our report of even date is to be read along with this letter.

- 1) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
- 3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 4) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- 5) The compliance of the provisions of corporate laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- 6) As regard the books, papers, forms, reports and returns filed by the Company under the provisions referred in Secretarial Audit Report in Form MR-3, the adherence and compliance to the requirements of the said regulations is the responsibility of management. Our examination was limited to checking the execution and timeliness of the filing of various forms, reports, returns and documents that need to be filed by the Company with various authorities under the said regulations. We have not verified the correctness and coverage of the contents of such forms, reports, returns and documents.
- 7) The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Mehta & Mehta**,
Company Secretaries
(ICSI Unique Code P1996MH007500)

Sd/-
CS Nayan Handa
Partner
FCS No: 11993
CP No.: 18686
UDIN: F011993G000708909

Place: Delhi
Date: July 4, 2025



Annexure II

Observations of the Secretarial Auditor alongwith explanations to the same required to be included in the Directors Report to the shareholders for the FY 2024-25.

Sl. no.	Observation	Explanation
1.	During the period under review, the company has not complied with the provision of Regulation 17(1)(b) of SEBI (LODR) Regulations, 2015 , regarding the requirement of having at least half of the Board of Directors as independent, for which company has received notice from National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).	PFC being a Government Company and in terms of clause 86 of Articles of Association (AoA) of PFC, the members of the Board of PFC are appointed by President of India, through Ministry of Power, Government of India. In the FY 2024-25 no new Independent Directors were appointed on the Board of PFC. Three Independent Directors on completion of tenure, ceased to be the part of Board during the Financial Year. Subsequently, in the first quarter of FY 2025-26, Ministry of Power, Government of India appointed five Independent Directors (including one Independent Women Director) viz. Smt. Usha Sajeev Nair, Shri Prasanna Tantri, Shri Naresh Dhanrajbhai Kella w.e.f. April 17, 2025 and Shri Bhaskar Bhattacharya & Dr. Sudhir Mehta w.e.f. May 13, 2025 & May 14, 2025 respectively. With the above appointments, the Board of PFC is complete with the optimum combination of executive and non-executive directors, thereby, complying the regulation 17(1) (b) of SEBI (LoDR) Regulations, 2015. Further, PFC has also requested the Stock Exchanges for waiver of fine, response of the Stock Exchanges in this regard is awaited.

Annexure G of the Board’s Report

Annual Report on CSR Activities for the FY 2024-25

1. Brief outline on CSR Policy of the Company

PFC’s has formulated its CSR Policy in line with Section 135 of the Companies Act, 2013 and the Companies (CSR) Rules, 2014 (as amended from time to time) and DPE guidelines issued from time to time. The aim of PFC’s Corporate Social Responsibility Policy (CSR Policy) is to ensure that the Company becomes a socially responsible corporate entity committed to improving the quality of life of society at large by undertaking projects for Sustainable Development, mainly focusing on Health, Education and Energy needs of the society. To oversee the activities of CSR, PFC has in place a Board level CSR Committee of Directors headed by an Independent Director. Every year CSR Annual Action Plan and Budget are recommended by CSR Committee and approved by the Board. Third party impact assessment agencies are being engaged to assess the benefit/outcome of the projects.

PFC has implemented wide range of activities throughout the Country in the field of Environment Sustainability, Healthcare, Education, PM Internship, Rural Development, contribution to Swachh Bharat Kosh and other areas as specified under Schedule VII of the Companies Act., 2013.

2. Composition of CSR Committee as on March 31, 2025

Name of the Members	Designation	No. of Meetings	
		Held during the tenure	Attended
Shri Prasanna Tantri Independent Director	Chairman (upto 22.12.2024)	5	5
Smt Usha Sajeev Nair Independent Director	Member (upto 22.12.2024)	5	5
Shri Rajiv Ranjan Jha Director (Projects)	Chairman (w.e.f 31.01.2025)	1	1
	Member (till 30.01.2025)	5	5
Shri Manoj Sharma Director (Commercial)	Member	6	6
Smt. Parminder Chopra* Additional Charge Director (Finance)	Member (upto 10.07.2024)	1	Nil
Shri Sandeep Kumar Director (Finance)	Member (w.e.f. 11.07.2024)	5	4
Shri Shashank Misra Government Nominee Director	Member (w.e.f. 31.01.2025)	1	1

* Director (Finance) is the member of the Sub-Committee. Meeting not attended by virtue of holding full time charge of CMD alongwith additional charge of Director (Finance)

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

(a) Composition of CSR Committee	https://www.pfcindia.co.in/ensite/Home/VS/10231
(b) CSR Policy	https://pfcindia.com/ensite/DocumentRepository/ckfinder/files/CSR/CSR%20Policy_V1.pdf
(c) CSR projects approved by the board	https://pfcindia.com/ensite/DocumentRepository/ckfinder/files/CSR/Final%20English.pdf

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

The impact assessment was carried out by different independent agencies. Following is project wise key findings from the Impact Assessment Studies:

Sl. No.	Name of Project	Cost of Project (in ₹ crore)	Key findings of Project	Name of Impact Assessment Agency
1	Project for Supply, installation and commissioning of 500 nos. LED based Solar Street Lighting System (SLs) in various villages of Basti Region, UP - Phase-II	1.16	a. Sense of security and safety among women has impacted their economic activities, as they are able to join the work force or continue their studies in the evening. b. Business owners/hawkers have experienced a higher footfall in number of the customers because of lighted pathways. c. The local government officials have found it easier to monitor the area with sufficient lighting on the street, making it safer for its citizens.	Indian Institute of Public Administration (IIPA)

Sl. No.	Name of Project	Cost of Project (in ₹ crore)	Key findings of Project	Name of Impact Assessment Agency
2	Project for Supply, Installation and Commissioning of fully equipped Modular Operation Theatre (OT) at Rotary Ambala cancer & General Hospital Ambala (RACGH)	1.16	a. Significant increase in the efficiency with the better equipment, as more number of patients can be treated. b. There has also been an increase in the satisfaction of the patients. The patients have expressed their satisfaction over the efficiency of the medical procedures administered on them.	Indian Institute of Public Administration (IIPA)
3	Project for Plantation in Nagpur Region of NH-7	12.63	a. The plantation has effectively reduced air and noise pollution along the highway, enhancing the quality of life for nearby residents and travelers. b. Provided sustainable livelihood opportunities for local communities by enabling the commercial use of fruits, leaves, and bamboo, as well as supporting animal husbandry. c. Reduction in animal-related accidents and improved nighttime visibility are other noteworthy outcomes, making the highway safer for commuters.	Indian Institute of Social Welfare and Business Management (IISWBM)
4	Setting up of 4 nos. CNG crematorium in South Delhi Municipal Corporation (SDMC), Delhi	3.27	a. The project addresses critical public health and environmental concerns, such as reducing carbon emissions, deforestation and air pollution . b. The transition to CNG cremations has proven to be an eco-friendly alternative . c. Project has modernised traditional practices while maintaining cultural sensitivity, optimising the cremation process with cleaner, more efficient fuel.	Administrative Staff College of India (ASCI)
5	Setting up of 2000 hoardings of Pradhan Mantri Sahaj Bijli Har Ghar Yojana' (SAUBHAGYA) in the state of Jharkhand	48.75	a. The awareness scheme is well prevalent and impacted the common people. b. Community people are interested in discussing and learning about the plan. c. Despite the removal of hoardings years ago, many individuals are still aware of the scheme.	Indian Institute of Social Welfare and Business Management (IISWBM)
6	Skill Development Training Programme for SC/ST/OBC/PWD/ Women & EWS of society for 2500 candidates across the country	14.80	a. Trainees, gained hands-on experience with industry-standard equipment, facilitating their transition from training to employment. b. Feedback from stakeholders including trainees, trainers, and industry representatives underscored the program's effectiveness in bridging the skills gap and thereby enhancing participants' socio-economic conditions.	Indian Institute of Social Welfare and Business Management (IISWBM)
7	Project for Up-gradation of Government Schools & District Library in Shravasti District, Uttar Pradesh	8.36	a. Majority of respondents acknowledged that the school infrastructure improvements have enhanced the community's view of government schools and made learning environments more engaging, especially with BaLA paintings and new desks. b. Most respondents reported constructive changes in student behavior and feel that the facilities foster a sense of community pride. c. The library's technological enhancements are considered highly beneficial for the youth, and the upgrades have led to noticeable inspiring changes in student behavior.	Indian Institute of Public Administration (IIPA)
8	Contribution to Sardar Vallabhai Patel Rashtriya Ekta Trust (SVPRET) towards "Project of Statue of Unity"	12.50	a. The funding for the Project played a crucial role in livelihood generation, tribal development, employment creation, and infrastructure enhancement. b. The project boosted local economies, developing social infrastructure, and enhancing tourism-related activities. c. It has significantly advanced regional growth, reinforcing its commitment to sustainable development and heritage preservation.	Administrative Staff College of India (ASCI)
9	Providing daily Packed-Lunch facility to the Doctors and Health Staff deployed in dedicated Govt. COVID-19 Hospital in Dr. RML Hospital, New Delhi Phase-III	2.03	a. The CSR initiative significantly contributed to supporting frontline health workers at Dr. Ram Manohar Lohia (RML) Hospital during the COVID-19 pandemic. b. The project ensured consistent nourishment for doctors, nurses, and support staff, helping sustain essential healthcare services. c. RML Hospital's administration recognised the timely intervention, which alleviated operational burdens during the crisis.	Administrative Staff College of India (ASCI)

Sl. No.	Name of Project	Cost of Project (in ₹ crore)	Key findings of Project	Name of Impact Assessment Agency
10	Project for providing Medical Infrastructure in Covid care centres, CHCs, PHCs in Churachandpur district, Manipur	1.56	a. The CSR project significantly improved healthcare services in Churachandpur District Hospital by providing critical medical equipment, including ALS ambulances, BiPAP machines, and oxygen concentrators, to address COVID-19 challenges. b. It strengthened medical infrastructure, enabling swift emergency responses and improving patient outcomes. Reliable power sources and continuous monitoring devices ensured uninterrupted care, especially in remote areas near the Indo-Myanmar border. c. The initiative empowered frontline workers, reduced the burden on medical staff, and enhanced crisis preparedness. The project aligned with OECD criteria, demonstrating efficiency and sustainability. d. It successfully addressed critical healthcare gaps, leaving a lasting impact on rural healthcare quality and accessibility.	Indian Institute of Social Welfare and Business Management (IISWBM)
11	Project for Supply, installation and commissioning of 100 nos. of Solar PV High-mast Lighting Systems (White LED) (SHMLS) in various villages of Basti Region, Uttar Pradesh	1.12	a. Reliable, eco-friendly, and sustainable lighting solution for the villages Project resulted in better illumination in the streets in remote villages. b. Project resulted in Streets were well-lit, improving visibility and contributing to a safer environment for locals, particularly in isolated areas. c. Project resulted in enhanced street lighting led to improved security, particularly for women and children. d. Project resulted in reported extended local businesses hours of operation, leading to improved economic activity and opportunities for villagers to engage in evening commerce. e. Project resulted in villagers engaged in more social activities, fostering a sense of community and promoting a safer and more connected environment.	Administrative Staff College of India (ASCI)

The detailed impact assessment report is available at <https://pfcindia.com/ensite/Home/VS/45>

5. (a) **Average net profit of the company as per sub-section (5) of section 135.**
₹ 12,885.24 crore
- (b) **Two percent of average net profit of the company as per sub-section (5) of section 135.**
₹ 257.70 crore
- (c) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years.**
Nil
- (d) **Amount required to be set off for the financial year, if any**
Nil
- (e) **Total CSR obligation for the financial year (5b+5c-5d).**
₹ 257.70 crore
6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).**
₹ 168.93 crore
- (b) **Amount spent in Administrative Overheads.**
₹ 6.61 crore
- (c) **Amount spent on Impact Assessment, if applicable.**
₹ 0.23 crore
- (d) **Total amount spent for the Financial Year (6a+6b+6c).**
₹ 175.78 crore

Note: The total CSR amount charged to Standalone Statement of Profit and Loss during FY 2024-25 is ₹ 270.28 crore. Out of this, ₹ 12.58 crore pertains to projects sanctioned against the budget of the period upto 31.03.2020, whereas, the remaining amount i.e. ₹ 257.70 crore pertains to projects sanctioned against the budget of FY 2024-25.



(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹ crore)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
175.78	81.92	30.04.2025	NA	NA	NA

(f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (₹ in crore)
(i)	Two percent of average net profit of the company as per section 135(5)	257.70
(ii)	Total amount spent for the Financial Year	257.70*
(iii)	Excess amount spent for the financial year [(ii)-(i)]	--
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	--
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

* The amount spent includes an amount of ₹ 81.92 crore towards ongoing projects and the same has been deposited in Unspent CSR Account as per requirements of Section 135(6) of Companies Act, 2013.

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (In ₹ crore)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (In ₹ crore)	Amount spent in the Financial Year (In ₹ crore)	Amount transferred to any fund specified under Schedule VII as per second proviso to subsection (5) of section 135, if any.		Amount remaining to be spent in succeeding financial years (In ₹ crore)	Deficiency, if any
					Amount (In ₹ crore)	Date of transfer		
1	Till FY 2019-20	217.59*	167.27	12.58	NA	NA	37.74	Nil
2	FY 2021-22	54.87	23.80	10.51	NA	NA	20.56#	Nil
3	FY 2022-23	106.34	23.49	15.99	NA	NA	66.86	Nil
4	FY 2023-24	116.02	NA	38.30	NA	NA	77.72	Nil
Total		494.82	214.56	77.38			202.88	

* Not required to be transferred as the provision of Section 135 (6) was made effective from the FY 2020-21.
Unutilised amount of ₹ 24.08 crore [₹ 25.64 crore (including interest earned up to April 2025) minus ₹ 1.66 crore (paid to agencies for completed work up to March 31, 2025)] has been transferred to the 'Swachh Bharat Kosh' on April 30, 2025.

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year

No

If Yes, enter the number of Capital assets created/ acquired

NA

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year

NA

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135

Unspent CSR amount of ₹ 81.92 crore pertains to ongoing projects (multi-year) where payment is made in tranches upon achievement of milestone till completion of projects. Accordingly, the said amount has been deposited in Unspent CSR Account as per requirements of Section 135(6) of Companies Act, 2013.

Sd/-
(Parminder Chopra)
Chairman and Managing Director
DIN: 08530587

Sd/-
(Naresh Dhanrajbhai Kella)
Chairman, CSR Committee
DIN: 01176450

Annexure H of the Board's Report

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

Sl. No.	Particulars	Details
1.	Details of contracts or arrangements or transactions not at arm's length basis	
(a)	Name(s) of the related party and nature of relationship	There was no transaction attracting the applicable provisions of sub-section (1) of section 188 of the Companies Act, 2013 during the period under review.
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts / arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	Date(s) of approval by the Board	
(g)	Amount paid as advances, if any	
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	
2.	Details of material contracts or arrangement or transactions at arm's length basis	
(a)	Name(s) of the related party and nature of relationship	There were no material contracts or arrangements or transactions that were entered by the company with any related party during the period under review.
(b)	Nature of contracts/arrangements/ transactions	
(c)	Duration of the contracts/ arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Date(s) of approval by the Board, if any	
(f)	Amount paid as advances, if any	

For and on behalf of the Board of Directors

Sd/-
(Parminder Chopra)
Chairman & Managing Director
DIN: 08530587

Dated : August 06, 2025

Annexure I of the Board’s Report

Debenture Trustees Appointed by the Company for the Different Series of Bonds as on March 31, 2025

Name of Debenture Trustee	Bond Series
PNB Investment Services Limited, 10 Rakeshdeep Building, Yusuf Sarai Commercial Complex, Gulmohar Enclave, New Delhi - 110049	8.7% TAXU Bond Series - 65
	8.75% TAXU PFC BONDS-66 B SERIES
	8.85% TAXU PFC BONDS-66 C SERIES
	9.05% TAXU PFC BONDS-71-SERIES
	9.46% TAXU PFC Bond Series - 76-B
	9.45% TAXU PFC Bond Series - 77-B
	7.75% SEC TAX FREE PFC BONDS - Series 79-B
	8.16% SEC TAX FREE PFC BONDS - Series 80-B
	Infrasturcture Bond(2011-12) trache 1-Series -III
	Infrasturcture Bond(2011-12) trache 1-Series -IV
	8.43% Series III Private Placement
	8.43% Series IV Private Placement
Catalyst Trusteeship Ltd (Formerly GDA Trusteeship Ltd.) GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune - 411 038	7.38% Tax Free Bond Series 94-B
	7.38% Tax Free Bonds Series 95-B
	9.00% PFC BOND SERIES 101-B
	8.90% PFC BOND SERIES 102-A (III)
	8.94% PFC BOND SERIES 103
	9.39% PFC BOND SERIES 118-B-III
	8.39% PFC BOND SERIES 130-C
	7.16% PFC BOND SERIES 136
	8.40% PFC BOND SERIES 141-B
	8.03% PFC BOND SERIES 147
	7.63% PFC BOND SERIES 150-B
	7.56% PFC BOND SERIES 151-B
	7.55% PFC BOND SERIES 152
	7.273 PFC BOND SERIES 155
	7.10% PFC BOND SERIES 156 - GoI Fully Serviced Bond
	7.10% PFC BOND SERIES 158- GoI Fully Serviced Bond
	7.60% PFC BOND SERIES 160-GoI Fully Serviced Bond
	7.75% PFC BOND SERIES 164- GoI Fully Serviced Bond
	7.44% PFC BOND SERIES 168-B
	7.44% PFC BOND SERIES 169-B
	7.65% PFC BOND SERIES 170-B
	7.62% PFC BOND SERIES 171
	7.74% PFC BOND SERIES 172
	7.85% PFC BOND SERIES 177
	Infrasturcture Bond (2010-11 trache 1-Series -III)
	Infrasturcture Bond (2010-11 trache 1-Series -IV)

Name of Debenture Trustee	Bond Series
	8.30% Public Issue of Tax Free Bond FY 2011-12
	7.11% TAXFREE BONDS 1A 2015-16
	7.36% TAXFREE BONDS 1B 2015-16
	7.27% TAXFREE BONDS 2A 2015-16
	7.52% TAXFREE BONDS 2B 2015-16
	7.35% TAXFREE BONDS 3A 2015-16
	7.60% TAXFREE BONDS 3B 2015-16
Vistra ITCL (India) Ltd (Formerly IL&FS Trust Company Ltd.) IL&FS Financial Centre Plot C- 22, G Block, BandraKurla Complex, Bandra(E), Mumbai 400051	8.46% TAX FREE BOND SERIES 107-B
	7.36%15YRS TAX FREE BOND20 12-13 TR SERIES 2
	7.86%15YRS TAX FREE BOND20 12-13 TR SERIES 2
	7.04TAX FREE BOND20 12-13 TR 2
	7.54TAX FREE BOND20 12-13 TR 2
	8.54%Tax Free Bonds 13-14 Series 2A
	8.79%Tax Free Bonds 13-14 Series 2B
	8.67%Tax Free Bonds 13-14 Series 3A
	8.92%Tax Free Bonds 13-14 Series 3B
Beacon Trusteeship Ltd 4C&D, Siddhivinayak Chambers Gandhi Nagar,Opp.MIG Cricket Club Bandra(E), Mumbai 400051	8.95 TX USC BOND SRS 178
	8.67 TX USC BND SRS 179 A
	8.64 TX USC BND SRS 179 B
	8.75% TX USC BOND SRS 180
	9.10% TX USC BOND SRS 184(B)
	8.98% TX USC BOND SRS 185
	8.7929% TX USC BOND SRS 186
	8.85% TX USC BOND SRS 187- B
	8.15% TX USC BOND SRS 189
	8.25% TX USC BOND SRS 190
	7.93% TX USC BOND SRS 193
	7.86%TX USB BOND SRS195
	7.41%TX USB BOND SRS196&196R
	7.41%TX USB BOND SRS197
	7.16 TX USC BND SRS 199B
	7.40 TX USC BND SRS 200
	7.68 TX USC BND SRS 201
	7.17 TX USC BND SRS 202B
	7.79 TX USC BND SRS 202C
	7.75 TX USC BND SRS 203B
	5.77 TX USC BND SRS 204A
	6.88 TX USC BND SRS 204B
	7.05 TX USC BND SRS 205A
	7.20 TX USC BND SRS 205B
	7.04 TX USC BND SRS 207&207R
	6.50 TX USC BND SRS 208

Name of Debenture Trustee	Bond Series
	7.34 TX USC BND SRS 209
	6.35 TX USC BND SRS 210A STRPP1
	6.35 TX USC BND SRS 210A STRPP2
	6.35 TX USC BND SRS 210A STRPP3
	7.11 TX USC BND SRS 210B
	7.15 TX USC BND SRS 212B
	6.09 TX USC BND SRS 212 A
	6.95 TX UNS BND SRS 213
	6.92 TX USC BND SRS 214 BBETF
	7.13 TX UNS BND SRS 215
	7.13 TX UNS BND SRS 216
	7.42 TX UNS BND SRS 217A
	7.15 TX USC BND SRS 217B STRPP1
	7.15 TX USC BND SRS 217B STRPP2
	7.15 TX USC BND SRS 217B STRPP3
	7.59 TX UNS BND SRS 218
	7.65 TX UNS BND SRS 219
	7.58 TX UNS BND SRS 220 BBETF
	7.72 TX UNS BND SRS 221A
	7.59 TX UNS BND SRS 221B
	7.58 TX UNS BND SRS 222
	7.64 TX UNS BND SRS 223
	7.82 TX UNS BND SRS 224
	7.77 TX UNS BND SRS 225A
	7.82 TX USC BND SRS 225B STRPP I
	7.82 TX USC BND SRS 225B STRPP II
	7.82 TX USC BND SRS 225B STRPP III
	7.82 TX USC BND SRS 225B STRPP IV
	7.66 TX UNS BND SRS 226A
	7.70 TX UNS BND SRS 226B
	7.70 TX UNS BND SRS 227A
	7.77 TX UNS BND SRS 227B
	5.65 SEC TAX NCD PI TR I SER II CAT I-II
	5.80 SEC TAX NCD PI TR I SER II CAT III-IV
	6.63 SEC TAX NCD PI TR I SER III CAT I-II
	6.82 SEC TAX NCD PI TR I SER III CAT III-IV
	6.80 SEC TAX NCD PI TR I SER IV CAT I-II
	7.00 SEC TAX NCD PI TR I SER IV CAT III-IV
	10 YR GSEC LINK SEC TAX NCD PI TR I SER V CAT I-II
	10 YR GSEC LNK SEC TAX NCD PI TR I SER V CAT III-IV
	6.78 SEC TAX NCD PI TR I SER VI CAT I-II
	6.97 SEC TAX NCD PI TR I SER VI CAT III-IV
	6.95 SEC TAX NCD PI TR I SER VII CAT I-II
	7.15 SEC TAX NCD PI TR I SER VII CAT III-IV
	7.45 SEC TAX NCD 2324 PI TR I SR I CAT I-II
	7.50 SEC TAX NCD 2324 PI TR I SR I CAT III-IV
	7.47 SEC TAX NCD 2324 PI TR I SR II CAT I-II
	7.53 SEC TAX NCD 2324 PI TR I SR II CAT III-IV

Name of Debenture Trustee	Bond Series
	7.50 SEC TAX NCD 2324 PI TR I SR III CAT I-II
	7.55 SEC TAX NCD 2324 PI TR I SR III CAT III-IV
	7.55 TX UNS BND SRS 228A
	7.62 TX UNS BND SRS 228B
	7.44 TX UNS BND SRS 229 (2Y Put Call)
	7.37 TX UNS BND SRS 230
	7.86 TX UNS BND SRS 195 R1
	6.92 TX UNS BND SRS 214 R1
	7.48 TX UNS BND SRS 231
	7.17 TX UNS BND SRS 202B R1
	7.57 TX UNS BND SRS 232
	7.64 TX UNS BND SRS 233B
	7.60 TX UNS BND SRS 233C
	7.70 TX UNS BND SRS 234
	7.69 TX UNS BND SRS 235
	7.60 TX UNS BND SRS 237A
	7.49 TX UNS BND SRS 237B
	7.55 TX UNS BND SRS 238
	ZCB TX UNS BND SRS 233A YTM 7 65
	7.88 PERPETUAL TX UNS BND SRS 236
	5.75% PFC 54 EC BOND SERIES III
	5.00% PFC 54 EC BOND SERIES IV
	5.00% PFC 54 EC BOND SERIES V
	5.00% PFC 54 EC BOND SERIES VI
	5.25% SEC 54EC BD SR VII 2324
	5.25% SEC 54EC BD SR VIII 2425
	7.44 TX UNS BND SRS 239
	7.32 TX UNS BND SRS 240
	7.30 TX UNS BND SRS 241
	7.27 TX UNS BND SRS 242A
	7.22 TX UNS BND SRS 242B
	7.11 TX UNS BND SRS 243A
	7.10 TX UNS BND SRS 243B
	7.16 TX UNS BND SRS 244A
	7.40 TX UNS BND SRS 244B
	7.24 TX UNS BND SRS 245A
	7.25 TX UNS BND SRS 245B
	7.42 TX UNS BND SRS 246A
	7.38 TX UNS BND SRS 246B
	7.44 TX UNS BND SRS 247A
	7.40 TX UNS BND SRS 247B
	7.75 TX UNS BND SRS 248A
	7.45 TX UNS BND SRS 248B
IDBI Trusteeship Services Ltd Asian Building, Ground Floor 17, R. Kamani Marg, Ballard Estate Mumbai – 400 001	NIL

Independent Auditors’ Report

TO THE MEMBERS OF POWER FINANCE CORPORATION LIMITED

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

2. BASIS FOR OPINION

1. OPINION

We have audited the accompanying Standalone Financial Statements of Power Finance Corporation Limited (‘the Company’), which comprise the Balance Sheet as at 31st March 2025, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and Notes to the Standalone Financial Statements, including a summary of Material Accounting Policies and other explanatory information (hereinafter referred to as “the Standalone Financial Statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2025, and its profit (including Other Comprehensive Income), changes in equity and its cash flows for the year ended on that date.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (“ICAI”) together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

3. KEY AUDIT MATTERS

Key audit matters (“KAM”) are those matters that, in our professional judgement, were of most significance in our audit of the Standalone Financial Statements of the current year. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, description of how our audit addressed the matter is provided in that context:

Sr. No.	Key Audit Matter	Auditors’ Response
(i)	Impairment of financial instruments - Loan Assets and Undisbursed letter of comfort In this regard, the Company follows a Board approved methodology wherein assessment for allowance is carried out by an External Agency for Impairment based on certain guidelines and procedures in respect of criterion/framework classifying the assets into various stages depending upon credit risk and level of evidence of Impairment. Impairment loss measurement requires use of statistical models to estimate the Probabilities of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). These models are key driver to measure Impairment loss. The key indicators underlying for assessment of impairment allowance are appraised on the ongoing basis by the management. The most significant areas where we identified greater levels of management judgments are:	Our audit procedures included: • The Company has availed services of an External Agency for assessment of ECL, whose report has been provided to us. We verified the criterion / framework with applicable regulatory requirements along with Company’s internal guidelines and procedures in respect of the impairment allowance. • Verified loan assets by applying the standard audit procedures with respect to the credit appraisal, sanctioning, documentation, review and monitoring process of the Company. Also, loan balances were verified basis external confirmation from the borrowers and assessed quality of the borrower based on recovery and other criteria as per the credit policy of the Company. • Reviewed the underlying assumptions and broad methodology of ECL assessment.

Sr. No.	Key Audit Matter	Auditors’ Response
	Significant Increase in Credit Risk (SICR) – Company has classified SICR based on the indicator defined in Ind AS, estimate the Probabilities of Default (PD), Loss Given Default (LGD) and Individually assessed Stage 3 carrying value. The carrying value of loans and advances to borrowers may be materially misstated if individual impairments are not appropriately estimated based upon certain assumptions, future cash flow and asset valuations. Considering the effect of these matters, as part of our risk assessment, we determined that the value of Expected Credit Loss (ECL) has a high degree of estimation & uncertainty. In view of the significance of the amount of loan assets out of total assets in the Standalone Financial Statements, impairments of loan assets have been considered as key audit matter in our audit. [Refer Note No. 40.1.2 and 40.1.3 to the Standalone Financial Statements read with Note No. 5.3.1 (iii) and Note.6.2 (ii)]	• Components and calculations in the study for impairment allowance carried out by the independent expert have been test checked, discussed with the management and relied upon by us. Also, our audit procedure in this regard is limited since certain parameters of study being considered confidential have not been shared by the aforesaid expert. We considered the credit impairment charge and provision recognised and the related disclosures to be acceptable & satisfactory.
(ii)	Fair Valuation of Derivative financial instruments The Company enters into derivative contracts in accordance with RBI guidelines to mitigate its currency and interest rate risk in accordance with currency risk management policy approved by the Board of Directors of the Company. Derivative contracts are either categorised at Fair Value through P&L (FVTPL) or under cash flow hedge (Hedge Accounting). Mark to market gain/loss on derivatives categorised at FVTPL is recognised in Statement of Profit and Loss and that of Hedge Accounting is recognised in the Other Comprehensive Income. We consider the valuation of the derivative financial instruments and hedge accounting as a key audit matter due to material exposure and the fact that the inappropriate application of these requirements /assumptions / estimate by contracting bank could lead to a material effect on the income statement. [Refer Note No. 41 and 40.4 to the Standalone Financial Statements read with Note No. 5.3.3]	Our audit procedures included: The Company has availed services of an independent expert for preparation of a model for derivative accounting as per Ind AS 109. Discussed with management to have an understanding of its perception and also reviewed policy of the Company for risk management. Evaluated key internal controls over classification of derivative instruments. The Company obtains fair value of derivative from the counterparty banks as on the reporting date, which are relied upon by us. Our procedure included evaluation of details of various financial derivative contracts outstanding as on 31st March, 2025 and fair value thereof. Additionally, we verified the accounting of gain or loss on mark to market basis of derivative contracts in Statement of Profit & Loss and Other Comprehensive Income in case of derivatives contracts under cash flow hedge. Based on the aforesaid procedure, we have reviewed accounting of derivatives in the books of account and assessed that the related disclosures are given in the financial statements.

4. INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR’S REPORT THEREON

The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Director’s Report including Annexures to Director’s Report, Management Discussion and Analysis, Business Responsibility Report and Sustainability Report and Report on Corporate Governance (collectively referred to as “other information”) but does not include the Standalone Financial Statements and our auditors’ report thereon. The above-referred information is expected to be made available to us after the date of this Auditor’s report.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above when it became available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we concluded that there is a material misstatement of this other information, we are required to report that fact, we have nothing to report in this regard.

5. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial

Statements that give a true and fair view of the financial position, financial performance (including comprehensive income), changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

6. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatement in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) Planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current year and are therefore, the key audit

matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

7. OTHER MATTERS

The comparative data for the year ended 31st March, 2024 included in the Standalone Financial Statements have been audited by the other joint statutory auditors; whose audit report dated 15th May, 2024 expressed unmodified opinion on the comparative Standalone Financial Statements. Our opinion is not modified in respect of this matter.

8. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013 and on the basis of such examination of the books and records of the Company as we considered appropriate and according to information and explanation given to us, we give in **"Annexure-A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- The Comptroller and Auditor General of India has issued the directions indicating the areas to be examined in term of Sub-section 5 of Section 143 of the Act, the compliance of which is set out in **"Annexure B"**.
- As required by Section 143(3) of the Act, we report that:
 - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and Standalone Statement of Cash flows, dealt with by this Report are in agreement with the books of account;
 - In our opinion and to the best of our information and explanation given to us, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

- As per notification number G.S.R. 463(E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, Section 164(2) of the Act regarding the disqualifications of Directors is not applicable to the Company, since it is a Government Company;
- With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **"Annexure C"**;
- As per notification number G.S.R. 463 (E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, Section 197 of the Act regarding remuneration to Directors is not applicable to the Company, since it is a Government Company; and
- With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - The Company has disclosed the impact of pending litigations as at 31st March, 2025 on its financial position in its Standalone Financial Statements – Refer Note No.46 to the Standalone Financial Statements;
 - The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts including derivative contracts.
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - (a) The Management has represented (refer Note No.11.3) that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate



Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The Management has represented, that (refer Note No. 18.16), to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above contain any material mis-statement.

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

Sd/-
(Anil K. Thakur)
Partner
Membership No. 088722
UDIN : 25088722BMUJGK8734

Place: Mumbai
Date: 21.05.2025

- v. As stated in Note No.24.2(iii) to the Standalone Financial Statements:
- (a) The final dividend proposed for the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Companies Act, 2013, as applicable.
- (b) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Companies Act, 2013.
- (c) The Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.
- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account for the year ended March 31, 2025 which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved, from the date it was enabled, by the Company as per the statutory requirements for record retention.

For Mehra Goel &Co.
Chartered Accountants
Firm’s Registration No.: 000517N

Sd/-
(CA Vaibhav Jain)
Partner
Membership No.515700
UDIN:25515700BMLABX2701

Annexure A

to Independent Auditors’ Report on the Audit of the Standalone Financial Statements

(Referred to in Para 8 (I) under the heading ‘Report on other Legal and Regulatory Requirements’ of our report of even date to The Members of Power Finance Corporation Limited on the Standalone Financial Statements for the year ended 31st March, 2025)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

(i) In respect of Property, Plant and Equipment and Intangible Assets:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

The Company has maintained proper records showing full particulars, of intangible assets.

- (b) Based on the information and explanation given to us, the Company’s management carries out the physical verification of Property, Plant and Equipment once in a year. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and nature of its assets. As explained to us, no material discrepancies were noticed by the management on such physical verification.
- (c) Based on our examination of the records of the Company we report that, the title deeds, comprising all immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) which are free hold, are held in the name of the Company as at the balance sheet date. Further, in respect of immovable properties that have been taken on lease, the lease agreements are in the name of the Company.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use assets) and intangible assets during the year.

- (e) As informed to us, no proceedings have been initiated or are pending against the Company as at the date of Balance Sheet for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) In respect of Inventory:

- (a) The Company is a Non-Banking Financial Company and does not have any inventory. Thus, clause 3(ii) (a) of the Companies (Auditor’s Report) Order, 2020 is not applicable.
- (b) The Company has been sanctioned working capital limits in excess of five crore rupees, during the year, in aggregate, from banks or financial institutions which are unsecured and do not require any filing of quarterly returns or statements with the banks by the Company.

(iii) In respect of Investment, Loans, Advances, Guarantee & Security by the Company:

During the year, the Company has made investments in, provided guarantees and granted loans/advances in the nature of loans, secured/unsecured to Companies, firms, limited liability partnerships, and other parties. In this regard, we report hereunder:

- (a) The Company is a registered NBFC with Reserve Bank of India with principal business of giving loans hence clause 3(iii)(a) of the Order is not applicable
- (b) In our opinion, the investments made, guarantees provided, if any, and the terms and conditions of the grant of all loans and advances in the nature of loans, during the year are, prima facie, not prejudicial to the Company’s interest.
- (c) Being a registered Non-Banking Financial Company (NBFC), the Company grants its loans on stipulated terms and conditions for repayment of principal and interest. In respect of Loan assets except credit impaired assets, the repayments of principal amounts and receipts of interest are generally regular as per stipulation.

- (d) In respect of loans and advances in the nature of loans, the total amount overdue for more than ninety days are as under. The Company takes steps for recovery of the principal and interest as per its defined procedures, which in our opinion are reasonable.

No. of borrowers	Principal amount overdue (₹ in crore)	Interest overdue* (₹ in crore)	Total overdue (₹ in crore)
20	6,874.88	9,434.75	16,309.63

* The same has not been recognised as income as a matter of prudence as per practices of the Company.

- (e) Reporting under clause 3(iii)(e) of the Order is not applicable, since the principal business of the Company is to give loans.
- (f) To the best of our knowledge and according to information and explanation given to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment. Hence, reporting under clause 3(iii)(f) is not applicable.

(iv) In respect of compliances of provision of Section 185 & 186 of the Companies Act

- a) In our opinion and according to information and explanation given to us the Company has not given any loan or given any guarantee or provided any security in contravention of Section 185 of the Companies Act, 2013 to the extent applicable to the Company.
- b) Further in our opinion and according to information and explanation given to us, the Company being a Non-Banking Financial Company (NBFC), the Company is exempt from Section 186 of the Companies Act, 2013 and relevant rules in respect of loans & guarantees. In respect of investments the Company has complied with the provisions of Section 186(1) of the Companies Act, 2013.
- (b) According to the information and explanations given to us and as certified by the management on which we have relied upon, the disputed statutory dues aggregating to ₹ 111.28 crore have been deposited / on account of disputes / deposited under protest and the matters are pending before appropriate authorities as detailed below:

Name of the Statute	Nature of the Dues	Total Disputed Amount (₹ in crore)	Amount Paid under protest / adjusted by IT Authorities (₹ in crore)	Pending Amount (₹ in crore)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax*	73.12	73.12	-	AY 2016-17	CIT (Appeals), Delhi
		21.71	21.71	-	AY 2018-19	
		16.45	16.45	-	AY 2020-21	
Chapter V of Finance Act, 1994	Interest	0.09	-	-	January, 2016 to November, 2016	Assistant Commissioner, CGST South, New Delhi
Chapter V of Finance Act, 1994	Interest	0.07	-	-	December, 2016 to June, 2017	

* Including interest

(viii) In respect of unrecorded transactions:

As per information and explanation given to us and on the basis of our examination of the books of accounts of company, we confirm that there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(v) In respect of acceptance of Deposit

According to information and explanations given to us, the Company has not accepted any deposit from public to which directives issued by Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of Companies Act, 2013 and rules made thereunder are applicable.

(vi) In respect of maintenance of Cost Records

The Central Government has not prescribed the maintenance of cost records under Sub-section (1) of Section 148 of the Companies Act, for any of the services rendered by the Company. Accordingly, clause 3(vi) of the Companies (Auditor's Report) Order 2020 is not applicable to the Company.

(vii) In respect of Statutory Dues

- (a) As per information & explanation given to us by the management and on the basis of our examination of the books of account, the Company is regular in depositing with appropriate Authorities, undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Service Tax, and other statutory dues as applicable to it and there is no undisputed amount payable in respect of aforesaid dues outstanding for a period of more than six months from the date they become payable as on 31st March, 2025, as per the accounts of the Company.

(ix) In respect of default in repayments of loans / other borrowings and interest thereon

- (a) In our opinion, the Company has not defaulted in repayment of loans or other borrowing or on the payment of interest thereon to any lender.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

- (c) In our opinion, the term loans availed by the Company were availed by the Company for the purpose for which the loans were intended.
- (d) According to the information and explanations given to us, and the procedures performed by us, no funds raised on short-term basis have been used for long-term purposes by the Company other than temporary usage pending receipts from long-term sources.
- (e) According to the information and explanations given to us and on an overall examination of the Standalone Financial Statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate Companies.

(x) In respect of money raised through public offer / preferential allotment

- (a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures during the year.

(xi) In respect of fraud during the year

- (a) As per the information & explanations given to us by the management, no fraud by the Company or any fraud on the Company has been noticed or reported during the year. However, as per information & explanations given to us, one of the borrower is suspected to have committed fraud on the Company which is under investigation. The Company has downgraded the borrower loan account to Stage-III as per Ind AS and provided adequately against the outstanding loan amount.
- (b) As informed to us, no report under sub-section (12) of Section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and up to the date of this report.
- (c) We have been informed by the management that no whistle blower complaints have been received by the Company during the year.

(xii) In respect of Nidhi Company

The Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Companies (Auditor's Report) Order 2020 is not applicable to the Company.

(xiii) In respect of Related parties transactions

According to information and explanations given to us and on the basis of our examination of the records of the Company, all transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 where

applicable. The details have been disclosed in the Standalone Financial Statements (Note No.43) as per the requirement of the applicable accounting standards.

(xiv) In respect of Internal Audit

- (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports provided to us by the management for the year under audit in determining the nature, timing and extent of audit.

(xv) In respect of Non-cash transactions

According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

(xvi) In respect of registration with RBI

- (a) The Company is a Non- Banking Financial Company and has obtained registration under Section 45-IA of the Reserve Bank of India Act, 1934. The registration number issued to the Company is B- 14.00004 dated 28-07-2010.
- (b) The Company has not conducted any non-banking financial or housing finance activities without a valid certificate of registration from the Reserve Bank of India as per Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank Of India, hence reporting under clause 3 (xvi) (c) of the order is not applicable.
- (d) In our opinion, there is no Core Investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3 (xvi) (d) of the Order is not applicable to the Company.

(xvii) In respect of Cash Loss

On the basis of our examination of the records of the Company, the Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.

(xviii) In respect of Resignation of the Statutory Auditor

There has been no resignation of statutory auditors of the Company during the year.

(xix) In respect of Material-uncertainty on the basis of financial ratios

On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the

evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

For Thakur, Vaidyanath Aiyar & Co.

Chartered Accountants
Firm's Registration No.: 000038N

Sd/-
(Anil K. Thakur)
Partner
Membership No. 088722
UDIN : 25088722BMUJGK8734

Place: Mumbai
Date: 21.05.2025

(xx) In respect of Corporate Social Responsibility

- (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount as at the Balance Sheet date to a special account, within a period of thirty days from the end of the financial year in compliance with Section 135(6) of the Companies Act. (Note No.35).

For Mehra Goel &Co.

Chartered Accountants
Firm's Registration No.: 000517N

Sd/-
(CA Vaibhav Jain)
Partner
Membership No.515700
UDIN:25515700BMLABX2701

Annexure B

to the Independent Auditors' Report on the Audit of the Standalone Financial Statements

(Referred to in Para 8 (II) under the heading 'Report on other Legal and Regulatory Requirements' of our report of even date to The Members of Power Finance Corporation Limited on the Standalone Financial Statements for the year ended 31st March, 2025)

As required under Section 143(5) of the Companies Act, 2013 with respect to the directions issued by The Comptroller & Auditor General of India, we report that:

Directions	Replies
Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, the Company has system in place to process all the accounting transactions through IT system. Based on the verification carried out by us during the course of our audit and based on the information and explanations given to us we have not come across any instance having significant implications on the integrity of accounts.
Whether there is any restructuring of an existing loan or cases of waiver/ write-off of debts/ loans/ interest etc. made by a lender to the Company due to the Company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government Company, then this direction is also applicable for statutory auditor of lender Company).	There is no such case and the Company is regular in servicing its debts and borrowing obligations.
Whether funds (grants/subsidy etc.) received/ receivable for specific schemes from Central/ State Government or its agencies were properly accounted for/ utilised as per its term and conditions? List the cases of deviation.	Company is the nodal agency for the operationalisation of RDSS Scheme, Government of India. Ministry of Power, Government of India release funds/limits for the projects sanctioned under RDSS scheme for the respective beneficiary DISCOM's / Power Depts. through PFMS for implementation of sanctioned projects. Further, these assigned funds/limits have been accounted for / utilised as per specified scheme guidelines and terms & conditions of the sanction.

For Thakur, Vaidyanath Aiyar & Co.

Chartered Accountants
Firm's Registration No.: 000038N

Sd/-
(Anil K. Thakur)
Partner
Membership No. 088722
UDIN : 25088722BMUJGK8734

Place: Mumbai
Date: 21.05.2025

For Mehra Goel &Co.

Chartered Accountants
Firm's Registration No.: 000517N

Sd/-
(CA Vaibhav Jain)
Partner
Membership No.515700
UDIN:25515700BMLABX2701

Annexure C

to the Independent Auditors' Report on the Audit of the Standalone Financial Statements

(Referred to in Para 8 III(f) under the heading 'Report on other Legal and Regulatory Requirements' of our report of even date to The Members of Power Finance Corporation Limited on the Standalone Financial Statements for the year ended 31st March, 2025)

Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to the Standalone Financial Statements of Power Finance Corporation Limited ("the Company") as of 31st March, 2025 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

1. MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to Company's policies the safeguarding of its assets the prevention and detection of frauds and errors the accuracy and completeness of the accounting records and the timely preparation of reliable financial information as required under the Act.

2. AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI prescribed under Sub-section 10 of Section 143 of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that

a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

3. MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of the Management of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

4. INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

5. OPINION

In our opinion, the Company has, in all material respects, an internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Thakur, Vaidyanath Aiyar & Co.

Chartered Accountants
Firm's Registration No.: 000038N

Sd/-

(Anil K. Thakur)

Partner

Membership No. 088722

UDIN : 25088722BMUJGK8734

Place: Mumbai

Date: 21.05.2025

For Mehra Goel & Co.

Chartered Accountants
Firm's Registration No.: 000517N

Sd/-

(CA Vaibhav Jain)

Partner

Membership No. 515700

UDIN: 25515700BMLABX2701

Non-Banking Financial Companies Auditors' Report

for the year ended 31.03.2025

To The Board of Directors of
Power Finance Corporation Limited
Urjanidhi, 1, Barakhamba Lane,
Connaught Place, New Delhi - 110 001

We have audited the accompanying Standalone Financial Statements of Power Finance Corporation Limited ('the Company'), which comprises the Balance Sheet as at 31.03.2025, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and Notes to the Standalone Financial Statements, including a summary of Material Accounting Policies and Other Explanatory Information (hereinafter referred to as "the Standalone Financial Statements") and issued our audit report dated 21.05.2025. These financial statements are the responsibility of the Company's management. Our responsibility was to express an opinion on these financial statements based on our audit. Our audit was conducted in the manner specified under the section "Auditor's Responsibility for the Audit of the Financial Statements" of the said audit report. We also draw reference to the section "Responsibilities of Management and Those Charged with Governance for the Financial Statements" in the Audit Report which applies to this report.

As required by the "Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016" issued by the Reserve Bank of India (RBI), on the matters specified in Chapter - II of the said Directions to the extent applicable to the Company, based on our audit referred to the aforesaid paragraph and according to the information and explanations given to us, which to the best of our knowledge and belief were necessary for this purpose, we report that:

1. The Company is engaged in the business of Non-Banking Financial Institution, having valid certificate of registration as an Infrastructure Finance Company issued by Reserve Bank of India vide No. B-14.00004 dated 28.07.2010 in lieu of earlier certificate no. 14.00004 dated 10.02.1998. Further, the Company is entitled to continue to hold such registration in terms of its asset/income pattern as on 31.03.2025.
2. The Company is meeting the requirement of net owned funds applicable to an Infrastructure Finance Company as contained in in Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023.
3. The Company is registered as non-deposit accepting Infrastructure Finance Company with RBI. The Board of

For **Thakur, Vaidyanath Aiyar & Co.**

Chartered Accountants
Firm's Registration No.: 000038N

Sd/-
(Anil K. Thakur)
Partner
Membership No. 088722
UDIN : 25088722BMUJGK8734

Place: Mumbai
Date: 21.05.2025

Directors has passed resolution in its meeting held on 12.03.2025 for non-acceptance of any public deposit in future without obtaining prior written permission of Reserve Bank of India.

4. The Company has not accepted any public deposits during the financial year 2024-25.
5. The Standalone Financial Statements of the Company for the year 2024-25 have been prepared in accordance with the recognition and measurement principles of Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued thereunder. Accordingly, the Company is following Board approved methodology for computation of Impairment Allowance towards provisioning for its loan assets and classification thereof. In view of regulatory compliance of the Act for adoption of a mechanism for preparation of Standalone Financial Statements, the Company is required to make provision of impairment loss as per Ind AS 109 and not required to follow the Prudential norms relating to income recognition, asset classification and provisioning (IRACP norms) for Bad and Doubtful debts in terms of Directions 2016. However, in this regard, in compliance of Annex II of Master Direction Reserve Bank of India (Non-Banking Financial Company Scale Based Regulation) Directions, 2023, as amended, the Company has calculated provision required under IRACP Norms (including standard assets provisions) and the Company is not required to appropriate any amount to "Impairment Reserve".
6. As per information and explanation given to us, the Statement of capital funds, risk assets/exposure and risk asset ratio (DNBS 03 Return) has been filed by the Company for all the quarters of FY 2024-25 based on provisional Standalone Financial Results, including CRAR of respective quarters, drawn on the date of filing within the stipulated period, in compliance with RBI norms. Further, CRAR based on audited Standalone Financial Statements for the year ended 31.03.2025 has been correctly arrived at and it is in compliance with minimum prescribed CRAR by RBI.

We have no responsibility to update this report for events occurring after the date of submission of signed copy of this report. Also, this report is issued solely for reference of the Company pursuant to the requirement as per the said Directions and is not to be used or distributed for any other purpose.

For **Mehra Goel & Co.**

Chartered Accountants
Firm's Registration No.: 000517N

Sd/-
(CA Vaibhav Jain)
Partner
Membership No. 515700
UDIN: 25515700BMLABX2701

Comments of the Comptroller and Auditor General of India

Under Section 143(6)(B) of the Companies Act, 2013 on The Financial Statements of Power Finance Corporation Limited for the Year Ended 31 March 2025

The preparation of financial statements of Power Finance Corporation Limited for the year ended 31 March 2025 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 21 May 2025.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Power Finance Corporation Limited for the year ended 31 March 2025 under Section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors' and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report under section 143(6)(b) of the Act.

For and on behalf of the
Comptroller & Auditor General of India

Sd/-
(Tanuja Mittal)
Director General of Audit (Energy)
New Delhi

Place: New Delhi
Date: 05.08.2025



Standalone Balance Sheet

as at March 31, 2025

₹ in crore)				
Sr. No.	Particulars	Note No.	As at 31.03.2025 (Audited)	As at 31.03.2024 (Audited)
ASSETS				
1	Financial Assets			
(a)	Cash and Cash Equivalents	7	22.03	21.76
(b)	Bank Balance other than Cash and Cash Equivalents	8	6,820.63	200.05
(c)	Derivative Financial Instruments	9	6,647.30	4,462.03
(d)	Trade Receivables	10A	-	-
(e)	Loans	11	5,32,818.27	4,69,928.41
(f)	Investments	12	20,719.99	20,219.95
(g)	Other Financial Assets	13	5,951.72	6,052.91
	Total Financial Assets (1)		5,72,979.94	5,00,885.11
2	Non-Financial Assets			
(a)	Current Tax Assets (Net)	14	228.24	243.81
(b)	Deferred Tax Assets (Net)		3,351.04	3,557.16
(c)	Property, Plant and Equipment	15	46.68	42.08
(d)	Intangible Assets under development	15	11.98	11.20
(e)	Intangible Assets	15	5.23	0.02
(f)	Right-of-use Assets	15	33.50	33.95
(g)	Other Non-Financial Assets	16	1,520.72	809.68
	Total Non-Financial Assets (2)		5,197.39	4,697.90
	Total Assets (1+2)		5,78,177.33	5,05,583.01
LIABILITIES AND EQUITY				
Liabilities				
1	Financial Liabilities			
(a)	Derivative Financial Instruments	9	773.17	353.73
(b)	Trade Payables	10B		
	(i) Total outstanding dues of Micro, Small and Medium Enterprises		0.10	0.20
	(ii) Total outstanding dues of creditors other than Micro, Small and Medium Enterprises		9.46	14.72
(c)	Debt Securities	17	3,19,747.77	2,94,267.80
(d)	Borrowings (other than Debt Securities)	18	1,52,203.32	1,16,606.04
(e)	Subordinated Liabilities	19	3,564.35	5,519.72
(f)	Other Financial Liabilities	20	9,682.28	8,633.29
	Total Financial Liabilities (1)		4,85,980.45	4,25,395.50
2	Non-Financial Liabilities			
(a)	Current Tax Liabilities (Net)	14	50.92	15.31
(b)	Provisions	21	476.38	412.09
(c)	Other Non-Financial Liabilities	22	732.71	556.62
	Total Non-Financial Liabilities (2)		1,260.01	984.02
	Total Liabilities (1+2)		4,87,240.46	4,26,379.52
3	Equity			
(a)	Equity Share Capital	23	3,300.10	3,300.10
(b)	Other Equity	24	87,636.77	75,903.39
	Total Equity (3)		90,936.87	79,203.49
	Total Liabilities and Equity (1+2+3)		5,78,177.33	5,05,583.01

The accompanying Notes 1 to 60 form integral part of Standalone Financial Statements.

For and on behalf of Board of Directors		
Sd/- (Manish Kumar Agarwal) GM & Company Secretary	Sd/- (Sandeep Kumar) Director (Finance) DIN: 08529035	Sd/- (Parminder Chopra) Chairman and Managing Director DIN: 08530587
Signed in terms of our report of even date attached		
For Thakur, Vaidyanath Aiyar & Co. Chartered Accountants Firm's Registration No.: 000038N	For Mehra Goel & Co. Chartered Accountants Firm's Registration No.: 000517N	
Sd/- Anil K. Thakur Partner Membership No. 088722	Sd/- CA Vaibhav Jain Partner Membership No. 515700	
Place: Mumbai Date: 21.05.2025		

Standalone Statement of Profit and Loss

for the year ended March 31, 2025

₹ in crore)				
Sr. No.	Particulars	Note No.	Year ended 31.03.2025 (Audited)	Year ended 31.03.2024 (Audited)
Revenue from Operations				
(i)	Interest Income	25	49,874.70	43,641.14
(ii)	Dividend Income	26	2,992.30	2,276.01
(iii)	Fees and Commission Income	27	232.22	105.31
I.	Total Revenue from Operations		53,099.22	46,022.46
II.	Other Income	28	28.54	11.64
III.	Total Income (I+II)		53,127.76	46,034.10
Expenses				
(i)	Finance Costs	29	30,538.04	28,019.65
(ii)	Net Translation / Transaction Exchange Loss / (Gain)	30	466.76	(213.09)
(iii)	Fees and Commission Expense	31	28.66	24.40
(iv)	Net Loss / (Gain) on Fair Value changes	32	(256.55)	109.73
(v)	Impairment on Financial Instruments	33	457.11	(171.15)
(vi)	Employee Benefit Expenses	34	268.58	236.85
(vii)	Depreciation, Amortisation and Impairment	15	19.83	18.40
(viii)	Corporate Social Responsibility Expenses	35	270.28	217.51
(ix)	Other Expenses	36	162.68	166.11
IV.	Total Expenses		31,955.39	28,408.41
V.	Profit/(Loss) Before Exceptional Items and Tax (III-IV)		21,172.37	17,625.69
VI.	Exceptional Items		-	-
VII.	Profit/(Loss) Before Tax (V-VI)		21,172.37	17,625.69
Tax Expense:		37		
(1) Current Tax:				
- Current Year			3,585.36	2,988.34
- Earlier Years			(15.31)	(15.54)
(2) Deferred Tax Expense / (Income)			250.13	285.87
VIII.	Total Tax Expense		3,820.18	3,258.67
IX.	Profit/(Loss) from Continuing Operations (VII-VIII)		17,352.19	14,367.02
X.	Profit/(Loss) from Discontinued Operations (After Tax)		-	-
XI.	Profit/(Loss) (from continuing and discontinued operations) (IX+X)		17,352.19	14,367.02
Other Comprehensive Income				
(A)	(i) Items that will not be reclassified to Profit or Loss			
	- Re-measurement of Defined Benefit Plans		(6.17)	(5.73)
	- Net Gain / (Loss) on Fair Value of Equity Instruments		(2.90)	1,577.82
	(ii) Income Tax relating to items that will not be reclassified to Profit or Loss			
	- Re-measurement of Defined Benefit Plans		1.45	1.46
	- Net Gain / (Loss) on Fair Value of Equity Instruments		(52.23)	(190.10)
	Sub-Total (A)		(59.85)	1,383.45
(B)	(i) Items that will be reclassified to Profit or Loss			
	- Effective Portion of Gains / (Loss) in Cash Flow Hedge		(197.26)	(208.59)
	- Cost of Hedging Reserve		(124.79)	215.28
	(ii) Income Tax relating to items that will be reclassified to Profit or Loss			
	- Effective Portion of Gains / (Loss) in Cash Flow Hedge		49.65	52.50
	- Cost of Hedging Reserve		31.41	(54.18)
	Sub-Total (B)		(240.99)	5.01
XII.	Other Comprehensive Income (A+B)		(300.84)	1,388.46
XIII.	Total Comprehensive Income (XI+XII)		17,051.35	15,755.48
XIV.	Basic and Diluted Earnings Per Equity Share (Face Value ₹ 10/- each):	38		
(1)	For continuing operations (in ₹)		52.58	43.53
(2)	For discontinued operations (in ₹)		-	-
(3)	For continuing and discontinued operations (in ₹)		52.58	43.53

The accompanying Notes 1 to 60 form integral part of Standalone Financial Statements.

For and on behalf of Board of Directors		
Sd/- (Manish Kumar Agarwal) GM & Company Secretary	Sd/- (Sandeep Kumar) Director (Finance) DIN: 08529035	Sd/- (Parminder Chopra) Chairman and Managing Director DIN: 08530587
Signed in terms of our report of even date attached		
For Thakur, Vaidyanath Aiyar & Co. Chartered Accountants Firm's Registration No.: 000038N	For Mehra Goel & Co. Chartered Accountants Firm's Registration No.: 000517N	
Sd/- Anil K. Thakur Partner Membership No. 088722	Sd/- CA Vaibhav Jain Partner Membership No. 515700	
Place: Mumbai Date: 21.05.2025		



Standalone Statement of Changes in Equity

for the year ended March 31, 2025

A. EQUITY SHARE CAPITAL

Particulars	Opening Balance	Changes in Equity Share Capital due to prior period errors	Restated Opening Balance	Changes during the year	Closing Balance
Issued, Subscribed and fully paid up:					
Year ended March 31, 2024	2,640.08	-	2,640.08	660.02	3,300.10
Year ended March 31, 2025	3,300.10	-	3,300.10	-	3,300.10

Refer note 23 for details.

B. OTHER EQUITY

FY 2024-25

Particulars	Other Reserves							Retained Earnings	Other Comprehensive Income			Total (₹ in crore)		
	Special Reserve created u/s 45-IC of Reserve Bank of India Act, 1934	Reserve for Bad & doubtful debts u/s 36(1)(viiia)(c) of Income-Tax Act, 1961	Special Reserve created u/s 36(1)(viii) of Income Tax Act, 1961 up to Financial Year 1996-97	Special Reserve created and maintained u/s 36(1)(viii) of Income Tax Act, 1961 from Financial Year 1997-98	Special Impairment Reserve	Securities Premium	Foreign Currency Monetary Item Translation Difference Account		Interest Differential Reserve - KFW Loan	General Reserve	Equity Instruments through comprehensive Income		Effective portion of Gain/ (Loss) Cash Flow Hedges	Cost of Hedging Reserve
Balance as at 31.03.2024	11,432.63	1,212.26	599.85	29,316.21	89.18	2,115.74	(402.85)	67.15	14,720.80	15,876.21	1,278.50	336.11	(738.40)	75,903.39
Changes in Accounting Policy / Prior Period Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	-	-	17,352.19	-	-	-	17,352.19
Re-measurement of Defined Benefit Plans (net of tax)	-	-	-	-	-	-	-	-	-	(4.72)	-	-	-	(4.72)
Other Comprehensive Income / (Expense)	-	-	-	-	-	-	-	-	-	-	(55.13)	(147.61)	(93.38)	(296.12)
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	17,347.47	(55.13)	(147.61)	(93.38)	17,051.35
Dividends	-	-	-	-	-	-	-	-	-	(5,362.67)	-	-	-	(5,362.67)
Transfer to / from Retained Earnings	3,470.45	919.16	-	3,245.45	-	-	-	-	-	(7,635.06)	-	-	-	-
Utilisation of reserve against bad debts written off	-	(1,212.26)	-	-	-	-	-	-	-	1,212.26	-	-	-	-
Reclassification of gain / (loss) on sale / extinguishment of FVTOCI equity instrument	-	-	-	-	-	-	-	-	-	114.38	(114.38)	-	-	-
Utilised for issue of Bonus Equity Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenses incurred on issue of Bonus Equity shares	-	-	-	-	-	0.00	-	-	-	-	-	-	-	-
Additions / Deletions during the year (net)	-	(3.83)	-	50.08	-	-	44.70	1.75	-	(48.00)	-	-	-	44.70
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

FY 2023-24

Particulars	Other Reserves							Retained Earnings	Other Comprehensive Income			Total (₹ in crore)		
	Special Reserve created u/s 45-IC of Reserve Bank of India Act, 1934	Reserve for Bad & doubtful debts u/s 36(1)(vii)(c) of Income-Tax Act, 1961	Special Reserve created u/s 36(1)(viii) of Income Tax Act, 1961 up to Financial Year 1996-97	Special Reserve created and maintained u/s 36(1)(viii) of 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 comprehensive Income		Effective portion of Gain/ (Loss) Cash Flow Hedges	Cost of Hedging Reserve
Balance as at 31.03.2023	8,559.23	529.39	599.85	26,511.31	-	2,776.54	(467.57)	64.97	14,691.55	12,648.64	55.54	492.20	(899.50)	65,562.15
Changes in Accounting Policy / Prior Period Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	-	-	14,367.02	-	-	-	14,367.02
Re-measurement of Defined Benefit Plans (net of tax)	-	-	-	-	-	-	-	-	-	(4.27)	-	-	-	(4.27)
Other Comprehensive Income / (Expense)	-	-	-	-	-	-	-	-	-	-	1,387.72	(156.09)	161.10	1,392.73
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	14,362.75	1,387.72	(156.09)	161.10	15,755.48
Dividends	-	-	-	-	-	-	-	-	-	(4,818.15)	-	-	-	(4,818.15)
Transfer to / from Retained Earnings	2,873.40	715.09	-	2,767.28	89.18	-	-	-	-	(6,444.95)	-	-	-	-
Utilisation of reserve against bad debts written off	-	(29.25)	-	-	-	-	-	-	-	29.25	-	-	-	-
Reclassification of gain / (loss) on sale / extinguishment of FVTOCI equity instrument	-	-	-	-	-	-	-	-	-	164.76	(164.76)	-	-	-
Utilised for issue of Bonus Equity Shares	-	-	-	-	-	(660.02)	-	-	-	-	-	-	-	(660.02)
Expenses incurred on issue of Bonus Equity shares	-	-	-	-	-	(0.78)	-	-	-	-	-	-	-	(0.78)
Additions / Deletions during the year (net)	-	(2.97)	-	37.62	-	-	64.72	2.18	-	(36.84)	-	-	-	64.71
Balance as at 31.03.2024	11,432.63	1,212.26	599.85	29,316.21	89.18	2,115.74	(402.85)	67.15	14,720.80	15,876.21	1,278.50	336.11	(738.40)	75,903.39

The accompanying Notes 1 to 60 form integral part of Standalone Financial Statements.

Sd/-
(Manish Kumar Agarwal)
GM & Company Secretary

For and on behalf of Board of Directors

Sd/-
(Sandeep Kumar)
Director (Finance)
DIN: 08529035

Sd/-
(Parminder Chopra)
Chairman and Managing Director
DIN: 08530587

Signed in terms of our report of even date attached

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

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

Sd/-
Anil K. Thakur
Partner
Membership No. 088722

Sd/-
CA Vaibhav Jain
Partner
Membership No. 515700



Standalone Statement of Cash Flows

for year ended March 31, 2025

(₹ in crore)			
Sr. No.	Description	Year ended 31.03.2025 (Audited)	Year ended 31.03.2024 (Audited)
I. CASH FLOW FROM OPERATING ACTIVITIES:			
	Profit before Tax	21,172.37	17,625.69
	Adjustments for:		
	Loss/ (Gain) on derecognition of Property, Plant and Equipment (net)	4.62	3.36
	Loss/ (Gain) on Fair value changes (Net)	(256.55)	109.73
	Unrealised Foreign Exchange Translation Loss / (Gain)	1,714.44	(64.92)
	Depreciation and Amortisation	19.83	18.40
	Impairment on Financial Instruments	457.11	(171.15)
	Effective Interest Rate in respect of Loan assets and borrowings/ debt securities	(111.85)	(111.57)
	Interest expense on Zero Coupon Bonds and Commercial Papers	47.30	(96.65)
	Other interest expense	3.65	3.14
	Interest accrued on investments	(74.17)	(28.63)
	Provision for unspent CSR created	81.92	116.02
	Provision (others) created	83.78	59.09
	Operating profit before Working Capital Changes:	23,142.45	17,462.51
	Increase / Decrease:		
	Loans (Net)	(63,408.11)	(59,036.70)
	Other Financial and Non-Financial Assets	(6,508.06)	689.29
	Derivative	(1,649.97)	443.13
	Other Financial & Non-Financial Liabilities, Trade Payables and Provisions	1,595.13	4,804.15
	Cash used before Exceptional Items	(46,828.56)	(35,637.62)
	Exceptional Items	-	-
	Cash used in Operations Before Tax	(46,828.56)	(35,637.62)
	Income Tax paid	(3,573.86)	(3,082.78)
	Income Tax Refund	37.61	39.97
	Net Cash Inflow/(Outflow) from Operating Activities	(50,364.81)	(38,680.43)
II. CASH FLOW FROM INVESTING ACTIVITIES:			
	Proceeds from disposal of Property, Plant and Equipment	0.35	0.18
	Purchase of Property, Plant and Equipment & Intangible Assets (including CWIP, Intangible Assets under development and Capital Advance)	(760.75)	(288.24)
	Sale / (Purchase) of Other Investments	(174.56)	(1,184.75)
	Net Cash Inflow/(Outflow) from Investing Activities	(934.96)	(1,472.81)
III. CASH FLOW FROM FINANCING ACTIVITIES:			
	Raising of Bonds (including premium) (Net of Redemptions)	23,632.42	32,696.99
	Raising of Long Term Loans (Net of Repayments)	9,873.52	9,185.54
	Raising of Foreign Currency Loans (Net of Repayments)	14,625.63	8,411.61
	Raising of Subordinated Liabilities (Net of Redemptions)	(2,000.00)	(3,700.00)
	Raising of Commercial paper (Net of Repayments)	5,987.27	-
	Raising of Working Capital Demand Loan / OD / CC / Line of Credit (Net of Repayments)	4,543.87	(1,622.35)
	Expenses on issue of bonus equity shares	-	(0.78)
	Payment of Dividend	(5,362.67)	(4,818.15)
	Payment of Lease Liability	(0.01)	(0.00)
	Net Cash Inflow/(Outflow) from Financing Activities	51,300.04	40,152.86
	Net Increase / (Decrease) in Cash and Cash Equivalents	0.27	(0.38)
	Add : Cash and Cash Equivalents at beginning of the financial year	21.76	22.14

Standalone Statement of Cash Flows

for year ended March 31, 2025

(₹ in crore)			
Sr. No.	Description	Year ended 31.03.2025 (Audited)	Year ended 31.03.2024 (Audited)
	Cash and Cash Equivalents at the end of the year	22.03	21.76
	Details of Cash and Cash Equivalents at the end of the year:		
	Balances with Banks (of the nature of cash and cash equivalents)		
	- In current accounts	22.03	21.76
	- Cheques, Drafts on hand including postage and Imprest	-	0.00
	Total Cash and Cash Equivalents at the end of the year	22.03	21.76

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

During the year, the Company has cash outflow of an amount of ₹ 188.36 crore (previous year ₹ 101.48 crore) towards Corporate Social Responsibility. (Refer Note 35)

Reconciliation of liabilities (principal o/s) arising from financing activities

(₹ in crore)							
Sr. No.	Particulars	Bonds / Debenture*	Term Loans**	Foreign Currency Loans	WCDL/ Loan against term deposit	Commercial Paper	Subordinated Liabilities
	Opening Balance as at 01.04.2023	2,15,070.11	69,817.90	64,554.49	3,983.83	-	9,211.50
	Cash Flow During the Year (Net)	32,696.99	9,185.54	8,411.61	(1,622.35)	-	(3,700.00)
	Non-Cash Changes due to:						
	Amortisation of discount / interest on Zero Coupon Bond / Financial Charges on Commercial Paper	(96.65)	-	-	-	-	-
	Variation in Exchange Rates	-	-	(129.64)	-	-	-
	Closing Balance as at 31.03.2024	2,47,670.45	79,003.44	72,836.46	2,361.48	-	5,511.50
	Cash Flow During the Year (Net)	23,632.42	9,873.52	14,625.63	4,543.87	5,987.27	(2,000.00)
	Non-Cash Changes due to:						
	Amortisation of discount on Zero Coupon Bonds & Financial Charges on Commercial Papers	38.33	-	-	-	8.97	-
	Variation in Exchange Rates	-	-	1,669.74	-	-	-
	Closing Balance as at 31.03.2025	2,71,341.20	88,876.96	89,131.83	6,905.35	5,996.24	3,511.50

*Foreign Currency Notes form part of Foreign Currency Loans in Standalone Statement of Cash Flows.

**Foreign Currency Loans and Foreign Currency Loans- Multilateral/Bilateral Agencies form part of Foreign Currency Loans in Standalone Statement of Cash Flows.

The accompanying Notes 1 to 60 form integral part of Standalone Financial Statements.

For and on behalf of Board of Directors		
Sd/- (Manish Kumar Agarwal) GM & Company Secretary	Sd/- (Sandeep Kumar) Director (Finance) DIN: 08529035	Sd/- (Parminder Chopra) Chairman and Managing Director DIN: 08530587
Signed in terms of our report of even date attached		
For Thakur, Vaidyanath Aiyar & Co. Chartered Accountants Firm's Registration No.: 000038N	For Mehra Goel & Co. Chartered Accountants Firm's Registration No.: 000517N	
Sd/- Anil K. Thakur Partner Membership No. 088722	Sd/- CA Vaibhav Jain Partner Membership No. 515700	

Place: Mumbai
Date: 21.05.2025

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

1. COMPANY INFORMATION

Power Finance Corporation Limited ("PFC" or "the Company") was incorporated in India in the year 1986. The Company is domiciled in India and is limited by shares, having its registered office at 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi – 110001 and conferred with 'Maharatna' Status by the Govt. of India.

The Company is a Government Company engaged in extending financial assistance to power, logistics and infrastructure sector and is registered with Reserve Bank of India (RBI) as an Infrastructure Finance Company (IFC). The Company being a Government owned NBFC-IFC is placed in Middle layer under Master Direction (NBFC-Scale Based Regulation), 2023 issued by RBI.

Equity shares of the Company are listed on National Stock Exchange of India Limited (NSE) and BSE Limited. Further, various debt securities of the Company are also listed on the stock exchanges.

2. STATEMENT OF COMPLIANCE

The Standalone Financial Statements of the Company comply with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), applicable provisions of the Companies Act, 2013 and other applicable regulatory norms / guidelines. The Standalone Balance Sheet, Statement of Profit and Loss and Statement of Changes in Equity are prepared and presented as per the requirements of Division III of Schedule III to the Companies Act, 2013 applicable for Non-Banking Financial Companies (NBFCs). The Standalone Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 'Statement of Cash Flows'.

3. These Standalone Financial Statements have been approved for issue by Board of Directors (BoD) of the Company on 21.05.2025.

4. STANDARDS / AMENDMENTS ISSUED BUT NOT YET EFFECTIVE

During the FY 2024-25, the Ministry of Corporate Affairs (MCA) has not notified any new Indian Accounting Standards (Ind AS) or made amendments thereto, which are not yet effective.

5. MATERIAL ACCOUNTING POLICY INFORMATION

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

5.1 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.

5.2 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.

5.3 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.

5.3.1 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

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 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, logistics & infrastructure sector and such loans are managed to realise 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. "

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

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

(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. The impairment requirements for the recognition and measurement of ECL are equally applied to financial asset measured at FVTOCI except that ECL is recognised in Other Comprehensive Income and is not reduced from the carrying amount in the Balance Sheet.

- (a) Impairment of Loan Assets and commitments under Letter of Comfort (LoC) & Letter of Undertaking (LoU):

The Company measures ECL on loan assets 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 generally measured on collective basis using homogenous groups.

The Company measures impairment on commitments under LoC & LoU on similar basis as in case of Loan assets.

- (b) Impairment of financial assets, other than loan assets:

ECL on financial assets, other than loan 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.

5.3.2 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.

- (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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

5.3.3 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 recognised in Other Comprehensive Income. The change in intrinsic value of hedging instruments is recognised in 'Effective Portion of Cash Flow Hedges'. The amounts recognised 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 recognised in 'Cost of Hedging Reserve'. The amounts recognised in such reserve are amortised to the Statement of Profit and Loss on a systematic basis. The gain or loss relating to ineffective portion is recognised 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.

5.4 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.

5.5 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 realisable 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 recognised 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 derecognised. Maintenance or servicing costs of PPE are recognised 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

- (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 where useful life has been estimated by the Company as 2 years. 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 ₹ 5000/- each are fully depreciated, in the year of purchase.

5.6 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.

5.7 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 recognises 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 recognised 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

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 recognised 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.

5.8 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.
- (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.

5.9 Recognition of Income and Expenditure

- (i) Interest income, on financial assets subsequently measured at amortised cost, is recognised 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 recognised 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 recognised 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 recognised 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 recognised 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 recognised 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 recognised as expense upon initial recognition in the Statement of Profit and Loss.

5.10 Foreign Currency Transactions and Translations

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

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."

5.11 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 recognised in Other Comprehensive Income (OCI). Past service cost is recognised 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 recognised 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.

5.12 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.

5.13 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

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recognised 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 utilised. 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 realised.

5.14 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.

5.15 Expenditure on issue of shares

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

5.16 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.

5.17 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 recognise new assets or liabilities. Adjustments are made only to harmonise 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.

6. USE OF ESTIMATES AND MANAGEMENT JUDGEMENT

In preparation of the Standalone Financial Statements, the Management is required to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and the related disclosures. The estimates and underlying assumptions are based on historical experience & other relevant factors and are reviewed on an ongoing basis. Actual results may differ from these estimates.

Changes in accounting estimates, if any, are recognised prospectively in the period in which the estimate is revised if the revision affects only that period or in the period of the revision & future periods if it affects both current & future periods.

6.1 Significant Management Judgements

In order to enhance understanding of the Standalone Financial Statements, information about significant areas of critical judgements, apart from those involving estimation (Note 6.2), in applying accounting policies that have the most significant effect on the amounts recognised in the Standalone Financial Statements, are as under:

- (i) Deferred tax Liability on Special Reserve
The Company had passed a Board resolution that it has no intention to withdraw any amount from the Special Reserve created and maintained under Section 36(1)(viii) of the Income Tax Act, 1961. Accordingly, the Special Reserve created and maintained cannot be withdrawn and as there is no future tax incidence, the Company does not create deferred tax liability on the said reserve.

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for the year ended March 31, 2025

- (ii) Non recognition of income on Credit Impaired loan assets
As a matter of prudence, income on credit impaired loan assets is recognised as and when received or on accrual basis when expected realisation is higher than the loan amount outstanding.

- (iii) Amortisation of transaction cost on credit impaired loan assets
Outstanding amount of unamortised transaction cost is credited to Statement of Profit and Loss on classification of loan asset as credit impaired.

- (iv) Classification of Investments
In order to classify an investment in a company as investment in subsidiary or joint venture (JV) or associate, judgement is required to assess the level of control depending upon the facts and circumstances of each case.

- (a) The Company along with its subsidiary RECL is holding 21.49 % stake in equity share capital of Energy Efficiency Services Limited (EESL). However, in the absence of any practical ability to direct the relevant activities as per the requirements of Ind AS 28 'Investment in Associates and Joint Ventures', the Company does not have any significant influence, accordingly EESL has not been considered as an associate company.

- (b) Ultra-Mega Power Projects (UMPPs) are managed as per the mandate from Government of India (GoI) and the Company does not have the practical ability to direct the relevant activities of these UMPPs unilaterally. The Company therefore, considers its investment in respective UMPPs as associates having significant influence despite the Company holding 100% of their paid-up equity share capital.

- (c) By virtue of holding Board position or equity stake in borrower companies, the rights exercised by PFC in such companies are protective in nature. Thus, the borrower companies are not considered as Associates for the purpose of financial statements.

- (v) Low value leases
An assessment is required, if lessee opts not to apply the recognition and measurement requirements of Ind AS 116 'Leases' to leases where the underlying asset is of low value. For the purpose of determining low value, the Company has considered nature of assets and concept of materiality as defined in Ind AS 1 'Presentation of Financial Statements' and the conceptual framework of Ind AS which involve significant judgement.

- (vi) Sundry Liabilities - Interest Capitalisation
Unrealised income on credit impaired loans, represented by Funded Interest Term Loan (FITL) / debt / equity instruments acquired under resolution, is transferred to a separate account titled 'Sundry Liabilities Account (Interest Capitalisation)' and is recognised in Statement of Profit and Loss on repayment of FITL or sale / redemption of debt / equity instruments.

- (vii) Evaluation of indicators for impairment loss allowance of financial assets

The evaluation of the applicability of indicators for computation of impairment loss allowance of assets requires assessment of several external and internal factors which could result in change in recoverable amount of the assets. The Company makes significant judgement in identifying the default and significant increase in credit risk (SICR) based on available information.

6.2 Assumptions and Key Sources of Estimation Uncertainty

Information about estimates and assumptions that have the significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below:

- (i) Defined Benefit Obligation (DBO)
The Company's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses as detailed at Note 44.2.

- (ii) Impairment test of Financial Assets (Expected Credit Loss)

The measurement of impairment loss allowance for financial assets which includes loan, LoCs, LoUs and guarantees measured at amortised cost requires use of statistical models, expected future economic conditions, estimated cash flows and credit behaviour (e.g., inputs and weights used for credit risk scoring, likelihood of borrowers defaulting and resulting losses). The cash flows expected to be recovered from credit impaired loans are assessed based on the borrower's financial situation, current status of the project, bid-value, resolution plan amount, OTS amount as available.

As these estimates are based on various assumptions, actual results may vary. Refer Note 40.1 for further details.

- (iii) Fair value measurement

Fair value of financial instruments is required to be estimated for financial reporting purposes. The Company applies appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Company uses quoted prices and market-observable data to the extent it is available. In case of non-availability of the same, unobservable inputs are used for calculation of fair value of the assets / liabilities. The information about the valuation techniques, inputs used in determination of fair value of various assets & liabilities and other details are disclosed at Note 42.

- (iv) Income Taxes

Estimates are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions and also in respect of expected future profitability to assess deferred tax asset. Refer Note 37 for details.

- (v) Useful life of Property, Plant & Equipment (PPE) and Intangible Assets

The Company reviews its estimate of the useful lives of depreciable / amortisable assets at the end of each financial year, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets. Refer Note 15 for details on useful lives and carrying values of PPE and Intangible assets.

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7. CASH AND CASH EQUIVALENTS

(₹ in crore)			
Sr. No.	Particulars	As at 31.03.2025	As at 31.03.2024
Balances with Banks (of the nature of cash and cash equivalents)			
(i)	- In Current Accounts	22.03	21.76
(ii)	- Cheques, Drafts on hand including Postage and Imprest	-	0.00
Total Cash and Cash Equivalents		22.03	21.76

8. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in crore)			
Sr. No.	Particulars	As at 31.03.2025	As at 31.03.2024
Earmarked Balances with Banks for			
(i)	- Bank Deposit (Callable) / Demand Deposits- On Lien*	6,521.64	-
(ii)	- Unclaimed Dividend	6.14	5.48
(iii)	- Unclaimed Bonds / Interest on Bonds etc.	79.39	72.78
(iv)	- Amount received under GOI schemes	0.00	0.00
(v)	- Current Accounts with Banks - Unspent CSR Purposes (Refer note 35.4)	185.14	121.79
(vi)	- Bank deposits- Security for FCNR (B) loans	28.32	-
Total Bank Balance other than Cash and Cash Equivalents		6,820.63	200.05

* The Company has availed Loan against these Term Deposits (LAD) and is presented in Note 18.5.

9. 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 31.03.2025			As at 31.03.2024	
		Notional Amount	Fair value Assets	Fair value Liabilities	Notional Amount	Fair value Assets
(i)	Currency Derivatives					
	- Spot and Forwards	-	-	-	-	-
	- Currency Swaps	16,302.92	184.36	25.75	11,219.24	318.87
	- Options	1,05,845.58	5,988.28	640.91	65,398.47	3,915.73
	Total Currency Derivatives (i)	1,22,148.50	6,172.64	666.66	76,617.71	4,234.60
(ii)	Interest Rate Derivatives					
	- Forward Rate Agreements and Interest Rate Swaps	65,581.89	474.66	106.51	15,655.69	227.43
	Total Interest Rate Derivatives (ii)	65,581.89	474.66	106.51	15,655.69	227.43
	Total Derivative Financial Instruments (i+ii)	1,87,730.39	6,647.30	773.17	92,273.40	4,462.03

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

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 31.03.2025			As at 31.03.2024	
		Notional Amounts	Fair value Assets	Fair value Liabilities	Notional amounts	Fair value Assets
(i)	Fair Value Hedging					
	- Interest Rate Derivatives	30,036.90	435.57	-	-	-
	Total Fair Value Hedging (i)	30,036.90	435.57	-	-	-
(ii)	Cash Flow Hedging					
	- Currency Derivatives	1,22,148.50	6,172.64	666.66	76,617.71	4,234.61
	- Interest Rate Derivatives	34,594.99	32.16	106.51	12,506.09	196.75
	Total Cash Flow Hedging (ii)	1,56,743.49	6,204.80	773.17	89,123.80	4,431.36
(iii)	Undesignated Derivatives					
	- Undesignated Derivatives	950.00	6.93	-	3,149.60	30.67
	Total Undesignated Derivatives (iii)	950.00	6.93	-	3,149.60	30.67
	Total Derivative Financial Instruments (i+ii+iii)	1,87,730.39	6,647.30	773.17	92,273.40	4,462.03

9.1 Details of Forward Rate Agreements / Interest Rate Swaps:

(₹ in crore)		
Sr. No.	Description	As at 31.03.2025
(i)	Notional principal of swap agreements	65,581.89
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	474.66
(iii)	Collateral required upon entering into swaps	-
(iv)	Concentration of credit risk arising from swaps	Refer note (a) below
(v)	Fair value of swap book (obtained from counterparty banks)	368.15

^(a) The Company enters into swap agreements with Category-I Authorised Dealer Banks (PSU Banks, Private Indian Banks & Foreign Banks), in accordance with the RBI guidelines. All the swap agreements entered into with the banks are well within the limits defined in the Board approved "Policy for Management of Risks on Foreign Currency Borrowings".

9.2 Details of nature and terms of Forward Rate Agreements / Interest Rate Swaps

Benchmark	As at 31.03.2025	As at 31.03.2024	Terms
Notional principal (₹ in crore)			
1 Yr OIS	30,036.90	-	Fixed Receivable Vs Floating Payable
FBIL G-Sec	950.00	3,149.60	Fixed Receivable Vs Floating Payable
USD SOFR	17,330.23	12,506.09	Fixed Payable Vs Floating Receivable
JPY TONA	13,337.94	-	Fixed Payable Vs Floating Receivable
6M Euribor	3,926.81	-	Fixed Payable Vs Floating Receivable
Total	65,581.89	15,655.69	

9.3. The Company does not hold any exchange traded Interest Rate (IR) derivatives as at 31.03.2025 (as at 31.03.2024 Nil).

9.4. Quantitative Disclosures on Risk Exposure in Derivatives:

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(₹ in crore)					
Sr. No.	Particulars Currency Derivatives	As at 31.03.2025		As at 31.03.2024	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)				
	For hedging (a) & (b)	1,22,148.50	65,581.89	76,617.71	15,655.69
(ii)	Marked to Market Positions (MTM)				
	(a) Asset (+MTM)	6,172.64	474.66	4,234.60	227.43
	(b) Liability (-MTM)	666.66	106.51	349.19	4.54
(iii)	Credit Exposure	15,477.19	1,427.08	9,968.91	345.89
(iv)	Unhedged Foreign Currency Exposures	4,358.78	10,551.58	8,688.98	13,158.21

^(a) Interest rate derivatives include derivatives on rupee liabilities of ₹ 30,986.90 crore as at 31.03.2025 (as at 31.03.2024 ₹ 3,149.60 crore).

^(b) Hedging of loan liabilities via multi-leg cross-currency derivatives has resulted in multiple recognition of derivative exposure, amounting to ₹ 37,375.45 crore.(as at 31.03.2024 ₹ 12,470.23 crore)

9.5. Refer Note 40.3 and Note 40.4 qualitative disclosures on Derivatives and Note 41 for disclosures related to hedge accounting.

10A 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 31.03.2025	As at 31.03.2024
(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	-	-

10A.1 MOVEMENT OF IMPAIRMENT ON TRADE RECEIVABLES

			(₹ in crore)
Sr. No.	Particulars	FY 2024-25	FY 2023-24
(i)	Opening Balance	0.81	0.81
(ii)	Add: Creation during the year	-	-
(iii)	Less: Reversal during the year	-	-
Closing Balance		0.81	0.81

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

10A.2 TRADE RECEIVABLES AGEING SCHEDULE

(₹ in crore)							
Sr. No.	Particulars	As at 31.03.2025					
		Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables — considered good	-	-	-	-	-	-
(ii)	Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables — credit impaired	-	-	-	-	0.81	0.81
(iv)	Disputed Trade Receivables—considered good	-	-	-	-	-	-
(v)	Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(vi)	Disputed Trade Receivables — credit impaired	-	-	-	-	-	-
	Total	-	-	-	-	0.81	0.81

(₹ in crore)							
Sr. No.	Particulars	As at 31.03.2024					
		Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables — considered good	-	-	-	-	-	-
(ii)	Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables — credit impaired	-	-	-	-	0.81	0.81
(iv)	Disputed Trade Receivables—considered good	-	-	-	-	-	-
(v)	Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(vi)	Disputed Trade Receivables — credit impaired	-	-	-	-	-	-
	Total	-	-	-	-	0.81	0.81

10B TRADE PAYABLES

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

(₹ in crore)			
Sr. No.	Particulars	As at 31.03.2025	As at 31.03.2024
(i)	Total outstanding dues of micro, small and medium enterprises	0.10	0.20
(ii)	Total outstanding dues of creditors other than micro, small and medium enterprises	9.46	14.72
Total Trade Payables		9.56	14.92



Notes to the Standalone Financial Statements

for the year ended March 31, 2025

10B.1 TRADE PAYABLES AGEING SCHEDULE

		(₹ in crore)				
Sr. No.	Particulars	As at 31.03.2025				
		Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i)	MSME	0.10	-	-	-	0.10
(ii)	Others	8.08	0.01	0.04	1.33	9.46
(iii)	Disputed dues-MSME	-	-	-	-	-
(iv)	Disputed dues-Other	-	-	-	-	-
Total		8.18	0.01	0.04	1.33	9.56

		(₹ in crore)				
Sr. No.	Particulars	As at 31.03.2024				
		Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i)	MSME	0.20	-	-	-	0.20
(ii)	Others	11.94	1.37	0.01	1.40	14.72
(iii)	Disputed dues-MSME	-	-	-	-	-
(iv)	Disputed dues-Other	-	-	-	-	-
Total		12.14	1.37	0.01	1.40	14.92

11. 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 31.03.2025	As at 31.03.2024
(A)	Loans to Borrowers*		
(i)	Term Loans**	4,98,659.62	4,43,873.03
(ii)	Buyer's Line of Credit	1,719.69	1,896.63
(iii)	Working Capital Loans	42,204.48	35,155.62
(iv)	Others -Deferred Payment Guarantee	536.62	536.62
(v)	Principal Outstanding (i to iv)	5,43,120.41	4,81,461.90
(vi)	Interest accrued but not due on Loans	3,626.23	4,270.07
(vii)	Interest accrued & due on Loans	702.83	213.41
(viii)	Unamortised Fee on Loans	(265.15)	(194.29)
	Gross Carrying Amount (v to viii)	5,47,184.32	4,85,751.09
	Less: Impairment loss allowance	(14,366.05)	(15,822.68)
	Net Carrying Amount	5,32,818.27	4,69,928.41
(B)	Security-wise classification		
(i)	Secured by Tangible Assets	2,12,447.81	2,10,196.31
(ii)	Secured by Intangible Assets	-	-
(iii)	Covered by Bank / Government Guarantees	1,90,663.21	1,87,653.29
(iv)	Unsecured	1,44,073.30	87,901.49
	Gross Security-wise classification	5,47,184.32	4,85,751.09
	Less: Impairment loss allowance	(14,366.05)	(15,822.68)
	Net Security-wise classification	5,32,818.27	4,69,928.41

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

		(₹ in crore)	
Sr. No.	Particulars	As at 31.03.2025	As at 31.03.2024
(C) I	Loans in India		
(i)	Public Sector	4,24,079.90	3,93,489.05
(ii)	Private Sector	1,23,104.42	92,262.04
	Gross Carrying Amount of Loans in India	5,47,184.32	4,85,751.09
	Less: Impairment loss allowance	(14,366.05)	(15,822.68)
	Net Carrying amount of Loans in India	5,32,818.27	4,69,928.41
(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	5,32,818.27	4,69,928.41

* For details of Loans pledged as security refer Note 17.6, 17.7, 17.11 and 18.4.

** For details of Loans given to related party, refer Note 43.

11.1 Movement of Impairment loss allowance on Loans

		(₹ in crore)	
Sr. No.	Particulars	FY 2024-25	FY 2023-24
(i)	Opening balance	15,822.68	16,024.67
(ii)	Creation during the year	2,628.03	563.71
(iii)	Reversal during the year	(4,084.65)	(765.71)
	Closing balance	14,366.06	15,822.68

11.2 During the year, the Company has sent letters to borrowers seeking confirmation of balances as at 31.03.2025 except where loans have been recalled or pending before court/NCLT.

Confirmation for 99.34% of the said balances have been received. Out of the remaining loans amounting ₹ 2,835.96 crore for which balance confirmation have not been received, 60.30% loans are secured by way Charge on Assets and 39.70% are unsecured loans.

11.3 The details of resolution plans implemented during the year:

						(₹ in crore)
Sr. No.	Name of Borrower	Details of Resolution Plan	Principal o/s prior to date of Resolution	Impairment allowance provided till date of Resolution	Amount written off including impairment on investments	Remarks
FY 2024-25						
1	KSK Mahanadi Power Company Limited	Resolution with change in ownership through NCLT	3,299.61	1,814.79		- Resolution proceeds / equity shares of the borrower Company received resulting in realisation of full loan principal and interest income of ₹ 1,190.42 crore. Loan stands settled as at 31.03.2025.
2	Vyshaka Solar Energy Systems Private Limited	Restructuring with existing promoter outside NCLT	8.86	4.57		- Sustainable debt amounting to ₹ 9.41 crore is continuing in the books of the Company as on 31.03.2025.
3	Om Shakti Renegies Ltd	Liquidated through NCLT	3.82	3.82	3.82	Dissolution order dated 18.09.2024 received from NCLT. Based on Board approval principal outstanding of ₹ 3.82 crore has been written off. Loan stand settled at 31.03.2025.
4	Lanco Amarkantak Power Limited	Resolution with change in ownership through NCLT	2,375.69	1,797.98	1,593.44	Loan stands settled as at 31.03.2025.
Total			5,687.98	3,621.16	1,597.26	

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

FY 2023-24						
1	Mytrah Vayu Tungbhadra Private Limited	Restructuring with change in ownership outside NCLT	650.51	422.68	29.25	Sustainable loan amounting to ₹ 581.80 crore is continuing in the books of the Company as at 31.03.2024. Further, Optionally Convertible Debentures (OCDs) of the borrower company were received.
2	Dans Energy Private Limited	Restructuring without change in ownership outside NCLT	412.99	127.82	-	Sustainable debt amounting to ₹ 441.45 crore is continuing in the books of the Company as at 31.03.2024. Further, Optionally Convertible Debentures (OCDs) of the borrower company were received.
Total			1,063.50	550.50	29.25	

11.4 The Company has not advanced or loaned or invested any funds which are material either individually or in the aggregate (either from borrowed funds or share premium or any other sources or kind of funds) to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

11.5 For details of credit risk exposure and management by the Company, refer note 40.1.

12. INVESTMENTS

(₹ in crore)							
Sr. No.	Particulars	As at 31.03.2025					
		Amortised Cost (1)	Designated at FVTOCI (2)	FVTPL (3)	Sub-Total (4)=(2)+(3)	Others* (5)	Total (1)+(4)+(5)
(A)	Investments						
(i)	Government Securities	2,635.70	-	-	-	-	2,635.70
(ii)	Debt securities	363.49	-	-	-	-	363.49
(iii)	Equity Instruments						
	- Subsidiaries	-	-	-	-	14,600.70	14,600.70
	- Associates	-	-	-	-	0.55	0.55
	- Others	-	2,889.36	230.19	3,119.55	-	3,119.55
(iv)	Preference Shares	72.95	-	-	-	-	72.95
	Total Investments	3,072.14	2,889.36	230.19	3,119.55	14,601.25	20,792.94
(B)	Geography wise investment						
(i)	Investments Outside India	-	-	-	-	-	-
(ii)	Investments in India	3,072.14	2,889.36	230.19	3,119.55	14,601.25	20,792.94
	Gross Geography wise investment	3,072.14	2,889.36	230.19	3,119.55	14,601.25	20,792.94
	Less: Impairment loss allowance	(72.95)	-	-	-	-	(72.95)
	Net Geography wise investment	2,999.19	2,889.36	230.19	3,119.55	14,601.25	20,719.99

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(₹ in crore)							
Sr. No.	Particulars	As at 31.03.2024					
		Amortised Cost (1)	Designated at FVTOCI (2)	FVTPL (3)	Sub-Total (4)=(2)+(3)	Others* (5)	Total (1)+(4)+(5)
(A)	Investments						
(i)	Government Securities	1,898.61	-	-	-	-	1,898.61
(ii)	Debt securities	411.78	-	46.77	46.77	-	458.55
(iii)	Equity Instruments						
	- Subsidiaries	-	-	-	-	14,600.70	14,600.70
	- Associates	-	-	-	-	0.55	0.55
	- Others	-	3,053.27	193.98	3,247.25	-	3,247.25
(iv)	Preference Shares	87.24	-	-	-	-	87.24
	Total Investments	2,397.63	3,053.27	240.75	3,294.02	14,601.25	20,292.90
(B)	Geography wise investment						
(i)	Investments Outside India	-	-	-	-	-	-
(ii)	Investments in India	2,397.63	3,053.27	240.75	3,294.02	14,601.25	20,292.90
	Gross Geography wise investment	2,397.63	3,053.27	240.75	3,294.02	14,601.25	20,292.90
	Less: Impairment loss allowance	(72.95)	-	-	-	-	(72.95)
	Net Geography wise investment	2,324.68	3,053.27	240.75	3,294.02	14,601.25	20,219.95

* 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

12.1 Details of Investments

Sr. No.	Particulars	Measured at	As at 31.03.2025			As at 31.03.2024		
			Number	Face Value (₹)	Amount	Number	Face Value (₹)	Amount
(i)	Government Securities - Quoted****	Amortised Cost	24,96,64,700	100	2,635.70	17,95,02,700	100	1,898.61
(ii)	Debt securities****							
	- Bonds from State Power Corporation- Quoted	Amortised Cost	2,625	10,00,000	262.58	3,000	10,00,000	300.25
Debentures - Unquoted								
	- Essar Power Transmission Company Ltd. - Series A3 - OCD	FVTPL	-	-	-	6,13,23,236	10	33.34
	- Essar Power Transmission Company Ltd. - Series B3 - OCD	FVTPL	-	-	-	2,47,00,125	10	13.43
	- Essar Power Transmission Company Ltd. - Series C - OCD	FVTPL	-	-	-	68,79,504	10	0.00
	- RKM Powergen Pvt. Ltd. - Series A - OCD	FVTPL	41,93,96,250	100	0.00	41,93,96,250	100	0.00
	- RKM Powergen Pvt. Ltd. - Series B - OCD*****	FVTPL	1,34,71,484	100	0.00	1,34,71,484	100	0.00
	- RKM Powergen Pvt. Ltd. - Series AI - OCD*****	FVTPL	2,32,72,410	100	0.00	2,32,72,410	100	0.00
	- Mytrah Vayu Tungbhadra Pvt Ltd. - Series A - OCD	FVTPL	29,25,000	100	0.00	29,25,000	100	0.00
	- Mytrah Vayu Tungbhadra Pvt Ltd- Series B - OCD	FVTPL	1,86,24,000	100	0.00	1,86,24,000	100	0.00
	- DANS Energy Pvt. Ltd. - OCD	FVTPL	2,37,42,000	100	0.00	2,37,42,000	100	0.00
	- Jhabua Power Limited - NCD	Amortised Cost	1,00,91,263	100	100.91	1,11,53,499	100	111.53

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Sr. No.	Particulars	Measured at	As at 31.03.2025			As at 31.03.2024		
			Number	Face Value (₹)	Amount	Number	Face Value (₹)	Amount
(iii) Equity Instruments								
Subsidiaries								
	- REC Ltd. - Quoted	Cost	1,38,59,93,662	10	14,500.50	1,38,59,93,662	10	14,500.50
	- PFC Consulting Ltd. - Unquoted*	Cost	52,246	10	0.15	52,246	10	0.15
	- PFC Projects Ltd. - Unquoted*	Cost	50,000	10	0.05	50,000	10	0.05
	- PFC Infra Finance IFSC Limited - Unquoted*	Cost	10,00,00,000	10	100.00	10,00,00,000	10	100.00
Associates								
	- Companies for development of Ultra Mega Power Projects (11 companies) - Unquoted*	Cost	5,50,000	10	0.55	5,50,000	10	0.55
Others								
	- PTC India Limited - Quoted	Designated - FVTOCI	1,20,00,000	10	196.33	1,20,00,000	10	223.14
	- Coal India Limited - Quoted	Designated - FVTOCI	1,39,64,530	10	556.07	1,39,64,530	10	606.20
	- NHPC Limited - Quoted	Designated - FVTOCI	10,26,79,475	10	844.03	11,76,79,192	10	1,055.58
	- Power Exchange India Limited - Unquoted*	Designated - FVTOCI	32,20,000	10	5.06	32,20,000	10	4.78
	- Suzlon Energy Limited - Quoted	Designated - FVTOCI	13,31,04,997	2	754.17	13,31,04,997	2	537.74
	- Energy Efficiency Services Limited - Unquoted	Designated - FVTOCI	24,55,00,000	10	101.18	24,55,00,000	10	181.06
	- Jhabua Power Limited - Unquoted***	Designated - FVTOCI	6,90,45,455	10	418.61	6,90,45,455	10	440.04
	- Ind Barath Energy Utkal Limited - Unquoted	Designated - FVTOCI	239	10	13.91	239	10	4.73
	- KSK Mahanadi Power Company Limited - Unquoted***	Designated - FVTOCI	2,665	10	0.00	-	-	-
	- RattanIndia Power Limited - Quoted	FVTPL	23,51,27,715	10	230.19	23,51,27,715	10	193.98
	- RKM PowerGen Pvt. Ltd - Unquoted	FVTPL	40,39,15,920	10	0.00	40,39,15,920	10	0.00
(iv) Preference Shares - Unquoted								
	- Adani Power Limited - RPS**	Amortised Cost	-	-	-	59,82,371	100	14.29
	- RattanIndia Power Limited - RPS	Amortised Cost	7,29,49,786	10	72.95	7,29,49,786	10	72.95
	- RattanIndia Power Limited - OCCRPS	FVTPL	10,99,93,397	10	-	10,99,93,397	10	-
Total Investments					20,792.94	20,292.90		
Less: Impairment Loss Allowance					(72.95)	(72.95)		
Net Investments					20,719.99	20,219.95		

RPS - Redeemable Preference Shares, OCCRPS - Optionally Convertible Cumulative Redeemable Preference Shares, OCD - Optionally Convertible Debenture, NCD- Non Convertible Debentures

* Investment held in physical form

** Formerly Raipur Energen Ltd (REL), a wholly owned subsidiary, merged with its Holding Company i.e. Adani Power Limited.

*** Equity shares held by the lender's trustee on behalf of Company

**** earmarked for HQLA. Refer Note 54.6 for disclosure regarding High Quality Liquid Assets (HQLA)

***** Number of OCD's are subject to corporate action pending from borrower side on account of ₹ 218 crore realised during the FY 2024-25

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for the year ended March 31, 2025

12.2 Movement of impairment loss allowance on investments

			(₹ in crore)	
Particulars	FY 2024-25	FY 2023-24		
Opening Balance	72.95	72.95		
Add: Impairment loss allowance recognised during the year	-	-		
Less: Reversal of excess impairment loss allowance during the year	-	-		
Closing Balance	72.95	72.95		

12.3 Details of Investment in Subsidiaries and Associates:

Sr. No.	Name of investee company	Principal place of business / Country of incorporation	Proportion of ownership interest as at	
			31.03.2025	31.03.2024
A.	Subsidiaries:			
(i)	REC Limited	India	52.63%	52.63%
(ii)	PFC Consulting Limited	India	100%	100%
(iii)	PFC Projects Limited*	India	100%	100%
(iv)	PFC Infra Finance IFSC Limited (PIFIL)	IFSC GIFT City, Gujarat, India	100%	100%
B	Associates**:			
(i)	Orissa Integrated Power Limited	India	100%	100%
(ii)	Coastal Tamil Nadu Power Limited	India	100%	100%
(iii)	Sakhigopal Integrated Power Company Limited	India	100%	100%
(iv)	Ghogarpalli Integrated Power Company Limited	India	100%	100%
(v)	Deoghar Mega Power Limited	India	100%	100%
(vi)	Cheyyur Infra Limited	India	100%	100%
(vii)	Odisha Infrapower Limited	India	100%	100%
(viii)	Deoghar Infra Limited	India	100%	100%
(ix)	Bihar Infrapower Limited	India	100%	100%
(x)	Bihar Mega Power Limited	India	100%	100%
(xi)	Jharkhand Infrapower Limited	India	100%	100%

* During the year, PFC Board subject to approval of Ministry of Power, Gol has proposed to strike off the name of Company from Register of Companies.

**Investment in each associate is ₹ 0.05 crore as at 31.03.2025 and 31.03.2024. These associates are companies incorporated as SPVs under mandate from Gol for development of Ultra Mega Power Projects (UMPPs) with the intention to hand over the same to successful bidders on completion of the bidding process. As per directions received from Ministry of Power, Gol, these associate companies are under the process of Strike off.

12.4 At initial recognition, the Company made an irrevocable election to present subsequent changes in the fair value of certain equity instruments in other comprehensive income. The Company's main operation is to extend financial assistance to power, logistics and infrastructure sector. Thus, in order to insulate Standalone Statement of Profit and Loss from price fluctuations of these instruments, the Management believes that FVTOCI classification provides a more meaningful presentation, rather than classifying them at FVTPL.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

Details of FVTOCI instruments de-recognised during the year:

(₹ in crore)			
Details of investment	No. of shares / units de-recognised	Fair Value as on date of de-recognition	Cumulative gain / (loss) on de-recognition
FY 2024-25			
NHPC Limited ^(a)	1,49,99,717	161.01	114.38
FY 2023-24			
NHPC Limited ^(a)	3,76,44,978	246.76	164.76

^(a) These equity shares were sold in tranches during the year considering the market scenario. The fair value and gain have been computed based on the price as on the respective date of de-recognition and has been presented above on aggregate basis.
Subsequent to de-recognition of such investments, the Company has transferred the cumulative gain/loss on such shares within Equity (from Reserve for Equity Instruments through OCI to Retained Earnings) during the year. Refer Standalone Statement of Changes in Equity for further details.

12.5 Refer Note 42 for details of fair valuation of investments.

13 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 31.03.2025	As at 31.03.2024
(i)	Recoverable on account of Government of India Serviced Bonds	5,038.21	5,038.72
(ii)	Advances to Subsidiaries and Associates	217.40	220.24
(iii)	Security Deposits	5.19	3.72
(iv)	Advances to Employees	140.06	138.32
(v)	Dividend Receivable	498.96	623.70
(vi)	Others	80.99	49.67
	Less: Impairment loss allowance on Others	(29.09)	(21.46)
	Total Other Financial Assets	5,951.72	6,052.91

13.1 Detail of Advances to KMPs (Included in Note 13 (iv) above):

(₹ in crore)			
Sr. No.	Particulars	As at 31.03.2025	As at 31.03.2024
(i)	Advances to KMPs (including interest accrued)	1.17	1.26
(ii)	Advances to KMPs (including interest accrued) as a % of Employee Advances	0.84%	0.91%

13.2 Movement of Impairment on Other Financial Assets

(₹ in crore)			
Sr. No.	Particulars	FY 2024-25	FY 2023-24
(i)	Opening Balance	21.46	17.57
(ii)	Add: Creation during the year	13.79	4.80
(iii)	Less: Reversal during the year	(6.16)	(0.91)
	Closing Balance	29.09	21.46

14 CURRENT TAX ASSETS / LIABILITIES (NET)

(₹ in crore)			
Sr. No.	Particulars	As at 31.03.2025	As at 31.03.2024
(i)	Advance income tax and TDS net of Provision	133.83	149.40
(ii)	Tax deposited on income tax demands under contest	94.41	94.41
	Current Tax Assets (Net)	228.24	243.81
(i)	Provision for income tax net of Advance Tax	50.92	15.31
	Current Tax Liabilities (Net)	50.92	15.31

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

15 PROPERTY, PLANT AND EQUIPMENT (PPE), INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

FY 2024-25

(₹ in crore)									
Particulars	Property, Plant and Equipment							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 01.04.2024	3.38	24.92	33.35	36.62	19.53	0.13	117.93	11.20	10.38
Additions	-	-	6.46	19.11	3.21	-	28.78	0.78	5.38
Disposals / Adjustments	-	-	(8.03)	(8.62)	(4.60)	-	(21.25)	-	-
Gross Carrying Amount as on 31.03.2025 (A)	3.38	24.92	31.78	47.11	18.14	0.13	125.46	11.98	15.76
Accumulated Depreciation / Amortisation as on 01.04.2024	-	14.69	25.75	23.66	11.65	0.10	75.85	-	10.36
Charge for the year	-	0.50	4.86	11.59	2.25	0.01	19.21	-	0.17
Assets disposed /written off from books	-	-	(6.65)	(7.03)	(2.60)	-	(16.28)	-	-
Accumulated Depreciation / Amortisation as on 31.03.2025 (B)	-	15.19	23.96	28.22	11.30	0.11	78.78	-	10.53
Net Carrying Amount as on 31.03.2025 (A-B)	3.38	9.73	7.82	18.89	6.84	0.02	46.68	11.98	5.23

FY 2023-24

(₹ in crore)									
Particulars	Property, Plant and Equipment							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 01.04.2023	3.38	24.92	31.93	33.16	19.23	0.13	112.75	11.20	10.38
Additions	-	-	5.61	10.50	3.44	-	19.55	-	-
Disposals / Adjustments	-	-	(4.19)	(7.04)	(3.14)	-	(14.37)	-	-
Gross Carrying Amount as on 31.03.2024 (A)	3.38	24.92	33.35	36.62	19.53	0.13	117.93	11.20	10.38
Accumulated Depreciation / Amortisation as on 01.04.2023	-	14.17	22.86	20.48	11.16	0.08	68.75	-	10.34
Charge for the year	-	0.52	6.25	8.93	2.22	0.02	17.94	-	0.02
Assets disposed /written off from books	-	-	(3.36)	(5.75)	(1.73)	-	(10.84)	-	-
Accumulated Depreciation / Amortisation as on 31.03.2024 (B)	-	14.69	25.75	23.66	11.65	0.10	75.85	-	10.36
Net Carrying Amount as on 31.03.2024 (A-B)	3.38	10.23	7.60	12.96	7.88	0.03	42.08	11.20	0.02



Notes to the Standalone Financial Statements

for the year ended March 31, 2025

Right-of-use Assets

(₹ in crore)		
Particulars	As at 31.03.2025	As at 31.03.2024
Opening Balance of Leasehold Land	33.95	34.40
Additions	-	-
Less: Amortisation*	(0.45)	(0.45)
Closing Balance of Leasehold Land	33.50	33.95

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

15.1 The estimated useful life and depreciation on property, plant and equipment (PPE) is in line with the Accounting Policy contained in Note 5.5 (v).

15.2 The Company reviews the estimated useful life, residual values and depreciation method of Property, Plant & Equipment and Intangible Assets at the end of each financial year and changes in estimates, if any, are accounted prospectively. Details of useful life of Property Plant & Equipment and Intangible Assets are as under:

Category	EDP Equipment							Intangible Assets
	Building	Servers and networks	End user devices i.e. desktops, laptops etc.	Office Equipment	Cell Phone	Furniture and Fixture	Vehicles	
Useful Life (in Years)	60	6	3	5	2	10	8	5
Residual value as a % of original Cost	5%	5%	5%	5%	5%	5%	5%	-

15.3 In the opinion of management, there is no impairment on the Property, Plant & Equipment and Intangible Assets of the Company in terms of Ind AS 36 'Impairment of Assets'. Accordingly, no provision for impairment loss has been made.

15.4 Certain Property, Plant & Equipment of the Company have been pledged as security against secured borrowings of the Company as per details below:

(₹ in crore)		
Particulars	As at 31.03.2025	As at 31.03.2024
Gross Carrying Value	4.12	4.12
Net Carrying Value	3.33	3.36

For details of borrowings against which above assets are pledged as security refer note 17.6 and 17.7.

15.5 Title deeds of immovable properties (Freehold land) are held in the name of the Company.

15.6 There has been no revaluation of PPE and Intangible assets during the year.

15.7 Intangible assets under development ageing schedule:

(₹ in crore)					
Intangible assets under development	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31.03.2025					
Projects in progress	0.78		11.20	-	11.98
Projects temporarily suspended	-	-	-	-	-
Total	0.78	-	11.20	-	11.98
As at 31.03.2024					
Projects in progress	-	11.20	-	-	11.20
Projects temporarily suspended	-	-	-	-	-
Total	-	11.20	-	-	11.20

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

15.8 Intangible assets under development completion schedule:

(₹ in crore)					
Intangible assets under development	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31.03.2025					
Project in progress		11.98	-	-	11.98
As at 31.03.2024					
Project in progress	-	-	-	-	-

16 OTHER NON-FINANCIAL ASSETS

			(₹ in crore)
Sr. No.	Particulars	As at 31.03.2025	As at 31.03.2024
(i)	Prepaid Expenses	11.24	8.70
(ii)	Deferred employee benefits	53.51	52.65
(iii)	Advance towards Capital assets	1,377.20	651.39
(iv)	Others*	78.77	96.94
Total Other Non-Financial Assets		1,520.72	809.68

* It majorly includes advance towards contractual obligations (CSR) and amount receivable from tax authorities.

17. 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 31.03.2025	As at 31.03.2024
(i)	Secured Bonds / Debenture		
-	Infrastructure Bonds (Refer note 17.5)	38.51	38.51
-	Tax Free Bonds (Refer note 17.8)	7,485.57	7,485.57
-	54EC Capital Gain Tax Exemption Bonds (Refer note 17.9)	9,943.09	8,994.11
-	Taxable Bonds (Refer note 17.10)	7,251.51	7,251.51
	Sub-Total (i)	24,718.68	23,769.70
(ii)	Unsecured Bonds / Debenture		
-	Taxable Bonds (Refer note 17.12)	2,46,622.52	2,23,900.74
-	Foreign Currency Notes (Refer note 17.13)	32,723.23	37,723.57
-	Commercial Paper (Refer note 17.14)	5,996.24	-
	Sub-Total (ii)	2,85,341.99	2,61,624.31
(iii)	Total Principal Outstanding of Debt Securities (i+ii)	3,10,060.67	2,85,394.01
(iv)	Interest accrued but not due on (iii) above	9,508.46	9,088.98
(v)	Unamortised Transaction Cost on (iii) above	(209.18)	(215.19)
(vi)	Hedging Adjustments - Loan Liability - FV Hedge on (iii) above	387.82	-
	Total Debt Securities (iii to vi)	3,19,747.77	2,94,267.80
	Geography wise Debt Securities		
(i)	Debt Securities in India	2,86,764.44	2,56,273.48
(ii)	Debt Securities outside India	32,983.33	37,994.32
	Total Geography wise Debt Securities	3,19,747.77	2,94,267.80

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

- 17.1** The Company raises funds through various instruments including non-convertible bond issues. During the year, the Company has not defaulted in servicing of any of its debt securities.
- 17.2** The amounts raised during the year have been utilised for the stated objects in the offer document/Information memorandum/facility agreement other than temporary deployment pending application of proceeds.
- 17.3** 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. Further, security cover maintained by the Company for all secured non-convertible debt securities is 1.02 times.
- 17.4** Wherever required, the Company has registered the charges with respective Registrars of Companies (ROC) within the statutory timelines.
- 17.5** Details of Secured Infrastructure Bonds outstanding are as follows:

Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	For Security, Refer Note	Redemption details
			31.03.2025	31.03.2024			
1	Infrastructure Bonds (2010-11) - Series III	8.50%	5.27	5.27	31.03.2026	17.6	Redeemable at par on a date falling Fifteen years from the date of allotment
2	Infrastructure Bonds (2010-11) - Series IV	8.50%	19.33	19.33	31.03.2026		Redeemable at par with cumulative interest compounded annually, on a date falling fifteen years from the date of allotment
3	Infrastructure Bonds (2011-12) - Series III	8.75%	2.86	2.86	21.11.2026	17.7	Redeemable at par on a date falling Fifteen years from the date of allotment
4	Infrastructure Bonds (2011-12) - Series IV	8.75%	7.77	7.77	21.11.2026		Redeemable at par with cumulative interest compounded annually, on a date falling fifteen years from the date of allotment
5	Infrastructure Bonds 86 C Series	8.72%	0.87	0.87	30.03.2027		Redeemable at par on a date falling Fifteen years from the date of allotment
6	Infrastructure Bonds 86 D Series	8.72%	2.40	2.40	30.03.2027		Redeemable at par with cumulative interest compounded annually, on a date falling fifteen years from the date of allotment
Total			38.51	38.51			

- 17.6** Infrastructure Bonds (2010-11) Series III and IV are secured by first pari-passu charge on receivables of the Company along with first charge on immovable property situated at Jangpura, New Delhi.
- 17.7** These bond series (excluding Infrastructure Bonds 2010-11 Series III and IV) are secured by first pari-passu charge on present and future receivables along with first pari-passu charge on immovable property situated at Guindy, Chennai.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

17.8 Details of Secured Tax Free Bonds outstanding are as follows:

Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	For Security, Refer Note	Redemption details
			31.03.2025	31.03.2024			
1	Tax Free Bonds Series 136	7.16%	300.00	300.00	17.07.2025	17.11	Redeemable at par on maturity
2	Tax Free Bonds (2015-16) Series 1B	7.36%	77.22	79.35	17.10.2025		
3	Tax Free Bonds (2015-16) Series 1A	7.11%	77.23	75.09	17.10.2025		
4	Tax Free Bond Series 79-B	7.75%	217.99	217.99	15.10.2026		
5	Tax Free Bond Series 80-B	8.16%	209.34	209.34	25.11.2026		
6	Tax Free Bonds (2011-12) Public Issue	8.30%	1,280.58	1,280.58	01.02.2027		
7	Tax Free Bond Series 94B	7.38%	25.00	25.00	22.11.2027		
8	Tax Free Bonds Series 95B	7.38%	100.00	100.00	29.11.2027		
9	Tax Free Bonds (2012-13) Tranch-I Series 2	7.86%	171.38	177.01	04.01.2028		
10	Tax Free Bonds (2012-13) Tranch-I Series 2	7.36%	185.62	179.99	04.01.2028		
11	Tax Free Bonds (2012-13) Tranch II	7.54%	52.18	54.03	28.03.2028		
12	Tax Free Bonds (2012-13) Tranch II	7.04%	17.03	15.18	28.03.2028		
13	Tax Free Bonds Series 107-B	8.46%	1,011.10	1,011.10	30.08.2028		
14	Tax Free Bonds Series 2-B	8.79%	353.32	353.32	16.11.2028		
15	Tax Free Bonds Series 2-A	8.54%	932.70	932.70	16.11.2028		
16	Tax Free Bonds (2015-16) Series 2-B	7.52%	44.45	45.18	17.10.2030		
17	Tax Free Bonds (2015-16) Series 2-A	7.27%	132.05	131.32	17.10.2030		
18	Tax Free Bonds Series 3-B	8.92%	861.96	861.96	16.11.2033		
19	Tax Free Bonds Series 3-A	8.67%	1,067.37	1,067.37	16.11.2033		
20	Tax Free Bonds (2015-16) Series 3-B	7.60%	127.37	155.48	17.10.2035		
21	Tax Free Bonds (2015-16) Series 3-A	7.35%	241.68	213.58	17.10.2035		
Total			7,485.57	7,485.57			

17.9 Details of Secured 54 EC Capital Gain Tax Exemption Bonds outstanding are as follows:

Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		For Security, Refer Note	Redemption details
			31.03.2025	31.03.2024		
1	Series II (FY 2018-19)	5.75%	-	145.38	17.11	Repaid in FY 2024-25 on 02.04.2024
2	Series III (FY 2019-20)	5.75%	129.01	1,134.44		Repaid in FY 2024-25 (₹ 129.01 Cr repaid on 02.04.2025).
3	Series IV (FY 2020-21)	5.75%	252.38	252.38		Redeemable at par during FY 2025-26
4	Series IV (FY 2020-21)	5.00%	685.41	685.41		Redeemable at par during FY 2025-26
5	Series V (FY 2021-22)	5.00%	1,434.64	1,434.64		Redeemable at par during FY 2026-27
6	Series VI (FY 2022-23)	5.00%	2,600.87	2,600.87		Redeemable at par during FY 2027-28
7	Series VII (FY 2023-24)	5.25%	2,740.99	2,740.99		Redeemable at par during FY 2028-29
8	Series VIII(FY 2024-25)	5.25%	2,099.77	-		Redeemable at par during FY 2029-30
Total			9,943.09	8,994.11		

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

17.10 The details of Secured Taxable Bonds outstanding are as follows:

Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	For Security, Refer Note	Redemption details
			31.03.2025	31.03.2024			
1	Secured Public Issue (2020-21) Tranche I Series II Category I-II	5.65%	27.05	27.05	22.01.2026		
2	Secured Public Issue (2020-21) Tranche I Series II Category III-IV	5.80%	3.50	3.50	22.01.2026		
3	7 45 SEC TAX NCD 2324 PI TR I SR I CAT I-II	7.45%	62.17	62.17	01.08.2026		
4	7 50 SEC TAX NCD 2324 PI TR I SR I CAT III-IV	7.50%	59.93	59.93	01.08.2026		
5	Secured Public Issue (2020-21) Tranche I Series V Category III-IV	"6.83% (10YR GSEC Link)"	1,250.73	1,250.73	22.01.2031		
6	Secured Public Issue (2020-21) Tranche I Series V Category I-II	"6.58% (10YR GSEC Link)"	10.35	10.35	22.01.2031		
7	Secured Public Issue (2020-21) Tranche I Series IV Category III-IV	7.00%	1,635.53	1,635.53	22.01.2031		
8	Secured Public Issue (2020-21) Tranche I Series IV Category I-II	6.80%	33.67	33.67	22.01.2031		
9	Secured Public Issue (2020-21) Tranche I Series III Category III-IV	6.82%	28.74	28.74	22.01.2031		
10	Secured Public Issue (2020-21) Tranche I Series III Category I-II	6.63%	0.50	0.50	22.01.2031	17.11	Redeemable at par on maturity
11	7 47 SEC TAX NCD 2324 PI TR I SR II CAT I-II	7.47%	362.51	362.51	01.08.2033		
12	7 53 SEC TAX NCD 2324 PI TR I SR II CAT III-IV	7.53%	45.48	45.48	01.08.2033		
13	Secured Public Issue (2020-21) Tranche I Series VII Category III-IV	7.15%	1,330.05	1,330.05	22.01.2036		
14	Secured Public Issue (2020-21) Tranche I Series VII Category I-II	6.95%	50.05	50.05	22.01.2036		
15	Secured Public Issue (2020-21) Tranche I Series VI Category III-IV	6.97%	53.36	53.36	22.01.2036		
16	Secured Public Issue (2020-21) Tranche I Series VI Category I-II	6.78%	3.51	3.51	22.01.2036		
17	7 50 SEC TAX NCD 2324 PI TR I SR III CAT I-II	7.50%	183.70	183.70	01.08.2038		
18	7 55 SEC TAX NCD 2324 PI TR I SR III CAT III-IV	7.55%	2,110.68	2,110.68	01.08.2038		
Total			7,251.51	7,251.51			

17.11 54 EC Capital Gain Tax Exemption Bonds, Taxable Secured Public Issue (2020-21) Tranche-I all Series & all category, Taxable Secured Public Issue (2023-24) Tranche-I all Series & all category, and all other Tax Free Bonds Series are secured by first pari-passu charge on the total receivables / book debts of the Company, limited to the extent of payment / repayment of the bonds including interest, additional interest, cost and expenses and all other monies whatsoever payable / repayable by the Company to the Bondholders and/or others under / pursuant to the Transaction Documents.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

17.12 The details of Unsecured Taxable Bonds outstanding are as follows:

Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
			31.03.2025	31.03.2024		
1	Series 188	8.10%	-	691.10	04.06.2024	
2	Series 211 (3M TB Link)	4.38%	-	1,985.00	02.08.2024	
3	Series 57- B	8.60%	-	866.50	07.08.2024	
4	Series 117 Option B	9.37%	-	855.00	19.08.2024	
5	Series 118 Option B II	9.39%	-	460.00	27.08.2024	
6	Series Option 120 B	8.98%	-	950.00	08.10.2024	
7	Series 120 Option A	8.98%	-	961.00	08.10.2024	
8	Series 192	7.42%	-	3,000.00	19.11.2024	
9	Series 124 C	8.48%	-	1,000.00	09.12.2024	Repaid in FY 2024-25
10	Series 61	8.50%	-	351.00	15.12.2024	
11	Series 125	8.65%	-	2,826.00	28.12.2024	
12	Series 126	8.65%	-	5,000.00	04.01.2025	
13	Series 62-B	8.80%	-	1,172.60	15.01.2025	
14	Series 128	8.20%	-	1,600.00	10.03.2025	
15	Series 63-III	8.90%	-	184.00	15.03.2025	
16	Series 131-C	8.41%	-	5,000.00	27.03.2025	
17	Series 64	8.95%	-	492.00	30.03.2025	
18	Series 204A	5.77%	900.00	900.00	11.04.2025	
19	Series 130-C	8.39%	925.00	925.00	19.04.2025	
20	Series 199B	7.16%	1,320.00	1,320.00	24.04.2025	
21	Series 65 III	8.70%	1,337.50	1,337.50	14.05.2025	
22	Series 202B	7.17%	810.00	810.00	22.05.2025	
23	7 17 TX UNS BND SRS 202B R1	7.17%	3,100.00	3,100.00	22.05.2025	
24	Series 66-B	8.75%	1,532.00	1,532.00	15.06.2025	
25	Series 210A - STRPP1	6.35%	405.60	405.60	30.06.2025	
26	Series 215	7.13%	2,420.00	2,420.00	08.08.2025	
27	Series 217B STRPP I	7.15%	276.40	276.40	08.09.2025	
28	Series 208	6.50%	2,806.00	2,806.00	17.09.2025	
29	Series 141-B	8.40%	1,000.00	1,000.00	18.09.2025	
30	Series 218	7.59%	1,450.00	1,450.00	03.11.2025	
31	Series 71	9.05%	192.70	192.70	15.12.2025	
32	Series 222	7.58%	2,540.00	2,540.00	15.01.2026	Redeemable at par on maturity
33	7 75 TX UNS BND SRS 248A	7.75%	1,685.00	-	15.04.2026	
34	Series 147	8.03%	1,000.00	1,000.00	02.05.2026	
35	7 37 TX UNS BND SRS 230	7.37%	2,990.00	2,990.00	22.05.2026	
36	Series 210A - STRPP2	6.35%	540.80	540.80	30.06.2026	
37	Series 216	7.13%	3,000.00	3,000.00	15.07.2026	
38	Series 225A	7.77%	3,262.70	3,262.70	15.07.2026	
39	7 55 TX UNS BND SRS 228A	7.55%	2,330.00	2,330.00	15.07.2026	
40	Series - 76-B	9.46%	1,105.00	1,105.00	01.08.2026	
41	Series 150-B	7.63%	1,675.00	1,675.00	14.08.2026	
42	7 64 TX UNS BND SRS 233B	7.64%	2,500.00	2,500.00	25.08.2026	
43	ZCB TX UNS BND SRS 233A YTM 7 65	7.65%	539.37	501.04	25.08.2026	
44	Series 212A	6.09%	2,450.00	2,450.00	27.08.2026	
45	Series - 77-B	9.45%	2,568.00	2,568.00	01.09.2026	
46	Series 217B STRPP II	7.15%	276.40	276.40	08.09.2026	

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for the year ended March 31, 2025

Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
			31.03.2025	31.03.2024		
47	Series 227A	7.70%	1,200.00	1,200.00	15.09.2026	Redeemable at par on maturity
48	Series 151-B	7.56%	210.00	210.00	16.09.2026	
49	Series 152	7.55%	4,000.00	4,000.00	25.09.2026	
50	Series 155	7.23%	2,635.00	2,635.00	05.01.2027	
51	7 55 TX UNS BND SRS 238	7.55%	2,754.00	2,754.00	15.04.2027	
52	Series 168-B	7.44%	1,540.00	1,540.00	12.06.2027	
53	Series 210A - STRPP3	6.35%	405.60	405.60	30.06.2027	
54	Series 169-B	7.30%	1,500.00	1,500.00	07.08.2027	
55	Series 217B STRPP III	7.15%	276.40	276.40	08.09.2027	
56	Series 170-B	7.65%	2,001.00	2,001.00	22.11.2027	
57	Series 171	7.62%	5,000.00	5,000.00	15.12.2027	
58	Series 221B	7.59%	3,500.00	3,500.00	17.01.2028	
59	Series 172	7.74%	850.00	850.00	29.01.2028	
60	Series 101 B	9.00%	1,370.00	1,370.00	11.03.2028	
61	Series 102 A (III)	8.90%	403.00	403.00	18.03.2028	
62	Series 103	8.94%	2,807.00	2,807.00	25.03.2028	
63	Series 177	7.85%	3,855.00	3,855.00	03.04.2028	
64	Series 227B	7.77%	1,390.00	1,390.00	15.04.2028	
65	7 42 TX UNS BND SRS 246A	7.42%	4,000.00	-	15.04.2028	
66	7 44 TX UNS BND SRS 229 (2Y Put Call)	7.44%	1,550.00	1,550.00	10.05.2028	
67	7 45 TX UNS BND SRS 248B	7.45%	4,000.00	-	15.07.2028	
68	Series 178	8.95%	3,000.00	3,000.00	10.10.2028	
69	Series 179-A	8.67%	1,007.40	1,007.40	19.11.2028	
70	7.60 TX UNS BND SRS 237A	7.60%	3,000.00	3,000.00	13.04.2029	
71	Series 187 B	8.85%	1,982.10	1,982.10	27.05.2029	
72	Series 118 Option B III	9.39%	460.00	460.00	27.08.2029	
73	Series193	7.93%	4,710.50	4,710.50	31.12.2029	
74	7 40 TX UNS BND SRS 244B	7.40%	2,545.00	-	15.01.2030	
75	7 44 TX UNS BND SRS 247A	7.44%	3,340.00	-	15.01.2030	
76	Series 196R1	7.41%	1,500.00	1,500.00	25.02.2030	
77	Series 196	7.41%	2,500.00	2,500.00	25.02.2030	
78	Series 225B STRPP I	7.82%	625.00	625.00	13.03.2030	
79	Series 195	7.86%	1,100.00	1,100.00	12.04.2030	
80	7 86 TX UNS BND SRS 195 R1	7.86%	1,260.00	1,260.00	12.04.2030	
81	Series 200	7.40%	2,920.00	2,920.00	08.05.2030	
82	Series 197	7.41%	5,000.00	5,000.00	15.05.2030	
83	Series 203B	7.75%	3,318.00	3,318.00	11.06.2030	
84	Series 66-C	8.85%	633.00	633.00	15.06.2030	
85	Series 201	7.68%	3,101.30	3,101.30	15.07.2030	
86	Series 202C	7.79%	1,936.00	1,936.00	22.07.2030	
87	Series 205A	7.05%	1,610.10	1,610.10	09.08.2030	
88	Series 71	9.05%	192.70	192.70	15.12.2030	
89	Series 207R1	7.04%	2,549.10	2,549.10	16.12.2030	
90	Series 207	7.04%	1,097.40	1,097.40	16.12.2030	
91	Series 225B STRPP II	7.82%	625.00	625.00	13.03.2031	
92	Series 204B	6.88%	1,300.00	1,300.00	11.04.2031	
93	Series 213	6.95%	1,988.00	1,988.00	01.10.2031	
94	7 27 TX UNS BND SRS 242A	7.27%	3,500.00	-	15.10.2031	

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Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
			31.03.2025	31.03.2024		
95	7 38 TX UNS BND SRS 246B	7.38%	2,835.00	-	15.01.2032	Redeemable at par on maturity
96	Series 225B STRPP III	7.82%	625.00	625.00	12.03.2032	
97	Series 214 (BBETF)	6.92%	1,180.00	1,180.00	14.04.2032	
98	6 92 TX UNS BND SRS 214 R1	6.92%	1,330.00	1,330.00	14.04.2032	
99	Series 217A	7.42%	4,000.00	4,000.00	08.09.2032	
100	Series 223	7.64%	3,500.00	3,500.00	22.02.2033	
101	Series 225B STRPP IV	7.82%	625.00	625.00	11.03.2033	
102	Series 220	7.58%	470.00	470.00	15.04.2033	
103	Series 226A	7.66%	1,200.00	1,200.00	15.04.2033	
104	Series 226B	7.70%	583.50	583.50	15.04.2033	
105	7 57 TX UNS BND SRS 232	7.57%	3,000.00	3,000.00	12.07.2033	
106	7 62 TX UNS BND SRS 228B	7.62%	2,102.00	2,102.00	15.07.2033	
107	7 60 TX UNS BND SRS 233C	7.60%	3,500.00	3,500.00	25.08.2033	
108	Series 179-B	8.64%	528.40	528.40	19.11.2033	
109	7 70 TX UNS BND SRS 234	7.70%	2,625.00	2,625.00	30.11.2033	
110	Series 180	8.75%	2,654.00	2,654.00	22.02.2034	
111	7.49 TX UNS BND SRS 237B	7.49%	3,000.00	3,000.00	22.02.2034	
112	Series 186	8.79%	2,578.90	2,578.90	30.04.2034	
113	7 44 TX UNS BND SRS 239	7.44%	3,178.00	-	15.07.2034	
114	Series 189	8.15%	4,035.00	4,035.00	08.08.2034	
115	Series 190	8.25%	4,016.00	4,016.00	06.09.2034	
116	7 30 TX UNS BND SRS 241	7.30%	2,741.10	-	16.10.2034	
117	7 10 TX UNS BND SRS 243B	7.10%	3,052.00	-	15.01.2035	
118	7 24 TX UNS BND SRS 245A	7.24%	2,500.00	-	15.01.2035	
119	7 40 TX UNS BND SRS 247B	7.40%	3,075.00	-	15.01.2035	
120	Series 205B	7.20%	1,605.70	1,605.70	10.08.2035	
121	Series 209	7.34%	1,711.00	1,711.00	29.09.2035	
122	Series 210B	7.11%	1,933.50	1,933.50	30.06.2036	
123	Series 212B	7.15%	2,343.68	2,343.68	27.08.2036	
124	Series 219	7.65%	4,000.00	4,000.00	13.11.2037	
125	Series 221A	7.72%	2,782.70	2,782.70	19.12.2037	
126	Series 224	7.82%	3,468.50	3,468.50	06.03.2038	
127	7 48 TX UNS BND SRS 231	7.48%	3,896.90	3,896.90	20.06.2038	
128	7 69 TX UNS BND SRS 235	7.69%	3,335.00	3,335.00	15.12.2038	
129	7 32 TX UNS BND SRS 240	7.32%	3,050.00	-	15.07.2039	
130	7 22 TX UNS BND SRS 242B	7.22%	3,226.55	-	15.10.2039	
131	7 11 TX UNS BND SRS 243A	7.11%	3,200.00	-	16.01.2040	
132	7 16 TX UNS BND SRS 244A	7.16%	2,700.00	-	16.01.2040	
133	7 25 TX UNS BND SRS 245B	7.25%	1,450.00	-	16.01.2045	
Total			2,46,622.52	2,23,900.74		

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

17.13 The details of Unsecured Foreign Currency Bonds outstanding are as follows:

Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
			31.03.2025	31.03.2024		
1	3.75% USD Bonds 2024	3.75%	-	3,334.95	18.06.2024	Repaid in FY 2024-25
2	3.25% USD Bonds 2024	3.25%	-	2,501.21	16.09.2024	
3	3.75% USD Green Bonds 2027	3.75%	3,423.26	3,334.96	06.12.2027	
4	5.25% USD Bonds 2028	5.25%	2,567.44	2,501.22	10.08.2028	Redeemable at par on maturity
5	1.841% EUR Bonds 2028	1.84%	2,769.74	2,706.53	21.09.2028	
6	6.15% USD Bonds 2028	6.15%	4,279.07	4,168.70	06.12.2028	
7	4.50% USD Bonds 2029	4.50%	5,134.88	5,002.43	18.06.2029	
8	3.90% USD Bonds 2029	3.90%	3,851.16	3,751.83	16.09.2029	
9	3.95% USD Bonds 2030	3.95%	6,418.60	6,253.04	23.04.2030	
10	3.35% USD Bonds 2031	3.35%	4,279.07	4,168.69	16.05.2031	
Total			32,723.23	37,723.57		

17.14 The details of Unsecured Commercial Papers outstanding are as follows:

Sr. No.	Commercial Paper Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
			31.03.2025	31.03.2024		
1	CP 118	7.80%	1,675.00	-	15.04.2025	Redeemable at par on maturity
2	CP117A	7.53%	3,000.00	-	23.06.2025	
3	CP117B	7.55%	1,450.00	-	15.12.2025	
Total (A)			6,125.00			
Less:Unamortised Financial charge (B)			128.76			
Total C= (A-B)			5,996.24			

18. 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 31.03.2025	As at 31.03.2024
(A) Secured Borrowings			
(i)	Term Loans from Banks and Financial Institutions		
-	Rupee Term Loans (Refer note 18.3)	1,216.25	6,127.50
(ii)	Other Loans from Banks		
-	Loan against Deposits (Refer note 18.5)	5,923.35	-
Sub-Total (A)		7,139.60	6,127.50
(B) Unsecured Borrowings			
(i)	Term Loans from Banks and Financial Institutions		
-	Foreign Currency Loans (Refer note 18.6)	52,283.65	34,132.87
-	Rupee Term Loans (Refer note 18.7)	80,160.71	65,375.94
(ii)	Term Loans From other Parties		
-	Foreign Currency Loans- Multilateral/Bilateral Agencies (Refer note 18.8)	4,124.95	980.02
-	Rupee Term Loans - NSSF (Refer note 18.11)	7,500.00	7,500.00
(iii)	Other Loans from Banks		
	Working Capital Demand Loan / Overdraft / Cash Credit / Line of Credit (Refer note 18.12)	982.00	2,361.48
Sub-Total (B)		1,45,051.31	1,10,350.31

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for the year ended March 31, 2025

(₹ in crore)			
Sr. No.	Particulars	As at 31.03.2025	As at 31.03.2024
(C)	Total Principal Outstanding of Borrowings (other than Debt Securities) - (A+B)	1,52,190.91	1,16,477.81
(D)	Interest accrued but not due on (C) above	594.73	525.53
(E)	Unamortised Transaction Cost on (C) above	(582.32)	(397.30)
Total Borrowings (other than Debt Securities) (C to E)		1,52,203.32	1,16,606.04
Geography wise Borrowings			
(i)	Borrowings in India	95,980.01	81,567.12
(ii)	Borrowings outside India	56,223.31	35,038.92
Total Geography wise Borrowings		1,52,203.32	1,16,606.04

18.1 Wherever required, the Company has registered the charges with respective Registrars of Companies (ROC) within the statutory timelines.

18.2 The Company has not borrowed any funds on the specific security of current assets, where there is any requirement of filing of quarterly returns or statements.

18.3 Details of Secured Rupee Term Loans outstanding are as follows:

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
		31.03.2025	31.03.2024		
1	Canara Bank T-1	-	500.00	21.06.2024	Repaid in FY 2024-25
2	Canara Bank T-2	-	500.00	24.06.2024	
3	Canara Bank	-	1,000.00	29.06.2024	
4	Union Bank of India	-	100.00	30.09.2024	
5	Punjab National Bank	-	375.00	25.02.2025	The loan is to be repaid in 3 half yearly instalments comprising 2 instalments of ₹ 715 crore each and thereafter final instalment of ₹ 710 crore each starting from 10-Jul-2024 and ending on 10-Jul-2025
6	Bank of India	-	500.00	02.03.2025	
7	State Bank of India	710.00	2,140.00	10.07.2025	
8	Punjab National Bank	56.25	112.50	30.09.2025	The loan is to be repaid in 02 annual instalments of ₹ 56.25 crore each starting from 30-Sep-24 and ending on 30-Sep-2025"
9	Union Bank of India	450.00	900.00	30.09.2025	The loan is to be repaid in 02 annual instalments of ₹ 450 crore each starting from 30-Sep-24 and ending on 30-Sep-2025
Total Secured Rupee Term Loans		1,216.25	6,127.50		

18.4 Secured rupee term loans are secured by first pari-passu charge in favour of lending banks on the receivables of the Company limited to payment/repayment of the term loan including interest, additional interest, cost and expenses and all other monies whatsoever payable/repayable by the Company to lending bank and/or others under/pursuant to the security document. Refer Note 11 for carrying values of the receivable pledged as security against secured rupee term loans.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

18.5 Details of Loan against Term Deposits outstanding are as follows:

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
		31.03.2025	31.03.2024		
1	YES Bank	495.00	-	02.04.2025	Repayable on 02-Apr-2025 along with due maturity of respective FDs.
2	Jammu and Kashmir Bank	421.80	-	02.04.2025	
3	Indian Bank	563.68	-	02.04.2025	
4	United Bank of India	1,995.00	-	02.04.2025	
5	Bank of India	1,596.59	-	02.04.2025	
6	Bandhan Bank	401.28	-	02.04.2025	
7	RBL	450.00	-	02.04.2025	
Total Loan against Term Deposits		5,923.35	-		

18.6 Details of Unsecured Foreign Currency Loans outstanding from Banks and Financial Institutions are as follows:

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
		31.03.2025	31.03.2024		
1	8 FCNR JPY 21539M 300623	-	1,186.56	30.06.2024	Repaid in FY 2024-25
2	SLN 29	-	2,084.35	20.12.2024	
3	9 FCNR USD 110M 271223	-	917.11	27.12.2024	
4	10 FCNR JPY 37850M 280324	-	2,085.16	28.03.2025	
5	11 FCNR USD 175M 120924	1,497.67	-	12.09.2025	Bullet Repayment at the end of the tenor
6	SLN 30	855.81	833.74	13.10.2025	
7	SLN 30	2,567.44	2,501.22	05.11.2025	
8	12 STFCTL USD 150M 291124	1,283.72	-	29.11.2025	
9	13 FCNR USD 110M 271224	941.40	-	27.12.2025	
10	14 FCNR USD 250M 280325	2,139.54	-	28.03.2026	Redeemable in three instalments: 33.33% loan amount on 28.12.2026, 33.33% of loan amount on 28.12.2027 and balance outstanding on 28.12.2028.
11	31 A FCTL USD 525M 301121	4,493.02	4,377.13	30.11.2026	
12	31 B FCTL USD 100M 301121	855.81	833.74	30.11.2026	Redeemable in 2 instalments: 50% loan amount on 25.09.2028 & balance outstanding on 27.09.2028.
13	32 A FCTL JPY 89208M 281222	5,062.55	4,914.47	28.12.2026	
14	33 A FCTL USD 500M 250923	4,279.07	4,168.70	25.09.2028	Bullet Repayment at the end of the tenor
15	33 B FCTL USD 600M 191223	5,134.88	5,002.43	19.12.2028	
16	34 A FCTL USD 250M 220324	2,139.54	2,084.35	22.03.2029	
17	34 B FCTL JPY 7577M 220324	429.98	417.40	22.06.2029	
18	35 A FCTL JPY 52419M 260924	2,974.81	-	26.09.2029	Redeemable in 2 instalments: 50% loan amount on 26.09.2029 & balance outstanding on 24.12.2029.
19	35 B FCTL EUR 450M 260924	4,160.64	-	26.09.2029	
20	35 C FCTL USD 400M 211124	3,423.26	-	21.11.2029	Bullet Repayment at the end of the tenor
21	32 B FCTL JPY 26762M 050123	1,518.74	1,474.32	05.01.2030	
22	36 FCTL USD 100M 060225	855.81	-	06.02.2030	
23	37 FCTL JPY 22341M 210325	1,267.85	-	21.03.2030	
24	38A FCTL USD 75M 250325	641.86	-	25.03.2030	
25	38B FCTL GBP 135M 250325	1,491.75	-	25.03.2030	
26	39 FCTL USD 100M 280325	855.81	-	28.03.2030	
27	40 FCTL JPY 37405M 270325	2,122.73	-	27.03.2030	
28	34 C FCTL JPY 22730M 220324	1,289.94	1,252.21	22.03.2031	
Total Foreign Currency Loans		52,283.65	34,132.87		

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18.7 Details of Unsecured Rupee Term Loans outstanding are as follows:

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
		31.03.2025	31.03.2024		
1	Union Bank of India	-	400.00	15-Apr-24	Repaid in FY 2024-25
2	Bank of Baroda	-	82.00	03-Jun-24	
3	Bank of Baroda	-	1,418.00	03-Jun-24	
4	HDFC Bank Ltd.	-	1,862.50	04-Jun-24	
5	HDFC Bank Ltd.	-	521.50	04-Jun-24	
6	HDFC Bank Ltd.	-	247.50	04-Jun-24	
7	Indian Overseas Bank	-	1,000.00	29-Jun-24	
8	Indian Overseas Bank	-	500.00	29-Jun-24	
9	HDFC Bank Ltd.	-	644.00	03-Jul-24	
10	State Bank of India	-	3,000.00	19-Dec-24	
11	Punjab National Bank	-	333.33	20-Feb-25	
12	Union Bank of India	-	625.00	20-Feb-25	
13	Punjab & Sind Bank	500.00	-	15-Apr-25	Bullet Repayment at the end of the tenor
14	Karnataka Bank	125.00	250.00	08-May-25	The loan balance is to be repaid in 4 quarterly instalments of ₹ 31.25 crore each starting from 08-May-2025 and ending on 08-Feb-2026.
15	KEB Hana Bank	50.00	100.00	31-May-25	The loan balance is to be repaid in 2 half yearly instalments of ₹ 25 crore each starting from 31-May-2025 and ending on 30-Nov-2025
16	Canara Bank	600.00	1,000.00	22-Jun-25	The loan balance is to be repaid in 6 quarterly instalments of 100 crore each starting from 22-Jun-2025 and ending on 22-Sep-2026
17	HDFC Bank Ltd.	3,000.00	3,000.00	30-Jun-25	The loan is to be repaid in quarterly instalments starting from 30-Jun-2025 and ending on 05-Sep-2030.
18	Bank of Baroda	21.88	-	30-Aug-25	Bullet Repayment at the end of the tenor
19	Bank of Baroda	35.88	-	31-Aug-25	Bullet Repayment at the end of the tenor
20	Bank of Baroda	455.76	-	02-Sep-25	Bullet Repayment at the end of the tenor
21	Bank of Baroda	102.78	-	03-Sep-25	Bullet Repayment at the end of the tenor
22	Bank of India	500.00	750.00	11-Sep-25	The loan balance is to be repaid in 2 annual instalments of ₹ 250 crore each starting from 11-Sep-2025 and ending on 11-Sep-2026
23	Bank of India	400.00	500.00	18-Sep-25	The loan balance is to be repaid in 4 annual instalments of ₹ 100 crore each starting from 18-Sep-2025 and ending on 18-Sep-2028
24	Canara Bank	100.00	200.00	23-Sep-25	The loan balance is to be repaid in 2 half-yearly instalments of ₹ 50 crore each starting from 23-Sep-2025 and ending on 23-Mar-2026
25	HDFC Bank Ltd.	3,000.00	3,000.00	30-Sep-25	Bullet Repayment at the end of the tenor
26	Bank of Baroda	1,883.70	-	30-Sep-25	Bullet Repayment at the end of the tenor
27	Indusind Bank Ltd.	53.50	-	22-Feb-26	Bullet Repayment at the end of the tenor
28	Indusind Bank Ltd.	446.50		23-Feb-26	Bullet Repayment at the end of the tenor
29	Central Bank	500.00	-	25-Feb-26	Bullet Repayment at the end of the tenor

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Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
		31.03.2025	31.03.2024		
30	Central Bank	1,122.25		28-Feb-26	Bullet Repayment at the end of the tenor
31	Central Bank	45.40	-	01-Mar-26	Bullet Repayment at the end of the tenor
32	ICICI Bank Ltd.	2,000.00	-	26-Mar-26	Bullet Repayment at the end of the tenor
33	South Indian Bank	200.00	200.00	30-Mar-26	Bullet Repayment at the end of the tenor
34	Bank of Baroda	5,000.00	5,000.00	17-May-26	The loan is to be repaid in 8 half yearly instalments of ₹ 625 crore each starting from 17-May-2026 and ending on 17-Nov-2029
35	Karnataka Bank	250.00	-	29-Jun-26	Bullet Repayment at the end of the tenor
36	Indian Bank Ltd.	2,000.00	-	30-Jun-26	The loan is to be repaid in 2 quarterly instalments of ₹ 1000 crore each starting from 30-Jun-2026 and ending on 30-Sep-2026
37	UCO Bank	1,000.00	1,000.00	24-Sep-26	Bullet Repayment at the end of the tenor
38	Punjab National Bank	500.00	500.00	27-Sep-26	Bullet Repayment at the end of the tenor
39	Punjab National Bank	5.00	5.00	29-Sep-26	Bullet Repayment at the end of the tenor
40	Punjab National Bank	3,000.00	3,000.00	29-Sep-26	The loan is to be repaid in 3 yearly instalments of ₹ 1000 crore each starting from 29-Sep-2026 and ending on 29-Sep-2028
41	India Infrastructure Finance Company Limited	1,000.00	1,000.00	30-Sep-26	Bullet Repayment at the end of the tenor
42	HDFC Bank Ltd.	4,000.00	4,000.00	21-Dec-26	The loan is to be repaid in quarterly instalments starting from 31-Dec-2026 and ending on 05-Sep-2030.
43	Bank of India	2,000.00	2,000.00	02-Mar-27	Bullet Repayment at the end of the tenor
44	South Indian Bank	200.00	-	29-Mar-27	Bullet Repayment at the end of the tenor
45	Central Bank	1,000.00	1,000.00	31-Mar-27	Bullet Repayment at the end of the tenor
46	Union Bank of India	3,000.00	3,000.00	31-Mar-27	The loan is to be repaid in 2 annual instalments of ₹ 1500 crore each starting from 31-Mar-2027 and ending on 31-Mar-2028
47	Canara Bank	2,250.00	2,250.00	28-Jun-27	The loan is to be repaid in 2 annual instalments of ₹ 1125 crore each starting from 28-Jun-2027 and ending on 28-Jun-2028
48	Canara Bank	1,508.55	-	29-Jun-27	Bullet Repayment at the end of the tenor
49	Canara Bank	250.00	250.00	30-Jun-27	The loan is to be repaid in 2 annual instalments of ₹ 125 crore each starting from 30-Jun-2027 and ending on 30-Jun-2028
50	Karnataka Bank	300.00	-	30-Aug-27	Bullet Repayment at the end of the tenor
51	Canara Bank	2,306.20	-	30-Sep-27	Bullet Repayment at the end of the tenor
52	Bank of India	1,500.00	-	25-Feb-28	Bullet Repayment at the end of the tenor
53	UCO Bank	1,000.00	1,000.00	30-Mar-28	Bullet Repayment at the end of the tenor
54	Punjab & Sind Bank	1,000.00	1,000.00	30-Mar-28	The loan is to be repaid in 2 yearly instalments of ₹ 500 crore each starting from 30-Mar-2028 and ending on 30-Mar-2029
55	South Indian Bank	199.96	199.96	31-May-28	Bullet Repayment at the end of the tenor
56	HDFC Bank Ltd.	4,000.00	4,000.00	05-Jul-28	Bullet Repayment at the end of the tenor
57	South Indian Bank	199.96	199.96	19-Sep-28	Bullet Repayment at the end of the tenor

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for the year ended March 31, 2025

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
		31.03.2025	31.03.2024		
58	Union Bank of India	837.19	837.19	27-Sep-28	The loan is to be repaid in 2 yearly instalments of ₹ 418.595 crore each starting from 27-Sep-2028 and ending on 27-Sep-2029
59	State Bank of India	9,000.00	9,000.00	31-Dec-28	The loan is to be repaid in quarterly instalments starting from 31-Dec-2028 and ending on 30-Sep-2033.
60	India Infrastructure Finance Company Limited	2,000.00	2,000.00	28-Feb-29	Bullet Repayment at the end of the tenor
61	National Bank for Financing Infrastructure and Development	3,500.00	3,500.00	31-Mar-29	The loan is to be repaid in 10 yearly instalments of ₹ 350 crore each starting from 31-Mar-2029 and ending on 31-Mar-2038
62	Punjab National Bank	1,000.00	-	06-Dec-29	Bullet Repayment at the end of the tenor
63	India Infrastructure Finance Company Limited	343.10	-	09-Dec-29	Bullet Repayment at the end of the tenor
64	India Infrastructure Finance Company Limited	573.30	-	07-Jan-30	Bullet Repayment at the end of the tenor
65	India Infrastructure Finance Company Limited	115.00	-	08-Jan-30	Bullet Repayment at the end of the tenor
66	India Infrastructure Finance Company Limited	1,179.80	-	09-Jan-30	Bullet Repayment at the end of the tenor
67	National Bank for Financing Infrastructure and Development	1,000.00	1,000.00	01-Mar-30	The loan is to be repaid in 10 annual instalments of ₹ 100 crore each starting from 01-Mar-2030 and ending on 01-Mar-2039
68	India Infrastructure Finance Company Limited	3,000.00	-	29-Mar-30	Bullet Repayment at the end of the tenor
69	State Bank of India	5,000.00	-	19-Dec-34	Bullet Repayment at the end of the tenor
Total Unsecured Rupee Term Loans		80,160.71	65,375.94		

18.8 Details of Unsecured Foreign Currency Loans outstanding from Multilateral /Bilateral Agencies are as follows:

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
		31.03.2025	31.03.2024		
1	ADB (Guaranteed by Government of India)	29.37	40.14	15.04.2025	Semi Annual Instalments till 15.10.2028
2	JBIC PLA 1	113.19	145.99	22.04.2025	Semi Annual Instalments till 20.10.2035
3	KfW EUR 200M 030123	625.20	690.26	15.05.2025	Semi Annual Instalments till 15.11.2031
4	Credit National (Guaranteed by Government of India)	2.87	10.06	30.06.2025	Semi Annual Instalments till 30.06.2028
5	KFW I (Guaranteed by Government of India)	36.27	38.84	30.06.2025	Semi Annual Instalments till 30.06.2035
6	JBIC PLA 2	64.63	54.73	20.07.2025	Semi Annual Instalments till 20.07.2036
7	FCTL VIII JPY 25500M 260924	1,406.93	-	20.07.2025	Semi Annual Instalments till 18.07.2042
8	FCTL SACE EUR 200M	1,846.49	-	18.12.2026	Semi Annual Instalments till 18.06.2036
Total Foreign Currency Loans		4,124.95	980.02		

18.9 Floating Rate Foreign Currency Loans in above Note No. 18.6 and 18.8 carries an interest rate spread ranging from 5 bps to 185 bps over interest rate linked to SOFR/TONA/SONIA/6M EURIBOR (Secured Overnight Financing Rate/Tokyo Overnight Average Rate/Sterling Overnight Index Average /Euro Inter Bank Offered Rate) except for Foreign Currency Loans from Credit National, KFW-I and FCTL 31A & B which are at fixed rate of interest.

18.10 Borrowings as at 31.03.2025 in Note 18.3 and 18.7 above were raised at respective bank's Benchmark rate plus spread ranging up to 200 bps.



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for the year ended March 31, 2025

18.11 Details of Unsecured Rupee term Loan - NSSF outstanding are as follows:

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
		31.03.2025	31.03.2024		
1	National Small Savings Fund Scheme (NSSF) (Coupon rate - 8.11% p.a.)	7,500.00	7,500.00	27.12.2028	Bullet Repayment at the end of the tenor
Total		7,500.00	7,500.00		

18.12 Details of Unsecured WCDL / OD / CC / Line of Credit outstanding are as follows:

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
		31.03.2025	31.03.2024		
1	State Bank of India	-	1,861.48	06.04.2024	Repaid in FY 2024-25.
2	IndusInd Bank	-	500.00	29.04.2024	
3	Indian Bank	982.00	-	27.06.2025	Bullet Repayment at the end of the tenor
Total WCDL / OD / CC / Line of Credit		982.00	2,361.48		

18.13 None of the borrowings have been guaranteed by Directors.

18.14 There has been no default in repayment of borrowings and interest during periods presented above.

18.15 The amounts raised during the year have been utilised for the stated objects in the offer document/Information memorandum/facility agreement.

18.16 The Company has not received any fund which are material either individually or in the aggregate from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

19. 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 31.03.2025	As at 31.03.2024
(A)	Subordinated Liabilities (Unsecured)		
(i)	Perpetual Debt Instruments (Principal Outstanding) (Refer note 19.1)	100.00	100.00
(ii)	Subordinated Bonds (Principal Outstanding) (Refer note 19.2)	3,411.50	5,411.50
(iii)	Total Principal Outstanding of Subordinated Laibilities	3,511.50	5,511.50
(iv)	Interest accrued but not due on (iii) above	6.12	9.73
(v)	Unamortised Transaction Cost on (iii) above	(1.02)	(1.51)
(vi)	Hedging Adjustments - Loan Liability - FV Hedge on (iii) above	47.75	-
	Total Subordinated Liabilities	3,564.35	5,519.72
(B)	Geography wise Subordinated Liabilities		
(i)	Subordinated Liabilities in India	3,564.35	5,519.72
(ii)	Subordinated Liabilities outside India	-	-
	Total Geography wise Subordinated Liabilities	3,564.35	5,519.72

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for the year ended March 31, 2025

19.1 Details of Perpetual Debt Instruments (Unsecured) are as under:

Sr. No.	Subordinated Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
			31.03.2025	31.03.2024		
1	7.88 PERPETUAL TX UNS BND SRS 236	7.88%	100.00	100.00	NA	Perpetual bonds callable only at the option of the Company after minimum 10 years with prior approval of RBI.
Total Perpetual Debt			100.00	100.00		

The Company had issued Perpetual Debt Instruments (PDI) of ₹ 100 crore having face value of ₹ 1 crore each, with no maturity and callable only at the option of the Company after minimum 10 years with prior approval of RBI. The claims of the holders of the PDI are:

- (a) Superior to the claims of the holders of the equity shares issued by the Company and perpetual non-cumulative preference shares, if any, of the Company; and
- (b) Subordinated to the claims of all other creditors of the Company (but pari-passu inter se the holders of the PDIs). The Company may defer the payment of Coupon, if:

(i) The capital to risk assets ratio ("CRAR") of the Company is below the minimum regulatory requirement prescribed by RBI; or

(ii) the impact of such payment results in CRAR of the Company falling below or remaining below the minimum regulatory requirement prescribed by RBI. Further, it also has certain unique features which, inter-alia, grant PFC, in consultation with RBI a discretion in terms of writing down the principal / interest, to skip interest payments, to make an early recall etc. without commensurate right for investors to legal recourse, even if such actions might result in potential loss to investors. As these securities are perpetual in nature and claim of PDI holders is subordinate to claim of all other creditors and further as the Company does not have an unconditional right not to pay the coupon, these have been classified under subordinated liabilities.

19.2 Details of Subordinated Debt (Unsecured) are as under:

Sr. No.	Subordinated Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
			31.03.2025	31.03.2024		
1	Bond Series 184A	9.25%	-	2,000.00	25.09.2024	Repaid in FY 2024-25
2	Bond Series 184 B	9.10%	2,411.50	2,411.50	25.03.2029	Redeemable at par in FY 2028-29.
3	Bond Series 185	8.98%	1,000.00	1,000.00	28.03.2029	Redeemable at par in FY 2028-29.
Total Subordinated Debt			3,411.50	5,411.50		

20 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 31.03.2025	As at 31.03.2024
(i)	Payable on account of Unsecured Government of India Serviced Bonds (Refer note 20.1)	5,038.21	5,038.72
(ii)	Advance received from Subsidiaries and Associates	101.91	179.56
(iii)	Amount payable to Subsidiary	-	100.00
(iv)	Unclaimed Dividends (Refer note 20.2)	6.14	5.48
(v)	Unclaimed - Bonds and Interest Accrued thereon (Refer note 20.2)		
-	Unclaimed Bonds	0.65	0.92
-	Unclaimed Interest on Bonds	78.74	71.86



Notes to the Standalone Financial Statements

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(₹ in crore)			
Sr. No.	Particulars	As at 31.03.2025	As at 31.03.2024
(vi)	Others		
	- Interest on application money and interest accrued thereon	0.51	0.20
	- Lease Liability (Refer note 45.1)	8.81	8.81
	- Derivative Liability -Variation Margin	3,182.50	792.88
	- Other liabilities	1,264.81	2,434.86
	Total Other Financial Liabilities	9,682.28	8,633.29

20.1 Details of GoI Serviced Bonds (Unsecured Taxable Bonds):

(₹ in crore)			
Sr. No.	Bond Series	As at 31.03.2025	As at 31.03.2024
(i)	7.10% Bond Series 156 -Redeemable at par on 11.01.2027	200.00	200.00
(ii)	7.18% Bond Series 158 - Redeemable at par on 20.01.2027	1,335.00	1,335.00
(iii)	7.60% Bond Series 160 - Redeemable at par on 20.02.2027	1,465.00	1,465.00
(iv)	7.75% Bond Series 164 - Redeemable at par on 22.03.2027	2,000.00	2,000.00
(v)	Interest accrued but not due on above	38.21	38.72
	Total GoI Serviced Bonds	5,038.21	5,038.72

20.2 Unclaimed dividends, unclaimed bonds and interest thereon include the amounts which have either not been claimed by the investors / holders of the instruments or are on hold pending legal formalities etc. The amount eligible to be transferred to Investor Education and Protection Fund has been transferred within the prescribed time limit.

21. PROVISIONS

(₹ in crore)			
Sr. No.	Particulars	As at 31.03.2025	As at 31.03.2024
(i)	For Employee Benefits (Refer note 44)		
	- Gratuity	2.75	1.22
	- Leave Encashment	58.67	51.20
	- Economic Rehabilitation of Employees	7.71	7.86
	- Provision for Bonus / Incentive	48.95	39.63
	- Provision for Staff Welfare Expenses	40.53	25.74
(ii)	Impairment Loss Allowance - Letter of Comfort & Letter of Undertaking (Refer note 21.1)	50.71	48.63
(iii)	Provision for Unspent CSR Expense (Refer note 35)	267.06	237.81
	Total Provisions	476.38	412.09

21.1 Movement of Impairment loss allowance on Letter of Comfort & Letter of Undertaking

(₹ in crore)			
Sr. No.	Particulars	FY 2024-25	FY 2023-24
(i)	Opening balance	48.63	50.93
(ii)	Creation during the year	6.88	2.53
(iii)	Reversal during the year	(4.80)	(4.83)
	Closing balance	50.71	48.63

22 OTHER NON-FINANCIAL LIABILITIES

(₹ in crore)			
Sr. No.	Particulars	As at 31.03.2025	As at 31.03.2024
(i)	Unamortised Fee - Undisbursed Loan Assets	597.39	358.08
(ii)	Statutory dues payable	52.27	79.43
(iii)	Sundry Liabilities Account (Interest Capitalisation)	52.70	76.31
(iv)	Others	30.35	42.80
	Total Other Non-Financial Liabilities	732.71	556.62

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23. EQUITY SHARE CAPITAL

Sr. No.	Particulars	As at 31.03.2025		As at 31.03.2024	
		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	2,64,00,81,408	2,640.08
	Changes during the period	-	-	66,00,20,352	660.02
	Closing Equity Share Capital	3,30,01,01,760	3,300.10	3,30,01,01,760	3,300.10

23.1 Rights, preferences and restriction attached to equity shares

The Company had issued equity shares having par value of ₹ 10 per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their shareholding at the meeting of the shareholders.

23.2 Shares in the Company held by each shareholder holding more than 5% of the shares

Sr. No.	Particulars	As at 31.03.2025		As at 31.03.2024	
		Number of Shares	% of Equity Share Capital	Number of Shares	% of Equity Share Capital
(i)	President of India (Promoter)	1,84,78,64,722	55.99%	1,84,78,64,722	55.99%

23.3 Details of equity shares held by promoters

Sr. No.	Particulars	As at 31.03.2025			As at 31.03.2024		
		Number of Shares	% of Equity Share Capital	% change during the year	Number of Shares	% of Equity Share Capital	% change during the year
(i)	President of India (Promoter)	1,84,78,64,722	55.99%	-	1,84,78,64,722	55.99%	-

23.4 Shares reserved for issue under options and contract / commitment for the sale of shares or disinvestment, including the terms and amount : Nil

23.5 During the period of last 5 years, the Company has issued 66,00,20,352 equity shares of ₹ 10/- each as bonus shares in the ratio of 1:4 during FY 2023-24 and has not bought back any shares.

23.6 Terms of any securities convertible into equity shares issued along with the earliest date of conversion in descending order starting from the farthest such date : Nil

23.7 Calls unpaid (showing aggregate value of calls unpaid by directors and officers) : Nil

23.8 Forfeited shares (amount originally paid up) : Nil

23.9 Refer Note 39 for Capital Management.



Notes to the Standalone Financial Statements

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24. OTHER EQUITY

(₹ in crore)				
Sr. No.	Particulars	Note No.	As at 31.03.2025	As at 31.03.2024
(A) Other Reserves				
(i)	Securities Premium	24.1 (i)	2,115.74	2,115.74
(ii)	Foreign Currency Monetary Item Translation Difference Account	24.1 (ii)	(358.15)	(402.85)
(iii)	Special Reserve created u/s 45-IC of Reserve Bank of India Act, 1934	24.1 (iii)	14,903.08	11,432.63
(iv)	Reserve for Bad & doubtful debts u/s 36(1)(vii)(c) of Income-Tax Act,1961	24.1 (iv)	915.33	1,212.26
(v)	Special Reserve created u/s 36(1)(viii) of Income Tax Act, 1961 up to Financial Year 1996-97	-	599.85	599.85
(vi)	Special Reserve created and maintained u/s 36(1)(viii) of Income Tax Act, 1961 from Financial Year 1997-98	24.1 (v)	32,611.74	29,316.21
(vii)	Interest Differential Reserve - KFW Loan	24.1 (vi)	68.90	67.15
(viii)	General Reserve	24.1 (vii)	15,933.06	14,720.80
(ix)	Impairment Reserve	24.1 (viii)	89.18	89.18
(B) Retained Earnings		24.1 (ix)	20,292.33	15,876.21
(C) Other Comprehensive Income (OCI) Reserves				
(i)	Equity Instruments through Other Comprehensive Income	24.1 (x)	1,108.99	1,278.50
(ii)	Effective portion of Cash Flow Hedges	24.1 (xi)	188.50	336.11
(iii)	Cost of Hedging Reserve	24.1 (xii)	(831.78)	(738.40)
Total Other Equity			87,636.77	75,903.39

24.1 Nature, purpose and movement of reserves:

(i) Securities Premium:

It represents amount of premium received on issue of equity share capital net of expense incurred on issue of equity shares. This amount can be utilised in accordance with the provisions of the Companies Act, 2013.

Details of Movement during the year:

(₹ in crore)		
Particulars	As at 31.03.2025	As at 31.03.2024
Balance as at the beginning of the year	2,115.74	2,776.54
Add: Transferred from Retained Earnings	-	-
Less: Utilised for issue of Bonus Equity Shares (including expense thereof)	-	(660.80)
Balance as at the end of the year	2,115.74	2,115.74

(ii) Foreign Currency Monetary Item Translation Difference Account:

It represents unamortised foreign exchange gain/loss on Long-term Foreign Currency Borrowings (raised up to 31.03.2018) and are amortised over the tenure of the respective borrowings.

Details of Movement during the year:

(₹ in crore)		
Particulars	As at 31.03.2025	As at 31.03.2024
Balance as at the beginning of the year	(402.85)	(467.57)
"Add: Foreign Currency Translation Gain/ Loss (-) on long-term monetary items during the year"	(89.42)	(47.10)
Less: Amortisation during the year	134.11	111.82
Balance as at the end of the year	(358.15)	(402.85)

(iii) Special Reserve created u/s 45-IC of Reserve Bank of India Act, 1934:

It represents transfer from retained earning @ 20 % of net profit after tax for the year as disclosed in profit and loss account and before any dividend is declared. No appropriation is allowed to be made from the reserve fund except for the purpose as may be specified by the Reserve Bank of India (RBI) from time to time and further, any such appropriation is also required to be reported to the RBI within 21 days from the date of such withdrawal.

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Details of Movement during the year:

(₹ in crore)		
Particulars	As at 31.03.2025	As at 31.03.2024
Balance as at the beginning of the year	11,432.63	8,559.23
Add: Transferred from Retained Earnings	3,470.45	2,873.40
Less: Transferred to General Reserve	-	-
Balance as at the end of the year	14,903.08	11,432.63

(iv) Reserve for Bad & doubtful debts u/s 36(1)(vii)(c) of Income-Tax Act,1961:

It has been created to enable the Company to avail income tax deduction. The reserve so maintained is primarily utilised for adjustment of actual bad debts or part thereof. As per Section 36(1)(vii)(c) of Income Tax Act, 1961, the Company is eligible to avail deduction in respect of any provision / reserve made for bad and doubtful debts, not exceeding five percent of the total income as per Income Tax Act.

Details of Movement during the year:

(₹ in crore)		
Particulars	As at 31.03.2025	As at 31.03.2024
Balance as at the beginning of the year	1,212.26	529.39
Add: Transferred from Retained Earnings	919.16	715.09
Less: Transferred to General Reserve	(1,212.26)	(29.25)
Less: Adjustments during the year	(3.83)	(2.97)
Balance as at the end of the year	915.33	1,212.26

(v) Special Reserve created u/s 36(1)(viii) of Income Tax Act, 1961

It is maintained in order to enable the Company to avail tax benefits. As per Section 36(1)(viii) of the Income Tax Act, 1961, the Company is eligible for deduction not exceeding 20% of profit derived from long-term finance activity, provided such amount is transferred and maintained in special reserve account.

Details of Movement during the year:

(₹ in crore)		
Particulars	As at 31.03.2025	As at 31.03.2024
Balance as at the beginning of the year	29,316.21	26,511.31
Add: Transferred from Retained Earnings	3,245.45	2,767.28
Less: Transferred to General Reserve	-	-
Add: Adjustments during the year	50.08	37.62
Balance as at the end of the year	32,611.74	29,316.21

(vi) Interest Differential Reserve - KFW Loan:

It represents difference between the interest due and interest paid on KFW loan as per the loan agreement. Exchange gain/loss upon re-statement of loan balance, in accordance with the terms of the foreign currency borrowing from KFW, is adjusted against this reserve. The Company is not required to repay the unadjusted balance in the reserve after complete repayment of KFW Loan. Any unadjusted balance in the reserve after complete repayment of KFW Loan shall be used for further lending by the Company after consulting with KFW.

Details of Movement during the year:

(₹ in crore)		
Particulars	As at 31.03.2025	As at 31.03.2024
Balance as at the beginning of the year	67.15	64.97
Add: Addition during the year	2.72	2.18
Less: Deletion during the year	(0.97)	-
Balance as at the end of the year	68.90	67.15



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for the year ended March 31, 2025

(vii) General Reserve:

General Reserve includes the amounts appropriated from the profits of the Company before declaration of dividend (as was required under erstwhile Companies Act, 1956). It also includes the amount transferred from Statutory Reserves on utilisation / reversal of such Reserves. Further the Company appropriates profit to General Reserve in order to avail full eligible deduction of Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961.

Details of Movement during the year:

(₹ in crore)		
Particulars	As at 31.03.2025	As at 31.03.2024
Balance as at the beginning of the year	14,720.80	14,691.55
Add: Transferred from Reserve for Bad & Doubtful Debts u/s 36(1) (viiia) of the Income Tax Act, 1961	1,212.26	29.25
Balance as at the end of the year	15,933.06	14,720.80

(viii) Impairment Reserve:

It is created where the impairment allowance under Ind AS 109 is lower than the provisioning required under Income Recognition, Asset Classification and Provisioning (IRACP) norms issued by RBI, to the extent of the difference. No withdrawals shall be permitted from this reserve without prior permission from the Department of Supervision of the Reserve Bank. Refer Note 40.1.7 for further details.

Details of Movement during the year:

(₹ in crore)		
Particulars	As at 31.03.2025	As at 31.03.2024
Balance as at the beginning of the year	89.18	-
Add: Transferred from Retained Earnings	-	89.18
Less: Transferred to General Reserve	-	-
Balance as at the end of the year	89.18	89.18

(ix) Retained Earnings:

It represent profits and specified items of other comprehensive income recognised directly in retained earnings earned by the Company after transfer to and from other reserves and dividend distributions.

Details of Movement during the year:

(₹ in crore)		
Particulars	As at 31.03.2025	As at 31.03.2024
Balance as at the beginning of the year	15,876.21	12,648.64
Add: Profit for the year	17,352.19	14,367.02
Add: Remeasurement of Defined Benefit Plans (net of taxes)	(4.72)	(4.27)
Add: Reclassification of gain/ (loss) on sale/ extinguishment of FVOCI equity instrument	114.38	164.76
Add: Transferred from Reserve for Bad & doubtful debts u/s 36(1)(viiia)(c) of Income-Tax Act, 1961	3.83	2.97
Less: Transferred to Special Reserve created and maintained u/s 36(1)(viii) of Income Tax Act, 1961	(50.08)	(37.62)
Less: Transferred to Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961	(3,245.45)	(2,767.28)
Less: Transferred to Reserve for Bad and doubtful debts u/s 36(1)(viiia) of the Income Tax Act, 1961	(919.16)	(715.09)
Less: Transferred to Impairment Reserve	-	(89.18)
Less: Transferred to Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	(3,470.45)	(2,873.40)
Less: Transferred to Interest Differential Reserve - KPW Loan	(1.75)	(2.18)
Less: Dividend paid during the year	(5,362.67)	(4,818.15)
Balance as at the end of the year	20,292.33	15,876.21

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(x) Reserve for Equity Instruments through Other Comprehensive Income:

The Company elected to recognise changes in the fair value of certain investment in equity instruments through other comprehensive income. It represents cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income. When the asset is derecognised, amounts in the reserve are subsequently transferred to retained earnings and not to standalone statement of profit and loss. Dividends on such investments are recognised in statement of profit & loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Details of Movement during the year:

(₹ in crore)		
Particulars	As at 31.03.2025	As at 31.03.2024
Balance as at the beginning of the year	1,278.50	55.54
Add: Recognition through Other Comprehensive Income / (Expense) (net of taxes)	(55.13)	1,387.72
Less: Reclassification of (gain)/ loss on sale/ extinguishment of FVOCI equity instrument (net of taxes)	(114.38)	(164.76)
Balance as at the end of the year	1,108.99	1,278.50

(xi) Reserve for Effective portion of Cash Flow Hedges

The intrinsic value of hedging instruments which meets the qualifying criteria for hedge accounting & are designated and qualify as cash flow hedges is recognised in this reserve. The amounts recognised in such reserve are reclassified to the Statement of Profit or Loss when the hedged item affects profit or loss.

Details of Movement during the year:

(₹ in crore)		
Particulars	As at 31.03.2025	As at 31.03.2024
Balance as at the beginning of the year	336.11	492.20
Add: Recognition through Other Comprehensive Income / (Expense) (net of taxes)	(147.61)	(156.09)
Balance as at the end of the year	188.50	336.11

(xii) Cost of Hedging Reserve:

The fair value of the time value of a hedging instruments which meets the qualifying criteria for hedge accounting & are designated and qualify as cash flow hedges is recognised in this reserve. The amounts recognised in such reserve are amortised to the Statement of Profit and Loss on a systematic basis.

Details of Movement during the year:

(₹ in crore)		
Particulars	As at 31.03.2025	As at 31.03.2024
Balance as at the beginning of the year	(738.40)	(899.50)
Add: Recognition through Other Comprehensive Income / (Expense) (net of taxes)	(93.38)	161.10
Balance as at the end of the year	(831.78)	(738.40)

24.2 Dividend declared/ proposed by the Company for Equity Shares of ₹ 10/- each

(i)	Particulars	FY 2024-25			FY 2023-24		
		% of Share Capital	Per equity share (₹)	Amount (₹ in crore)	% of Share Capital	Per equity share (₹)	Amount (₹ in crore)
	Interim Dividend	137.50%	13.75	4,537.64	110.00%	11.00	3,630.11
	Final Dividend	20.50%	2.05	676.52	25.00%	2.50	825.03
	Total Dividend	158.00%	15.80	5,214.16	135.00%	13.50	4,455.14
	Total Dividend as % of profit for the year (Total Dividend / PAT)			30.05%			31.01%

During the current year ended 31.03.2025, an amount of ₹ 3,002.78 crores (Previous year ₹ 2,697.88 crore) has been paid to Government of India as dividend (being proportionate share in final dividend for FY 23-24 and interim dividend for FY 24-25).



Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(ii) Events occurring after Balance Sheet date:

Board of Directors in its meeting held on 21.05.2025 has proposed final dividend @ 20.50% on the paid up equity share capital i.e. ₹ 2.05 /- per equity share of ₹ 10/- each for the FY 2024-25 subject to approval of shareholders in ensuing Annual General Meeting.

(iii) The Dividend Paid/Proposed is in compliance with the provisions of Section 123 of Companies Act 2013, as applicable.

25. INTEREST INCOME

			(₹ in crore)
Sr. No.	Particulars	Year ended 31.03.2025	Year ended 31.03.2024
(A) On Financial Assets measured at Amortised Cost			
(i)	Interest on Loans	49,387.98	43,536.57
	Less : Rebate for Timely Payment to Borrowers	(254.36)	(252.71)
(ii)	Interest on Deposits with Banks	268.89	203.48
(iii)	Interest on Investment	201.90	105.60
(iv)	Other Interest Income	223.19	35.01
	Sub-total (A)	49,827.60	43,627.95
(B) On Financial Assets Classified at Fair Value Through Profit or Loss			
(i)	Interest on Investment	38.44	7.31
(ii)	Other Income	8.66	5.88
	Sub-total (B)	47.10	13.19
	Total Interest Income ((A)+(B))	49,874.70	43,641.14

26. DIVIDEND INCOME

			(₹ in crore)
Sr. No.	Particulars	Year ended 31.03.2025	Year ended 31.03.2024
(i)	Dividend on equity investments designated at FVTOCI		
-	Investments held at the end of the year	82.08	65.34
-	Investments derecognised during the year	-	0.90
	Sub-Total	82.08	66.24
(ii)	Dividend on equity investments at cost(Subsidiaries)	2,910.21	2,209.76
(iii)	Dividend on preference shares	0.01	0.01
	Total Dividend Income (i+ii+iii)	2,992.30	2,276.01

27. FEES AND COMMISSION INCOME

			(₹ in crore)
Sr. No.	Particulars	Year ended 31.03.2025	Year ended 31.03.2024
(i)	Prepayment Premium on Loans	149.72	1.28
(ii)	Fee based Income on Loans	31.31	58.30
(iii)	Fee for implementation of GoI Schemes (Refer note 51)	51.19	45.73
Total Fees and Commission Income		232.22	105.31

28. OTHER INCOME

			(₹ in crore)
Sr. No.	Particulars	Year ended 31.03.2025	Year ended 31.03.2024
(i)	Miscellaneous Income	28.54	11.64
	Total Other Income	28.54	11.64

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

29. FINANCE COSTS

		(₹ in crore)	
Sr. No.	Particulars	Year ended 31.03.2025	Year ended 31.03.2024
On Financial Liabilities Measured At Amortised Cost			
(i)	Interest on Borrowings		
-	Term Loans and Others	7,734.30	6,885.65
(ii)	Interest on Debt Securities		
-	Bonds / Debentures	20,991.83	19,317.50
-	Commercial Papers	8.97	34.00
(iii)	Interest on Subordinated Liabilities	407.60	757.59
(iv)	Other Interest Expense		
-	Interest on advances received from Subsidiaries	-	5.81
-	Interest under Income Tax Act, 1961	3.66	3.15
-	Interest expense on variation margin	101.19	9.06
-	Interest on liability towards employee benefits**	6.00	5.87
-	Other interest expense*	0.79	0.25
(v)	Swap Premium (Net)	1,283.70	1,000.77
Total Finance Costs		30,538.04	28,019.65

* includes interest on lease liability. (Refer Note 45.1)

** An amount of 5.87 crore pertaining to FY 2023-24 has been reclassified from employee benefit expenses.

30. NET TRANSLATION / TRANSACTION EXCHANGE LOSS / (GAIN)

			(₹ in crore)
Sr. No.	Particulars	Year ended 31.03.2025	Year ended 31.03.2024
Net Translation / Transaction Exchange Loss / (Gain) on account of			
(i)	Translation of Long-term foreign currency monetary item (LTFCMI) recognised on or after 01.04.2018	413.64	(279.04)
(ii)	Translation of Long-term foreign currency monetary item (LTFCMI) (including Amortisation of FCMITDA) recognised up to 31.03.2018	53.12	65.95
Total Net Translation / Transaction Exchange Loss / (Gain)		466.76	(213.09)

30.1 The Group's foreign currency monetary items are translated at prevailing rate at the year-end as below:

Exchange Rates	As at 31.03.2025	As at 31.03.2024
USD / INR	85.5814	83.3739
EURO / INR	92.3246	90.2178
JPY / INR	0.5675	0.5509
GBP / INR	110.7389	105.2935

31. FEES AND COMMISSION EXPENSE

			(₹ in crore)
Sr. No.	Particulars	Year ended 31.03.2025	Year ended 31.03.2024
(i)	Agency Fees	2.65	2.97
(ii)	Guarantee, Listing and Trusteeship fees	8.73	2.40
(iii)	Credit Rating Fees	5.65	3.21
(iv)	Other Finance Charges	11.63	15.82
Total Fees and Commission Expense		28.66	24.40



Notes to the Standalone Financial Statements

for the year ended March 31, 2025

32. NET LOSS / (GAIN) ON FAIR VALUE CHANGES

			(₹ in crore)
Sr. No.	Particulars	Year ended 31.03.2025	Year ended 31.03.2024
On financial instruments at Fair value through Profit or Loss:			
(i)	On trading Portfolio	-	-
(ii)	Others		
-	Change in Fair Value of Derivatives	(2.34)	234.34
-	Change in Fair Value of Investments	(254.21)	(124.61)
Subtotal (ii)		(256.55)	109.73
Total Net Loss / (Gain) on Fair Value changes (i+ii)		(256.55)	109.73
Fair value changes:			
(i)	- Realised	(244.10)	(33.86)
(ii)	- Unrealised	(12.45)	143.59
Total Net Loss / (Gain) on Fair Value changes		(256.55)	109.73

32.1 Fair value changes in this note are other than those arising on account of accrued interest income/expense.

33. IMPAIRMENT ON FINANCIAL INSTRUMENTS

			(₹ in crore)
Sr. No.	Particulars	Year ended 31.03.2025	Year ended 31.03.2024
A	On Financial Assets measured at Amortised Cost:		
(i)	Loans*	447.40	(172.74)
(ii)	Other Financial Assets	7.63	3.89
(iii)	Letter of Comfort & Letter of Undertaking	2.08	(2.30)
	Total Impairment on Financial Instruments	457.11	(171.15)

* including write off of loans of ₹ 1,597.26 crore (previous period ₹ 29.25 crore) and corresponding reversal of impairment loss allowance of ₹ 3,621.16 crore (previous period ₹ 550.50 crore).

33.1 Refer Note 40.1 for details of impairment on financial assets.

34. EMPLOYEE BENEFIT EXPENSES

			(₹ in crore)
Sr. No.	Particulars	Year ended 31.03.2025	Year ended 31.03.2024
(i)	Salaries and Wages	167.87	159.53
(ii)	Contribution to Provident and other Funds / Schemes	20.49	24.05
(iii)	Staff Welfare Expenses*	64.88	40.42
(iv)	Rent for Residential Accommodation of Employees	15.34	12.85
Total Employee Benefit Expenses		268.58	236.85

* An amount of 5.87 crore pertaining to FY 2023-24 has been reclassified to finance costs.

34.1 Disclosures as per Ind AS 19 'Employee Benefits' in respect of provision made towards various employee benefits are provided in Note 44.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

35. CORPORATE SOCIAL RESPONSIBILITY

In accordance with the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 notified w.e.f. 22.01.2021, any unspent amount pursuant to any ongoing project shall be transferred to unspent CSR Account in any scheduled bank within a period of thirty days from the end of the financial year, to be utilised within a period of three financial years from the date of such transfer, after which any unspent CSR amount, if any shall be transferred to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year. Any unspent CSR amount, other than for any ongoing project, shall be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year. Further, if the Company spends an amount in excess of the requirement under statute, the excess amount may be carried forward and set off in three succeeding financial years against the amount to be spent.

As the notification was made effective during FY 2020-21, the Company complied with the amended provisions of Section 135 of the Companies Act, 2013 with effect from the FY 2020-21. Accordingly, the unspent CSR amount up to 31.03.2020 would continue to be dealt with in accordance with the pre-amendment framework.

35.1 Details of amount required to be spent by the Company on CSR activities during the year:

(₹ in crore)							
Sr. No.	Particulars	FY 2024-25			FY 2023-24		
		For FY 2024-25	For period up to 31.03.2020	Total	For FY 2023-24	For period up to 31.03.2020	Total
(i)	Opening unspent / (Excess) amount	116.02	50.32*	166.34	106.34	52.43*	158.77
(ii)	Amount transferred to unspent CSR bank account out of opening unspent amount	116.02	-	116.02	106.34	-	106.34
(iii)	Balance Opening unspent / (Excess) amount (i-ii)	-	50.32	50.32	-	52.43	52.43
(iv)	Amount required to be spent as per Section 135 (5) of Companies Act, 2013	257.70	-	257.70	215.39	-	215.39
(v)	Amount approved by the Board out of (iv) above to be spent during the year	257.70	-	257.70	215.39	-	215.39
(vi)	Surplus arising out of the CSR projects	-	-	-	-	-	-
(vii)	Sub-Total (v + vi)	257.70	-	257.70	215.39	-	215.39
(viii)	Amount required to be spent after set off excess spent of earlier years (iii+vii)	257.70	50.32	308.02	215.39	52.43	267.82
(ix)	Amount spent during the year	175.78\$	12.58#	188.36	99.37\$	2.11	101.48
(x)	Closing Unspent / (Excess) amount(viii - ix)®	81.92@	37.74	119.67	116.02@	50.32	166.34

* Sanctioned to various projects where disbursement is being made as per agreed terms.

\$ includes ₹ 2.44 crore (Previous year ₹ 10.84 crore) disbursed where utilisation is pending.

Includes a contribution of ₹ 1.90 crore (Previous year ₹ Nil) to the 'Swachh Bharat Kosh' from the unutilised amounts of completed or short-closed CSR projects.

@ Since amount pertains to ongoing projects, it has been transferred to unspent CSR Account on 30.04.2025 (previous year on 30.04.2024).

35.2 Unspent CSR amount of ₹ 81.92 crore (Previous year ₹ 116.02 crore) pertains to multi-year (ongoing) projects where payment is made in tranches upon achievement of milestone. Accordingly, the said amount has been deposited in unspent CSR Account with scheduled bank as per requirements of Section 135(6) of Companies Act, 2013. The cumulative amount of unspent CSR expense as on 31.03.2025 is ₹ 267.06 crore (previous year ₹ 237.81 crore).

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

35.3 Activity wise detail of amount spent during the year on CSR Activities

(₹ in crore)

Sr. No.	Particulars	FY 2024-25			FY 2023-24		
		Paid or settled	Yet to be paid	Total	Paid or settled	Yet to be paid	Total
(i)	Construction / acquisition of any assets	-	-	-	-	-	-
(ii)	On purposes other than (i) above						
(iia)	Sanitation / Waste Management / Drinking water [§]	170.58	-	170.58	78.76	-	78.76
(iib)	Education / Vocational Skill development	0.29	-	0.29	0.28	-	0.28
(iic)	Environmental Sustainability (Solar Applications / Afforestation / Energy efficient LED lighting)	0.40	-	0.40	1.90	-	1.90
(iid)	Sports	-	-	-	-	-	-
(iie)	Others	10.24	-	10.24	14.03	-	14.03
(iif)	Administrative overheads including training, impact assessment etc. limited to 5% of total amount required to be spent on CSR	6.85	-	6.85	6.51	-	6.51
(iii)	Total Amount Spent during FY (i + ii)*	188.36	-	188.36	101.48	-	101.48
(iv)	Add: To be transferred to Unspent CSR Account			81.92			116.02
(v)	Add / Less: Excess amount adjusted/(spent)			-			-
(vi)	CSR Expenses charged to Standalone Statement of Profit and Loss (iii + iv + v)			270.28			217.51

§ includes a contribution of ₹ 168.39 crore to Swachh Bharat Kosh (previous year ₹ 77.46 crore).

* includes ₹ 12.58 crore (Previous year ₹ 2.11 crore) for the period up to 31.03.2020.

35.4 Details of Unspent CSR amount as per requirements of Section 135(6) of Companies Act, 2013:-

For FY 2024-25

(₹ in crore)

Opening Balance		Amount required to be spent during the year	Interest earned on balance in Unspent CSR A/c	Amount spent during the year		Closing Balance		For ongoing projects pertaining to	Details of ongoing projects
With Company	In Separate CSR Unspent Bank A/c [#]			From Company's Bank A/c	From Separate CSR Unspent A/c	With Company	In Separate CSR Unspent Bank A/c		
-	-	257.70	NA	175.78	NA	81.92*	-	FY2024-25	Various projects to support research, training, solar power, sanitation, skill development, Health care etc.
-	116.02	116.02	6.28	-	38.30	-	84.00	FY2023-24	
-	87.23	87.23	4.26	-	15.99	-	75.50	FY2022-23	
-	34.56	34.56	1.58	-	10.51	-	25.64	FY2021-22	The unutilised amount of ₹ 24.08 crore [₹ 25.64 crore (including interest earned in April 2025) minus ₹ 1.66 crore (paid to agencies for completed work up to 31.03.2025)] has been transferred to the 'Swachh Bharat Kosh' on 30.04.2025
Cumulative amount of unspent CSR expense				267.06					

* Transferred on 30.04.2025 to unspent CSR Account with scheduled bank.

[#] Includes amount transferred to Unspent CSR Bank A/c within stipulated timelines.

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for the year ended March 31, 2025

For FY 2023-24

(₹ in crore)

Opening Balance		Amount required to be spent during the year	Interest earned on balance in Unspent CSR A/c	Amount spent during the year		Closing Balance		For ongoing projects pertaining to	Details of ongoing projects
With Company	In Separate CSR Unspent Bank A/c*			From Company's Bank A/c	From Separate CSR Unspent A/c	With Company	In Separate CSR Unspent Bank A/c		
-	-	215.39	NA	99.37	NA	116.02*	-	FY 2023-24	Various projects to support research, training, solar power, sanitation, skill development, Health care etc.
-	106.34	NA	4.38	NA	23.49	-	87.23	FY 2022-23	
-	42.59	NA	1.80	NA	9.83	-	34.56	FY 2021-22	
Cumulative amount of unspent CSR expense						237.81			

* Transferred on 30.04.2024 to unspent CSR Account with scheduled bank.

[#] Includes amount transferred to Unspent CSR Bank A/c within stipulated timelines.

36. OTHER EXPENSES

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2025	Year ended 31.03.2024
(i)	Rent, Taxes and Energy Cost	9.02	8.59
(ii)	Repairs and Maintenance	9.52	6.92
(iii)	Communication Costs	2.66	2.19
(iv)	Printing and Stationery	1.65	1.30
(v)	Advertisement and Publicity	13.87	15.85
(vi)	Directors Fees, Allowance and Expenses	0.35	0.42
(vii)	Auditor's fees and expenses (Refer note 36.1)	1.58	1.69
(viii)	Legal & Professional charges	20.49	25.75
(ix)	Insurance	0.66	0.46
(x)	Travelling and Conveyance	24.83	22.46
(xi)	Net Loss / (Gain) on sale/derecognition of PPE	4.62	3.36
(xii)	Govt. scheme monitoring expense	13.21	10.05
(xiii)	Conference and Meeting Expenses	9.53	7.91
(xiv)	Security Expenses	3.92	3.45
(xv)	Other Expenditure	46.77	55.71
Total Other Expenses		162.68	166.11

36.1 Auditor's fees and expenses are as under:

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2025	Year ended 31.03.2024
(i)	as Auditor	0.65	0.65
(ii)	for Taxation matters	0.15	0.16
(iii)	for Company Law Matters (includes Limited Review Fees)	0.39	0.38
(iv)	for Other services	0.26	0.37
Sub-total		1.45	1.56
(v)	Non-recoverable GST credit in respect of fees paid to auditors	0.13	0.13
Total Auditor's fees and expenses		1.58	1.69



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for the year ended March 31, 2025

37. DISCLOSURES RELATED TO ‘INCOME TAXES’:

37.1 Income tax expense recognised in Standalone Statement of Profit and Loss:

(₹ in crore)		
Particulars	FY 2024-25	FY 2023-24
Current Tax Expense / (Income)		
Current Year	3,585.36	2,988.34
Earlier Years	(15.31)	(15.54)
(A) Total Current Tax Expense	3,570.05	2,972.80
Deferred Tax Expense / (Income)		
Origination and reversal of temporary differences	250.13	285.87
(B) Total Deferred Tax Expense / (Income)	250.13	285.87
Total Income Tax Expense (A+B)	3,820.18	3,258.67

37.2 Income tax expense recognised in Other Comprehensive Income:

(₹ in crore)		
Particulars	FY 2024-25	FY 2023-24
Current Tax Expense / (Income)		
(i) Items that will not be reclassified to Profit and Loss		
Re-measurement of Defined Benefit Plans	(0.21)	0.03
Net gain / (loss) on fair value of equity instruments	13.96	-
(A) Total Current Tax Expense / (Income)	13.75	0.03
Deferred Tax Expense / (Income)		
(i) Items that will not be reclassified to Profit and Loss		
Re-measurement of Defined Benefit Plans	(1.24)	(1.49)
Net Gain / (Loss) on Fair Value of Equity Instruments	38.27	190.10
(ii) Items that will be reclassified to Profit and Loss		
Effective portion of Gain and (Loss) on Hedging Instruments in Cash flow Hedge	(49.65)	(52.50)
Cost of hedging reserve	(31.41)	54.18
(B) Total Deferred Tax Expense / (Income) (i+ii)	(44.03)	190.29
Total Tax Expense / (Income) recognised in OCI (A+B)	(30.28)	190.32

37.3 Reconciliation of tax expense and accounting profit

Reconciliation of tax expense and product of profit before tax and corporate tax rate:

(₹ in crore)		
Particulars	FY 2024-25	FY 2023-24
Profit before Tax	21,172.36	17,625.69
Corporate Tax Rate	25.168%	25.168%
Tax expense using the Corporate tax rate	5,328.66	4,436.03
Increase / (Decrease) on account of:		
Deduction u/s 80M of Income Tax Act 1961	(753.10)	(415.86)
Deduction under 36(1)(viii) of Income Tax Act 1961	(816.81)	(696.47)
Others	76.74	(49.49)
Tax expense pertaining to earlier years	(15.31)	(15.54)
Total tax expense in the Standalone Statement of Profit and Loss	3,820.18	3,258.67

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37.4 Movement in Deferred Tax balances:

FY 2024-25

(₹ in crore)				
Description	Opening balance as at 01.04.2024	Recognised in Profit and Loss	Recognised in OCI	Closing balance as at 31.03.2025
(A) Deferred Tax Asset				
(i) Provision for expenses deductible on payment basis under Income Tax Act	28.25	8.60	1.24	38.09
(ii) Unamortised income on loans to borrowers	139.03	78.07	-	217.10
(iii) Impairment loss allowance on Financial instruments in excess of RBDD	3,694.99	(289.43)	-	3,405.56
(iv) Depreciation and amortisation	6.91	1.99	-	8.90
(v) Fair value of derivatives (Net)	96.19	10.44	81.05	187.68
(vi) Others	(171.57)	(8.89)	(38.27)	(218.73)
Total (A)	3,793.80	(199.22)	44.02	3,638.60
(B) (Deferred Tax Liabilities)				
(i) Unamortised Exchange Loss (Net)	(101.76)	-	-	(101.76)
(ii) Unamortised expenditure on loan liabilities	(134.86)	(50.92)	-	(185.78)
(iii) Others	(0.02)	-	-	(0.02)
Total (B)	(236.64)	(50.92)	-	(287.56)
Net Deferred Tax Assets / (Liabilities)	3,557.16	(250.14)	44.02	3,351.04

FY 2023-24

(₹ in crore)				
Description	Opening balance as at 01.04.2023	Recognised in Profit and Loss	Recognised in OCI	Closing balance as at 31.03.2024
(A) Deferred Tax Asset				
(i) Provision for expenses deductible on payment basis under Income Tax Act	30.52	(3.76)	1.49	28.25
(ii) Unamortised income on loans to borrowers	82.70	56.33	-	139.03
(iii) Impairment loss allowance on Financial instruments in excess of RBDD	3,917.29	(222.30)	-	3,694.99
(iv) Depreciation and amortisation	5.00	1.91	-	6.91
(v) Fair value of derivatives (Net)	169.64	(71.77)	(1.68)	96.19
(vi) Others	49.59	(31.06)	(190.10)	(171.57)
Total (A)	4,254.74	(270.65)	(190.29)	3,793.80
(B) (Deferred Tax Liabilities)				
(i) Unamortised Exchange Loss (Net)	(118.26)	16.50	-	(101.76)
(ii) Unamortised expenditure on loan liabilities	(103.14)	(31.72)	-	(134.86)
(iii) Others	(0.03)	-	-	(0.03)
Total (B)	(221.43)	(15.22)	-	(236.64)
Net Deferred Tax Assets / (Liabilities) (A+B)	4,033.31	(285.87)	(190.29)	3,557.16

38. DISCLOSURE AS PER IND AS 33 “EARNINGS PER SHARE”

Sr. No.	Particulars	FY 2024-25	FY 2023-24
(A) Profit for the period used as numerator (basic & diluted) (₹ in crore):			
(i)	from continuing operations	17,352.19	14,367.02
(ii)	from discontinued operations	-	-
(iii)	from continuing and discontinued operations	17,352.19	14,367.02
(B) Weighted average number of equity shares used as denominator (basic & diluted)		3,30,01,01,760	3,30,01,01,760
(C) Earning per equity share (basic & diluted), face value ₹ 10 each (in ₹):			
(i)	for continuing operations	52.58	43.53
(ii)	for discontinued operations	-	-
(iii)	for continuing and discontinued operations	52.58	43.53



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39. CAPITAL MANAGEMENT

The Company maintains a capital base that is adequate to support the Company's risk profile, regulatory and business needs. The Company sources funds from domestic and international financial markets, inter-alia leading to diverse investor base and optimised cost of capital. Refer Note 17, 18 and 19 for details w.r.t. sources of funds and refer Standalone Statement of Changes in Equity for details w.r.t Equity.

As contained in Master Direction- Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, as amended from time to time (hereinafter referred to as “RBI Master Directions”), the Company is required to maintain a capital ratio consisting of Tier I and Tier II capital which shall not be less than 15% of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet items. Out of this, Tier I capital shall not be less than 10%. The Company regularly monitors the maintenance of prescribed levels of Capital to Risk Weighted Assets Ratio (CRAR). Further, with regard to capital restructuring, the Company is also guided, inter alia, by guidelines on “Capital Restructuring of Central Public Sector Enterprises” issued by Department of Investment and Public Asset Management (DIPAM), Ministry of Finance, Department of Public Enterprises in respect of issue of bonus shares, dividend distribution, buy back of equity shares etc.

39.1 Certain key financial parameters of the Company are as under:

Sr. No.	Ratios	Numerator	Denominator	As at 31.03.2025	As at 31.03.2024
(i)*	Total Capital to risk- weighted assets ratio (CRAR)	Tier I Capital + Tier II Capital	Risk Weighted assets	22.08%	25.41%
	CRAR – Tier I Capital**	Tier I Capital	Risk Weighted assets	20.29%	23.18%
	CRAR – Tier II Capital	Tier II Capital	Risk Weighted assets	1.79%	2.23%
(ii)*	Liquidity Coverage Ratio(LCR) (refer Note 54.6)	Total High Quality Liquid Assets	Total Net Cash Outflows	100.00%	85.00%
(iii)	Debt- Equity Ratio (times)	Total Debt (principal outstanding)	Net Worth	5.12	5.14

* Computed as per applicable RBI guidelines.

**The amount of perpetual debt instruments of the Tier-I Capital is 0.13% (previous year 0.16%).

39.2 Details of Subordinated and Perpetual Debt Instruments raised during the year are as under:

Particulars	₹ in crore)	
	Year ended 31.03.2025	Year ended 31.03.2024
Amount of Subordinated Debt raised as Tier-II capital	-	-
Amount raised by issue of Perpetual Debt Instruments	-	100.00

39.3 Dividend Distribution Policy

The Company has a well-defined dividend distribution policy. Dividend distribution policy focuses on various factors including but not limited to Gol guidelines, RBI circulars / guidelines, future capital expenditure plans, profits earned during the financial year, cost of raising funds from alternate sources, cash flow position and applicable taxes if any, subject to the guidelines as applicable from time to time.

Being a Central Public Sector Enterprise, the Company is required to comply with the guidelines on “Capital Restructuring of Central Public Sector Enterprises” issued by DIPAM, Govt. of India. As per DIPAM Guidelines, every CPSE would pay minimum annual dividend of 30% of PAT or 4% of the net-worth, whichever is higher subject to the limit, if any, under any extant legal provision. Financial sector CPSEs like NBFCs (applicable to PFC) may pay minimum annual dividend of 30% of PAT subject to the limit, if any, under any extant legal provisions.

Further, DIPAM advised that CPSEs may consider paying interim dividend every quarter after quarterly results, or at least twice a year. Further, all listed CPSEs should consider paying at least 90% of projected annual dividend, in one or more instalments, as interim dividend.

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However, the Company may also consider various internal factors which inter-alia includes net-worth and capacity to borrow, CAPEX / business expansion needs; additional investments in subsidiaries / associates of the Company etc. The detailed Dividend Distribution Policy is available on the Company's website. For details of dividend paid / recommended during the year, refer Note 24.2.

40. FINANCIAL RISK MANAGEMENT

The Company is exposed to several risks which are inherent to the environment that it operates in. The Company is into business of extending financial assistance to power, logistics and infrastructure sector. The principal risks which are inherent with the Company's business model and from its use of financial instruments include credit risk, liquidity risk and market risk (currency risk, interest rate risk and price risk).

The following table broadly explains sources of risks which the Company is exposed to and how it manages the same and related impact in the financial statements:

Note	Risk	Exposure arising from	Measurement	Risk Management
40.1	Credit Risk	Loans, Investments (other than G-Sec), cash and cash equivalents, other financial assets	Ageing analysis	Detailed appraisal process, credit concentration limits and collateral including government guarantee
40.2	Liquidity Risk	Debt securities, Borrowings (other than debt securities), subordinated liabilities and other financial liabilities	Cash flow forecasts	Availability of committed credit lines and borrowing facilities
40.3	Market Risk – Foreign Currency Risk	Recognised financial liabilities not denominated in Indian Rupee (INR)	Sensitivity Analysis	Derivative contracts for hedging currency risk
40.4	Market Risk – Interest Rate Risk	Debt securities, Borrowings (other than debt securities), subordinated liabilities and loans at variable interest rates	Interest rate sensitivity analysis	Mix of loan arrangements with varied interest rate terms, derivative contract like interest rate swaps etc.
40.5	Market Risk – Price Risk	Investments in quoted equity instruments	Sensitivity Analysis	Diversification of portfolio, with focus on strategic investments

For managing these risks, the Company has put in place an integrated enterprise-wide risk management mechanism to ensure that these risks are monitored carefully and managed efficiently. In accordance with the RBI Master Direction in order to augment risk management practices in the Company, the Company has a Chief Risk Officer (CRO) who is involved in the process of identification, measurement and mitigation of risks. The Company also has a Board level Risk Management Committee (BLRMC), whose main function is to monitor and review the risk management plan of the Company and to make recommendations to the Board of Directors for taking up various risk management activities. The Chief Risk Officer (CRO) is a permanent invitee to all the meetings of Risk Management Committee. The risk management approach i.e., Company's objectives, policies and processes for identifying, measuring and managing each of above risk is set out in the subsequent paragraphs.

40.1 Credit Risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Company by failing to discharge its obligation. Details of financial assets that expose the Company to credit risk are:

Particulars	₹ in crore)	
	As at 31.03.2025	As at 31.03.2024
Low Credit Risk		
Cash and cash equivalents ^(a)	22.03	21.76
Bank balances other than included in cash and cash equivalents ^(a)	6,820.63	200.05
Loans (Principal Outstanding) ^(c)	5,01,495.96	4,34,204.39
Investments (Excluding equity investments) ^(a)	2,999.19	2,371.46
Other financial assets ^(b)	5,951.72	6,052.91
Trade receivables ^(b)	-	-
Moderate Credit Risk		
Loans (Principal Outstanding) ^(c)	31,107.60	31,184.29
High Credit Risk		
Loans (Principal Outstanding) ^(c)	10,516.85	16,073.22
Investments (Excluding equity investments) ^(a)	72.95	72.95
Other financial assets ^(b)	29.09	21.46
Trade receivables ^(b)	0.81	0.81

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- (a) Credit risk on cash and cash equivalents and other bank balances is limited as these are held with scheduled commercial public sector banks, high rated private sector banks and mutual fund houses, which meets the empanelment criteria as set out in the Company's policy. The Company has also set exposure limits for deployment of funds in various types of instruments with respective banks / mutual fund houses.
For investments, the Company manages its exposure to credit risk by periodically monitoring such investments, and applying the appropriate valuation techniques to arrive at the carrying value. The Company carries an impairment loss allowance of ₹ 72.95 crore on its investments as at 31.03.2025 (as at 31.03.2024 ₹ 72.95 crore).
- (b) Credit risk on other financial assets and trade receivables is evaluated based on Company's knowledge of the credit worthiness of those parties and managed by monitoring the recoverability of such amounts. The Company carries an impairment loss allowance of ₹ 29.90 crore on its other financial assets and trade receivables as at 31.03.2025 (as at 31.03.2024 ₹ 22.27 crore).
- (c) The Company is exposed to credit risk primarily through its lending operations. The same is explained in the paragraphs below.

40.1.1 Credit Risk Management for Lending Operations

The Company has put in place key policies and processes for managing credit risk, which include formulating credit policies, guiding the Company's appetite for credit risk exposures, undertaking reviews & objective assessment of credit risk, and monitoring performance and management of portfolios. All the procedures and processes of the Company are ISO 9001:2015 certified.

The credit risk management covers two key areas, i.e., project appraisal & project monitoring. The Company selects the borrowers in accordance with the Company's approved credit policy, which inter alia, defines factors to be considered for rating of the borrower / project. The Company's customer selection procedure assesses viability of project along with that of its promoting entity. Rate of interest and maximum admissible exposure is, inter alia, based on internal rating awarded by the Company.

(i) Appraisal of Projects

The Company follows a systematic, institutional project appraisal process to assess the credit risk before financing any project.

(a) Appraisal for Private Sector Projects

For private sector projects, a two-stage appraisal process is followed. Initially a preliminary appraisal is carried out in order to decide the prima facie preparedness of the project to be taken up for detailed appraisal. Detailed appraisal is carried out for those projects shortlisted on the basis of preliminary appraisal.

The Company along with evaluation of project viability also assesses the ability of its promoter(s) to contribute equity and complete the project. The Company follows an integrated rating methodology whereby Integrated Rating (IR) is calculated using the weighted average of the scores of the project grading and promoter grading. Based on the IR of the project, terms and conditions (including security package, interest rate and debt-equity ratio) are stipulated.

(b) Appraisal for State Sector Projects

State sector projects are taken up for detailed appraisal to determine, inter-alia, if they are techno economically / financially sound and compatible with integrated power development & expansion plans of the State.

The Company classifies state power generation utilities into various risk rating grades based on the evaluation of utility's performance against specific parameters covering operational and financial performance. With regards to transmission utilities, the Company adopts the categorisation of its subsidiary RECL as per its policy. With regard to State Power Distribution utilities including integrated utilities, the Company's categorisation policy provides for adoption of Ministry of Power's (MoP's) Integrated Ratings by aligning such ratings / grading with that of Company's rating structure. The categorisation of Borrowers in the Logistics and Non-Power Infrastructure sector is carried out on the basis of recommendations of the Internal Committee considering the strengths and weaknesses of the project.

Such categories / ratings are used to determine security requirements and pricing of loans given to the State Sector Borrowers. The Company also has a mechanism in place for monitoring the exposure to borrowers.

The detailed project appraisal involves technical and financial appraisal covering various aspects such as project inputs, statutory and non-statutory clearances, contracts, implementation plan, project linkages, financial modelling / projections, calculation of returns, sensitivity analysis etc.

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After detailed analysis indicated above, the overall viability of the project and entity is assessed and various conditions in the form of pre-commitment, pre-disbursement and other conditions are stipulated so as to ensure tying up of funds (debt and equity both), all physical inputs, appropriateness of all the contracts, compliance of conditions precedent in agreements / contracts / statutory and non- statutory clearances related to the project etc. and in general to ensure bankability of the project & protection of the interest of the Company as a lender for timely servicing of debt. The Company has an authorisation / delegation structure for the approval of credit facilities commensurating with the size of the loan.

(ii) Security and Covenants

The Company stipulates a package of security measures / covenants to mitigate risks during the construction and post COD (commercial operation date) stage of the project. Based on the risk appetite and appraisal of the project, the Company adopts a combination of the following measures:

- (a) Primary Security -Charge on Project Assets and / or State Government Guarantees
- (b) Collateral Securities - Corporate guarantee, Personal guarantee of promoters, Pledge of shares, Charge on assets / revenues of group/other companies
- (c) Payment Security Mechanism - Escrow Account / Letter of Credit, Trust and Retention Account (TRA)
- (d) Other covenants - Assignment of all project contracts, documents, insurance policies in favour of the Company, Upfront equity requirement, Debt Service Reserve Account (DSRA), Debt Equity ratio, shareholders' agreements, financial closure, etc.

(iii) Project Monitoring

The Company has comprehensive project / loan monitoring guidelines that captures aspects relating to monitoring, tracking of project construction, implementation, identifies risks where intervention is required to minimise the time / cost overruns / consequent slippages in disbursements and including progress of commissioned projects.

For State sector projects, monitoring is being carried out on the basis of project progress details obtained regularly from borrowers, site visits, discussions with the borrowers, information/reports available on Central Electricity Authority's (CEA) website etc.

For private sector, where the Company is Lead Financial Institution (FI), the Company engages Lenders' Engineers (LEs) / Project Management Agency (PMA) (a single entity, thereby facilitating better coordination of project monitoring activities) / Lenders' Financial Advisors (LFAs), which are independent agencies to act on behalf of various lenders / consortium members. The PMA / LEs conduct periodic site visits, review relevant documents, discusses with the borrowers and submit its reports on progress of the project. LFAs submit the statements of fund flow and utilisation of funds in the project periodically. In cases the Company is not the lead FI, the tasks related to PMA / LEs and LFAs services are coordinated with the concerned lead lender.

Also, the consolidated periodic progress report of certain projects is prepared comprising important observations / issues viz. areas of concern, reasons for delay, issues affecting project construction / implementation etc. and is reviewed by the Company on a regular basis.

The Company continuously monitors delays and / or default of borrowers and their recoverability. On occurrence of default in the borrower's account, the Company initiates necessary steps which may involve action(s) including, but not limited to, Special Mention Account (SMA) reporting to RBI, credit information reporting to Central Repository of Information on Large Credits (CRILC) etc., regularisation of the account by recovering all over dues, invocation of guarantees / securities to recover the dues, conversion of loan into equity as per loan agreement, restructuring of loan account, formulating resolution plan with the borrower, change in ownership, Corporate Insolvency Resolution Process (CIRP) under IBC -2016, sale of the exposures to other entities/investors, other recovery mechanisms like referring the case for legal action before Debt Recovery Tribunal (DRT), SARFAESI, etc. and other actions as specified under regulatory / legal framework.

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40.1.2 Credit Risk Measurement - Impairment Assessment for Lending Operations

(i) Staging of loans

Ind-AS 109 outlines a three staged model for measurement of impairment based on changes in credit risk since initial recognition. For classification of its borrowers into various stages, the Company uses the following basis:

- A financial asset that is not credit impaired on initial recognition is classified in 'Stage 1'.
- If a significant increase in credit risk (SICR) is identified, the financial asset is moved to 'Stage 2'.

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting date by considering the change in the risk of default occurring over the remaining life of the financial assets. In accordance with Ind AS 109 'Financial Instruments', the Company has applied rebuttable presumption that considers more than 30 days past due as a parameter for determining significant increase in credit risk. Further, in case of private sector borrowers, other factors like downgradation in external credit rating to 'C-', restructuring resulting in asset downgradation as per IRAC norms, delay in commissioning of project for more than 4 years are also considered.

- If the financial asset is credit-impaired, it is moved to 'Stage 3' category.

In case of Stage 3 financial assets, after implementation of the resolution plan (except for change of ownership and/or resolution through NCLT), the financial asset is upgraded and classified as Stage 2 for four quarters from the date of implementation of resolution plan.

(ii) Default

In accordance with Ind AS 109 'Financial Instruments', the Company considers the rebuttable presumption to define a financial asset as in default, i.e. when the loan account is more than 90 days past due on its contractual payments. Credit impaired financial assets are aligned with the definition of default.

(iii) Measurement of Expected Credit Loss (ECL)

The Company recognises impairment loss allowance for the financial assets in accordance with a Board-approved expected credit loss (ECL) policy. ECL is measured on either a 12 month or lifetime basis depending on whether there is significant increase in credit risk since initial recognition. ECL is the product of Probability of default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). The Company has appointed an independent agency, CRISIL Ltd., for assessment of ECL in accordance with Ind AS 109 'Financial Instruments'. The brief methodology of computation of ECL is as follows:

(a) Probability of default (PD)

PD is an estimate of the likelihood of default over a given time horizon. It is estimated as at a point in time. For assessing 12-month PD, probability of a loan defaulting in next 12 months is ascertained and similarly for assessing lifetime PD, probability of a loan defaulting in its remaining lifetime is ascertained.

For Stage 1 accounts, 12 months PD is used.

For Stage 2 (significantly increased credit risk accounts), Lifetime PD is used.

For Stage 3 (credit impaired accounts), 100% PD is taken.

12-month PD: In case of State Sector borrowers, for the purpose of PD calculation, the risk rating grades of the utilities are considered. For Gencos / Transcos / Others, PFC's internal rating grades have been considered. For Discoms / Power Department borrowers, PFC has adopted the MoP ratings. The ratings as above has been mapped with the standard external rating benchmarks. The PD factor associated with the mapped external rating as given in the PD transition matrix published by various CRAs have been used for PD calculation.

In case of Private sector borrowers, the latest external rating as published by various Credit Rating Agencies have been referred to compute PD using the PD transition matrix published by various CRAs. If external rating is not available, the PD has been computed through Proxy Risk Scoring Model on a 10-point scale with 1 suggesting

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minimum risk and 10 suggesting the highest risk. The said model uses the Quantitative financial ratios like Gearing (Debt / Equity), Return on Capital Employed, Interest Coverage ratio, Debt to EBITDA ratio and qualitative factors like PLF, ACS / ARR ratio or LAF to arrive at the final Risk score. The financial risk score obtained have been mapped to external rating benchmarks. This mapped rating has been referred to compute PD associated with the rating using the PD transition matrix published by various CRAs.

For Lifetime PD: Markov Chain Model has been used to compute Lifetime PDs of the rating grade.

(b) Loss Given Default (LGD)

LGD is the loss factor which the Company may experience in case the default occurs.

For State sector borrowers, the exposure is bifurcated into guaranteed and non guaranteed portion. Flat LGD has been applied to the exposure amount which is guaranteed by the State. For non guaranteed portion, the Company considers the credit worthiness of the states on various parameters while estimating the LGD. For estimating the credit worthiness of the state, parameters like State GDP per capita, Fiscal deficit / GDP ratio, Proportion of infra and developmental expenditure and Proportion on Revenue Expenditure on Energy Sector, etc. are used as key inputs. The state utilities are bifurcated into Low, Medium and High-risk category based on the state category. Moreover, for non-guaranteed portfolio of State Sector borrowers, additional stress factors have been considered in the estimation of LGD based on their respective rating groups to account for the likelihood of default owing to borrower's adverse financial conditions or inability to repay. Thus, the Company derives the realisable value of the assets by considering stress factor(s) based on financial health of the state and rating of the borrower. In case of Private sector borrowers, LGD has been assessed considering various factors related to the project to arrive at realisable value of the plant such as generation capacity, project cost per MW, percentage completion of the plant, and book value of the assets, cost incurred and other relevant information. A stress factor was also applied as a haircut to arrive at the realisable value.

For Stage 3 borrowers, LGD has been assessed project wise based on Bid value / resolution plan amount/OTS amount / any other value / discounted cash flows etc. as applicable.

(c) Exposure at Default (EAD)

Exposure at Default is the outstanding exposure on which ECL is computed. EAD includes outstanding principal and interest accrued and interest overdues on financial assets that the Company expects to be owed in the event of default in respect of the loan. As per Note 6.1.(ii), income on credit impaired assets is recognised as and when received or on accrual basis when expected realisation is higher than the loan amount outstanding, therefore, the same is not used in computation of Exposure at default.

(d) Key assumptions used in measurement of ECL

The Company considers the date of initial recognition as the base date from which significant increase in credit risk is determined.

- Since the Company has a right to cancel any sanctioned but undrawn limits to any of its borrowers, EAD is assumed to be outstanding balance and interest of the loan as on the reporting date.

- (e) The calculation of ECL incorporates forward-looking information. Further, the independent agency appointed to assist the Company in ECL assessment also consider the forward-looking information in the determination of the impairment allowance to be assigned to the borrower, by taking into consideration various project operational parameters, project financial ratios, extension of the project completion and also possibility of stressed and favourable economic conditions. Further, the independent agency has also added some additional macroeconomic parameters such as Power demand, GDP growth, monthly weighted average prices of traded power and current account to arrive at a weighted shock factor to the base PD term structure for ECL computation so as to reflect the right risk assessment of the utilities.



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40.1.3 Credit risk analysis for Lending Operations

(i) Exposure to credit risk

For loans recognised in the balance sheet, the gross exposure to credit risk equals their carrying amount. Refer Note 11 'Loans' for Company's exposure to credit risk arising from loans.

For financial guarantee issued, the maximum exposure to credit risk is the maximum amount that the Company would have to pay if the guarantees are called upon. For irrevocable loan commitments, the maximum exposure to credit risk is the full amount of the commitment facilities. Refer Note 46 for exposure of Guarantee and Outstanding Disbursement Commitments.

The credit quality and maximum exposure (Principal outstanding) to credit risk based on days past due and year end stage classification of loans is tabulated below.

Days past Due (DPD)	As at 31.03.2025				As at 31.03.2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
No overdue	5,01,495.96	-	307.07	5,01,803.03	4,34,204.39	441.45*	-	4,34,645.84
1-30 days	-	-	-	-	-	-	-	-
31-60 days	-	29,650.31	-	29,650.31	-	30,742.84	-	30,742.84
61-90 days	-	1,457.29	-	1,457.29	-	-	-	-
More than 90 days	-	-	10,209.78	10,209.78	-	-	16,073.22	16,073.22
Total	5,01,495.96	31,107.60	10,516.85	5,43,120.41	4,34,204.39	31,184.29	16,073.22	4,81,461.90
Impairment loss allowance	5,381.05	560.76	8,424.25	14,366.06	3,732.95	175.83	11,962.53	15,871.31

* Classified in Stage-II pursuant to resolution plan implemented without change in ownership.

(ii) Concentration of credit risk

Credit concentration risk refers to risk associated with large credit/investment exposure to a single company or a group of companies based on its ownership, sector, region etc. that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions, with the potential to adversely affect lender's core operations.

The following table sets out an analysis of risk concentration of overall loan portfolio on the basis of similar risk characteristics:

Particulars	As at 31.03.2025		As at 31.03.2024	
	Principal outstanding	Impairment loss allowance*	Principal outstanding	Impairment loss allowance*
Concentration by ownership				
Loans to state sector (i.e., entities under the control of state and / or central government)	4,20,549.01	4,974.60	3,89,525.42	3,059.63
Loans to private sector	1,22,571.40	9,442.16	91,936.48	12,811.68
Total	5,43,120.41	14,416.76	4,81,461.90	15,871.31

* Including impairment loss allowance on Letter of Comfort & Letter of Undertaking of ₹ 50.71 crore (as at 31.03.2024 ₹ 48.63 crore).

Loans to state sector are well diversified as these are extended to multiple entities under the control of various State Governments and Central Government. The Company considers that these loans have a low credit risk in comparison to lending to private sector mainly due to low default / loss history in state sector and availability of government guarantee in certain loans. Presence of Government interest in these projects also lowers the risk of non-recoverability of dues.

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Further, the Company has a lending portfolio comprising of loans to generation, renewable, transmission, distribution, power projects & other infrastructure projects spread across diverse geographical areas.

Particulars	As at 31.03.2025		As at 31.03.2024	
	Principal outstanding	Impairment loss allowance*	Principal outstanding	Impairment loss allowance*
Concentration by schemes				
Generation	1,72,852.82	7,542.87	1,71,922.56	11,330.74
Renewable	81,031.24	2,651.71	60,208.17	2,473.14
Transmission	37,782.48	289.01	35,144.18	270.68
Distribution	2,22,338.17	3,473.87	1,95,001.74	1,674.62
Others	29,115.71	459.31	19,185.25	122.13
Total	5,43,120.41	14,416.76	4,81,461.90	15,871.31

*including impairment loss allowance on Letter of Comfort & Letter of Undertaking of ₹ 50.71 crore (as at 31.03.2024 ₹ 48.63 crore).

The Company's exposure to various projects and borrowers is constantly monitored in line with the applicable Credit Concentration Norms.

(iii) Details regarding Concentration of Loans

(a) Concentration of Loans:

Particulars	As at 31.03.2025	As at 31.03.2024
Total Loans (Principal Outstanding) to twenty largest borrowers (₹ in crore)	2,91,384.87	2,75,865.69
Percentage of Loans to twenty largest borrowers to Total Loans of the Company	53.65%	57.30%

(b) Concentration of Credit impaired accounts (Stage 3 accounts):

Particulars	As at 31.03.2025		As at 31.03.2024	
Principal outstanding of top four Stage 3 accounts	6,876.49		10,296.14	

(iv) Details of Stage wise Principal outstanding and Impairment loss Allowance:

Particulars	As at 31.03.2025			As at 31.03.2024		
	Principal Outstanding	Impairment loss allowance*	Impairment loss allowance Coverage(%)	Principal Outstanding	Impairment loss allowance*	Impairment loss allowance Coverage(%)
Stage 1	5,01,495.96	5,431.75	1.08	4,34,204.39	3,732.95	0.86
Stage 2	31,107.60	560.76	1.80	31,184.29	175.83	0.56
Stage 3**	10,516.85	8,424.25	80.10	16,073.22	11,962.53	74.43
Total	5,43,120.41	14,416.76	2.65	4,81,461.90	15,871.31	3.30

*including impairment loss allowance on Letter of Comfort & Letter of Undertaking of ₹ 50.71 crore (as at 31.03.2024 ₹ 48.63 crore).

**includes loan outstanding of ₹ 307.07 Cr of one of the borrower which is suspected to have committed fraud on the Company and matter is under investigation. As matter of prudence 100% impairment loss allowance has been made after considering amount received in April, 25.



Notes to the Standalone Financial Statements

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(v) The following tables explain the changes in the loans and the corresponding impairment loss allowance (including impairment loss allowance on Letter of Comfort and Guarantees) between the beginning and the end of the reporting period:

(₹ in crore)

FY 2024-25	Stage 1		Stage 2		Stage 3		Total	
Particulars	Principal Outstanding	Impairment loss allowance	Principal Outstanding	Impairment loss allowance	Principal Outstanding	Impairment loss allowance	Principal Outstanding	Impairment loss allowance
Opening Balance	4,34,204.39	3,732.95	31,184.29	175.83	16,073.22	11,962.53	4,81,461.90	15,871.31
Transfer to Stage 1	441.45	50.80	(441.45)	(50.80)	-	-	-	-
Transfer to Stage 2	(2,559.15)	(10.90)	2,559.15	10.90	-	-	-	-
Transfer to Stage 3	(476.35)	(1.99)	-	-	476.35	1.99	-	-
Net change in Principal / ECL during the year within the same stage	1,292.10	786.00	(2,183.29)	310.97	(10.20)	(10.47)	(901.39)	1,086.50
New financial assets originated	90,464.53	1,077.75	-	-	-	-	90,464.53	1,077.75
Financial assets derecognised (includes loans repaid / pre- payment with stage movement)	(21,871.00)	(202.84)	(11.10)	113.86	(4,121.27)	(1,628.54)	(26,003.37)	(1,717.54)
Financial Assets derecognised (Write Off)	-	-	-	-	(1,901.26)	(1,901.26)	(1,901.26)	(1,901.26)
Financial Assets derecognised during the period (Investment Received)	-	-	-	-	-	-	-	-
Closing Balance	5,01,495.97	5,431.76	31,107.60	560.76	10,516.85	8,424.25	5,43,120.41	14,416.76

(₹ in crore)

FY 2023-24	Stage 1		Stage 2		Stage 3		Total	
Particulars	Principal Outstanding	Impairment loss allowance	Principal Outstanding	Impairment loss allowance	Principal Outstanding	Impairment loss allowance	Principal Outstanding	Impairment loss allowance
Opening Balance	3,89,559.35	2,893.68	16,436.73	1,182.54	16,501.65	11,999.38	4,22,497.73	16,075.60
Transfer to Stage 1	16,436.73	1,182.54	(16,436.73)	(1,182.54)	-	-	-	-
Transfer to Stage 2	(32,887.08)	(132.80)	33,300.07	260.62	(412.99)	(127.82)	-	-
Transfer to Stage 3	-	-	-	-	-	-	-	-
Net change in Principal / ECL during the year within the same stage	3,436.06	276.48	-	-	(15.44)	90.97	3,420.62	367.45
New financial assets originated	67,267.52	565.76	-	-	-	-	67,267.52	565.76
Financial assets derecognised (includes loans repaid / pre- payment with stage movement)	(9,608.19)	(1,052.71)	(2,145.03)	(84.79)	-	-	(11,753.22)	(1,137.50)
Financial Assets derecognised (Write Off)	-	-	29.25	-	-	-	29.25	-
Financial Assets derecognised during the period (Investment Received)	-	-	-	-	-	-	-	-
Closing Balance	4,34,204.39	3,732.95	31,184.29	175.83	16,073.22	11,962.53	4,81,461.90	15,871.31

Notes to the Standalone Financial Statements

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(vi) Movement of Credit Impaired Accounts (Stage 3 accounts):

(₹ in crore)

Sr. No.	Description	As at 31.03.2025	As at 31.03.2024
(i)	Net Credit Impaired accounts to Gross Loans (%)	0.39	0.85
(ii)	Net Credit Impaired accounts to Net Loans (%)	0.40	0.88
		FY 2024-25	FY 2023-24
(iii)	Movement of Gross Credit Impaired accounts		
(a)	Opening balance	16,073.22	16,501.65
(b)	Additions during the year	437.74	0.32
(c)	Reductions during the year	(5,994.11)	(428.75)
(d)	Closing balance	10,516.85	16,073.22
(iv)	Movement of Net Credit Impaired accounts		
(a)	Opening balance	4,110.69	4,502.27
(b)	Additions during the year	44.44	-
(c)	Reductions during the year	(2,062.53)	(391.58)
(d)	Closing balance	2,092.60	4,110.69
(v)	Movement of impairment loss allowance on Credit Impaired accounts		
(a)	Opening balance	11,962.53	11,999.38
(b)	Additions during the year	393.30	106.73
(c)	Reductions during the year	(3,931.58)	(143.58)
(d)	Closing balance	8,424.25	11,962.53

(vii) Percentage of Gross Credit Impaired Assets (Stage 3) to Gross Loans – sector wise

Description	As at 31.03.2025	As at 31.03.2024
Financing to power, logistics and infrastructure sector	1.94%	3.34%

40.1.4 Write off of Loan Assets

The company writes off Loan assets in whole or in part in line with its write off policy, when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include ceasure of enforcement activity or where the Company's recovery method is foreclosing on collateral and the value of collateral is such that there is no reasonable expectation of recovery in full. The waiver / write off is done in whole or in part as per the restructuring / settlement / resolution process.

40.1.5 Policy on sales out of amortised cost business model portfolio

The Company does not resort to the sale of financial assets, in ordinary course of business. However, the Company has an approved policy that it may proceed for resolution of stressed assets by either restructuring, change of ownership, settlement or otherwise. The assets are then assessed for derecognition as per Ind AS 109 'Financial Instruments'.

40.1.6 There are no accounts with overdues beyond 90 days but not treated as credit impaired (previous year Nil).

40.1.7 Details of provision required as per Income Recognition, Asset Classification & Provisioning Norms (IRACP) of RBI and impairment allowance as per Ind AS 109 'Financial Instruments'

As at 31.03.2025

(₹ in crore)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	5,03,495.58	5,344.30	4,98,151.28	2,224.30	3,120.00
	Stage 2	30,233.84	471.97	29,761.87	118.82	353.15
	Stage 3	-	-	-	-	-
Sub-Total		5,33,729.42	5,816.27	5,27,913.15	2,343.12	3,473.15



Notes to the Standalone Financial Statements

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(₹ in crore)						
Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Non-Performing Assets (NPA)						
Substandard	Stage 1	708.91	17.05	691.86	70.50	(53.45)
	Stage 2	1,479.77	88.79	1,390.99	140.29	(51.51)
	Stage 3	130.13	130.13	-	13.01	117.11
		2,318.81	235.96	2,082.85	223.81	12.16
Doubtful - up to 1 year	Stage 1	261.72	2.91	258.80	51.33	(48.42)
1 to 3 years	Stage 1	-	-	-	-	-
More than 3 years	Stage 1	487.65	16.78	470.86	243.19	(226.41)
Doubtful - up to 1 year	Stage 2	-	-	-	-	-
1 to 3 years	Stage 2	-	-	-	-	-
More than 3 years	Stage 2	-	-	-	-	-
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	1,180.01	610.66	569.35	389.19	221.46
More than 3 years	Stage 3	5,023.71	3,544.64	1,479.07	2,950.81	593.83
Sub-total for Doubtful		6,953.09	4,174.99	2,778.09	3,634.53	540.46
Loss	Stage 3	4,183.00	4,138.83	44.17	4,138.83	-
Sub-total for NPA		13,454.90	8,549.78	4,905.12	7,997.16	552.62
Other items (whose exposure forms part of contingent liability) such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current IRACP norms	Stage 1	-	50.71	(50.71)	-	50.71
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Sub-total		-	50.71	(50.71)	-	50.71
Total	Stage 1	5,04,953.86	5,431.76	4,99,522.11	2,589.33	2,842.43
	Stage 2	31,713.61	560.76	31,152.85	259.11	301.65
	Stage 3	10,516.85	8,424.25	2,092.60	7,491.84	932.41
	Total	5,47,184.32	14,416.76	5,32,767.56	10,340.28	4,076.48

As at 31.03.2024

(₹ in crore)						
Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	4,34,363.00	3,398.17	4,30,964.83	2,424.42	973.75
	Stage 2	31,255.87	125.02	31,130.85	122.97	2.05
	Stage 3	-	-	-	-	-
Sub-Total		4,65,618.87	3,523.19	4,62,095.68	2,547.39	975.80
Non-Performing Assets (NPA)						
Substandard	Stage 1	725.91	3.45	722.46	72.05	(68.60)
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Sub-Total for Substandard		725.91	3.45	722.46	72.05	(68.60)

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(₹ in crore)						
Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Doubtful - up to 1 year	Stage 1	-	-	-	-	-
1 to 3 years	Stage 1	-	-	-	-	-
More than 3 years	Stage 1	2,891.63	282.72	2,608.91	1,416.95	(1,134.23)
Doubtful - up to 1 year	Stage 2	-	-	-	-	-
1 to 3 years	Stage 2	-	-	-	-	-
More than 3 years	Stage 2	441.45	50.80	390.65	220.73	(169.93)
Doubtful - up to 1 year	Stage 3	37.37	37.37	-	18.47	18.90
1 to 3 years	Stage 3	1,312.74	706.86	605.88	463.22	243.64
More than 3 years	Stage 3	11,653.18	8,148.36	3,504.82	8,151.75	(3.39)
Sub-total for Doubtful		16,336.37	9,226.11	7,110.26	10,271.12	(1,045.01)
Loss	Stage 3	3,069.93	3,069.93	-	3,069.93	-
Sub-total for NPA		20,132.21	12,299.49	7,832.72	13,413.10	(1,113.61)
Other items (whose exposure forms part of contingent liability) such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current IRACP norms	Stage 1	-	48.63	(48.63)	-	48.63
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Sub-total		-	48.63	(48.63)	-	48.63
Total	Stage 1	4,37,980.54	3,732.95	4,34,247.59	3,913.42	(180.47)
	Stage 2	31,697.32	175.83	31,521.49	343.70	(167.87)
	Stage 3	16,073.22	11,962.53	4,110.69	11,703.37	259.16
	Total	4,85,751.08	15,871.31	4,69,879.77	15,960.49	(89.18)

40.1.8 “In accordance with Master Direction- Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions, 2023 as amended from time to time, NPA ratios duly considering the loans which would have been otherwise required to be classified as NPA as per RBI norms is as under:

Particulars	As at 31.03.2025	As at 31.03.2024
Gross NPA to Gross Loans	2.46%	4.17%
Net NPA to Net Loans	0.89%	1.66%

40.2 Liquidity Risk

Liquidity risk is the risk that the Company doesn't have sufficient financial resources to meet its obligations as and when they fall due. The risk arises from the mismatches in the timing of the cash flows which are inherent in all financing operations and can be affected by a range of company specific and market wide events.

In order to effectively manage liquidity risk, the Company endeavours to maintain sufficient cash flows to cover maturing liabilities without incurring unacceptable losses or risking damage to the Company's reputation and also endeavours to maintain a diversified fund base by raising resources through different funding instruments. The adequacy of the Company's liquidity position is determined keeping in view the current liquidity position, anticipated future funding needs, present and future earning capacity and available sources of funds.

The Company manages its day to day liquidity to ensure that the Company has sufficient liquidity to meet its financial obligation as & when due. The long-term liquidity is managed keeping in view the long-term fund position and the market factors. This is in line with the Board approved framework and breaches, if any, are to be reported as per approved framework. The Company has never defaulted in servicing of its borrowings.



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Further, for overall liquidity monitoring and supervision, the Company has an Asset Liability Committee (ALCO) headed by Director (Finance). The ALCO tracks the liquidity risk by analysing the maturity or cash flow mismatches of its financial assets and liabilities. The mismatches are analysed by way of liquidity statements prescribed by RBI, wherein the cumulative surplus or deficit of funds is arrived at by distributing the cash flows against outstanding financial assets and financial liabilities according to the maturity ladder.

- (i) The following table analyses the maturity pattern of items of financial liabilities(debt securities, borrowings and subordinated liabilities) by remaining maturity of contractual principal and interest on an undiscounted basis:

(₹ in crore)				
Particulars*	Up to 1 year	1 - 5 years	More than 5 years	Total
As at 31.03.2025				
Domestic borrowings				
Principal	74,023.00	1,63,666.46	1,38,941.78	3,76,631.24
Interest	26,906.09	71,203.10	52,518.67	1,50,627.86
Foreign Currency borrowings				
Principal	9,563.77	65,272.43	14,295.64	89,131.84
Interest	3,513.44	9,582.81	573.98	13,670.23
Total	1,14,006.30	3,09,724.80	2,06,330.08	6,30,061.17
As at 31.03.2024				
Domestic borrowings				
Principal	61,852.33	1,50,460.84	1,22,330.34	3,34,643.51
Interest	25,114.13	66,583.42	45,537.36	1,37,234.91
Foreign Currency borrowings				
Principal	12,191.90	37,897.81	22,746.75	72,836.46
Interest	2,883.60	8,806.88	896.07	12,586.55
Total	1,02,041.96	2,63,748.95	1,91,510.52	5,57,301.43

* In the above table, bonds with put & call option have been shown considering the earliest exercise date. Further, the commercial papers and zero-coupon bonds have been shown at the maturity value.

- (ii) The following table analyses the maturity pattern of Derivative financial liabilities:

(₹ in crore)				
Particulars	Up to 1 year	1 - 5 years	More than 5 years	Total
As at 31.03.2025				
Forward	-	-	-	-
Option / Swaps	66.37	706.80	-	773.17
Total	66.37	706.80	-	773.17
As at 31.03.2024				
Forward	-	-	-	-
Option / Swaps	47.82	305.91	-	353.73
Total	47.82	305.91	-	353.73

* The above table details the Company's liquidity analysis for its derivative financial liabilities based on MTMs received from counterparty banks. Maturity buckets are as per the remaining tenor of the respective derivative instrument.

- (iii) Significant cash flows required for meeting the financial liabilities shall be funded through cash flows (principal and interest repayments) generated from loan assets. The following table analyses the maturity pattern of loans by remaining maturity of contractual principal and interest on an undiscounted basis:

(₹ in crore)				
Particulars*	Up to 1 year	1 - 5 years	More than 5 years	Total
As at 31.03.2025				
Loan Assets				
Principal	93,945.48	1,79,906.40	2,60,844.27	5,34,696.16
Interest	47,387.72	1,39,380.69	1,41,752.59	3,28,521.00
Total	1,41,333.20	3,19,287.09	4,02,596.86	8,63,217.16

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(₹ in crore)				
Particulars*	Up to 1 year	1 - 5 years	More than 5 years	Total
As at 31.03.2024				
Loan Assets				
Principal	73,417.94	1,57,731.78	2,38,349.65	4,69,499.37
Interest	43,540.93	1,26,940.80	1,16,636.46	2,87,118.19
Total	1,16,958.87	2,84,672.58	3,54,986.11	7,56,617.56

* The principal cashflows net of impairment loss allowance relating to Stage 3 assets have been cosidered in over 5 years bucket irrespective of the maturity bucket.

- (iv) The Company has access to cash credit, overdraft, line of credits and working capital demand loans from banks to meet unanticipated liquidity need. Further, the Company has the highest domestic Credit Rating of AAA, thereby enabling it to mobilise funds from the domestic market within a short span of time. The Company has access to the following undrawn short-term borrowing facilities:

(₹ in crore)		
Particulars	As at 31.03.2025	As at 31.03.2024
CC / OD / LoC / WCDL limits	14,768.00	11,888.52

- (v) The Company also maintains sufficient liquidity buffer in the form of High-Quality Liquid Assets (HQLA) as prescribed by RBI for NBFCs. Refer Note 54.6 for disclosure in this regard.

40.3 Market Risk – Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument, denominated in currency other than functional currency, will fluctuate because of changes in foreign exchange rates.

- (i) The Company is exposed to foreign currency risk mainly on its borrowings denominated in foreign currency. The carrying amount of the Company's foreign currency denominated borrowings is as follows:

Description	As at 31.03.2025		As at 31.03.2024	
	Crore in respective currency	₹ in crore	Crore in respective currency	₹ in crore
USD Loans	723.84	61,947.52	693.98	57,859.94
- Hedged	723.50	61,918.14	633.50	52,817.37
- Unhedged	0.34	29.37	60.48	5,042.57
Euro Loans	102.26	9,441.22	38.19	3,445.69
- Hedged	72.53	6,696.55	-	-
- Unhedged	29.73	2,744.67	38.19	3,445.69
JPY Loans	28,636.74	16,251.35	20,930.90	11,530.83
- Hedged	25,844.25	14,666.61	20,566.55	11,330.11
- Unhedged	2,792.49	1,584.74	364.35	200.72
GBP Loans	13.47	1,491.75	-	-
- Hedged	13.47	1,491.75	-	-
- Unhedged	-	-	-	-
Total		89,131.83		72,836.46
- Hedged		84,773.05		64,147.48
- Unhedged		4,358.78		8,688.98

(ii) Foreign currency risk monitoring and management

The Company has put in place a Board approved "Policy for Management of Risks on Foreign Currency Borrowings" to manage and hedge risks associated with foreign currency borrowings which prescribes the structure and organisation for management of associated risks.



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The Company enters into various derivative transactions viz. principal only swaps, options and forward contracts for hedging the exchange rate risk. As per extant policy, a system for reporting and monitoring of risks is in place wherein Committee for Management of Risks on Foreign Currency Borrowings, consisting of senior executives of the Company, monitors the foreign currency exchange rate. These derivative transactions are done for hedging purpose and not for trading or speculative purpose. The policy lays down the appropriate systems and controls to identify, measure and monitors, the currency risk for reporting to the Management.

(iii) Foreign Currency Sensitivity Analysis

The following table presents the impact on total equity [Gain / (Loss)] for 5% change in foreign currency exchange rate against INR on unhedged portfolio of outstanding foreign currency borrowings:

Foreign Currency Liabilities	As at 31.03.2025		As at 31.03.2024	
	Decrease	Increase	Decrease	Increase
On account of change in foreign exchange rate				
USD	1.47	(1.47)	252.13	(252.13)
EURO	137.23	(137.23)	172.28	(172.28)
JPY	79.24	(79.24)	10.04	(10.04)
GBP	-	-	-	-
Total	217.94	(217.94)	434.45	(434.45)

(iv) Refer Note 41 for disclosures related to hedge accounting.

40.4 Market Risk – Interest Rate Risk

40.4.1 Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in interest rates. The impact may be beneficial or adverse depending on the direction of change in interest rates and whether assets or liabilities re-price faster.

(i) Interest rate risk is managed with the objective to control market risk exposure while optimising the return.

The Asset Liability Committee (ALCO) tracks the interest rate risk through the gap analysis i.e. by analysing the mismatches between Rate Sensitive Assets and Rate Sensitive Liabilities. For gap analysis, the interest rate sensitivity statement prescribed by RBI is used, wherein the gap is measured between the Rate Sensitive Assets and Rate Sensitive Liabilities which are distributed based on the maturity date or the re-pricing date whichever is earlier.

Further, for managing the interest rate risk, the Company reviews its interest rates periodically based on prevailing market conditions, borrowing cost, yield, spread, competitors' rates, etc. The asset mix is managed by the Company through its interest rate & credit policies which inter-alia covers aspects like reset periods; repayment periods, prepayment premium etc. The liabilities are managed keeping in view factors like cost, market appetite, timing, market scenario, ALM gap position etc. The Company also enters into various derivatives transactions like interest rate swaps, cross-currency interest rate swaps to hedge its interest rate risk.

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are:

Particulars	As at 31.03.2025		As at 31.03.2024	
Fixed Rate Borrowings	3,02,058.41		3,02,902.78	
Floating Rate Borrowings	1,63,704.67		1,04,480.54	
Total Borrowings	4,65,763.08		4,07,383.32	

(ii) Interest Rate Sensitivity Analysis

As per RBI Guidelines, Earning at Risk (EaR) is an important focal point for interest risk management. For Interest Rate Sensitivity analysis, the impact of movement of interest rates has been measured on the Earning at Risk derived from the gap statements. The impact has been worked out considering 25 basis upward / downward shocks to interest rates over a one-year period, assuming a constant balance sheet. The analysis shows that if rates are increased/decreased by 25 bps, the impact on EaR will be (+/-) ₹ 213.56 crore. (As at 31.03.2024 (+/-) ₹ 315.68 crore).

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

The analysis assumes that the Rate Sensitive Assets and Rate Sensitive Liabilities are being re-priced at the same time. Further, the analysis considers the earliest / first re-pricing date of the Rate Sensitive Assets and Rate Sensitive Liabilities.

Note: A 25 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

40.4.2 Disclosures in respect of Interest Rate Benchmark Reform

The Company has successfully completed its transition from LIBOR to alternative risk-free rates (RFRs), such as the Secured Overnight Financing Rate (SOFR) and the Tokyo Overnight Average Rate (TONA), in line with applicable transitional provisions.

Accordingly, the loan agreements and derivatives are now referenced to these alternative benchmarks.

40.5 Market Risk – Price risk

(i) The Company is exposed to price risks arising from investments in listed equity shares. Refer Note 12 'Investments' for Company's exposure to the same.

(ii) Sensitivity Analysis

The table below represents the impact on Statement of Profit and Loss for 5% increase or decrease in the respective prices on Company's quoted equity investments, outside the group:

Foreign Currency Liabilities	As at 31.03.2025		As at 31.03.2024	
	Increase	(Decrease)	Increase	(Decrease)
Impact on P&L	11.51	(11.51)	9.70	(9.70)
Impact on OCI	117.53	(117.53)	121.13	(121.13)

41. HEDGE ACCOUNTING

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 recognised in Other Comprehensive Income. The change in intrinsic value of hedging instruments is recognised in 'Effective Portion of Cash Flow Hedges'. The amounts recognised 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 recognised in 'Cost of Hedging Reserve'. The amounts recognised in such reserve are amortised to the Statement of Profit and Loss on a systematic basis.

(i) Hedge Effectiveness

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company applies the following effectiveness testing strategies:

- For derivatives other than options that exactly match the terms of the hedged item, the economic relationship and hedge effectiveness are based on the qualitative factors using critical terms match method (where principal terms of the hedging instrument and the hedged item are same).
- For option structures, the Company analyses the relationship of changes in value of the hedging instrument and hedged item using regression analysis.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(ii) The effects of hedging instruments designated as Cash-flow hedge on the Standalone Balance Sheet:

Sr. No.	Particulars	Nominal Amount (₹ in crore)	Carrying Amount ⁽¹⁾		Date of maturity	Weighted Average Rate / Strike Price	
			Assets (₹ in crore)	Liabilities (₹ in crore)			
As at 31.03.2025							
1.	Currency Derivatives	Forwards	-	-	-		
		Currency Swaps	7,354.07	64.52	25.75	Sep 2025 - March 2030	
		Principal Only Swaps	8,948.85	119.84	-	Oct 2025 - Dec 2027	83.34
		Call Spread Option	-	-	-		
		Seagull Option	1,05,845.58	5,988.29	640.91	April 2025 - March 2030	EUR/USD - 1.1, USD/CHF - 0.8778, USD/JPY - 140.7764, USD/INR - 82.7526
Sub-Total		1,22,148.50	6,172.64	666.66			
2.	Interest rate Derivatives	Interest Rate Swap	34,594.99	32.16	106.51	Dec 2025 - March 2030	USD SOFR - 3.87%, 6M Euribor - 2.77%, JPY TONA - 0.97%
		Sub-Total		34,594.99	32.16	106.51	
3.	Total (1+2)		1,56,743.49	6,204.80	773.17		
As at 31.03.2024							
1.	Currency Derivatives	Forwards	-	-	-		
		Principal Only Swaps	11,219.24	318.87	128.47	Sep 2024 - Dec 2027	80.66
		Call Spread Option	5,419.30	499.24	-	June 2024 - Dec 2024	73.81
		Seagull Option	59,979.17	3,416.50	220.72	June 2024 - June 2029	USD/INR 79.91 USD/JPY 138.24
		Sub-Total		76,617.71	4,234.61	349.19	
2.	Interest rate Derivatives	Interest Rate Swap	12,506.09	196.75	4.54	April 2024 - March 2029	2.56%
		Sub-Total		12,506.09	196.75	4.54	
3.	Total (1+2)		89,123.80	4,431.36	353.73		

⁽¹⁾ Forms part of the line item 'Derivative Financial Instruments' in the Standalone Balance Sheet.

(iii) Profile of timing of nominal amount of hedging instrument designated as Cash-flow hedge*

(₹ in crore)		
Particulars	As at 31.03.2025	As at 31.03.2024
Currency derivatives		
Upto 1 year	36,377.80	24,615.43
1 – 5 years	85,770.70	51,167.91
More than 5 years	-	834.37
Sub Total (A)	1,22,148.50	76,617.71
Interest rate derivatives		
Upto 1 year	5,134.88	5,419.30
1 – 5 years	29,460.10	7,086.79
More than 5 years	-	-
Sub Total (B)	34,594.99	12,506.09
Total (A+B)	1,56,743.49	89,123.80

* Maturity buckets in the above table are as per the remaining tenor of the respective derivative instrument.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(iv) The effects of hedging instruments designated as Cash-flow hedge on the Standalone Statement of Profit and Loss:

(₹ in crore)					
Sr. No.	Particulars	Change in value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in Statement of P& L	Amount reclassified from OCI to P&L	Line item in P&L affected on Reclassification from OCI to P&L
As at 31.03.2025					
1.	Currency Derivatives	(253.22)	-	1,434.64	Finance Costs
				(1,339.30)	Net Translation / Transaction Exchange Loss / (Gain)
2.	Interest Rate Derivatives	(13.23)	-	(150.94)	Finance Costs
As at 31.03.2024					
1.	Currency Derivatives	(937.73)	-	1,307.32	Finance Costs
				(160.02)	Net Translation / Transaction Exchange Loss / (Gain)
2.	Interest Rate Derivatives	103.66	-	(306.54)	Finance Costs

(v) Reconciliation of Effective Portion of Cash Flow Hedges and Cost of Hedging Reserve

(₹ in crore)			
Sr. No.	Particulars	FY 2024-25	FY 2023-24
Effective Portion of Cash flow Hedges			
(a)	Opening balance of Reserves (net of tax)	336.11	492.20
(b)	Changes in intrinsic value of options contracts	1,057.29	278.50
(c)	Changes in intrinsic value of PoS / IRS / Cross currency contracts	273.80	(21.59)
(d)	Amount reclassified from OCI to P&L	(1,528.35)	(465.50)
(e)	Net amount recognised in OCI during the year (b + c + d)	(197.26)	(208.59)
(f)	Deferred Tax on (e) above	49.65	52.50
(g)	Net amount recognised in OCI during the year (Net of Tax) (e + f)	(147.61)	(156.09)
(h)	Closing balance of Reserves (net of Tax) (a + g)	188.50	336.11
Cost of Hedging Reserve			
(a)	Opening balance of Reserves (net of tax)	(738.40)	(899.50)
(b)	Changes in deferred time value of options / PoS / Forward contracts	(1,597.54)	(1,092.04)
(c)	Amortisation of time value	1,472.75	1,307.32
(d)	Net amount recognised in OCI during the year (b + c)	(124.79)	215.28
(e)	Deferred Tax on (d) above	31.41	(54.18)
(f)	Net amount recognised in OCI during the year (Net of Tax) (d + e)	(93.38)	161.10
(g)	Closing balance of Reserves (net of Tax) (a + f)	(831.78)	(738.40)

(vi) Fair Value Hedge

At 31st March 2025, Company has outstanding interest rate swap agreements of ₹ 30,036.90 crores (Previous year -Nil) wherein the Company receives a fixed rate of interest and pays interest at a variable rate on the notional amount. Such agreements are being used to hedge the exposure to the changes in fair value of fixed rate borrowings.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the interest rate swap match the terms of the fixed rate loan (i.e., notional amount, maturity, payment and reset dates). As such, a hedge ratio of 1:1 for the hedging relationships has been established as the underlying risk of the interest rate swap is identical to the hedged risk component.

The impact of the hedging instrument on the balance sheet is as follows:

(₹ in crore)					
Particulars	Fair value hedge	Notional amount	Carrying amount*	Line item in balance sheet where hedging instrument is disclosed	Changes in fair value for calculating hedge ineffectiveness
As at 31-03-2025	- Interest rate swap	30,036.90	435.57	Derivative financial instruments	435.57
As at 31-03-2024	- Interest rate swap	-	-	Derivative financial instruments	-

*Carrying amount here is exclusive of the interest receivable under such derivative contract as on reporting date.



Notes to the Standalone Financial Statements

for the year ended March 31, 2025

The impact of the hedged item on the balance sheet is as follows:

(₹ in crore)					
Particulars	Fair value hedge	Principal Amount	Accumulated fair value adjustments	Line item in balance sheet where hedging instrument is disclosed	Changes in fair value for calculating hedge ineffectiveness
As at 31-03-2025	- Subordinated Liabilities	3,411.00	47.75	Subordinated Liabilities	47.75
	- Debt Securities-Bonds	26,625.90	387.82	Debt Securities-Bonds	387.82
As at 31-03-2024	- Subordinated Liabilities	-	-	Subordinated Liabilities	-
	- Debt Securities-Bonds	-	-	Debt Securities-Bonds	-

The increase in fair value of the interest rate swap of ₹ 435.57 crores (Previous year- Nil) has been offset with a similar loss on the respective subordinated liabilities and debt securities-bonds.

42. FAIR VALUE MEASUREMENTS

- (i) Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

(₹ in crore)					
Sr. No.	Financial asset / Financial Liability - Recurring fair value	Fair Value as at		Fair value hierarchy (Refer Note 5.1)	Valuation technique(s) & Key input(s)
		31.03.2025	31.03.2024		
1)	Quoted Equity investments*				
	- PTC India Limited	196.33	223.14	Level 1	Quoted market price
	- Coal India Limited	556.07	606.20		
	- NHPC Limited	844.03	1,055.58		
	- Suzlon Energy Limited	754.17	537.74		
	- RattanIndia Power Limited	230.19	193.98		
2)	Un-Quoted Equity investments				
	- RKM PowerGen Pvt. Ltd	0.00	0.00	Level 3	Allotted pursuant to restructuring, valued at ₹ 1 on prudent basis.
	- KSK Mahanadi Power Company Limited	0.00	-		Fair value has been determined using the Ind AS financial statements of the investee companies.
	- Power Exchange India Limited	5.06	4.78		
	- Energy Efficiency Services Ltd (EESL)	101.18	181.06		
	- Jhabua Power Limited	418.61	440.04		
	- Ind Barath Energy Utkal Limited	13.91	4.73		
3)	Investment in preference shares				
	- RattanIndia Power Limited-OCCRPS	-	-	Level 3	Owing to default in redemption of RPS of RattanIndia Power Ltd., PFC estimates material amount to be realised from these investments is remote.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(₹ in crore)						
Sr. No.	Financial asset / Financial Liability - Recurring fair value	Fair Value as at		Fair value hierarchy (Refer Note 5.1)		Valuation technique(s) & Key input(s)
		31.03.2025	31.03.2024			
4)	Investment in debentures					
	- Essar Power Transmission Company Ltd. - Series A3 - OCD	-	33.34	Level 3	Fair valued using discounted future cash flow as per terms of agreement.	Fair valued a ₹ 1 due to the non-availability of structured repayment schedule. The debentures are unsustainable in nature and future cash flows are uncertain.
	- Essar Power Transmission Company Ltd. - Series B3 - OCD	-	13.43			
	- Essar Power Transmission Company Ltd. - Series C - OCD	-	0.00			
	- RKM Powergen Pvt. Ltd. - Series A - OCD	0.00	0.00			
	- RKM Powergen Pvt. Ltd. - Series B - OCD	0.00	0.00			
	- RKM Powergen Pvt. Ltd. - Series AI - OCD	0.00	0.00			
	- Mytrah Vayu Tungbhadra Pvt Ltd- Series A - OCD	0.00	0.00			
	- Mytrah Vayu Tungbhadra Pvt Ltd- Series B - OCD	0.00	0.00			
	-Dans Energy Private Limited - OCD	0.00	0.00			
5)	Derivative Financial Instruments					
	- Assets	6,647.30	4,462.03	Level 2	The fair value of these contracts is obtained from counterparty banks, who determines it using valuation models that use inputs which are observable for the contracts, such as interest rates and yield curves, implied volatilities etc.	
	- Liability	773.17	353.73			

* Refer note 12

- (ii) There were no transfers between Level 1 and Level 2 during the year.
- (iii) Reconciliation of Financial Instruments fair valued through Level 3 inputs:

The following tables show the reconciliation of the opening and closing amounts of financial assets and liabilities measured at fair value using Level 3 inputs:

(₹ in crore)				
Particulars	FY 2024-25		FY 2023-24	
	FVTOCI	FVTPL	FVTOCI	FVTPL
	Investment in Unquoted Equity Shares	Investment in Debentures	Investment in Unquoted Equity Shares	Investment in Debentures
Opening Balance	630.61	46.77	592.25	50.00
Investment made during the year	-	-	-	-
Settlement	-	(310.10)	-	(10.54)
Transfer in Level 3	-	-	-	-
Transfer from Level 3	-	-	-	-
Interest income ⁽¹⁾	-	1.01	-	3.27
Fair Value gain / (loss) ⁽²⁾	(91.85)	262.32	38.36	4.04
Closing Balance	538.76	-	630.61	46.77
Unrealised gains / (loss) on assets held at the end of the year	(91.85)	-	38.36	4.04

⁽¹⁾ Forms part of line item 'Interest Income' in the Standalone Statement of Profit and Loss.

⁽²⁾ Fair value gain / (loss) on Investments at FVTOCI forms part of line item 'Net Gain / (Loss) on Fair Value of Equity Instruments' in the Other Comprehensive section of Standalone Statement of Profit and Loss.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(iv) Fair Value of financial assets / liabilities measured at amortised cost:

The fair value of the following financial assets and liabilities have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant input being the discount rate that reflects the credit risk of counterparties except for the cases where quoted market prices are available. These fair values were calculated for disclosure purposes only.

₹ in crore)					
Asset / Liability	Fair value hierarchy	As at 31.03.2025		As at 31.03.2024	
		Amortised Cost	Fair Value	Amortised Cost	Fair Value
Loans	Level 3	5,32,818.27	5,42,797.89	4,69,928.41	4,75,901.80
Investments ^(a)	Level 1/3	2,999.19	3,075.43	2,324.68	2,347.16
Other Financial Assets	Level 2	5,951.72	5,949.16	6,052.91	6,047.74
Debt Securities ^(a)	Level 1/2	3,19,747.77	3,10,982.92	2,94,267.80	2,89,991.47
Borrowings other than debt securities ^(b)	Level 2	1,52,203.32	1,50,940.52	1,16,606.04	1,13,858.90
Subordinated Liabilities	Level 2	3,564.35	3,618.19	5,519.72	5,738.23

^(a) Includes listed instruments with Level 1 fair value hierarchy

Investment in G-Sec being fair valued using market price as at reporting date.

Foreign currency Notes (GMTN issuances) being fair valued as per closing prices as per Reuters.

^(b) Includes foreign currency loans linked to Floating rate of interest and multilateral agencies loans being valued at par. In accordance with the interest rate benchmark reform, the fair value as at 31st March, 2025 has been arrived at using the alternative benchmark i.e. SOFR (Secured Overnight Financing Rate).

The carrying amounts of financial assets and financial liabilities other than those shown in the above table are considered to be a reasonable approximation of their fair values.

43. RELATED PARTY DISCLOSURES

43.1 Related Parties

Subsidiaries:			
1	PFC Consulting Limited (PFCCL)	2	REC Limited (RECL)
3	REC Power Development & Consultancy Limited (through RECL)	4	PFC Projects Limited
5	PFC Infra Finance IFSC Limited (PIFIL)		
Associates:			
1	Bihar Mega Power Limited	2	Sakhigopal Integrated Power Company Limited
3	Orissa Integrated Power Limited	4	Ghogarpalli Integrated Power Company Limited
5	Jharkhand Infrapower Limited	6	Odisha Infrapower Limited
7	Coastal Tamil Nadu Power Limited	8	Deoghar Mega Power Limited
9	Bihar Infrapower Limited	10	Cheyyur Infra Limited
11	Deoghar Infra Limited		
Through PFCCL			
1	Chhatarpur Transmission Limited	2	Siot Transmission Limited
3	Joda Barbil Transmission Limited	4	Gola B -Ramgarh B Transmission Limited
5	Ramakanali B -Panagarh Transmission Limited	6	Angul Sundargarh Transmission Limited
7	Bhuj II Transmission Limited	8	KPS III HVDC Transmission Limited
9	Navinal Transmission Limited (incorporated on 04.04.2024 and transferred on 14.10.2024)	10	Bijapur REZ Transmission Limited (incorporated on 28.06.2024 and transferred on 16.01.2025)
11	Chitradurga Bellary REZ Transmission Limited (incorporated on 28.06.2024 and transferred on 21.03.2025)	12	Kudankulam ISTS Transmission Limited (incorporated on 28.06.2024 and transferred on 10.01.2025)
13	Jam Khambhaliya Transmission Limited (incorporated on 29.06.2024 and transferred on 15.10.2024)	14	Bhadla and Bikaner Complex Transmisssion Limited (incorporated on 14.10.2024)
15	Gadag II and Koppal II Transmission Limited (incorporated on 21.10.2024 and transferred on 16.01.2025)	16	Wahipora and Sallar Transmission Limited (incorporated on 11.11.2024)
17	Bhuj ICT Transmission Limited (incorporated on 19.11.2024)	18	MEL Power Transmission Limited (incorporated on 19.11.2024)

Notes to the Standalone Financial Statements

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19	Kandla GHA Transmission Limited (incorporated on 27.11.2024)	20	Kurnool III PS RE Transmission Limited (incorporated on 29.11.2024 and transferred on 27.03.2025)
21	Raghnesda RE Transmission Limited (incorporated on 03.12.2024)	22	NER Expansion Transmission Limited (incorporated on 06.12.2024)
23	Mundra I Transmission Limited (incorporated on 26.12.2024 and transferred on 20.03.2025)	24	Fatengarh II and Barmer I PS Transmission Limited (incorporated on 27.12.2024 and transferred on 21.03.2025)
25	Anantapur II REZ Transmission Limited (incorporated on 06.01.2025 and transferred on 31.03.2025)	26	Kakinada I Transmission Limited (incorporated on 20.02.2025)
27	NES Dharashiv Transmission Limited (incorporated on 20.03.2025)	28	NES Navi Mumbai Transmission Limited (incorporated on 20.03.2025)
29	NES Pune East New Transmission Limited (incorporated on 29.03.2025)	30	Barmer I Transmission Limited (transferred on 07.11.2024)
31	Beawar - Mandsaur Transmission Limited (transferred on 22.08.2024)	32	Bhadla-III & Bikaner-III Transmission Limited (transferred on 30.08.2024)
33	Jamnagar Transmission Limited (transferred on 14.10.2024)	34	Khavda PS1 And 3 Transmission Limited (transferred on 07.11.2024)
35	Paradeep Transmission Limited (transferred on 06.11.2024)	36	Pune- III Transmission Limited (transferred on 19.11.2024)
37	Sirohi Transmission Limited (transferred on 22.08.2024)	38	South Olpad Transmission Limited (transferred on 15.10.2024)
Through RECL			
39	Chandil Transmission Limited	40	Dumka Transmission Limited
41	Mandar Transmission Limited	42	Koderma Transmission Limited
43	Luhri Power Transmission Limited	44	Shongtong Power Transmission Limited
45	Kankani Power Transmission Limited	46	Tuticorin Power Transmission Limited (Incorporated on 05.11.2024)
47	WRNES Talegaon Power Transmission Limited (Incorporated on 16.11.2024)	48	Rajgarh III Power Transmission Limited (Incorporated on 24.12.2024)
49	Jejuri Hinjewadi Power Transmission Limited (Incorporated on 28.03.2025)	50	Velgaon Power Transmission Limited (Incorporated on 29.03.2025)
51	Rajasthan IV H1 Power Transmission Limited (Incorporated on 13.10.2023 and transferred on 15.10.2024)	52	Bikaner A Power Transmission Limited (Incorporated on 14.05.2024 and transferred on 11.11.2024)
53	Bikaner B Power Transmission Limited (Incorporated on 14.05.2024 and transferred on 11.11.2024)	54	ERES-XXXIX Power Transmission Limited (incorporated on 27.03.2024 and transferred on 14.11.2024)
55	Khavda V-A Power Transmission Limited (Incorporated on 10.10.2023 and transferred on 19.11.2024)	56	Rajasthan IV 4B Power Transmission Limited (Incorporated on 14.08.2024 and transferred on 30.12.2024)
57	Rajasthan IV 4A Power Transmission Limited (Incorporated on 06.08.2024 and transferred on 30.12.2024)	58	Rajasthan Part I Power Transmission Limited (Transferred on 20.01.2025)
59	Lakadia B Power Transmission Limited (Incorporated on 29.10.2024 and transferred on 14.02.2025)	60	Khavda V-B1B2 Power Transmission Limited (Incorporated on 18.11.2024 and transferred on 18.02.2025)
61	Bidar Transco Limited (Incorporated on 05.11.2024 and transferred on 18.02.2025)	62	Ratle Kiru Power Transmission Limited (Incorporated on 23.10.2024 and transferred on 24.03.2025)
63	Rajasthan V Power Transmission Limited (Incorporated on 25.10.2024 and transferred on 24.03.2025)	64	Banaskantha Transco Limited (Incorporated on 25.10.2024 and transferred on 24.03.2025)
65	Kurnool-IV Transmission Limited (Incorporated on 20.11.2024 and transferred on 24.03.2025)	66	Mahan Transmission Limited (Incorporated on 20.11.2024 and transferred on 26.03.2025)

Key Managerial Personnel (KMP) of the Company & their relatives:		Designation
1	Smt Parminder Chopra	Chairman and Managing Director and Additional charge (Director Finance up to 11.07.2024)
2	Shri Ajay Tewari	Government Nominee Director (up to 25.06.2024)
3	Shri Shashank Misra	Government Nominee Director (w.e.f 25.06.2024)
4	Shri Rajiv Ranjan Jha	Director (Projects)
5	Shri Manoj Sharma	Director (Commercial)
6	Shri Sandeep Kumar	Director (Finance) (w.e.f. 11.07.2024)
7	Shri Bhaskar Bhattacharya	Part Time Non-Official Independent Director (up to 23.12.2024)



Notes to the Standalone Financial Statements

for the year ended March 31, 2025

8	Shri Prasanna Tantri	Part Time Non-Official Independent Director (up to 23.12.2024)
9	Smt Usha Sanjeev Nair	Part Time Non-Official Independent Director (up to 23.12.2024)
10	Shri Manish Kumar Agrawal	GM & Company Secretary
Funds under control of the Company:		
1	Power Finance Corporation Limited Employees Provident Fund	2 Power Finance Corporation Limited Employees Gratuity Fund
3	PFC Defined Contribution Pension Scheme 2007	4 PFC Superannuation Medical Fund
Trusts / Funds under control of RECL:		
1	REC Limited Contributory Provident Fund Trust	2 REC Gratuity Fund
3	REC Employees' Superannuation Trust	4 REC Employees' Benevolent Fund
5	REC Retired Employees' Medical Trust	

43.2 Transactions with the Related Parties are as follows:

(₹ in crore)		
Particulars	During FY 2024-25	During FY 2023-24
SUBSIDIARIES:		
REC Ltd.		
Dividend Income	2,827.43	2,127.50
Directors' sitting fee received	0.11	0.05
Sharing of Expense	4.05	3.03
PFC Consulting Ltd		
Interest income on Loan	0.84	0.90
Repayment of Loan	1.36	0.34
Associates related expenditure	5.58	-
Repayment of Advances by subsidiary (including interest)	-	0.71
Advance given	0.12	-
Purchase of PPE	0.16	0.05
Sale of PPE	0.07	-
Dividend Income	82.78	82.26
Allocation of employee benefits	16.46	16.01
Professional charges paid	7.99	12.34
PFC Projects Ltd		
Amount Recoverable from subsidiary	0.01	0.02
PFC Infra Finance IFSC Ltd		
Advances recoverable (including interest)	4.78	2.56
Subscription of equity shares of subsidiary	-	100.00
ASSOCIATES:		
Repayment of advance taken from Associate	49.20	0.32
Repayment of advance by Associate	0.12	-
Interest income on advances to associates	-	21.37
Interest expenses on advances from associates	-	5.81
FUNDS UNDER CONTROL OF THE COMPANY:		
Contributions made during the year	16.95	19.08
Finance cost on bonds paid	0.10	0.10
Redemption of bonds	0.03	-
TRUSTS/FUNDS UNDER CONTROL OF THE REC:		
Finance cost on bonds paid	1.90	1.90
KEY MANAGERIAL PERSONNEL:		
(i) Short term employee benefits	3.57	3.99
(ii) Post-employment benefits*	0.57	0.47
(iii) Other long-term benefits	0.05	0.80
Sub Total (i+ii+iii)	4.19	5.26

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(₹ in crore)		
Particulars	During FY 2024-25	During FY 2023-24
Repayment / Recovery of loans and advances	0.64	0.34
Redemption of bonds	-	0.07
Directors' Sitting Fee paid		
- Executive Directors	-	-
- Non-Executive Directors	0.35	0.45
Finance cost on bonds paid	0.01	0.01

*As the liabilities for the gratuity and compensated absence are provided on an actuarial basis for the Company as a whole rather than each individual employee, the amounts pertaining specifically to KMP are not known and hence, not included in the above table. Gratuity and compensated absence, are included based on actual payment in respective year based in the above table.

43.3 Outstanding balances with Related Parties are as follows:

(₹ in crore)		
Particulars	As at 31.03.2025	As at 31.03.2024
Subsidiaries		
REC Ltd.		
Dividend recoverable on Equity Investments	498.96	623.70
Equity investment	14,500.50	14,500.50
Other amount payable	2.52	0.20
PFC Consulting Ltd.		
Loan(including interest accrued)	7.98	9.36
Amount recoverable w.r.t allocation of employee benefits	1.33	1.31
Professional Charges payable	1.69	4.84
Equity investment	0.15	0.15
Associates related expenditure payable	5.57	-
Other recoverable	0.12	-
PFC Projects Ltd.		
Equity investment	0.05	0.05
Other amount recoverable	0.03	0.37
PFC Infra Finance IFSC Ltd.		
Equity investment	100.00	100.00
Other amount recoverable	4.78	2.56
Amount payable w.r.t Equity investment	-	100.00
Associates		
Equity Investments	0.55	0.55
Advance recoverable including interest accrued	211.18	216.36
Advance payable including interest accrued	96.33	179.56
Key managerial personnel		
Advance recoverable including interest accrued	1.17	1.26
Debt securities of the Company held	-	-
Funds under control of the Company		
Debt securities of the Company held	0.80	1.10
Provisions made	12.24	10.62
Trusts / Funds under control of the REC		
Debt securities of the Company held	21.40	21.40



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43.4 Maximum amount of loans / investments outstanding are as follows:

Particulars	₹ in crore)			
	Loans		Investments	
	During FY 2024-25	During FY 2023-24	During FY 2024-25	During FY 2023-24
REC	-	-	14,500.50	14,500.50
PFCCL	9.18	9.18	0.15	0.15
PFC Projects Limited	-	-	0.05	0.05
PFC Infra Finance IFSC Limited	-	-	100.00	100.00
Associates	-	-	0.55	0.55

43.5 Disclosure in respect of entities under the control of the same government (Government related entities)

The Company is a Central Public Sector Undertaking (CPSU) controlled by Central Government. During the year, the Company had transactions with the related entities under the control/ joint control of the same government including but not limited to:

Chenab Valley Power Projects Private Limited	HPCL Rajasthan Refinery Ltd
Mumbai Metro Rail Corporation Limited	Raichur Power Corporation Ltd.
Damodar Valley Corporation	Visakhapatnam Port Logistics Park Limited
Satluj Jal Vidyut Nigam Thermal Pvt Ltd	Chhattisgarh East Railway Limited
Neyveli Lignite Corporation Limited	Energy Efficiency Services Limited
NLC Tamilnadu Power Limited	PTC India Limited
Neyveli Uttar Pradesh Power Limited	Power Foundation of India
Meja Urja Nigam Pvt. Ltd	Coal India Ltd.
Bihar Grid Company Limited	NHPC Ltd.

Significant transactions with entities under the control of same government:

Nature of Transaction	₹ in crore)	
	During FY 2024-25	During FY 2023-24
Dividend Income	65.67	66.24
Disbursement of loans	8,955.08	7,313.86
Interest Income received	3,151.77	2,856.69
Repayment of principal received	4,778.70	2,973.17
Membership Fee	5.00	5.00

Refer Note 13, 18.8,18.11, 20.1, 24.2 and 51 in respect of material transactions with the Central Govt.

Above transactions with the Government related entities cover transactions that are significant individually and collectively. The Company has also entered into other transactions such as telephone expenses, lease rental and deposits etc. with other CPSUs. They are insignificant individually & collectively and hence not disclosed. All the transactions have been carried out on market terms.

43.6 Major terms and conditions of transactions with related parties

- Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.
- The remuneration to Key Managerial Personnel is in line with the HR policies of the Company.
- Advances given to Directors/KMPs have specified terms / period of repayment and are in line with the HR Policies of the Company.
- The Company makes advances to its associate companies which are incorporated as SPVs to meet the preliminary expenditure. Such advances carry interest rates at the rate applicable to Term Loans as per the Company's policy.
- The interest and/or dividend paid to the Trusts and Key Managerial Personnel are on account of their investments in the debt securities and/or equity shares of the Company and the interest and/or dividend paid on such securities is uniformly applicable to all the holders.
- Outstanding balances of group companies at the year-end are unsecured except loan given to PFCCL amounting to ₹ 7.82 crore.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

44. EMPLOYEE BENEFITS

44.1 Defined contribution plans:

(a) Pension

The Company pays fixed contribution to National Pension Scheme (NPS) for its pension obligation towards employees at pre-determined rates into the Tier-I NPS Accounts (Pension Accounts) of the employees.

An amount of ₹ 6.92 crore (previous year ₹ 11.07 crore) for the year is recognised as expense in the Standalone Statement of Profit and Loss on account of the Company's contribution to the defined contribution plans.

44.2 Defined benefit plans:

(a) Provident Fund

The Company pays fixed contribution on account of provident fund at prescribed rates to a separate trust, which invests the funds in permitted securities. Accordingly, the fund is a defined contribution plan. However, considering that the fund trust has to ensure a minimum rate of return to the members as specified by GoI and shortfall, if any needs to be compensated by the Company, from FY 2024-25, the Company has started treating the provident fund trust as defined benefit plan for accounting purposes. As per the actuarial valuation, the fund has adequate corpus for meeting its obligation, therefore no further provision is considered necessary and there is no impact of above on the profit of the Company.

Particulars	₹ in crore)	
	As at 31.03.2025	As at 31.03.2024
(a) Present value of Defined benefit obligation	422.32	406.92
(b) Fair Value of Plan Assets	422.77	407.17
(c) Net Defined Benefit (Asset) / Liability (a-b)	(0.45)	(0.25)

Particulars	₹ in crore)					
	Present value of Defined Benefit Obligation		Fair Value of Plan Assets		Net Defined Benefit (Asset) / Liability	
	For the year ended		For the year ended		For the year ended	
	31.03.2025	31.03.2024	31.03.2025	31.03.2024	31.03.2025	31.03.2024
I. Opening Balance	406.92	372.86	407.17	373.21	(0.25)	(0.35)
Included in profit and loss						
Current service Cost	11.85	11.17	-	-	11.85	11.17
Past service cost	-	-	-	-	-	-
Interest cost / (income)	32.82	30.49	32.66	30.62	0.16	(0.13)
II. Total amount recognised in profit and loss	44.67	41.66	32.66	30.62	12.01	11.04
Included in OCI						
Re-measurement loss/ (gain)						
Actuarial loss / (gain) arising from changes in financial assumptions	(4.67)	(1.51)	(4.31)	(1.73)	(0.36)	0.22
Actuarial loss / (gain) arising from experience adjustment	-	-	-	-	-	-
Actuarial loss / (gain) arising from changes in demographic assumptions	-	-	-	-	-	-
Return on plan assets excluding interest income	-	-	-	-	-	-
III. Total amount recognised in OCI	(4.67)	(1.51)	(4.31)	(1.73)	(0.36)	0.22
IV. Contribution by participants	21.29	22.99	21.29	22.99	-	-
V. Contribution by employer	-	-	11.85	11.16	(11.85)	(11.16)
VI. Benefits paid	(45.89)	(29.08)	(45.89)	(29.08)	-	-
VII. Closing Balance (I+II+III+IV+V+VI)	422.32	406.92	422.77	407.17	(0.45)	(0.25)



Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(b) Gratuity

The Company has a defined gratuity scheme which is managed by a separate trust. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary for each completed year of service subject to a maximum of ₹ 0.20 crore on superannuation, resignation, termination, disablement or on death, considering the provisions of the Payment of Gratuity Act, 1972, as amended. The liability for the same is recognised on the basis of actuarial valuation.

(₹ in crore)		
Particulars	As at 31.03.2025	As at 31.03.2024
(a) Present value of Defined benefit obligation	33.19	31.18
(b) Fair Value of Plan Assets	30.44	29.96
(c) Net Defined Benefit (Asset) / Liability (a-b)	2.75	1.22

Movement in net defined benefit (asset)/ liability

(₹ in crore)						
Particulars	Present value of Defined Benefit Obligation		Fair Value of Plan Assets		Net Defined Benefit (Asset) / Liability	
	For the year ended		For the year ended		For the year ended	
	31.03.2025	31.03.2024	31.03.2025	31.03.2024	31.03.2025	31.03.2024
I. Opening Balance	31.18	29.54	29.96	28.42	1.22	1.12
Included in profit and loss						
Current service Cost	1.45	1.37	-	-	1.45	1.37
Past service cost	-	-	-	-	-	-
Interest cost / (income)	2.17	2.13	2.12	2.08	0.05	0.05
II. Total amount recognised in profit and loss	3.62	3.50	2.12	2.08	1.50	1.42
Included in OCI						
Re-measurement loss/ (gain)						
Actuarial loss / (gain) arising from changes in financial assumptions	0.89	0.32	-	-	0.89	0.32
Actuarial loss / (gain) arising from experience adjustment	0.55	0.01	-	-	0.55	0.01
Actuarial loss / (gain) arising from changes in demographic assumptions	-	-	-	-	-	-
Return on plan assets excluding interest income	-	-	0.17	0.53	(0.17)	(0.53)
III. Total amount recognised in OCI	1.44	0.33	0.17	0.53	1.27	(0.20)
IV. Contribution by participants	-	-	-	-	-	-
V. Contribution by employer	-	-	1.24	1.12	(1.24)	(1.12)
VI. Benefits paid	(3.05)	(2.19)	(3.05)	(2.19)	-	-
VII. Closing Balance (I+II+III+IV+V+VI)	33.19	31.18	30.44	29.96	2.75	1.22

(c) Post-Retirement Medical Scheme (PRMS)

The Company has a Post-Retirement Medical Scheme (PRMS) to provide medical facilities to superannuated employees, dependent family members of superannuated and deceased employees. The liability for PRMS is recognised on the basis of actuarial valuation.

This scheme is managed by a separate trust. The trust has to ensure adequate corpus for meeting the medical expenditure incurred by the eligible employees/family members. However, any short fall has to be compensated by the Company. Based on acturial valuation, it is estimated that no liability will arise in this regard in the near future and hence, no further provision is considered necessary.

(₹ in crore)		
Particulars	As at 31.03.2025	As at 31.03.2024
(a) Present value of Defined benefit obligation	85.25	74.46
(b) Fair Value of Plan Assets	77.08	66.59
(c) Net Defined Benefit (Asset) / Liability (a-b)	8.17	7.87

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for the year ended March 31, 2025

Movement in net defined benefit (asset)/ liability

(₹ in crore)						
Particulars	Present value of Defined Benefit Obligation		Fair Value of Plan Assets		Net Defined Benefit (Asset) / Liability	
	For the year ended		For the year ended		For the year ended	
	31.03.2025	31.03.2024	31.03.2025	31.03.2024	31.03.2025	31.03.2024
I. Opening Balance	74.45	64.31	66.58	58.80	7.87	5.51
Included in profit and loss						
Current service Cost	3.66	3.10	-	-	3.66	3.10
Past service cost	-	-	-	-	-	-
Interest cost / (income)	5.32	4.74	4.73	4.31	0.59	0.43
II. Total amount recognised in profit and loss	8.98	7.84	4.73	4.31	4.25	3.53
Included in OCI						
Re-measurement loss/ (gain)						
Actuarial loss / (gain) arising from changes in financial assumptions	4.44	2.98	-	-	4.44	2.98
Actuarial loss / (gain) arising from experience adjustment	1.92	3.01	-	-	1.92	3.01
Actuarial loss / (gain) arising from changes in demographic assumptions	-	-	-	-	-	-
Return on plan assets excluding interest income	-	-	1.14	0.13	(1.14)	(0.13)
III. Total amount recognised in OCI	6.36	5.99	1.14	0.13	5.22	5.86
IV. Contribution by participants	0.08	0.04	0.08	0.04	-	-
V. Contribution by employer	-	-	9.39	6.43	(9.39)	(6.43)
VI. Benefits paid	(4.62)	(3.73)	(4.84)	(3.13)	0.22	(0.60)
VII. Closing Balance (I+II+III+IV+V+VI)	85.25	74.45	77.08	66.58	8.17	7.87

(d) Economic Rehabilitation Scheme (ERS)

The Company has an Economic Rehabilitation Scheme (ERS) to provide monetary benefit in case of permanent disability / death of an employee. This scheme is unfunded and the liability is determined based on actuarial valuation.

(₹ in crore)		
Particulars	As at 31.03.2025	As at 31.03.2024
(a) Present value of Defined benefit obligation	7.71	7.86

Movement in defined benefit obligation

(₹ in crore)		
Particulars	Present value of Defined Benefit Obligation for the year ended	
	31.03.2025	31.03.2024
I. Opening Balance	7.86	7.82
Included in profit and loss		
Current service Cost	0.52	0.52
Past service cost	-	-
Interest cost / income	0.54	0.56
II. Total amount recognised in profit and loss	1.06	1.08
Included in OCI		
Actuarial loss / (gain) arising from changes in financial assumptions	0.25	0.84
Actuarial loss / (gain) arising from experience adjustment	(0.57)	(0.77)
Actuarial loss / (gain) arising from changes in demographic assumptions	-	-
Return on plan assets excluding interest income	-	-
III. Total amount recognised in OCI	(0.32)	0.07
IV. Contribution by participants	-	-
V. Contribution by employer	-	-
VI. Benefits paid	(0.89)	(1.11)
VII. Closing Balance (I+II+III+IV+V+VI)	7.71	7.86



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(e) Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

i) Investment risk

Most of the plan asset investments are in government securities, other fixed income securities with high rating grades and mutual funds. The fair value of these assets is subject to volatility due to change in interest rates and other market & macro-economic factors. There is also a risk of asset liability mismatch i.e. the cash flow for plan assets does not match with cash flow for plan liabilities.

ii) Changes in discount rate

The present value of defined benefit plan liabilities is calculated using a discount rate which is determined by reference to government bonds' yields at the end of the reporting period. A decrease (increase) in discount rate will increase (decrease) present values of plan liabilities, although this will be partially offset by an increase in the value of the plans' investments.

iii) Mortality rate risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

iv) Salary escalation risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

v) Turnover rate / Withdrawal rate of employee

If the actual employee withdrawal rate in the future turns out to be more or less than expected then it may result in increase/decrease in the liability.

(f) Plan Assets

The fair value of plan assets for each category is as follows:

Particulars	As at 31.03.2025			As at 31.03.2024		
	Provident Fund	Gratuity	PRMS	Provident Fund	Gratuity	PRMS
Cash & Cash Equivalents	1.47	0.08	0.17	1.46	0.10	1.07
State / Central Government Debt Securities	239.14	16.96	46.22	223.76	16.81	40.80
Corporate Bonds / Debentures	161.50	12.20	29.51	164.93	12.08	24.72
Others	20.66	1.19	1.18	17.01	0.97	-
Total	422.77	30.44	77.08	407.16	29.96	66.59

As at 31.03.2025 ₹ 0.80 crore (as at 31.03.2024 ₹ 1.10 crore) is included in the value of plan assets in respect of the Company's own financial instruments (corporate bonds).

Actual return on plan assets is ₹ 39.78 crore (previous year ₹ 38.84 crore).

(g) Significant actuarial assumptions

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at 31.03.2025 by TransValue Consultants. The present value of the defined benefit obligation, and the related current service cost, were measured using the projected unit credit method. The principal assumptions used for actuarial valuation are:

Particulars	Provident Fund		Gratuity		PRMS		ERS	
	As at 31.03.2025	As at 31.03.2024	As at 31.03.2025	As at 31.03.2024	As at 31.03.2025	As at 31.03.2024	As at 31.03.2025	As at 31.03.2024
Discount Rate & expected return on plan assets, if funded	6.78%	7.09%	6.78%	7.09%	6.78%	7.09%	6.78%	7.09%
Salary Escalation Rate/Medical inflation rate	NA	NA	5.00%	5.00%	6.00%	6.00%	5.00%	5.00%
Mortality Rate	NA	NA	As per IALM (2012-14) Ultimate	As per IALM (2012-14) Ultimate	As per IALM (2012-14) Ultimate	As per IALM (2012-14) Ultimate	As per IALM (2012-14) Ultimate	As per IALM (2012-14) Ultimate
Withdrawal rate	NA	NA	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%

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(h) Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	As at 31.03.2025		As at 31.03.2024	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)				
- Gratuity	(1.41)	1.52	(1.28)	1.38
- PRMS	(7.00)	7.97	(6.01)	6.85
- ERS	(0.36)	0.39	(0.36)	0.39
Salary Escalation/ Medical inflation Rate (0.50% movement)				
- Gratuity	0.18	(0.17)	0.14	(0.17)
- PRMS	7.14	(6.22)	4.57	(4.35)
- ERS	0.28	(0.26)	0.28	(0.26)
Medical Cost (10% movement)				
- PRMS	8.51	(8.38)	7.43	(7.10)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

The Company actively monitors how the duration and expected yield of investments are matching the expected cash outflows arising from employee benefit obligations. Investments are well diversified, such that the failure of any single investment would not have a material impact on overall level of assets. There has been no change in the process used by the Company to manage its risks from prior periods.

(i) Expected maturity analysis of the defined benefit plans in future years

Particulars	Gratuity		PRMS		ERS	
	31.03.2025	31.03.2024	31.03.2025	31.03.2024	31.03.2025	31.03.2024
Up to 1 year	3.15	2.27	2.79	2.48	1.12	1.13
1 to 5 years	12.65	12.06	20.23	17.93	3.25	3.30
Over 5 years	56.39	53.72	114.70	100.61	8.90	9.05
Total	72.19	68.05	137.72	121.02	13.27	13.48

The table above is drawn on the basis of expected cash flows.

(j) Expected contributions to post-employment benefit plans

Particulars	Provident Fund		Gratuity		PRMS	
	31.03.2025	31.03.2024	31.03.2025	31.03.2024	31.03.2025	31.03.2024
Expected contribution	-	-	4.29	2.67	12.46	11.52

(k) The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 13.25 years (as at 31.03.2024: 13.13 years).

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44.3 Other long-term employee benefits

(a) Leave

The Company provides for earned leave benefit and half-pay leave benefit to the credit of the employees, which accrues on half-yearly basis at 15 days and 10 days respectively. A maximum of 300 days of earned leave can be accumulated at any point of time during the service. There is no limit for accumulation of half pay leave. On separation after 10 years of service or on superannuation, earned leave plus half pay leave taken together can be encashed subject to a maximum of 300 days. However, there is no restriction on the number of years of service for encashment of earned leave on separation from the service. Provision based on actuarial valuation amounting to ₹ 13.36 crore (previous year ₹ 5.70 crore) for the year has been made at the year end in the Standalone Statement of Profit and Loss.

(b) Other employee benefits

Provision for settlement allowance and long service awards amounting to ₹ 17.66 crore for the year (previous year ₹ 1.51 crore) has been made on the basis of actuarial valuation in the Standalone Statement of Profit and Loss.

44.4 Employee benefits (including Gratuity, PRMS, Terminal Benefits, leave encashment and other employee benefits) in respect of Company's employees working in its wholly-owned subsidiary on deputation / secondment basis are being allocated based on a fixed percentage of employee cost.

45. LEASES

The Company has recognised a Right-of-Use Asset and Lease Liability with respect to leasehold land being used as office premises.

45.1 The table below shows the movement of lease liabilities during the year:

(₹ in crore)		
Particulars	As at 31.03.2025	As at 31.03.2024
Opening balance	8.81	8.81
Additions during the year	-	-
Finance cost accrued during the period	0.77	0.77
Payment of lease liabilities	(0.77)	(0.77)
Closing balance	8.81	8.81

45.2 The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

(₹ in crore)		
Particulars	As at 31.03.2025	As at 31.03.2024
Up to 1 year	0.77	0.77
Over 1 year and upto 5 years	3.09	3.09
More than 5 years	53.20	53.97

45.3 During the year 2024-25, the expenses relating to short-term/low value leases amounting to ₹ 19.56 crore (Previous year ₹ 17.12 crore) has been charged to Standalone Statement of Profit and Loss. Included in the amount above are leases pertaining to residential accommodation of employees, space for official use, hiring of EDP equipment & other office equipment etc. These leases are usually renewable on mutually agreed terms and are cancellable.

45.4 The total cash outflow towards all leases, including Right-of-Use Assets is ₹ 19.51 crore. (Previous year ₹ 15.41 crore)

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

46. CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in crore)			
Sr. No.	Description	As at 31.03.2025	As at 31.03.2024
Contingent Liabilities			
(A)	Claims against the Company not acknowledged as debts	-	-
(B)	Taxation Demands		
(i)	Additional demands raised by the Income Tax Department of earlier years which are being contested.	91.78	91.78
(ii)	Service Tax / GST demand or show cause notices raised by Service Tax / GST department in respect of earlier years.*	-	28.03
(iii)	Service Tax Department has filed appeals before CESTAT against the order of Commissioner (CE&ST) who had dropped a demand of service tax.**	-	53.95
(iv)	Excess interest demanded / Penalty not yet demanded by Service Tax Department.	0.19	0.16
(C)	Bank Guarantee	1.19	0.94
(D)	Others		
(i)	Outstanding disbursement commitments to the borrowers by way of Letter of Comfort & Letter of Undertaking against loans sanctioned***	1,600.87	1,638.09
(ii)	Penalty imposed by NSE & BSE	1.97	1.59
Commitments			
(i)	Estimated amount of contracts (excluding GST) remaining to be executed on capital account and not provided for		
(a)	Towards purchase of building	260.50	907.90
(b)	Towards Implementation of SAP	10.24	11.02
(ii)	Other Commitments – CSR unspent amount pertaining to the period up to 31.03.2020	37.74	50.32
Total		2,004.48	2,783.78

* The Service Tax / GST Demand / SCN have been dropped / adjudged in favour of the Company.

** The appeal has been adjudged by CESTAT in favour of the Company.

*** Necessary impairment loss allowance has been made. Refer Note 21.1.

47. There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31.03.2025 (Nil as at 31.03.2024). This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent the status of such parties could be identified on the basis of information provided by the parties.

48. 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".

49. MODIFICATIONS IN THE MATERIAL ACCOUNTING POLICY INFORMATION:

No modifications have been carried out in the stand alone material accounting policy information during the year and hence the Company continued to follow the same Accounting Policies as was followed during the financial year ended 31.03.2024, except that in Note 5.3.3 fair value hedge has been inserted as certain derivatives have been designated as fair value hedges and Note 5.11 in regard to treatment of provident fund as defined benefit plan. There is no financial impact of these modifications.



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for the year ended March 31, 2025

50. AMOUNT EXPECTED TO BE RECOVERED/ SETTLED WITHIN 12 MONTHS AND BEYOND FOR EACH LINE ITEM UNDER ASSET AND LIABILITIES:

(₹ in crore)						
Particulars	As at 31.03.2025			As at 31.03.2024		
	Within 12 months	More than 12 months	Total	Within 12 months	More than 12 months	Total
ASSETS						
1 Financial Assets						
(a) Cash and Cash Equivalents	22.03	-	22.03	21.76	-	21.76
(b) Bank Balance other than included in Cash & Cash Equivalents	6,735.73	84.90	6,820.63	200.05	-	200.05
(c) Derivative Financial Instruments	768.94	5,878.36	6,647.30	1,145.51	3,316.52	4,462.03
(d) Trade receivables	-	-	-	-	-	-
(e) Loans	1,05,594.79	4,27,223.48	5,32,818.27	86,218.68	3,83,709.73	4,69,928.41
(f) Investments	2,619.55	18,100.44	20,719.99	2,664.07	17,555.88	20,219.95
(g) Other Financial Assets	816.98	5,134.74	5,951.72	930.46	5,122.45	6,052.91
Total Financial Assets (1)	1,16,558.02	4,56,421.92	5,72,979.94	91,180.53	4,09,704.58	5,00,885.11
2 Non-Financial Assets						
(a) Current Tax Assets (Net)	-	228.24	228.24	-	243.81	243.81
(b) Deferred Tax Assets (Net)	-	3,351.04	3,351.04	-	3,557.16	3,557.16
(c) Property, Plant and Equipment	-	46.68	46.68	-	42.08	42.08
(d) Intangible assets under development	-	11.98	11.98	-	11.20	11.20
(e) Intangible Assets	-	5.23	5.23	-	0.02	0.02
(f) Right of use asset	-	33.50	33.50	-	33.95	33.95
(g) Other Non-Financial Assets	93.35	1,427.37	1,520.72	134.60	675.08	809.68
Total Non-Financial Assets (2)	93.35	5,104.04	5,197.39	134.60	4,563.30	4,697.90
Total Assets (1+2)	1,16,651.37	4,61,525.96	5,78,177.33	91,315.53	4,14,267.88	5,05,583.01
LIABILITIES						
1 Financial Liabilities						
(a) Derivative Financial Instruments	66.38	706.79	773.17	47.82	305.91	353.73
(b) Trade Payables						
(i) Total outstanding dues of Micro,Small and Medium Enterprises	0.10	-	0.10	0.20	-	0.20
(ii) Total outstanding dues of creditors other than Micro,Small and Medium Enterprises	8.10	1.36	9.46	11.94	2.78	14.72
(c) Debt Securities	34,827.35	2,84,920.42	3,19,747.77	29,401.54	2,64,866.25	2,94,267.80
(d) Borrowings(other than debt securities)	24,035.11	1,28,168.21	1,52,203.32	18,819.88	97,786.16	1,16,606.04
(e) Subordinated Liabilities	-	3,564.35	3,564.35	2,004.37	3,515.35	5,519.72
(f) Other Financial Liabilities	4,674.26	5,008.02	9,682.28	3,624.28	5,009.01	8,633.29
Total financial liabilities (1)	63,611.30	4,22,369.15	4,85,980.45	53,910.03	3,71,485.47	4,25,395.50
2 Non- Financial Liabilities						
(a) Current Tax Liabilities (Net)	-	50.92	50.92	-	15.31	15.31
(b) Provisions	425.67	50.71	476.38	363.46	48.63	412.09
(c) Other Non-Financial Liabilities	680.05	52.66	732.71	314.28	242.34	556.62
Total non-financial liabilities (2)	1,105.72	154.29	1,260.01	677.74	306.28	984.02
Total liabilities (1+2)	64,717.02	4,22,523.44	4,87,240.46	54,587.77	3,71,791.75	4,26,379.52

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51. GOVERNMENT OF INDIA(GOI) SCHEMES BEING IMPLEMENTED BY THE COMPANY

Revamped Distribution Sector Scheme (RDSS)

The Company is a designated Nodal Agency for operationalisation and implementation of Revamped Distribution Sector Scheme (RDSS). The role of Nodal Agency, inter-alia, includes transfer onward the GoI funds received from Ministry of Power to project implementing agencies i.e. State Power Distribution Utilities/ Power Departments as per the Scheme guidelines issued by Ministry of Power. The release of the funds under GoI Scheme is being done through Treasury Single Account (TSA) system of RBI, as per the office memorandum issued by Ministry of Finance, GoI dated 09th March 2022. This ensures that GoI funds under RDSS are released to project implementing agencies 'Just in time' directly from the Consolidated Fund of India (CFI).

This Scheme was launched by GoI in July, 2021 to improve the operational efficiencies and financial sustainability of DISCOMs, by providing reform linked financial assistance to DISCOMs. It is a reform based and result linked distribution sector scheme. PFC along with REC is the nodal agency for operationalisation of the scheme. The implementation period of the Scheme is 5 Years (FY 2021-22 to FY 2025-26). The key objectives of the scheme is to:

- i) Improve the quality, reliability and affordability of power supply to consumers through a financially sustainable and operationally efficient distribution sector.
- ii) Reduce AT&C losses to pan-India levels of 12-15%.
- iii) Reduce ACS-ARR gap to zero.

The Scheme has an outlay of ₹ 3,03,758 crore with an estimated gross budgetary support of ₹ 97,631 crore from the GoI. The amount of GoI grant administered by PFC to the eligible entities (net of funds lapsed/surrendered by power utilities) during FY 2024-25 is ₹ 4,897.09 crore (previous year ₹ 2,834.87 crore) and the cumulative grant administered (net of funds lapsed/ surrendered by power utilities) till 31.03.2025 is ₹ 8,205.32 crore (till 31.03.2024 is ₹ 3,308.23crore).

The Company is eligible for nodal agency fee at the rate of 0.50% of the sum total of the gross budgetary component of the various projects approved by Monitoring Committee. The total amount of nodal agency fee income from this scheme for FY 2024-25 stands at ₹ 51.19 crore. (Previous year ₹ 45.73 crore)

Further, no amount of GoI grant remained undisbursed in the TSA A/c of PFC as on 31.03.2025 and 31.03.2024.

52. (a) Status of documentation subsequent to reorganisation of the State of Jammu & Kashmir

After the bifurcation of the State of Jammu & Kashmir into two Union territories- Jammu & Kashmir UT and Ladakh UT, the existing entities pertaining to the erstwhile state of Jammu & Kashmir have been restructured vide unbundling order dated 23.10.19. The addendums to the agreements with new restructured departments are yet to be executed. Pending the execution of such documents, the existing loans are being serviced/repaid in line with the existing loan agreement.

(b) Status of documentation subsequent to reorganisation of the State of Andhra Pradesh

Subsequent to the reorganisation of erstwhile Andhra Pradesh, the State of Telangana has been formed on 02.06.2014. However, the assets and liabilities are yet to be transferred to the respective power utilities through a formal gazette notification except for assets and liabilities of TSSPDCL which have been transferred to APSPDCL for R-APDRP loans only amounting to ₹ 8.95 crore.

Once the final transfer scheme is notified through Gazette Notification by Govt. duly indicating the transfer of assets and liabilities among the power utilities, action for execution of documentation formalities will be taken up in respect of all the outstanding loans (except for above R-APDRP loans) with the new / name changed utilities. Till that time, the demand for payment of interest / principal is being segregated by the utilities and the respective portions are being paid by utilities in Telangana and Andhra Pradesh.



Notes to the Standalone Financial Statements

for the year ended March 31, 2025

53. DISCLOSURES AS REQUIRED UNDER MASTER DIRECTION- RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY- SCALE BASED REGULATION) DIRECTIONS, 2023 AS AMENDED FROM TIME TO TIME

Being a Government owned NBFC the Company is subject to guidelines as prescribed under RBI Master Directions (NBFC- Scale based Regulation) as applicable for the NBFC-ML (Middle Layer).

53.1 Asset Liability Management - Maturity pattern of items of Assets and Liabilities:

In the tables below, the principal cash flows net of impairment loss allowance relating to Stage 3 assets have been considered in over 5 years bucket irrespective of the maturity date. Further, Bonds with put & call option have been shown considering the earliest exercise date. Further, the commercial papers and zero-coupon bonds have been shown at the maturity value.

(₹ in crore)

Bucket as at 31.03.2025	Deposits / Investments	Advances	Domestic Borrowings	Foreign Currency Items	
				Assets	Liabilities
1 to 7 days	6,511.57	957.39	5,923.35	-	-
8 to 14 days	-	4,631.10	900.00	-	-
15 days to 30/31 Days	-	9,218.44	4,303.68	-	10.88
Over 1 Month up to 2 Months	2,580.79	6,164.76	6,893.14	-	81.18
Over 2 Months up to 3 Months	2.66	6,432.49	6,137.59	-	2.96
Over 3 Months & up to 6 Months	12.04	27,880.35	27,219.85	-	1,542.07
Over 6 Months & up to 1 Year	24.06	38,594.03	22,645.38	-	7,926.67
Over 1 Year & up to 3 Years	96.24	90,430.61	90,274.66	-	12,969.98
Over 3 Years & up to 5 Years	96.24	89,235.65	73,391.79	-	52,302.45
Over 5 Years	17,907.96	2,61,151.35	1,38,941.78	-	14,295.64
Total	27,231.55	5,34,696.17	3,76,631.24	-	89,131.84

(₹ in crore)

Bucket as at 31.03.2024	Deposits / Investments	Advances	Domestic Borrowings	Foreign Currency Items	
				Assets	Liabilities
1 to 7 days	-	3,544.24	1,861.48	-	-
8 to 14 days	-	3,563.42	-	-	-
15 days to 30/31 Days	-	4,906.12	1,148.91	-	10.97
Over 1 Month up to 2 Months	2,616.64	5,429.27	628.97	-	-
Over 2 Months up to 3 Months	4.96	5,860.18	6,004.33	-	4,527.18
Over 3 Months & up to 6 Months	14.26	19,960.60	20,088.05	-	2,503.41
Over 6 Months & up to 1 Year	28.22	30,154.11	32,120.59	-	5,150.35
Over 1 Year & up to 3 Years	108.57	80,868.22	82,344.83	-	10,426.07
Over 3 Years & up to 5 Years	106.06	76,863.56	68,116.02	-	27,471.74
Over 5 Years	17,341.24	2,38,349.65	1,22,330.34	-	22,746.74
Total	20,219.95	4,69,499.37	3,34,643.52	-	72,836.46

53.2 Exposures

53.2.1 The Company does not have any exposure to real estate sector.

53.2.2 Exposure to Capital Market:

(₹ in crore)

Sr. No.	Description	Amount as at 31.03.2025	Amount as at 31.03.2024
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt (includes investment in fully convertible preference shares);	17,720.80	17,895.27

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e., where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	2,892.47
(vii)	Bridge loans to companies against expected equity flows / issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered);	-	-
(ix)	Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	-	-
(x)	Financing to stockbrokers for margin trading;	-	-
(xi)	All exposures to Alternative Investment Funds: (i) Category I (ii) Category II (iii) Category III	-	-
Total Exposure to Capital Market		17,720.80	20,787.74

53.2.3 Details of financing of parent company products:

The Company does not have a parent company.

53.2.4 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the Company:

During FY 2024-25 and FY 2023-24, the Company has not exceeded applicable prudential exposure limits against single/ group borrower.

53.3 Concentration of Exposures:

Particulars	As at 31.03.2025	As at 31.03.2024
Total Exposure at Default (EAD)* to twenty largest borrowers / customers (₹ in crore)	2,93,929.31	2,78,998.89
Percentage of Exposures at Default to twenty largest borrowers / customers to Total Exposure at Default of the Company on borrowers / customers	53.69%	57.41%

* Exposure at Default (EAD) is Principal outstanding & Accrued Interest thereon.

53.4 Large Industrial Sectoral Exposure –

(₹ in crore)

Infrastructure Sector	Principal outstanding (including LoC & LoU) (A)	Interest Accrued (B)	Total Exposure at Default (EAD) including off balance sheet exposure viz LOC & LoU (C) = (A+B)	Gross Credit Impaired accounts (Stage 3) (D)	Percentage of Gross Credit Impaired accounts (Stage 3) to EAD E = (D/C)
As at 31.03.2025					
Power	5,15,427.50	4,237.76	5,19,665.26	10,209.78	1.96%
Non-Power Infrastructure and Logistics	29,293.80	91.28	29,385.08	307.07	1.04%
Total	5,44,721.29	4,329.05	5,49,050.34	10,516.85	1.92%
As at 31.03.2024					
Power	4,63,820.24	4,423.64	4,68,243.88	16,073.22	3.43%
Non-Power Infrastructure and Logistics	19,279.75	59.84	19,339.59	-	0.00%
Total	4,83,099.99	4,483.48	4,87,583.47	16,073.22	3.30%



Notes to the Standalone Financial Statements

for the year ended March 31, 2025

53.5 Intra-group exposures

Particulars*	As at 31.03.2025	As at 31.03.2024
Total amount of intra-group Exposures at Default (EAD) (₹ in crore)	7.98	9.36
Total amount of top 20 intra-group Exposures at Default (EAD) (₹ in crore)	7.98	9.36
Percentage of intra-group EAD to Total EAD of the Company on borrowers/customers	0.00%	0.00%

* Exposure at Default (EAD) is Principal outstanding & Accrued Interest thereon.

53.6 Details of registrations with regulators:

Sr. No.	Regulator	Particulars	Registration Details
1.	Ministry of Corporate Affairs	Corporate Identification Number	L65910DL1986GOI024862
2.	Reserve Bank of India	Registration Number	B- 14.00004
3.	Legal Entity Identifier India Ltd	LEI Number	3358003Q6D9LIJJZ1614
4.	Central Registry of Securitisation Asset Reconstruction and Security Interest of India	Registration Number	F0084
5.	Central KYC Registry	Registration Code	IN6090

53.7 Disclosure of penalties imposed by regulators during the year:

NSE and BSE have levied fine on the Company for non-compliance in regard to composition of the Board of Directors.

The Company in its reply to NSE and BSE has stated that being a Central Public Sector Undertaking and in terms of Article 86 of Articles of Association of the Company, the Directors on the Board of the Company are appointed by President of India through Ministry of Power, Government of India and had requested both the exchanges to waive the above said penalty. Revert on the matter is awaited.

The total penalty amount levied (net of waiver by exchanges) has been disclosed at Note 46.

The Company had also taken up the matter with Ministry of Power to expedite the process of appointment of balance number of Independent Directors. However, after recent appointment of Independent Directors in the Company, the composition of Board of Directors is in compliance with the provisions of SEBI (LODR) Regulations, 2015 as on the date of signing of Financial Statements.

53.8 Credit Ratings

53.8.1 Ratings assigned by domestic credit rating agencies as at 31.03.2025:

Sr. No.	Rating Agency	Long-Term Rating	Short-Term Rating
1.	CRISIL	CRISIL AAA	CRISIL A1+
2.	ICRA	ICRA AAA	ICRA A1+
3.	CARE	CARE AAA	CARE A1+

53.8.2 Long term foreign currency issuer rating assigned by international credit rating agencies as at 31.03.2025:

Sr. No.	Rating Agency	Long Term Rating
1.	Fitch Ratings	BBB-
2.	Moody's	Baa3

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

53.8.3 In respect of the above, there has been no migration of ratings during the FY 2024-25.

53.9 Provisions, Contingencies and Impairment loss allowances debited to Standalone Statement of Profit and Loss

			(₹ in crore)
Sr. No.	Particulars	FY 2024-25	FY 2023-24
1	Impairment loss allowance towards loans, investments acquired under loan settlement, letter of comfort & letter of undertakings*	449.48	(175.04)
2	Impairment loss allowance on other financial assets	7.63	3.89
3	Impairment loss allowance on investment	-	-
4	Provision for unspent CSR on ongoing Projects	81.92	116.02
5	Provision for employee benefits	158.61	125.65
6	Provision made towards Income tax	3,570.05	2,972.80

*including write off of loans and investment acquired under loan settlement of ₹ 1,597.26 crore (previous year ₹ 29.25 crore) and corresponding reversal of impairment loss allowance of ₹ 2,106.04 crore (previous year ₹ 550.50 crore).

53.10 Draw Down from reserves

Refer to Note 24.

53.11 Overseas assets:

The Company has following Overseas Assets:

(₹ in crore)			
Name of the subsidiary	Country	Total Assets as on 31.03.2025	Total Assets as on 31.03.2024
PFC Infra Finance IFSC Limited (PIFIL)	GIFT City, Gandhi Nagar, Gujarat, India	108.98	100.00

53.12 Others

- (a) The Company is preparing Consolidated Financial Statements in accordance with Ind AS – 110 'Consolidated Financial Statements'.
- (b) There are no Off-Balance Sheet SPVs sponsored by the Company which are required to be consolidated as per accounting norms.

53.13 Customer Complaints for FY 2024-25

No complaints have been received by the Company from its borrowers or Offices of ombudsman during the year ended 31.03.2025. (Previous year Nil).

53.14 Regulatory ratios, limits and disclosures are based on Ind AS figures in accordance with RBI (Non-Banking Financial Company-Scale Based Regulation) Directions, 2023 relating to Implementation of Ind AS.

53.15 During FY 2024-25, there has been no instances of breach of covenants of loan availed or debt securities issued (Previous year-Nil).

53.16 During FY 2024-25, no fraud is reported in the Company.(Previous year-Nil).

53.17 The Company is following Board approved Policy for classification of assets and computation of Expected Credit Losses (ECL) as required under Ind AS 109 as per RBI's Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023. As at March 31, 2024, there is no divergence from board approved ECL policy with respect to asset classification and provisioning in the reported numbers.

RBI in its Inspection and Risk Assessment Report for financial position as at 31.03.2024 has assessed classification of some of the loans as per RBI's Income Recognition and Asset Classification norms(IRAC).The table below is given in compliance with RBI's Master Direction and the divergences mentioned in the table are as assessed by RBI as per IRAC norms.



Notes to the Standalone Financial Statements

for the year ended March 31, 2025

S.No	Particulars	Amount (₹ in Cr)
1	Gross NPAs as on March 31, 2024 as reported by the NBFC	16,073.22
2	Gross NPAs as on March 31, 2024 as assessed by the Reserve Bank	25,151.28
3	Divergence in Gross NPAs (2-1)	9,078.06
4	Net NPAs as on March 31, 2024 as reported by the NBFC	4,110.69
5	Net NPAs as on March 31, 2024 as assessed by the Reserve Bank	11,981.02
6	Divergence in Net NPAs (5-4)	7,870.33
7	Provisions for NPAs as on March 31, 2024 as reported by the NBFC	11,962.53
8	Provisions for NPAs as on March 31, 2024 as assessed by the Reserve Bank	13,170.26
9	Divergence in provisioning (8-7)	1,207.73
10	Reported Profit before tax and impairment loss on financial instruments for the year ended March 31, 2024	17,454.54
11	Reported Net Profit after Tax (PAT) for the year ended March 31, 2024	14,367.02
12	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2024 after considering the divergence in provisioning	13,159.29

Note: The above divergences are in regard to FY 2023-24.

53.18 Information / Particulars as set out in Annex VIII of RBI's Master Direction (NBFC Scale Based Regulation) applicable to the Company, as amended from time to time:

(₹ in crore)					
Particulars		Amount as on 31.03.2025		Amount as on 31.03.2024	
Liabilities Side		outstanding	overdue	outstanding	overdue
(1) Loans and Advances availed by the Company inclusive of interest accrued thereon but not paid:					
(a)	Bonds : Secured	25,569.60	-	24,573.49	
	: Unsecured	2,91,520.91	-	2,75,430.73	-
(b)	Deferred Credits		-		-
(c)	Term Loans		-		-
	(i) Rupee Term Loans	89,074.45	-	79,205.44	-
	(ii) Foreign Currency Loans	56,805.62	-	35,436.23	-
(d)	Inter-corporate loans & borrowings	-	-	-	-
(e)	Commercial Paper	5,996.24	-	-	-
(f)	Public Deposits	-	-	-	-
(g)	Others				
	(i) Other Loans from Banks	6,905.57	-	2,361.67	-
Assets Side		Amount as on 31.03.2025		Amount as on 31.03.2024	
(2) Break-up of Loans and Advances including bills receivables (Net of Provisions):					
(a)	Secured	2,10,759.91		2,08,335.67	
(b)	Unsecured	3,32,360.50		2,73,126.23	
(c)	Less: Impairment loss allowance	(14,366.05)		(15,822.68)	
Loans and advances (net of provision)		5,28,754.36		4,65,639.22	
(3) Break-up of Investments (Net of Provisions)					
Investments carried at Cost/ Amortised Cost					
1. Quoted					
(i)	Shares				
	(a) Equity	14,500.50		14500.50	
	(ii) Government securities	2,635.70		1,898.61	
	(iii) Debentures and Bonds	262.58		300.25	

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

Assets Side	Amount as on 31.03.2025	Amount as on 31.03.2024
2. Unquoted		
(i) Shares		
(a) Equity	100.75	100.75
(b) Preference	72.95	87.24
(c) Less: Impairment Loss allowance	(72.95)	(72.95)
Unquoted Shares (net of Provision)	100.75	115.04
(ii) Debentures and Bonds	100.91	111.53
Investments carried at Fair Value		
1. Quoted		
(i) Shares		
(a) Equity	2,580.79	2,616.64
2. Unquoted		
(i) Shares		
(a) Equity	538.76	630.61
(b) Preference	-	-
(ii) Debentures and Bonds	-	46.77

(4) Borrower group-wise classification of assets financed as in (2) above: (as per applicable provisioning norms)

Category	Amount Net of Provisions (as on 31.03.2025)			Amount Net of Provisions (as on 31.03.2024)		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
(a) Subsidiaries	7.98	-	7.98	9.18	-	9.18
(b) Companies in the same group	-	-	-	-	-	-
2. Other than related parties	2,10,751.93	3,32,360.50	5,43,112.43	2,08,326.49	2,73,126.23	4,81,452.72
Loans and advances (Gross)	2,10,759.91	3,32,360.50	5,43,120.41	2,08,335.67	2,73,126.23	4,81,461.90
Less: Impairment loss allowance			(14,366.05)			(15,822.68)
Loans and advances (net of provision)			5,28,754.36			4,65,639.22

(5) Investor group-wise classification of all investments (at cost/amortised cost and fair value) in shares and securities (both quoted and unquoted)

Category	As on 31.03.2025		As on 31.03.2024	
	Break up value \$	Book Value (Net of Provisions)	Break up value \$	Book Value (Net of Provisions)
1. Related Parties				
(a) Subsidiaries	41,402.50	14,600.70	36,545.14	14,600.70
(b) Companies in the same group	0.08	0.55	0.32	0.55
2. Other than related parties	6,118.74	6,118.74	5,618.70	5,618.70
Total	47,521.32	20,719.99	42,164.16	20,219.95

(6) Other Information

Particulars	Amount (as on 31.03.2025)	Amount (as on 31.03.2024)
(i) Gross Stage III Assets		
(a) Other than related parties	10,516.85	16,073.22
(ii) Net Stage III Assets		
(a) Other than related parties	2,092.60	4,110.69
(iii) Assets acquired in satisfaction of debt	1,517.79	1,349.08

\$ In case of negative break-up value, Nil value has been considered.



Notes to the Standalone Financial Statements

for the year ended March 31, 2025

54. DISCLOSURES IN ACCORDANCE WITH GUIDELINES ON LIQUIDITY RISK MANAGEMENT FRAMEWORK AND LIQUIDITY COVERAGE RATIO AS PER MASTER DIRECTION- RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY- SCALE BASED REGULATION) DIRECTIONS, 2023 AS AMENDED FROM TIME TO TIME.

54.1 Funding Concentration based on significant counterparty (borrowings)

Particulars	Number of significant counterparties*	Amount (₹ crore)	% of Total Liabilities
As at 31.03.2025	9	1,09,825.36	22.54%
As at 31.03.2024	8	95,290.68	22.35%

* Significant counterparty / significant instrument/product is defined as a single counterparty or group of connected or affiliated counter parties accounting in aggregate for more than 1% of the total liabilities.

54.2 Top 10 borrowings (amount in ₹ crore & % of total borrowings)

Sr. No.	Particulars*	As at 31.03.2025	
		Amount (₹ crore)	% of Total Borrowings
1	RTL from State Bank of India	14,710.00	3.16%
2	RTL from HDFC Bank	14,000.00	3.01%
3	Syndicated USD, JPY & EURO foreign currency term loan 35	10,558.70	2.27%
4	SYNDICATED USD foreign currency term loan 33	9,413.95	2.02%
5	RTL from IIFCL	8,211.20	1.76%
6	RTL from Bank of Baroda	7,500.00	1.61%
7	RTL from National Small Savings Scheme (NSSF)	7,500.00	1.61%
8	RTL from Canara Bank	7,014.75	1.51%
9	Syndicated JPY foreign currency term loan 32	6,581.30	1.41%
10	3.95 USD bonds 2030	6,418.61	1.38%

*Based on size of bond issuance / term loans from banks

Sr. No.	Particulars*	As at 31.03.2024	
		Amount (₹ crore)	% of Total Borrowings
1	RTL from HDFC Bank	17,275.50	4.24%
2	RTL from State Bank of India	14,140.00	3.47%
3	Syndicated USD Foreign Currency Term Loan 33	9,171.13	2.25%
4	RTL from National Small Savings Scheme (NSSF)	7,500.00	1.84%
5	RTL from Bank of Baroda	6,500.00	1.60%
6	SYNDICATED JPY Foreign Currency Term Loan 32	6,388.79	1.57%
7	3.95 USD Bonds 2030	6,253.04	1.53%
8	RTL from Union Bank of India	5,862.19	1.44%
9	RTL from Canara Bank	5,700.00	1.40%
10	SYNDICATED USD Foreign Currency Term Loan 31	5,210.87	1.28%

*Based on size of bond issuance / term loans from banks

54.3 Funding Concentration based on significant instrument / product

Sr. No.	Significant instrument /product	As at 31.03.2025		As at 31.03.2024	
		Amount (₹ crore)	% of Total Liabilities	Amount (₹ crore)	% of Total Liabilities
1	Debt Securities				
	- Infrastructure Bonds	38.51	0.01%	38.51	0.01%
	- Tax Free Bonds	7,485.57	1.54%	7,485.57	1.76%
	- 54EC Capital Gain Tax Exemption Bonds	9,943.09	2.04%	8,994.11	2.11%
	- Taxable Bonds	2,53,874.03	52.10%	2,31,152.25	54.21%
	- Foreign Currency Notes	32,723.23	6.72%	37,723.57	8.85%
	- Commercial Paper	5996.24	1.23%	-	0.00%
	Sub-Total (i)	3,10,060.67	63.64%	2,85,394.01	66.93%
2	Borrowings (other than Debt Securities)				
	- Foreign Currency Loans	4124.95	0.85%	980.02	0.23%
	- Syndicated Foreign Currency Loans	52,283.65	10.73%	34,132.87	8.01%
	- Rupee Term Loan	81,376.96	16.70%	71,503.44	16.77%
	- Rupee Term Loan - Gol	7,500.00	1.54%	7,500.00	1.76%

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

Sr. No.	Significant instrument /product	As at 31.03.2025		As at 31.03.2024	
		Amount (₹ crore)	% of Total Liabilities	Amount (₹ crore)	% of Total Liabilities
	- Loan against Term Deposits	5923.35	1.22%	-	-
	- Working Capital Demand Loan / Overdraft / Cash Credit / Line of Credit	982.00	0.20%	2,361.48	0.55%
	Sub-Total (ii)	1,52,190.91	31.24%	1,16,477.81	27.32%
3	Subordinated Liabilities	3,511.50	0.72%	5,511.50	1.29%
	Sub-Total (iii)	3,511.50	0.72%	5,511.50	1.29%
	Total (i+ii+iii)	4,65,763.08	95.59%	4,07,383.32	95.54%

54.4 Stock Ratios

Sr. No.	Particulars	% to total public funds	% to total liabilities	% to total assets
As at 31.03.2025				
1	Non-convertible debentures (original maturity less than 1 year)	-	-	-
2	Commercial papers	1.32%	1.26%	1.06%
3	Other short-term liabilities	4.28%	4.09%	3.45%
As at 31.03.2024				
1	Non-convertible debentures (original maturity less than 1 year)	-	-	-
2	Commercial papers	-	-	-
3	Other short-term liabilities	2.78%	2.66%	2.24%

54.5 Refer Note 40.2 for Institutional set up for management of liquidity risk in the Company.

54.6 Liquidity Coverage Ratio

(₹ in crore)

Particulars	Quarter ended 31.03.2025		Quarter ended 31.12.2024				Quarter ended 30.09.2024	
	Total Unweighted Value (Average)	Total weighted Value (Average)	Total Unweighted Value (Average)	Total weighted Value (Average)	Total Unweighted Value (Average)	Total weighted Value (Average)	Total Unweighted Value (Average)	Total weighted Value (Average)
High Quality Liquid Assets								
1	Total High Quality Liquid Assets (HQLA) ^(a)	2,667.45	2,667.45	1,802.13	1,802.13	4,747.96	4,634.40	1,959.10
Cash Outflows								
2	Outflows related to derivative exposures and other collateral requirements	152.91	175.84	70.97	81.62	53.50	61.53	14.51
3	Other contractual funding obligations	8,029.91	9,234.39	5,776.39	6,642.85	15,040.86	17,296.98	6,665.56
4	Other contingent funding obligations	1,095.28	1,259.57	1,527.09	1,756.16	1,025.31	1,179.11	1,336.71
5	TOTAL CASH OUTFLOWS	9,278.09	10,669.81	7,374.46	8,480.63	16,119.67	18,537.62	8,016.78
Cash Inflows								
6	Lines of credit – Credit or liquidity facilities or other contingent funding facilities	14,112.31	10,584.23	8,136.20	6,102.15	14,307.66	10,730.74	9,270.80
7	Inflows from fully performing exposures	11,829.01	8,871.76	13,919.53	10,439.64	13,205.88	9,904.41	16,238.87
8	Other cash inflows	3,839.63	2,879.72	4,518.55	3,388.91	6,371.39	4,778.54	2,226.08
9	TOTAL CASH INFLOWS	29,780.96	22,335.72	26,574.28	19,930.71	33,884.93	25,413.70	27,735.75
10	TOTAL HQLA		2,667.45		1,802.13		4,634.40	1,959.10
11	TOTAL NET CASH OUTFLOWS [(Total Weighted Cash Outflows)- Minimum of (75% of Total Weighted Cash outflow or Total Weighted Cash inflows)]		2,667.45		2,120.16		4,634.40	2,304.82
12	LIQUIDITY COVERAGE RATIO (%)		100.00		85.00		100.00	85.00

^(a) The Company is having adequate HQLA. However, for the above disclosure, HQLA amount required to meet the required LCR level of 100% (w.e.f. 01.12.2024 and 85% (up to 30.11.2024) has been considered.



Notes to the Standalone Financial Statements

for the year ended March 31, 2025

Particulars	Quarter ended 30.06.2025		Quarter ended 31.03.2024	
	Total Unweighted Value (Average)	Total weighted Value (Average)	Total Unweighted Value (Average)	Total weighted Value (Average)
High Quality Liquid Assets	1,539.89	1,539.89	2,121.60	1,948.29
1 Total High Quality Liquid Assets (HQLA) ^(b)				
Cash Outflows				
2 Outflows related to derivative exposures and other collateral requirements	-	-	-	-
3 Other contractual funding obligations	5,059.20	5,818.08	6,486.95	7,459.99
4 Other contingent funding obligations	1,242.15	1,428.47	1,485.60	1,708.44
5 TOTAL CASH OUTFLOWS	6,301.35	7,246.55	7,972.55	9,168.43
Cash Inflows				
6 Lines of credit -Credit or liquidity facilities or other contingent funding facilities	6,824.46	5,118.35	8,421.10	6,315.82
7 Inflows from fully performing exposures	13,614.77	10,211.08	13,233.47	9,925.10
8 Other cash inflows	-	-	-	-
9 TOTAL CASH INFLOWS	20,439.24	15,329.43	21,654.56	16,240.92
10 TOTAL HQLA		1,539.89		1,948.29
11 TOTAL NET CASH OUTFLOWS		1,811.64		2,292.11
[[Total Weighted Cash Outflows]- Minimum of (75% of Total Weighted Cash outflow or Total Weighted Cash inflows)]				
12 LIQUIDITY COVERAGE RATIO (%)		85.00		85.00

^(b) The Company is having adequate HQLA. However, for the above disclosure, HQLA amount required to meet the LCR level of 85% has been considered.

54.6.1 RBI Master Direction- Reserve Bank of India (Non-Banking Financial Company- Scale Based Regulation) Directions as amended from time to time, has stipulated maintaining of Liquidity Coverage Ratio by non-deposit taking NBFCs with asset size of more than ₹ 10,000 crore. The guidelines aim to maintain a liquidity buffer in terms of LCR by ensuring that they have sufficient High Quality Liquid Asset (HQLA) to survive any acute liquidity stress scenario lasting for next 30 days. As per the guideline, LCR is represented by Stock of High-Quality Liquid Assets (HQLA) divided by Total Net Cash Outflows (stressed outflow less stressed inflows) over the next 30 calendar days. HQLA are defined by RBI as the liquid assets that can be readily sold or immediately convertible into cash at little / no loss of value or can be used as collateral to obtain funds in stress situations.

The company has complied with LCR requirement w.e.f. 01.12.2020 against stipulated requirement of minimum LCR of 50%, progressively increasing up to the required level of 100% by December 1, 2024.The HQLA is being maintained by the Company as balance with Banks in Current Account and eligible securities. The Company is maintaining LCR in INR only; hence there is no currency mismatch.

54.6.2 The position of HQLA holding is as follows

Particulars	% of Overall HQLA	
	As at 31.03.2025	As at 31.03.2024
Assets without Haircut		
Cash and Cash Equivalents	-	-
Term / Demand Deposits	-	-
G-Sec	100%	100%
Assets with 15% Haircut	-	-
Assets with 50% Haircut	-	-
Coal India Ltd. shares	-	-
UPPCL Bond	-	-
Total	100%	100%

55. During the year, the Company does not have any transactions with the struck off companies except for equity shares held by nine companies as on 31.03.2025, which are individually not material and thus have not been reported.

56. There are no reportable cases of loans transferred/ acquired during the FY 2024-25 (previous year Nil) under Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated 24th September 2021, as amended from time to time.

57. The disclosures as required under Master Direction-Reserve Bank of India (NBFC-Scale Based Regulation), Directions,2023,as amended from time to time have been made in Note 5, 9.1 to 9.4, 12.2, 39.1, 39.2, 40.1.3(iii), 40.1.3(vi), 40.1.3(vii), 40.1.5, 40.1.6, 40.1.7, 40.1.8, 40.3, 40.4, 43, 49, 53, 54 and 56.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

58. Disclosure in compliance with Regulation 52 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as under:

Particulars	As at / Year ended 31.03.2025	As at / Year ended 31.03.2024
(i) Debt to Equity Ratio	5.12	5.14
(ii) Outstanding Redeemable Preference Shares	-	-
(iii) Capital redemption reserve/debenture redemption reserve	-	-
(iv) Net Worth (₹ in crore)	90,936.86	79,203.49
(v) Net profit after tax (₹ in crore)	17,352.18	14,367.02
(vi) Earnings per share (in ₹)		
Basic	52.58	52.58
Diluted	52.58	52.58
(vii) Total Debt to Total Assets (times)	0.81	0.81
(viii) Operating Margin (%)	39.82	38.27
(ix) Net Profit Margin (%)	32.66	31.21
(x) Other Sector Specific Ratios (%)		
Gross Credit Impaired Ratio	1.88	3.34
Net Credit Impaired Ratio	0.33	0.85
CRAR	22.08	25.41

Notes:

- (a) Debt to 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.
- (b) Net worth = Equity Share Capital + Other Equity.
- (c) Total debt to Total assets = Principal outstanding of {Debt Securities + Borrowings (other than debt securities) + Subordinated Liabilities} / Total assets.
- (d) Operating Margin = (Profit before Tax - Other Income) / Total Revenue from operations.
- (e) Net profit margin = Net profit After Tax / Total Income.
- (f) Gross Credit Impaired Assets Ratio = Gross Credit Impaired Assets /Gross Loan Assets.
- (g) Net Credit Impaired Assets Ratio = Net Credit Impaired Assets /Gross Loan Assets.
- (h) CRAR= Total Capital Fund (Tier 1 Capital+Tier 2 Capital) / Risk weighted assets, calculated as per applicable RBI guidelines.
- (i) 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.

59. Figures of the previous year have been regrouped / reclassified wherever necessary, in order to make them comparable with the current year figures.

60. Figures have been rounded off to the nearest crore of rupees with two decimals. Further, figures in 0.00 represent value less than ₹ 50,000/-.

For and on behalf of Board of Directors

Sd/-
(Manish Kumar Agarwal)
GM & Company Secretary

Sd/-
(Sandeep Kumar)
Director (Finance)
DIN: 08529035

Sd/-
(Parminder Chopra)
Chairman and Managing Director
DIN: 08530587

Signed in terms of our report of even date attached

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

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

Place: Mumbai
Date: 21.05.2025

Sd/-
Anil K. Thakur
Partner
Membership No. 088722

Sd/-
CA Vaibhav Jain
Partner
Membership No. 515700

Independent Auditors’ Report

TO THE MEMBERS OF POWER FINANCE CORPORATION LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. OPINION

We have audited the accompanying Consolidated Financial Statements of Power Finance Corporation Limited (hereinafter referred to as “Holding Company”) and its Four subsidiaries (Holding Company and its subsidiaries together referred to as “the Group”), and its Eleven associates, which comprise the Consolidated Balance Sheet as at 31st March, 2025, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as “the Consolidated Financial Statements”).

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate Financial Statements and on the other financial information of the subsidiaries and associates, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, and its associates as at 31st March, 2025, of consolidated profit (including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended on that date.

2. BASIS FOR OPINION

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associates in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (“ICAI”) together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

3. KEY AUDIT MATTERS

Key audit matters (“KAM”) are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated Financial Statements of the current year. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters to be communicated in our report. For each matter below, description of how our audit addressed the matter is provided in that context.

Sr. No.	Key Audit Matter	Auditors’ Response
(i)	Impairment of financial instruments - Loan Assets and Undisbursed letter of comfort The Holding Company follows a Board approved methodology wherein assessment for allowance is carried out by an External Agency for Impairment based on certain guidelines and procedures in respect of criterion/framework classifying the assets into various stages depending upon credit risk and level of evidence of Impairment. Impairment loss measurement requires use of statistical models to estimate the Probabilities of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). These models are key driver to measure Impairment loss. The key indicators underlying for assessment of impairment allowance are appraised on the ongoing basis by the management. The most significant areas where we identified greater levels of management Judgements are:	Our audit procedures included: - The Holding Company has availed services of an External Agency for assessment of ECL, whose report has been provided to us. We verified the criterion / framework with applicable regulatory requirements along with Company’s internal guidelines and procedures in respect of the impairment allowance. - Verified loan assets by applying the standard audit procedures with respect to the credit appraisal, sanctioning, documentation, review and monitoring process of the Company. Also, loan balances were verified basis external confirmation from the borrowers and assessed quality of the borrower based on recovery and other criteria as per the credit policy of the Company. - Reviewed the underlying assumptions and broad methodology of ECL assessment.

Sr. No.	Key Audit Matter	Auditors’ Response
	Significant Increase in Credit Risk (SICR) – Company has classified SICR based on the indicator defined in Ind AS, estimate the Probabilities of Default (PD), Loss Given Default (LGD) and Individually assessed Stage 3 carrying value. The carrying value of loans and advances to borrowers may be materially misstated if individual impairments are not appropriately estimated based upon certain assumptions, future cash flow and asset valuations. Considering the effect of these matters, as part of our risk assessment, we determined that the value of Expected Credit Loss (ECL) has a high degree of estimation & uncertainty. In view of the significance of the amount of loan assets out of total assets in the Consolidated Financial Statements, impairments of loan assets have been considered as key audit matter in our audit. [Refer Note No. 46.1.2 to 46.1.8 to the Consolidated Financial Statements read with Accounting Policy No. 6.4.1 (iii)].	Components and calculations in the study for impairment allowance carried out by the independent expert have been test checked, discussed with the management and relied upon by us. Also, our audit procedure in this regard is limited since certain parameters of study being considered confidential have not been shared by the aforesaid expert. We considered the credit impairment charge and provision recognised and the related disclosures to be acceptable & satisfactory.
(ii)	Fair Valuation of Derivative financial instruments The Holding Company enters into derivative contracts in accordance with RBI guidelines to mitigate its currency and interest rate risk in accordance with currency risk management policy approved by the Board of Directors of the Holding Company. Derivative contracts are either categorised at Fair Value through P&L (FVTPL) or under cash flow hedge (Hedge Accounting). Mark to market gain/loss on derivatives categorised at FVTPL is recognised in Statement of Profit and Loss and that of Hedge Accounting is recognised in the Other Comprehensive Income. We consider the valuation of the derivative financial instruments and hedge accounting as a key audit matter due to material exposure and the fact that the inappropriate application of these requirements / assumptions / estimate by contracting bank could lead to a material effect on the income statement. (Refer Note No. 6.4.3, 46.3 & 47 to the Consolidated Financial Statements)	Our audit procedures included: The Holding Company has availed services of an independent expert for preparation of a model for derivative accounting as per Ind AS 109. Discussed with management to have an understanding of its perception and also reviewed policy of the Company for risk management. Evaluated key internal controls over classification of derivative instruments. The Company obtains fair value of derivative from the counterparty banks as on the reporting date, which are relied upon by us. Our procedure included evaluation of details of various financial derivative contracts outstanding as on 31 st March, 2025 and fair value thereof. Additionally, we verified the accounting of gain or loss on mark to market basis of derivative contracts in Statement of Profit & Loss and other comprehensive income in case of derivatives contracts under cash flow hedge. Based on the aforesaid procedure, we have reviewed accounting of derivatives in the books of account and assessed that the related disclosures are given in the financial statements.

In the case of subsidiary REC Limited, the following key audit matters are reported by their Joint Statutory Auditors:

Sr. No.	Key Audit Matter	Auditors’ Response
1	Impairment allowance of Loan Assets – The Company follows a Board approved methodology wherein assessment for allowance is carried out by an external agency for impairment based on certain criterion/framework classifying the assets into various stages depending upon credit risk and level of evidence of impairment. Impairment allowance is measured as product of the Probability of Default, Exposure at Default and Loss Given Default being the key parameters for assessing the impairment allowance. The key indicators underlying for assessment of impairment allowance are appraised on an ongoing basis by the management. Further the management has adopted a methodology which in addition to the model adopted as above is further analyzed on case to case basis and wherever impairment impact need to be changed the same is considered in the financial statements. (Refer Note No. 6.4.1 (iii) & 46.1.2 to the Consolidated Financial Statements)	We have applied following audit procedures in this regard - Evaluation and testing of the key internal control mechanisms with respect to the loan assets monitoring, assessment of the loan impairment including testing of relevant data quality, and review of the real data entered. - We have obtained the report of the external agency and verified the criterion/framework with various regulatory updates along with Company’s internal guidelines and procedures in respect of the impairment allowance. - Verification of loan assets on test check basis covering substantial part of total loans with respect to monitoring thereof for recovery/ performance aspects and assessment of the loan impairment considering management perception on the same. - Recoveries are verified applying the standard audit procedures to ascertain level of stress. Loan balances are confirmed and quality of the borrower is evaluated and tested with key control parameters. - Assessment of impairment based upon performance of the loan assets is carried out on the basis of relevant evidence on record provided to us. - We have discussed with the management wherever underlying weakness is observed and management assessment is carried out in detail in such cases.

Sr. No.	Key Audit Matter	Auditors' Response
2	Fair valuation of Derivative Financial Instruments The Company enters into derivative contracts in accordance with RBI guidelines to mitigate its currency and interest rate risk in accordance with the Company's board approved currency risk management policy. Derivative contracts are either categorised at Fair Value through P&L (FVTPL) or under cash flow hedge (Hedge Accounting). Mark to market gain/loss on derivatives categorised at FVTPL is recognised in Statement of Profit and Loss and that of cash flow hedge is recognised in the Other Comprehensive Income. In view of significance and impact on the financial statements we have considered the fair valuation of the derivative financial instruments as a key audit matter. (Refer Note No. 6.4.3, 46.3 & 47 to the Consolidated Financial Statements)	We have applied following audit procedure in this regard: a) Discussing and understanding management's perception and studying policy of the Company for risk management. b) Verification of fair value of derivative in term of Ind AS 109. c) Evaluation of key internal control over classification of derivative instruments. d) The Company obtains fair value of derivative from the counterparty banks. Our procedure includes evaluation of details of various financial derivative contracts outstanding as on March 31, 2025, and fair value thereon. e) Additionally, we verified the accounting of gain or loss on mark to market basis of derivative contracts in Statement of Profit and Loss and Other Comprehensive Income in case of derivatives contracts under cash flow hedge. f) Reviewed the appropriateness and adequacy of disclosures by the management as required in terms of Ind AS 109.

In the case of subsidiary of REC Limited viz. REC Power Development and Consultancy Limited, the following key audit matters are reported by their Statutory Auditor:

Sr. No.	Key Audit Matter	Auditors' Response
3	a. Valuation of account Receivable in view of risk of Credit loss Account receivables is a significant item in the Company's financial statements as at March 31, 2025 and assumptions used for estimating the credit loss on receivables is an area which is influenced by management's judgement. The Company makes an assessment, of the estimated credit losses basis credit risk, project status, past history, latest discussion/correspondence with the customer. Given the relative significance of these receivables to the Financial Statements and the nature and extent of audit procedures involved to assess the recoverability of receivables, we determined this to be a key audit matter. (refer Note No. 11 & 46.1.13 to the Consolidated Financial Statements) b. Accuracy and Completeness of Trade Payable's Balances The accuracy and completeness of Trade Payable as at 31 st March, 2025 was considered a key audit matter due to the significance of the balance and the associated risk.	Principal Audit Procedures Our audit incorporated the following procedure with regards to provisioning of receivables: - Understood and evaluated the accounting policy of the Company. - We evaluated the design and tested the operating effectiveness of key controls in relation to determination of estimated credit loss. - Inquired with senior management regarding status of collectability of the receivable. - For Material balances, the basis of provision was discussed with the management. - Assessed and challenged the information used by the Management to determine the expected credit losses by considering credit risk of the customer, cash collection, performance against historical trends and the level of credit loss charges over time. - Reviewing reconciliations performed by management for material differences.
4	Accuracy of recognition measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from contracts with customers" The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. (Refer Note No. 6.12 to the Consolidated Financial Statements)	Principal Audit Procedures We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. We carried out the following procedures - Understand the design of internal controls relating to implementation of the new revenue accounting standard. - Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these controls. - Regarding the stage of completion and revenue in respect of ongoing projects, we have relied upon the reports of the Technical Experts of the Company as we did not have that technical expertise with us. - Selected a sample of continuing and new contracts and performed the following procedures: - Read, analyzed and identified the distinct performance obligations in these contracts.

Sr. No.	Key Audit Matter	Auditors' Response
		Compared this performance obligation with that identified and recorded by the Company. - Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. - In respect of samples relating to fixed price contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with the terms of contracts and status of work provided by the project experts of the Company. - Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts. - Performed analytical procedures for reasonableness of revenues disclosed by type and serving offering.

4. INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Company's Director's Report including Annexures to Director's Report, Management Discussion and Analysis, Business Responsibility and Sustainability Report and Report on Corporate Governance (collectively referred to as "other information") but does not include the Consolidated Financial Statements and our auditors' report thereon. The above-referred information is expected to be made available to us after the date of this Auditor's report.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above when it became available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we concluded that there is a material misstatement of this other information, we are required to report that fact, we have nothing to report in this regard.

5. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including Other Comprehensive Income), consolidated statement of changes in equity and consolidated cash flows of the Group including its associates in accordance with the Ind AS and other accounting principles generally accepted in India. The respective board of directors of the Companies included in the Group and its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the Companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group and of its associates are also responsible for overseeing the financial reporting process of the Group and of its associates.

6. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group and its associates have adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management of holding Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the Financial Statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

7. OTHER MATTERS

- We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of ₹ 6,14,501.83 crore as at 31st March, 2025, total income ₹ 56,085.81 crore, total net profit after tax of ₹ 15,884.23 crore, total comprehensive income of ₹ 14,367.43 crore for the year ended on that date and net cash inflow of ₹ (331.99) crore for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors, whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the said subsidiary, and our report in terms of sub-Sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditors.
- We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets of ₹ 534.97 crore as at 31st March, 2025, total income of ₹ 304.26 crore, total net profit after tax of ₹ 185.84 crore, total comprehensive income of ₹ 187.91 crore and net cash inflow of ₹ 8.80 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated

financial statements also include Group's share of net profit/(loss) after tax of ₹ (0.235) crore and total comprehensive income of ₹ (0.235) crore for the year ended on that date, as considered in the Consolidated Financial Statements, in respect of eleven associates, whose financial statements have not been audited by us. These unaudited Financial Statements stated to have been approved by the Management, furnished to us and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-Sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management of the Holding Company, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters as per (a) and (b) with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ financial information certified by the Management.

- The comparative data for the year ended 31.03.2024 included in the Consolidated Financial Statements have been audited by the then joint statutory auditors; whose audit report dated 15th May, 2024 expressed unmodified opinion on the comparative Consolidated Financial Statements.

Our opinion is not modified in respect of above matter as per (c).

8. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- As required by Section 143(3) of the Act, based on our audit and on consideration of reports of other auditors on separate Financial Statements and the other financial information of subsidiaries, associates as noted in the other matters paragraph, we report, to the extent applicable, that:
 - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the Consolidated Financial Statements.
- (d) In our opinion and to the best our information and explanation given to us, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards (Ind AS specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 05th June, 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Act, are not applicable to the Holding Company and its subsidiaries, & Associates.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in **Annexure A**.
- (g) As per Notification No. GSR 463(E) dated 05th June, 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 of the Act is not applicable to the Government Companies. Accordingly, reporting in accordance with requirement of provisions of Section 197(16) of the Act is not applicable to the Holding Company and its subsidiaries, & Associates.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group, - Refer Note No. 52 to the Consolidated Financial Statements;
 - ii. The group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries and associate Companies, incorporated in India.
 - iv. (a) The Management of the Group has represented (Refer Note No.12.3), that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group, to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group, ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The Management of the Group, has represented (Refer Note No. 23.13) that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Group from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group, shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.
- v. As stated in Note No. 29.2 to the Consolidated Financial Statements:
 - (a) The final dividend proposed in the previous year, declared and paid by the Holding Company during the year is in accordance with Section 123 of the Companies Act, 2013.
 - (b) The interim dividend declared and paid during the year and until the date of this report is in compliance with Section 123 of the Companies Act, 2013.
 - (c) The Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.

- vi. Based on our examination which included test checks, the Holding Company has used accounting software for maintaining its books of account for the year ended March 31, 2025 which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved, from the date it was enabled, by the Holding Company as per the statutory requirements for record retention.

In the case of one subsidiary, its auditors have reported that subsidiary has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Also, the auditors of the above referred subsidiary did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

In respect of other three subsidiaries, whose unaudited financial statements stated to have been certified by the management of the respective companies, the management of the holding Company has confirmed that the requirement of audit trail has been implemented in respect of one of the three subsidiaries throughout the year for all relevant transactions recorded in the software and the audit trail has been preserved by the Company as per the statutory requirements for record retention and in respect of remaining two subsidiaries, since the books of accounts are not maintained in electronic mode, the requirement of audit trail is not applicable for the current year.
- II. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government in terms of sub-section (11) of Section



143 of the Companies Act, 2013, to be included in the Auditor’s report on the Consolidated Financial Statements on the basis of CARO report of the holding and subsidiaries, there are no qualifications or adverse remarks have been reported by the respective auditors except the following:

Sr. No.	Name	CIN	Holding Company/ Subsidiary/ Associate	Clause no. of CARO report which is qualified or adverse
1	REC Power Development and Consultancy Limited	U40101DL2007GOI165779	Subsidiary (Step Down)	Xiv(b)

In case of Holding Company (PFC Ltd – CIN L65910DL1986GOI024862), as per information & explanations given to us by the management, no fraud by the Company or any fraud on the Company has been noticed or reported during the year. However, as per information & explanations given to us, one of the borrower is suspected to have committed fraud on the Company which is under investigation. The Company has downgraded the borrower loan account to Stage-III as per IND AS and provided adequately against the outstanding loan amount (refer clause no. (xi)(a) of Standalone CARO Report).

For Thakur, Vaidyanath Aiyar & Co.

Chartered Accountants
Firm’s Registration No.: 000038N

Sd/-
(Anil K. Thakur)
Partner
Membership No. 088722
UDIN: 25088722BMUJGL3327

Place: Mumbai
Date: 21.05.2025

For Mehra Goel &Co.

Chartered Accountants
Firm’s Registration No.: 000517N

Sd/-
(CA Vaibhav Jain)
Partner
Membership No.515700
UDIN: 25515700BMLABW5894

Annexure A

to the Independent Auditors’ Report on the Audit of the Consolidated Financial Statements

(Referred to in Para I(f) under the heading ‘Report on other Legal and Regulatory Requirements’ of our report of even date to The Members of Power Finance Corporation Limited on the Consolidated Financial Statements for the year ended 31st March, 2025)

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the Consolidated Financial Statements of **Power Finance Corporation Limited** (hereinafter referred to as “the Holding Company”) as of and for the year ended 31st March, 2025, we have audited the internal financial controls with reference to Consolidated Financial Statements of the Holding Company, its subsidiary companies, and its associate companies, which are companies incorporated in India, as of that date.

1. MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company, its Subsidiary Companies, and its Associate Companies are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company, its Subsidiary Companies, its Associate Companies, which are Companies incorporated in India, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

2. AUDITORS’ RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to Consolidated Financial Statements of the Holding Company, its subsidiary companies, and its associate companies, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI prescribed under Sub-section 10 of Section 143 of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to Financial Statements

were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls system with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial control with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system with reference to Consolidated Financial Statements.

3. MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED IND AS FINANCIAL STATEMENTS

A Company’s internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisation of management of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company’s assets that could have a material effect on the Consolidated Financial Statements.



4. **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED IND AS FINANCIAL STATEMENTS**

Because of the inherent limitations of internal financial controls with reference to Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Financial Statements to future periods are subject to the risk that the internal financial control with reference to Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

5. **OPINION**

In our opinion, the Holding Company, its subsidiaries, its associates which are Companies incorporated in India have, in all material respects, an internal financial

controls system with reference to Financial Statements and such internal financial controls with reference to Financial Statements were operating effectively as at 31st March, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

6. **OTHER MATTERS**

Our aforesaid reports under Sub-section 3 (i) of Section 143 of the Act, on the internal financial controls with reference to Consolidated Financial Statements in so far as applicable to one subsidiary is based on the corresponding report of the joint statutory auditors of such Company and in respect of three subsidiaries and eleven associates, we have relied on the explanation provided by the management of the holding Company in absence of report on Internal Financial Controls of such entities. In our opinion, the same is not considered material for the Consolidated Financial Statements of the Group.

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

Sd/-
(Anil K. Thakur)
Partner
Membership No. 088722
UDIN: 25088722BMUJGL3327

Place: Mumbai
Date: 21.05.2025

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

Sd/-
(CA Vaibhav Jain)
Partner
Membership No.515700
UDIN: 25515700BMLABW5894

Comments of the Comptroller and Auditor General of India

Under Section 143(6)(b) Read With Section 129(4) of the Companies Act, 2013 on the Consolidated Financial Statements of Power Finance Corporation Limited for the Year Ended 31 March 2025

The preparation of consolidated financial statements of Power Finance Corporation Limited for the year ended 31 March 2025 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 21 May 2025.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of Power Finance Corporation Limited for

the year ended 31 March 2025 under Section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of companies mentioned in Annexure A but did not conduct supplementary audit of the financial statements of companies mentioned in Annexure B for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

For and on behalf of the
Comptroller & Auditor General of India

Sd/-
(Tanuja Mittal)
Director General of Audit (Energy)
New Delhi

Place: New Delhi
Date: 05.08.2025

Annexure - A

Name of the Company/Subsidiaries/JVs/ Associate Companies of which supplementary audit has been conducted by this office

Sl. No.	Name of the Subsidiary/Joint Venture/	Type of the Company
1.	Power Finance Corporation Limited	Holding
2.	REC Limited	Subsidiary

Annexure - B

Name of the Company/Subsidiaries/JVs/Associate Companies of which supplementary audit has not been conducted by this office:

Sl. No.	Name of the Subsidiary/Joint Venture/	Type of the Company
1.	PFC Consulting Ltd. (PFCCL)	Subsidiary
2.	PFC Projects Limited	Subsidiary
3.	PFC Infra Finance IFSC Limited (PIFIL)	Subsidiary
4.	Orissa Integrated Power Limited	Associate
5.	Coastal Tamil Nadu Power Limited	Associate
6.	Sakhigopal Integrated Power Company Limited	Associate
7.	Ghogarpalli Integrated Power Company Limited	Associate
8.	Deoghar Mega Power Limited	Associate
9.	Cheyyur Infra Limited	Associate
10.	Odisha Infrapower Limited	Associate
11.	Deoghar Infra Limited	Associate
12.	Bihar Infrapower Limited	Associate
13.	Bihar Mega Power Limited	Associate
14.	Jharkhand Infrapower Limited	Associate

Consolidated Balance Sheet

as at March 31, 2025

(₹ in crore)				
Sr. No.	Particulars	Note No.	As at 31.03.2025 (Audited)	As at 31.03.2024 (Audited)
ASSETS				
1	Financial Assets			
(a)	Cash and Cash Equivalents	8	319.22	339.34
(b)	Bank Balance other than Cash and Cash Equivalents	9	9,265.73	3,049.22
(c)	Derivative Financial Instruments	10	24,079.48	16,944.05
(d)	Receivables	11		
-	Trade Receivables		274.06	191.87
-	Other Receivables		1.99	2.78
(e)	Loans	12	10,91,898.40	9,69,111.15
(f)	Investments (Other than accounted for using equity method)	13A	12,792.38	10,971.02
(g)	Other Financial Assets	14	30,064.25	29,882.53
	Total Financial Assets (1)		11,68,695.51	10,30,491.96
2	Non- Financial Assets			
(a)	Current Tax Assets (Net)	15	642.38	562.33
(b)	Deferred Tax Assets (Net)	16	6,217.46	6,055.95
(c)	Investment Property	17	1.01	-
(d)	Property, Plant and Equipment	18	715.46	723.71
(e)	Capital Work-in-Progress	18	76.21	28.06
(f)	Intangible Assets under development	18	11.98	11.20
(g)	Intangible Assets	18	7.07	0.54
(h)	Right of Use Assets	18	37.17	40.10
(i)	Other Non-Financial Assets	19	1,663.72	934.15
(j)	Investments accounted for using equity method	13B	0.10	0.33
	Total Non- Financial Assets (2)		9,372.56	8,356.37
3	Assets Classified as held for sale	20	18.43	29.05
	Total Assets (1+2+3)		11,78,086.50	10,38,877.38
LIABILITIES AND EQUITY				
Liabilities				
1	Financial Liabilities			
(a)	Derivative Financial Instruments	10	2,443.23	1,113.43
(b)	Payables	21		
	Trade Payables			
(i)	Total outstanding dues of Micro, Small and Medium Enterprises		0.80	1.23
(ii)	Total outstanding dues of creditors other than Micro, Small and Medium Enterprises		151.35	119.88
	Other Payables			
(i)	Total outstanding dues of Micro, Small and Medium Enterprises		6.52	2.83
(ii)	Total outstanding dues of creditors other than Micro, Small and Medium Enterprises		17.28	8.69
(c)	Debt Securities	22	6,12,176.04	5,60,331.04
(d)	Borrowings (other than Debt Securities)	23	3,46,503.48	2,88,698.09
(e)	Subordinated Liabilities	24	13,078.51	12,931.93
(f)	Other Financial Liabilities	25	46,869.09	39,925.75
	Total Financial Liabilities (1)		10,21,246.30	9,03,132.87

Consolidated Balance Sheet

as at March 31, 2025

(₹ in crore)				
Sr. No.	Particulars	Note No.	As at 31.03.2025 (Audited)	As at 31.03.2024 (Audited)
2	Non- Financial Liabilities			
(a)	Current Tax Liabilities (Net)	15	51.17	82.82
(b)	Provisions	26	613.90	549.43
(c)	Other Non-Financial Liabilities	27	1,019.90	823.72
	Total Non- Financial Liabilities (2)		1,684.97	1,455.97
3	Liabilities directly associated with assets classified as held for sale	20	-	-
	Total Liabilities (1+2+3)		10,22,931.27	9,04,588.84
4	Equity			
(a)	Equity Share Capital	28	3,300.10	3,300.10
(b)	Other Equity	29	1,14,438.25	97,846.67
	Equity attributable to owners of the Company (a+b)		1,17,738.35	1,01,146.77
(c)	Non-Controlling Interest	30	37,416.88	33,141.77
	Total Equity (4)		1,55,155.23	1,34,288.54
	Total Liabilities and Equity (1+2+3+4)		11,78,086.50	10,38,877.38

The accompanying Notes 1 to 64 form integral part of Consolidated Financial Statements.

For and on behalf of the Board of Directors		
Sd/- (Manish Kumar Agarwal) GM & Company Secretary	Sd/- (Sandeep Kumar) Director (Finance) DIN: 08529035	Sd/- (Parminder Chopra) Chairman and Managing Director DIN: 08530587
Signed in terms of our report of even date attached		
For Thakur, Vaidyanath Aiyar & Co. Chartered Accountants Firm's Registration No.: 000038N	For Mehra Goel & Co. Chartered Accountants Firm's Registration No.: 000517N	
Sd/- Anil K. Thakur Partner Membership No. 088722	Sd/- CA Vaibhav Jain Partner Membership No. 515700	
Place: Mumbai Date: 21.05.2025		



Consolidated Statement of Profit and Loss

for the year ended March 31, 2025

(₹ in crore)				
Sr. No.	Particulars	Note No.	Year ended 31.03.2025 (Audited)	Year ended 31.03.2024 (Audited)
REVENUE FROM OPERATIONS				
(i)	Interest Income	31	1,05,001.01	90,085.40
(ii)	Dividend Income	32	90.51	68.53
(iii)	Fees and Commission Income	33	625.96	341.35
(iv)	Other Operating Income	34A	784.14	601.44
I.	Total Revenue from Operations		1,06,501.62	91,096.72
II.	Other Income	35	97.08	78.15
III.	Total Income (I+II)		1,06,598.70	91,174.87
EXPENSES				
(i)	Finance Costs	36	64,669.98	57,968.07
(ii)	Net Translation / Transaction Exchange Loss / (Gain)	37	674.83	(46.52)
(iii)	Fees and Commission Expense	38	34.33	36.32
(iv)	Net Loss / (Gain) on Fair Value changes	39	(604.78)	(364.76)
(v)	Impairment on Financial Instruments	40	1,478.70	(1,550.77)
(vi)	Cost of Services Rendered	34B	170.84	180.84
(vii)	Employee Benefit Expenses	41	553.17	491.06
(viii)	Depreciation, Amortisation and Impairment	17/18	55.68	53.40
(ix)	Corporate Social Responsibility Expenses		564.18	470.47
(x)	Other Expenses	42	369.36	348.46
IV.	Total Expenses		67,966.29	57,586.57
V.	Share of Profit / (Loss) in Joint Venture and Associates		(0.25)	(0.18)
VI.	Profit/(Loss) Before Exceptional Items and Tax (III-IV+V)		38,632.16	33,588.12
VII.	Exceptional Items		-	-
VIII.	Profit/(Loss) Before Tax (V-VI)		38,632.16	33,588.12
Tax Expense:				
(1) Current Tax		43		
-	Current Year		7,748.48	6,370.07
-	Earlier Years		(15.56)	(11.74)
(2) Deferred Tax Expense / (Income)			384.84	768.61
IX.	Total Tax Expense		8,117.76	7,126.94
X.	Profit/(Loss) for the period from Continuing Operations (VIII-IX)		30,514.40	26,461.18
XI.	Profit/(Loss) From Discontinued Operations (After Tax)		-	-
XII.	Profit/(Loss) for the period (from continuing and discontinued operations) (X+XI)		30,514.40	26,461.18
XIII. OTHER COMPREHENSIVE INCOME				
(A)	(i) Items that will not be reclassified to Profit or Loss			
-	Re-measurement of Defined Benefit Plans		(5.41)	(6.72)
-	Net Gain / (Loss) on Fair Value of Equity Instruments		(26.76)	1,674.16
(ii) Income Tax relating to items that will not be reclassified to Profit or Loss				
-	Re-measurement of Defined Benefit Plans		1.26	1.71
-	Net Gain / (Loss) on Fair Value of Equity Instruments		(52.23)	(194.96)
Sub-Total (A)			(83.14)	1,474.19

Consolidated Statement of Profit and Loss

for the year ended March 31, 2025

(₹ in crore)				
Sr. No.	Particulars	Note No.	Year ended 31.03.2025 (Audited)	Year ended 31.03.2024 (Audited)
(B)	(i) Items that will be reclassified to Profit or Loss			
-	Effective Portion of Gains and (Loss) in Cash Flow Hedge		1,026.25	(3,478.56)
-	Cost of Hedging Reserve		(3,344.14)	4,759.47
-	Exchange differences in translating the financials of foreign operations		2.77	-
(ii)	Income Tax relating to items that will be reclassified to Profit or Loss			
-	Effective Portion of Gains and (Loss) in Cash Flow Hedge		(258.28)	875.49
-	Cost of Hedging Reserve		841.66	(1,197.86)
-	Exchange differences in translating the financials of foreign operations		(0.70)	-
Sub-Total (B)			(1,732.44)	958.54
Other Comprehensive Income (A+B)			(1,815.58)	2,432.73
XIV.	Total Comprehensive Income for the period (XII+XIII)		28,698.82	28,893.91
Profit for the period attributable to:				
-	Owners of the Company		22,990.81	19,761.16
-	Non-Controlling Interest		7,523.59	6,700.02
			30,514.40	26,461.18
Other Comprehensive Income for the period				
-	Owners of the Company		(1,097.15)	1,938.11
-	Non-Controlling Interest		(718.43)	494.62
			(1,815.58)	2,432.73
Total Comprehensive Income for the period				
-	Owners of the Company		21,893.66	21,699.27
-	Non-Controlling Interest		6,805.16	7,194.64
			28,698.82	28,893.91
XV.	BASIC AND DILUTED EARNINGS PER EQUITY SHARE (FACE VALUE ₹ 10/- EACH):	44		
(1)	For continuing operations (in ₹)		69.67	59.88
(2)	For discontinued operations (in ₹)		-	-
(3)	For continuing and discontinued operations (in ₹)		69.67	59.88

The accompanying Notes 1 to 64 form integral part of Consolidated Financial Statements.

For and on behalf of the Board of Directors

Sd/-
(Manish Kumar Agarwal)
GM & Company Secretary

Sd/-
(Sandeep Kumar)
Director (Finance)
DIN: 08529035

Sd/-
(Parminder Chopra)
Chairman and Managing Director
DIN: 08530587

Signed in terms of our report of even date attached

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

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

Place: Mumbai
Date: 21.05.2025

Sd/-
Anil K. Thakur
Partner
Membership No. 088722

Sd/-
CA Vaibhav Jain
Partner
Membership No. 515700



Consolidated Statement of Changes in Equity
for the year ended March 31, 2025

A. EQUITY SHARE CAPITAL

Particulars	Opening Balance	Changes in Equity Share Capital due to prior period errors	Restated Opening Balance	Changes during the year	Closing Balance
Issued, Subscribed and fully paid up:					
Year ended March 31, 2024	2,640.08	-	2,640.08	660.02	3,300.10
Year ended March 31, 2025	3,300.10	-	3,300.10	-	3,300.10

Refer Note 28 for detail

B. OTHER EQUITY
FY 2024-25

Particulars	Other Reserves										Retained Earnings	Other Comprehensive Income			Attributable to owners of the parent		Non-Controlling Interest towards Equity Instruments Entirely in Nature		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 36(1) of Income Tax Act, 1961	Special Reserve created u/s 36(1)(viii) of Income Tax Act, 1961 up to Financial Year 1996-97	Special Reserve created and maintained u/s 36(1) of Income Tax Act, 1961	Reserve	Securities Premium	Foreign Currency Monetary Item Translation Difference Account	Interest Differential Reserve - KFW Loan	General Reserve		Equity Instruments through comprehensive Income	Effective portion of Cash Flow Hedges	Costs of Hedging Reserve	Exchange differences in translating the financials of foreign operations	to owners of the parent	Share Holders		
Balance as at 31.03.2024	(13,114.50)	17,132.46	1,574.26	599.85	44,077.56	89.18	2,946.07	(758.20)	67.15	21,056.10	23,413.33	1,247.97	(636.02)	151.46	97,846.67	32,583.37	558.40	1,30,988.44	
Changes in Accounting Policy / Prior Period Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Profit for the year	-	-	-	-	-	-	-	-	-	-	22,990.81	-	-	-	22,990.81	7,523.59	-	30,514.40	
Re-measurement of Defined Benefit Plans net of taxes	-	-	-	-	-	-	-	-	-	-	(4.42)	-	-	-	(4.42)	0.27	-	(4.15)	
Other Comprehensive Income / (Expense)	-	-	-	-	-	-	-	-	-	-	-	(67.69)	334.30	(1,361.41)	2.07	(1,092.73)	(718.70)	(1,811.43)	
Total Comprehensive Income	-	-	-	-	-	-	-	-	-	-	22,986.39	(67.69)	334.30	(1,361.41)	2.07	21,893.66	6,805.16	- 28,698.82	
Dividends	-	-	-	-	-	-	-	-	-	-	(5,362.67)	-	-	-	(5,362.67)	(2,544.35)	-	(7,907.03)	
Transfer to / from Retained Earnings	-	5,124.57	1,362.24	-	5,114.29	-	-	-	-	394.76	(11,995.86)	-	-	-	-	-	-	-	
Utilisation of reserve against bad debts written off	-	-	(1,574.26)	-	-	-	-	-	-	1,574.26	-	-	-	-	-	-	-	-	
Additions / Deletion during the period (net)	-	-	(3.83)	-	50.08	-	-	78.12	1.75	-	(48.00)	-	-	-	78.12	30.07	-	108.19	
Reclassification of gain / loss on sale of equity instrument measured at OCI	-	-	-	-	-	-	-	-	-	-	114.38	(114.38)	-	-	-	-	-	-	
Utilised for issue of Bonus Equity Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Expenses incurred on issue of Bonus equity shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Coupon Payment on Perpetual Debt Instruments	-	-	-	-	-	-	-	-	-	-	(17.53)	-	-	-	(17.53)	(15.77)	-	(33.30)	
Other Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
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

FY 2023-24

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 36(1)(vii)(C) of Income-Tax Act, 1961	Special Reserve created u/s 36(1)(viii) of Income Tax Act, 1961 up to Financial Year 1996-97	Special Reserve created and maintained u/s 36(1) of Income Tax Act, 1961	Impairment Reserve		Securities Premium	Foreign Currency Monetary Translation Difference Account	Interest Differential Reserve- KFW Loan	General Reserve	Equity Instruments through comprehensive Income	Effective portion of Cash Flow Hedges	Costs of Hedging Reserve in translating the financials of foreign operations		to owners of the parent	towards Equity Instruments Share Holders Entirely in Nature	
Balance as at 31.03.2023	(13,114.50)	12,783.26	529.39	599.85	39,658.38			64.97	21,026.85	18,236.28	2.12	808.03	(1,799.49)	-	81,518.41	27,264.39	558.40	1,09,341.20
Changes in Accounting Policy / Prior Period Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	-	-	19,761.16	-	-	-	-	19,761.16	6,700.02	-	26,461.18
Re-measurement of Defined Benefit Plans net of taxes	-	-	-	-	-	-	-	-	-	(4.66)	-	-	-	-	(4.66)	(0.35)	-	(5.01)
Other Comprehensive Income / (Expense)	-	-	-	-	-	-	-	-	-	-	1,435.87	(1,444.05)	1,950.95	-	1,942.77	494.97	-	2,437.74
Total Comprehensive Income	-	-	-	-	-	-	-	-	-	19,756.50	1,435.87	(1,444.05)	1,950.95	-	21,699.27	7,194.64	-	28,893.91
Dividends	-	-	-	-	-	-	-	-	-	(4,818.16)	-	-	-	-	(4,818.16)	(1,914.50)	-	(6,732.66)
Transfer to / from Retained Earnings	-	4,349.20	1,077.09	-	4,381.56	89.18	-	-	-	(9,897.03)	-	-	-	-	(0.00)	-	-	(0.00)
Utilisation of reserve against bad debts written off	-	-	(29.25)	-	-	-	-	-	-	29.25	-	-	-	-	-	-	-	-
Additions / Deletion during the period (net)	-	-	(2.97)	-	37.62	-	-	125.41	2.18	(36.84)	-	-	-	-	125.40	54.61	-	180.01
Reclassification of gain / loss on sale of equity instrument measured at OCI	-	-	-	-	-	-	-	-	-	190.02	(190.02)	-	-	-	-	-	-	-
Utilised for issue of Bonus Equity Shares	-	-	-	-	-	-	(660.02)	-	-	-	-	-	-	-	(660.02)	-	-	(660.02)
Expenses incurred on issue of Bonus equity shares	-	-	-	-	-	-	(0.78)	-	-	-	-	-	-	-	(0.78)	-	-	(0.78)
Coupon Payment on Perpetual Debt Instruments	-	-	-	-	-	-	-	-	-	(17.53)	-	-	-	-	(17.53)	(15.77)	-	(33.30)
Other Adjustments	-	-	-	-	-	-	-	-	-	0.08	-	-	-	-	0.08	-	-	0.08
Balance as at 31.03.2024	(13,114.50)	17,132.46	1,574.26	599.85	44,077.56	89.18	2,946.07	(758.20)	67.15	21,056.10	23,413.33	1,247.97	(636.02)	151.46	97,846.67	32,583.37	558.40	1,30,988.44

The accompanying Notes 1 to 64 form integral part of Consolidated Financial Statements.

Sd/-
(Wanish Kumar Agarwal)
GM & Company Secretary

For and on behalf of the Board of Directors

Sd/-
(Sandeep Kumar)
Director (Finance)
DIN: 08529035

Signed in terms of our report of even date attached

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

Sd/-
Anil K. Thakur
Partner
Membership No. 088722

Sd/-
(Parminder Chopra)
Chairman and Managing Director
DIN: 08530587

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

Sd/-
CA Vaibhav Jain
Partner
Membership No. 515700



Consolidated Statement of Cash Flows

for year ended March 31, 2025

(₹ in crore)			
Sr. No.	Description	Year ended 31.03.2025 (Audited)	Year ended 31.03.2024 (Audited)
I. CASH FLOW FROM OPERATING ACTIVITIES:			
	Profit before Tax	38,632.16	33,588.12
	Adjustments for:		
	Loss/ (Gain) on derecognition of Property, Plant and Equipment (net)	12.48	9.19
	Loss/ (Gain) on derecognition of Assets held for sale (net)	(6.03)	(1.32)
	Loss/ (Gain) on Fair value changes (Net)	(602.85)	(362.15)
	Unrealised Foreign Exchange Translation Loss / (Gain)	(416.96)	(1,057.99)
	Depreciation and Amortisation	55.69	53.39
	Impairment on Financial Instruments	1,478.69	(1,550.77)
	Impairment Allowance on Assets Classified as Held for Sale	-	(0.09)
	Effective Interest Rate in respect of Loan assets and borrowings/ debt securities	102.75	(146.08)
	Interest expense on Zero Coupon Bonds and Commercial Papers	130.44	38.99
	Other interest expense	4.06	3.76
	Other interest income	(116.16)	(74.35)
	Provision for unspent CSR created	81.92	116.02
	Provision (others) created	86.09	62.73
	Excess Liabilities written back	-	(0.09)
	Share of Profit/Loss of Joint Venture accounted for using equity method	0.25	0.18
	Operating profit before Working Capital Changes:	39,442.53	30,679.54
	Increase / Decrease:		
	Loans (Net)	(1,23,406.34)	(1,34,053.98)
	Other Financial and Non-Financial Assets	(7,268.60)	(782.56)
	Derivative	(1,006.07)	99.46
	Other Financial & Non-Financial Liabilities, Trade Payables and Provisions	7,802.66	12,603.03
	Cash used before Exceptional Items	(84,435.82)	(91,454.51)
	Exceptional Items	-	-
	Cash used in Operations Before Tax	(84,435.82)	(91,454.51)
	Income Tax paid	(7,871.15)	(6,405.87)
	Income Tax Refund	37.61	39.97
	Net Cash Inflow/(Outflow) from Operating Activities	(92,269.36)	(97,820.41)
II. CASH FLOW FROM INVESTING ACTIVITIES:			
	Proceeds from disposal of Property, Plant and Equipment	(3.40)	0.35
	Purchase of Property, Plant and Equipment & Intangible Assets (including CWIP, Intangible Assets under development and Capital Advance)	(837.07)	(323.41)
	Finance Cost Capitalised	(3.02)	(0.53)
	Sale / (Purchase) of Other Investments	(1,474.61)	(3,087.01)
	Sale of Assets held for Sale	6.07	1.61
	Net Cash Inflow/(Outflow) from Investing Activities	(2,312.03)	(3,408.99)
III. CASH FLOW FROM FINANCING ACTIVITIES:			
	Issue of Equity Shares	100.00	
	Raising of Bonds (including premium) (Net of Redemptions)	54,381.39	60,170.51
	Raising of Long-Term Loans/WCDL/OD/CC/ Line of credit (Net of Repayments)	(9,141.37)	11,202.19
	Raising of Foreign Currency Loans (Net of Repayments)	51,127.28	39,333.10
	Raising of Subordinated Liabilities (Net of Redemptions)	(4.99)	(3,110.00)
	Raising of Commercial paper (Net of Repayments)	5,987.27	(135.64)
	Coupon Expenses on Perpetual Debt Instruments entirely equity in nature	(44.50)	(44.50)
	Payment of Lease Liability	(3.14)	(2.95)
	Issue Expenses on Bonus Issue of Equity Shares	-	(0.78)
	Payment of Dividend	(8,144.01)	(6,150.63)

Consolidated Statement of Cash Flows

for year ended March 31, 2025

(₹ in crore)			
Sr. No.	Description	Year ended 31.03.2025 (Audited)	Year ended 31.03.2024 (Audited)
	Net Cash Inflow/(Outflow) from Financing Activities	94,257.93	1,01,261.30
	Net Increase / (Decrease) in Cash and Cash Equivalents	(323.46)	31.90
	Add : Cash and Cash Equivalents at beginning of the financial year	71.90	40.00
	Cash and Cash Equivalents at the end of the year	(251.56)	71.90
	Details of Cash and Cash Equivalents at the end of the year:		
	Balances with Banks (of the nature of cash and cash equivalents)		
-	In current accounts	73.62	89.43
-	In Bank Deposit (Callable) /Demand Deposits (original maturity up to 3 months)	245.58	249.89
-	Cheques, Drafts on hand including postage and Imprest	0.02	0.02
-	Bank overdraft	(570.78)	(267.44)
	Total Cash and Cash Equivalents at the end of the year	(251.56)	71.90

During the year, the Group has spent an amount of ₹ 482.45 crores (previous year ₹ 352.54 crores) towards Corporate Social Responsibility.

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

Reconciliation of liabilities (principal o/s) arising from financing activities

(₹ in crore)						
Sr. No.	Particulars	Bonds / Debenture*	WCDL / Term Loans**	Foreign Currency Loans	Commercial paper	Subordinated Liabilities
	Opening Balance as at 01.04.2023	4,13,140.33	1,49,787.51	1,58,418.76	-	15,862.20
	Cash Flow During the Year	60,170.51	11,202.19	39,333.10	(135.64)	(3,110.00)
	Non-Cash Changes due to:					
	Adjustments	(96.66)	180.88	191.64	135.64	-
	Variation in Exchange Rates			201.02		
	Closing Balance as at 31.03.2024	4,73,214.18	1,61,170.58	1,98,144.52	-	12,752.20
	Cash Flow During the Year	54,381.39	(9,141.37)	51,127.28	5,987.27	(5.00)
	Non-Cash Changes due to:					
	Adjustments	133.36	303.35	38.34	8.97	0.00
	Variation in Exchange Rates			5,861.09		
	Closing Balance as at 31.03.2025	5,27,728.93	1,52,332.56	2,55,171.23	5,996.24	12,747.20

* Foreign Currency Notes form part of Foreign Currency Loans in Statement of Cash Flows.

** Foreign Currency Loans and Foreign Currency Loans- Multilateral/Bilateral Agencies form part of Foreign Currency Loans in Statement of Cash Flows

The accompanying Notes 1 to 64 form integral part of Consolidated Financial Statements.

For and on behalf of the Board of Directors		
Sd/- (Manish Kumar Agarwal) GM & Company Secretary	Sd/- (Sandeep Kumar) Director (Finance) DIN: 08529035	Sd/- (Parminder Chopra) Chairman and Managing Director DIN: 08530587
Signed in terms of our report of even date attached		
For Thakur, Vaidyanath Aiyar & Co. Chartered Accountants Firm's Registration No.: 000038N	For Mehra Goel & Co. Chartered Accountants Firm's Registration No.: 000517N	
Sd/- Anil K. Thakur Partner Membership No. 088722	Sd/- CA Vaibhav Jain Partner Membership No. 515700	

Place: Mumbai
Date: 21.05.2025

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

1. GROUP INFORMATION

Power Finance Corporation Limited (“PFC” or “the Company”) was incorporated in India in the year 1986. PFC is domiciled in India and is limited by shares, having its registered office at ‘Urjanidhi’, 1, Barakhamba Lane, Connaught Place, New Delhi – 110001 and conferred with ‘Maharatna’ Status by the Govt. of India.

PFC is a Government Company engaged in extending financial assistance to power, logistics and infrastructure sector and is registered with Reserve Bank of India (RBI) as an Infrastructure Finance Company (IFC). The Company being a Government owned NBFC-IFC is placed in Middle layer under Master Direction (NBFC-Scale Based Regulation), 2023 issued by RBI.

Equity shares of PFC are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited. Further, various debt securities of PFC are also listed on the Stock Exchanges.

These Consolidated Financial Statements comprise the financial statements of PFC & its subsidiaries (referred to collectively as the ‘Group’), and its associates, as listed at Note 5. The Group is primarily engaged in extending financial assistance to power, logistics and infrastructure sector. Other businesses include providing consultancy services to power sector and facilitation of development

of Ultra Mega Power Projects (UMPPs) and Independent Transmission Projects (ITPs) as per mandate from Government of India (GoI).

2. STATEMENT OF COMPLIANCE

These Consolidated Financial Statements comply with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), applicable provisions of the Companies Act, 2013 and other applicable regulatory norms / guidelines. The Consolidated Balance Sheet, Statement of Profit and Loss and Statement of Changes in Equity are prepared and presented as per the requirements of Division III of Schedule III to the Companies Act, 2013 applicable for Non-Banking Financial Companies (NBFCs). The Consolidated Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 ‘Statement of Cash Flows’.

3. These Consolidated Financial Statements have been approved for issue by Board of Directors (BoD) of PFC on 21.05.2025.

4. STANDARDS/ AMENDMENTS ISSUED BUT NOT YET EFFECTIVE

During the FY 2024-25, the Ministry of Corporate Affairs (MCA) has not notified any new Indian Accounting Standards (Ind AS) or made amendments thereto, which are not yet effective.

5. The Consolidated Financial Statements represent consolidation of accounts of the Company, its Subsidiaries, and Associates as detailed below:

Sr. No.	Name of the Company	Country of incorporation / Principal place of Business	Proportion of ownership interest as at		Status of Audit of financial statements for the year ended 31.03.2025
			31.03.2025	31.03.2024	
SUBSIDIARIES:					
1	REC Limited (RECL)*	India	52.63%	52.63%	Audited
2	PFC Consulting Ltd. (PFCCL)*	India	100%	100%	Unaudited
3	PFC Projects Limited	India	100%	100%	Unaudited
4	PFC Infra Finance IFSC Limited (PIFIL)	IFSC GIFT City, Gujarat, India	100%	100%	Unaudited
ASSOCIATES:					
1	Orissa Integrated Power Limited	India	100%	100%	Unaudited
2	Coastal Tamil Nadu Power Limited	India	100%	100%	Unaudited
3	Sakhigopal Integrated Power Company Limited	India	100%	100%	Unaudited
4	Ghogarpalli Integrated Power Company Limited	India	100%	100%	Unaudited
5	Deoghar Mega Power Limited	India	100%	100%	Unaudited
6	Cheyur Infra Limited	India	100%	100%	Unaudited
7	Odisha Infrapower Limited	India	100%	100%	Unaudited
8	Deoghar Infra Limited	India	100%	100%	Unaudited
9	Bihar Infrapower Limited	India	100%	100%	Unaudited
10	Bihar Mega Power Limited	India	100%	100%	Unaudited
11	Jharkhand Infrapower Limited	India	100%	100%	Unaudited

*Consolidated Financial Statements of these subsidiaries (which incorporates financial statements of their subsidiaries, JVs and associates) have been used for preparation of Consolidated Financial Statements of PFC.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

5.1 Wherever unaudited financial statements of subsidiaries, JV & associates are used for preparation of Consolidated Financial Statements, the audited financial statements of those companies are obtained subsequently and necessary adjustment is made in Consolidated Financial Statements of subsequent year and is presented under ‘Other adjustments’ line item in Statement of changes in equity.

6. 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:

6.1 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.

6.2 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.

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 derecognises 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 recognised in Consolidated Statement of Profit and Loss.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(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.

6.3 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.

6.4 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.

6.4.1 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.

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 realise 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.

The impairment requirements for the recognition and measurement of ECL are equally applied to financial asset measured at FVTOCI except that ECL is recognised in Consolidated Other Comprehensive Income and is not reduced from the carrying amount in the Consolidated Balance Sheet.

(a) Impairment of Loan Assets and commitments under Letter of Comfort (LoC) & Letter of Undertaking (LoU):

The Group measures ECL on loan assets 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

Notes to the Consolidated Financial Statements

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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 generally measured on collective basis using homogenous groups.

The Group measures impairment on commitments under LoC & LoU on similar basis as in case of Loan assets.

- (b) Impairment of financial assets, other than loan assets:

ECL on financial assets, other than loan 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.

6.4.2 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.

6.4.3 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.
- (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:

Notes to the Consolidated Financial Statements

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- 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 recognised in Other Comprehensive Income. The change in intrinsic value of hedging instruments is recognised in 'Effective Portion of Cash Flow Hedges'. The amounts recognised 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 recognised in 'Cost of Hedging Reserve'. The amounts recognised in such reserve are amortised to the Consolidated Statement of Profit and Loss on a systematic basis. The gain or loss relating to ineffective portion is recognised 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.

6.4.4 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.

6.5 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.

Notes to the Consolidated Financial Statements

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6.6 Property, Plant and Equipment (PPE) and Depreciation

- 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 realisable value.
- The expenditure incurred on improvement of leasehold premises is recognised at cost and is shown as "Leasehold Improvements" under PPE.
- 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.
- Cost of replacing part of an item of PPE is recognised 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 derecognised. Maintenance or servicing costs of PPE are recognised in Consolidated Statement of Profit and Loss as incurred.
- 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.
- 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	2 years (in case of PFC & PFCCL)
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

- 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).

- 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.
- 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.
- Items of PPE costing up to ₹ 5000/- each are fully depreciated, in the year of purchase.
- 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 capitalisation 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.'

6.7 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

Notes to the Consolidated Financial Statements

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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.

6.8 Intangible Assets and Amortisation

- 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.
- 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'.
- 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.
- 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.

6.9 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 recognises 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 recognised 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.

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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.

(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 recognised 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.

6.10 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.

6.11 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.

6.12 Recognition of Income and Expenditure

- (i) Interest income on financial assets subsequently measured at amortised cost, is recognised 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.

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- (iii) Interest on financial assets subsequently measured at fair value through profit and loss (FVTPL), is recognised 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 recognised 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 recognised, 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) and Ultra Mega Power Projects (UMPP) taken

up as per the directions from the Ministry of Power, Government of India, is recognised on completed contract method basis i.e. when the ITP /UMPP 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 management.

- (vii) Income from Smart Metering services of PFCCCL 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 recognised over the period of contract.
- (viii) The sale proceeds from Request for qualification (Rfq) documents for Independent Transmission Projects (ITPs) and Ultra Mega Power Project (UMPPs) are accounted for when received.
- (ix) 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.
- (x) Dividend income from investments including those measured at FVTPL, is recognised 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.
- (xi) Rental income from investment property is recognised on a straight-line basis over the term of the lease.
- (xii) Interest expense on financial liabilities subsequently measured at amortised cost is recognised using Effective Interest Rate (EIR) method.
- (xiii) Other income and expenses are accounted on accrual basis, in accordance with terms of the respective contract.
- (xiv) A Prepaid expense up to ₹ 1,00,000/- is recognised as expense upon initial recognition in the Consolidated Statement of Profit and Loss.

6.13 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

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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 amortised 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:

- assets and liabilities for each Balance Sheet presented are translated at the closing rate at the date of that Balance Sheet;
- income and expenses for each income statement are translated at average exchange rates; and
- 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.

6.14 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 capitalised. 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.

6.15 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 recognised in Other Comprehensive Income (OCI). Past service cost is recognised 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 recognised 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 recognised 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

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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 recognised 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.

6.16 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.

6.17 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 recognised 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 utilised. 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 realised.

6.18 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.

6.19 Expenditure on issue of shares

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

6.20 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.

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

6.21 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 recognise new assets or liabilities. Adjustments are made only to harmonise 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.

7. USE OF ESTIMATES AND MANAGEMENT JUDGEMENT

In preparation of the Consolidated Financial Statements, the Management is required to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and the related disclosures. The estimates and underlying assumptions are based on historical experience & other relevant factors and are reviewed on an ongoing basis. Actual results may differ from these estimates.

Changes in accounting estimates, if any, are recognised prospectively in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if it affects both current and future periods.

7.1 Significant Management Judgements

In order to enhance understanding of the Consolidated Financial Statements, information about significant areas of critical judgements, apart from those involving estimation (Note no. 7.2), in applying accounting policies that have the most significant effect on the amounts recognised in the Consolidated Financial Statements, are as under:

(i) Deferred Tax Liability on Special Reserve

The Company and its subsidiary RECL have obtained resolution from their respective Board of Directors that there is no intention to make withdrawal from the Special Reserve created and maintained under Section 36(1)(viii) of the Income Tax Act, 1961 and the same cannot be withdrawn. Accordingly, no deferred tax liability has been created on the said reserve.

(ii) Non recognition of income on Credit Impaired Loan Assets

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

(iii) Amortisation of transaction cost on Credit Impaired Loan Assets

Outstanding amount of unamortised transaction cost is credited to Consolidated Statement of Profit and Loss on classification of loan asset as credit impaired.

(iv) Classification of Investments

In order to classify an investment in a company as investment in subsidiary or joint venture (JV) or associate, judgement is required to assess the level of control depending upon the facts and circumstances of each case.

- (a) Energy Efficiency Services Limited (EESL) was incorporated in 2009 as a Joint Venture (JV) of NTPC Ltd., Power Grid Corporation of India Ltd. (PGCIL), RECL and PFC. During the financial year 2022-23, amendments in the JV agreement were made vide Supplementary Agreement dated 01.09.2021, where by the substantive participative rights and privileges previously enjoyed by all the joint venture partners,

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through their right to affirmative vote on certain reserved matters stands withdrawn. Therefore, in absence of any joint control, EESL ceases to be a Joint Venture Company for the purpose of consolidation of financial statements.

The Company along with its subsidiary RECL is holding 21.49 % stake in equity share capital of Energy Efficiency Services Limited (EESL). However, in the absence of any practical ability to direct the relevant activities as per the requirements of Ind AS 28 'Investment in Associates and Joint Ventures', the Group does not have any significant influence, accordingly EESL has not been considered as an associate company for the purpose of consolidation of financial statements.

- (b) Ultra-Mega Power Projects (UMPPs), RECL's transmission projects (SPV) and PFCL's ITPs are managed as per the mandate from Government of India (GoI) and the Group does not have the practical ability to direct their relevant activities unilaterally. The Group therefore, considers its investment in respective UMPPs, ITPs and SPVs as associates having significant influence despite the respective Companies holding 100% of their paid-up equity share capital.
- (c) By virtue of holding Board position or equity stake in borrower companies, the rights exercised by PFC in such companies are protective in nature. Thus, the borrower companies are not considered as associates.

(v) Low value leases

An assessment is required, if lessee opts not to apply the recognition and measurement requirements of Ind AS 116 'Leases' to leases where the underlying asset is of low value. For the purpose of determining low value, the Group has considered nature of assets and concept of materiality as defined in Ind AS 1 'Presentation of Financial Statements' and the conceptual framework of Ind AS which involve significant judgement.

(vi) Sundry Liabilities- Interest Capitalisation

Unrealised income on credit impaired loans, represented by Funded Interest Term Loan (FITL) / debt / equity instruments acquired under resolution, is transferred to a separate account titled 'Sundry Liabilities Account (Interest Capitalisation)' and is recognised in Consolidated Statement of Profit and Loss on repayment of FITL or sale / redemption of debt / equity instruments.

(vii) Evaluation of indicators for impairment loss allowance of financial assets

The evaluation of the applicability of indicators for computation of impairment loss allowance of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets. The Group makes significant judgement in identifying the default, and significant increase in credit risk (SICR) as well as grouping of similar financial assets based on available information.

(viii) Deferred tax liability / deferred tax asset in respect of undistributed profits/losses of subsidiaries, branches, investments in associates and joint ventures

Judgement is required in accounting for deferred tax liability / deferred tax asset in respect of Group's investments in respect of undistributed profits/losses of subsidiaries, investments in associates and joint ventures. In respect of undistributed profits/losses of subsidiaries, investments in joint ventures, the Company is able to control the timing of the reversal of the temporary differences and the temporary differences will not be reversed in the foreseeable future. Accordingly, the Group does not recognise a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries, and interests in joint ventures.

7.2 Assumptions and Key Sources of Estimation Uncertainty

Information about estimates and assumptions that have the significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below:

- (i) Defined Benefit Obligation (DBO)

The Group's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses as detailed at Note 50.2.

(ii) Impairment test of Financial Assets (Expected Credit Loss)

The measurement of impairment loss allowance for financial assets which includes loan, LoCs, LoUs and guarantees measured at amortised cost requires use of statistical models, expected future



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economic conditions, estimated cash flows and credit behaviour (e.g., inputs and weights used for credit risk scoring, likelihood of borrowers defaulting and resulting losses). The cash flows expected to be recovered from credit impaired loans are assessed based on the borrower's financial situation, current status of the project, bid-value, resolution plan amount, OTS amount as available.

As these estimates are based on various assumptions, actual results may vary. Refer Note 46.1 for further details.

(iii) Fair value measurement

Fair value of financial instruments is required to be estimated for financial reporting purposes. The Group applies appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Group uses quoted prices and market-observable data to the extent it is available. In case of non-availability of the same, unobservable inputs are used for calculation

of fair value of the assets/ liabilities. The information about the valuation techniques, inputs used in determination of fair value of various assets & liabilities and other details are disclosed at Note 48.

(iv) Income Taxes

Estimates are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions and also in respect of expected future profitability to assess deferred tax asset. Refer Note 43 and 16 for details.

(v) Useful life of Property, Plant & Equipment (PPE) and Intangible Assets

The Group reviews its estimate of the useful lives of depreciable/amortisable assets at the end of each financial year, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets. Refer Note 18 for details on useful lives and carrying values of PPE and Intangible assets.

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8. CASH AND CASH EQUIVALENTS

			(₹ in crore)
Sr. No.	Particulars	As at 31.03.2025	As at 31.03.2024
Balances with Banks (of the nature of cash and cash equivalents)			
(i)	- In Current Accounts	73.62	89.43
(ii)	- In Bank Deposit (Callable) /Demand Deposits (original maturity up to 3 months)	245.58	249.89
(iii)	- Cheques, Drafts on hand including Postage & Imprest	0.02	0.02
Total Cash and Cash Equivalents		319.22	339.34

9. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in crore)			
Sr. No.	Particulars	As at 31.03.2025	As at 31.03.2024
(i)	Earmarked Balances with Banks for:		
	- Bank Deposit (Callable) /Demand Deposits- On Lien*	6,521.64	-
	- Unclaimed Dividend	1,085.21	1,198.20
	- Unclaimed Bonds / Interest on Bonds etc.	79.39	72.78
	- Amount received under GoI scheme	60.13	69.55
	- Deposits in compliance of Court	0.72	0.67
	- Current Accounts with Banks - Unspent CSR Purposes	185.14	121.79
	- Bank deposits- Security for FCNR(B) loans	28.32	-
(ii)	Balance with Bank not available for use pending allotment of securities	595.88	1,245.41
(iii)	Bank Deposit (Callable) /Demand Deposits- More than 3 months	709.30	340.82
	Total Bank Balance other than Cash and Cash Equivalents	9,265.73	3,049.22

* The Group has availed Loan against these Term Deposits (LAD) and is presented in Note 23.2

10. 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 31.03.2025			As at 31.03.2024		
		Notional Amounts	Fair value Assets	Fair value Liabilities	Notional amounts	Fair value Assets	Fair value Liabilities
(I)	CURRENCY DERIVATIVES:						
	- Spot and Forwards	-	-	-	-	-	-
	- Currency Swaps	19,512.22	271.48	25.75	14,345.76	362.21	166.60
	- Options	2,68,053.05	22,277.09	2,027.02	1,86,505.71	14,986.70	632.54
	Total Currency Derivatives (i)	2,87,565.27	22,548.57	2,052.77	2,00,851.47	15,348.91	799.14
(II)	INTEREST RATE DERIVATIVES						
	- Forward Rate Agreements and Interest Rate Swaps	1,73,087.47	1,530.91	390.46	87,783.82	1,595.14	314.29
	Total Interest Rate Derivatives (ii)	1,73,087.47	1,530.91	390.46	87,783.82	1,595.14	314.29
	Total Derivative Financial Instruments [(I) + (II)]	4,60,652.74	24,079.48	2,443.23	2,88,635.29	16,944.05	1,113.43

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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 31.03.2025			As at 31.03.2024		
		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	44,032.60	458.49	76.48	15,950.70	-	297.73
	Total Fair Value Hedging (i)	44,032.60	458.49	76.48	15,950.70	-	297.73
(II)	CASH FLOW HEDGING:						
	- Currency Derivatives	2,87,565.27	22,548.56	2,052.77	2,00,851.47	15,348.91	799.14
	- Interest Rate Derivatives	1,21,404.87	678.01	313.98	61,983.52	1,102.05	16.56
	Total Cash Flow Hedging (ii)	4,08,970.14	23,226.57	2,366.75	2,62,834.99	16,450.96	815.70
(III)	UNDESIGNATED DERIVATIVES	7,650.00	394.42	-	9,849.60	493.09	-
	Total Undesignated Derivatives (iii)	7,650.00	394.42	-	9,849.60	493.09	-
	Total Derivative Financial Instruments [(i) + (ii) + (iii)]	4,60,652.74	24,079.48	2,443.23	2,88,635.29	16,944.05	1,113.43

10.1 Details of Forward Rate Agreements / Interest Rate Swaps:

(₹ in crore)			
Sr. No.	Particulars	As at 31.03.2025	As at 31.03.2024
(i)	Notional principal of swap agreements	1,73,087.47	87,783.82
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	1,530.91	1,595.14
(iii)	Collateral required upon entering into swaps	-	-
(iv)	Concentration of credit risk arising from swaps	Refer note (a) below	
(v)	Fair value of swap book (obtained from counterparty banks)	1,140.45	1,280.85

^(a) The Group has entered into swap agreements with Category-I Authorised Dealer Banks only, in accordance with the RBI guidelines

10.2 The Group does not hold any exchange traded Interest Rate (IR) derivatives as at 31.03.2025 (as at 31.03.2024 Nil).

10.3 Quantitative Disclosures on Risk Exposure in Derivatives:

(₹ in crore)					
Sr. No.	Particulars	As at 31.03.2025		As at 31.03.2024	
		Currency Derivatives	Interest Rate Derivatives*	Currency Derivatives	Interest Rate Derivatives*
(i)	Derivatives (Notional Principal Amount)				
	For hedging	2,87,565.27	1,73,087.47	2,00,851.47	87,783.82
(ii)	Marked to Market Positions (MTM)				
	(a) Asset (+MTM)	22,548.57	1,530.91	15,348.91	1595.14
	(b) Liability (-MTM)	2,052.77	390.46	799.14	314.29
(iii)	Credit Exposure	28,004.46	2,664.81	19,125.38	1319.04
(iv)	Unhedged Foreign Currency Exposures	4,981.41	10,551.58	9,763.27	13,158.21

* Interest rate derivatives include derivatives on rupee liabilities and also those held as strategy of cost reduction.

10.4 Refer Note 46.3 and 46.4 for Foreign Currency Risk Management and Interest Rate Risk Management respectively and Note 47 for disclosures related to hedge accounting.

Notes to the Consolidated Financial Statements

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11. TRADE RECEIVABLES

(₹ in crore)			
Sr. No.	Particulars	As at 31.03.2025	As at 31.03.2024
(A) Trade Receivables			
(i)	- Considered good - Secured (Gross)	-	-
(ii)	- Considered good - Unsecured (Gross)	216.13	147.79
(iii)	Less: Impairment loss allowance	(1.89)	(8.83)
(iv)	- Having Significant Increase in Credit Risk (Gross)	70.07	58.90
(v)	Less: Impairment loss allowance	(20.65)	(16.58)
(vi)	- Credit Impaired (Gross)	89.10	85.49
(vii)	Less: Impairment loss allowance on Credit Impaired	(78.70)	(74.90)
	Sub Total (A)	274.06	191.87
(B) Other receivables			
(i)	- Considered good - Unsecured (Gross)	2.26	3.70
(ii)	Less: Impairment loss allowance	(0.27)	(0.92)
	Sub Total (B)	1.99	2.78
	Total Receivables (A+B)	276.05	194.65

11.1 For details of impairment loss allowance on Trade Receivables Refer Note 46.1.13

11.2 Movement of Impairment on Trade Receivables

			(₹ in crore)
Sr. No.	Particulars	As at 31.03.2025	As at 31.03.2024
(i)	Opening Balance	101.23	169.31
(ii)	Add: Creation during the year	2.12	3.64
(iii)	Less: Reversal during the year	(1.84)	(71.72)
	Closing Balance	101.51	101.23

11.3 Trade Receivables ageing schedule

(₹ in Crore)							
Particulars	As at 31st March 2025						
	Not due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) - Undisputed Trade receivables							
- Considered good	57.25	87.54	60.61	-	-	10.73	216.13
- Having significant increase in credit risk	-	-	-	27.52	42.55	0.00	70.07
- Credit impaired	-	-	-	5.45	2.21	81.44	89.10
Sub- total (i)	57.25	87.54	60.61	32.97	44.76	92.17	375.30
(ii) - Disputed Trade receivables							
- Considered good	-	-	-	-	-	-	-
- Having significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
Sub- total (ii)	-	-	-	-	-	-	-
Total (i+ii)	57.25	87.54	60.61	32.97	44.76	92.17	375.30



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(₹ in Crore)							
Particulars	As at 31st March 2024						Total
	Not due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) - Undisputed Trade receivables							
- Considered good	55.48	43.81	35.02	-	0.45	13.02	147.78
- Having significant increase in credit risk	-	-	-	50.10	8.80	-	58.90
- Credit impaired	-	-	-	10.78	0.12	74.60	85.50
Sub- total (i)	55.48	43.81	35.02	60.88	9.37	87.62	292.18
(ii) - Disputed Trade receivables							
- Considered good	-	-	-	-	-	-	-
- Having significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
Sub- total (ii)	-	-	-	-	-	-	-
Total (i+ii)	55.48	43.81	35.02	60.88	9.37	87.62	292.18

12. 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	
(A)	Loans to Borrowers*	
(i)	Term Loans	10,02,363.11
(ii)	Buyer’s Line of Credit	1,719.69
(iii)	Working Capital Loans	1,05,376.47
(iv)	Others- Deferred Payment Guarantee	536.62
(v)	Principal Outstanding (i to iv)	11,09,995.89
(vi)	Interest accrued but not due on Loans	6,283.60
(vii)	Interest accrued & due on Loans	1,589.17
(viii)	Unamortised Fee on Loans	(808.48)
	Gross Carrying Amount (v to viii)	11,17,060.18
	Less: Impairment loss allowance	(25,161.78)
	Net Carrying Amount	10,91,898.40
(B)	Security-wise classification	
(i)	Secured by Tangible Assets	4,84,475.46
(ii)	Secured by Intangible Assets	-
(iii)	Covered by Bank/Government Guarantees	4,47,070.59
(iv)	Unsecured	1,85,514.13
	Gross Security-wise classification	11,17,060.18
	Less: Impairment loss allowance	(25,161.78)
	Net Security-wise classification	10,91,898.40
(C) I	Loans in India	
(i)	Public Sector	9,21,829.59
(ii)	Private Sector	1,95,230.58
	Gross Carrying Amount of Loans in India	11,17,060.18
	Less: Impairment loss allowance	(25,161.78)
	Net Carrying Amount of Loans in India	10,91,898.40
(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	10,91,898.40

* For details of Loans pledged as security refer Note 22.11 to 22.19 and 23.12.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

12.1 Movement of Impairment loss allowance on Loans

(₹ in crore)		
Sr. No.	Particulars	
(i)	Opening balance	28,203.15
(ii)	Creation during the year	3,527.81
(iii)	Reversal during the year	(6,569.18)
	Closing balance	25,161.78

12.1 Balance Confirmation from Borrowers

During the year, the Company has sent letters to borrowers seeking confirmation of balances as at 31.03.2025 except where loans have been recalled or pending before court/NCLT.

Confirmation for 99.34% of the said balances have been received. Out of the remaining loans amounting ₹ 2,835.96 crore for which balance confirmation have not been received, 60.30% loans are secured by way Charge on Assets and 39.70% are unsecured loans.

In respect of RECL, loan balance confirmations for 95% of total loan assets as at 31.03.2025 have been received from the borrowers. Out of the remaining 5% loan assets amounting to ₹ 25,621 crore for which balance confirmations have not been received, 50% loans are secured by way of hypothecation of assets, 28% by way of Government Guarantee/ Loans to Government and 22% are unsecured loans.

12.2 The details of resolution plans implemented during the year by PFC and subsidiary RECL:

(₹ in crore)						
S. No.	Name of Borrower	Details of Resolution Plan	Principal O/s prior to date of Resolution	Impairment allowance provided till date of Resolution	Amount written off including impairment on investments	Instruments received by the group under resolution plan*
FY 2024-25						
1	Lanco Amarkantak Power Limited	Resolution with change in ownership through NCLT	4,589.90	3,204.45	2,971.54	Loan stands settled as at 31.03.2025.
2	KSK Mahanadi Power Company Limited	Resolution with change in ownership through NCLT	5,895.97	3,175.88	-	Resolution proceeds/equity shares of the borrower Company received resulting in realisation of full loan principal and interest income of ₹ 2,166.88 crore. Loan stands settled as at 31.03.2025.
3	Vyshaka Solar Energy Systems Private Limited	Restructuring with existing promoter outside NCLT	8.86	4.57	-	Sustainable debt amounting to ₹ 9.41 crore is continuing in the books of the PFC as on 31.03.2025.
4	Om Shakti Renegies Ltd	Liquidated through NCLT	3.82	3.82	3.82	Dissolution order dated 18.09.2024 received from NCLT. Based on Board approval principal outstanding of ₹ 3.82 crore has been written off. Loan stand settled at 31.03.2025.
5	Lynx India Limited	One Time Settlement	1.96	1.96	0.94	
6	Nagai Power Private Limited	Resolution Plan Approved under IBC proceeding	560.99	398.79	371.50	
7	Corporate Power Limited	Resolution agreement (through Debt assigned to ARC)	797.00	797.00	734.00	
	Total		11,858.50	7,586.47	4,081.80	

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

FY 2023-24						
1	Mytrah Vayu Tungbhadra Private Limited	Restructuring with change in ownership outside NCLT	650.51	422.68	29.25	Sustainable loan amounting to ₹ 581.80 crore is continuing in the books of the Company as at 31.03.2024. Further, Optionally Convertible Debentures (OCDs) of the borrower company were received.
2	Dans Energy Private Limited	Restructuring without change in ownership outside NCLT	779.87	167.99	-	Sustainable debt amounting to ₹ 879.91 crore is continuing in the books of the Company as at 31.03.2024. Further, Optionally Convertible Debentures (OCDs) of the borrower company were received.
3	Meenakshi Energy Private Limited	Resolution Plan Approved under IBC proceeding	710.84	488.42	499.61	Loan stands settled as on 31.03.2024
4	Classic Global Limited	One Time Settlement	2.91	2.91	0.41	Loan stands settled as on 31.03.2024
Total			2,144.13	1,082.00	529.27	

* For more details of instruments received under resolution plan refer Note 13A.

12.3 The Companies in the Group has not advanced or loaned or invested any funds which are material either individually or in the aggregate (either from borrowed funds or share premium or any other sources or kind of funds) to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

12.4 For details of credit risk exposure and management by the Group refer Note 46.1.

13A. INVESTMENTS (OTHER THAN ACCOUNTED FOR USING EQUITY METHOD)

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2025				
		Amortised Cost (1)	Designated at FVTOCI (2)	FVTPL (3)	Subtotal (4)=(2)+(3)	Others (5)
(i)	Government Securities	4,257.56	-	-	-	-
(ii)	Debt securities	3,972.93	-	968.18	968.18	-
(iii)	Equity Instruments	-	3,276.16	320.81	3,596.97	-
(iv)	Preference Shares	101.67	-	-	-	-
Total Investments (Other than accounted for using equity method)		8,332.16	3,276.16	1,288.99	4,565.15	-
Geography wise investment						
(i)	Investments Outside India	-	-	-	-	-
(ii)	Investments in India	8,332.16	3,276.16	1,288.99	4,565.15	-
Gross Geography wise investment		8,332.16	3,276.16	1,288.99	4,565.15	-
Less: Impairment loss allowance		(104.93)	-	-	-	-
Net Geography wise investment		8,227.23	3,276.16	1,288.99	4,565.15	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2024				
		Amortised Cost (1)	Designated at FVTOCI (2)	FVTPL (3)	Subtotal (4)=(2)+(3)	Others (5)
(i)	Government Securities	3,522.69	-	-	-	-
(ii)	Debt securities	2,587.98	-	1,111.80	1,111.80	-
(iii)	Equity Instruments	-	3,463.91	270.35	3,734.26	-
(iv)	Preference Shares	115.96	-	-	-	-
Total Investments (Other than accounted for using equity method)		6,226.63	3,463.91	1,382.15	4,846.06	-
Geography wise investment						
(i)	Investments Outside India	-	-	-	-	-
(ii)	Investments in India	6,226.63	3,463.91	1,382.15	4,846.06	-
Gross Geography wise investment		6,226.63	3,463.91	1,382.15	4,846.06	-
Less: Impairment loss allowance		(101.67)	-	-	-	-
Net Geography wise investment		6,124.96	3,463.91	1,382.15	4,846.06	-

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

Details of Investments

(₹ in crore)

Sr. No.	Particulars	Measured at	As at 31.03.2025			As at 31.03.2024		
			Number	Face Value (₹)	Amount	Number	Face Value (₹)	Amount
(i)	Government Securities - Quoted	Amortised Cost	40,82,97,700	100	4,257.56	33,81,35,700	100	3,522.69
(ii)	Debt securities							
-	Bonds from State Power Corporation- Quoted	Amortised Cost	82,954	1,00,000 & 10,00,000	1,531.86	63,477	10,00,000	1,408.82
Debentures								
-	Essar Power Transmission Company Ltd. - Series A3 - OCD	FVTPL	-	-	-	21,35,86,239	10	114.64
-	Essar Power Transmission Company Ltd. - Series B3 - OCD	FVTPL	-	-	-	9,17,35,945	10	49.22
-	Essar Power Transmission Company Ltd. - Series C - OCD	FVTPL	-	-	-	2,55,14,666	10	0.00
-	RKM Powergen Pvt. Ltd. - Series A - OCD	FVTPL	63,31,99,420	100	0.00	63,31,99,420	100	0.00
-	RKM Powergen Pvt. Ltd. - Series B - OCD	FVTPL	1,97,74,516	100	0.00	1,97,74,516	100	0.00
-	RKM Powergen Pvt. Ltd. - Series AI - OCD	FVTPL	3,37,46,560	100	0.00	3,37,46,560	100	0.00
-	Mytrah Vayu Tungbhadra Pvt Ltd- Series A- OCD	FVTPL	29,25,000	100	0.00	29,25,000	100	0.00
-	Mytrah Vayu Tungbhadra Pvt Ltd- Series B- OCD	FVTPL	1,86,24,000	100	0.00	1,86,24,000	100	0.00
-	DANS Energy Pvt. Ltd- OCD	FVTPL	4,51,17,000	100	0.00	4,51,17,000	100	0.00
-	7.99% Perpetual bonds of Canara Bank	FVTPL	200	1,00,00,000	207.78	200	1,00,00,000	208.49
-	9.50% Perpetual Bonds of UCO Bank	FVTPL	228	1,00,00,000	239.55	228	1,00,00,000	228.80
-	8.55% Perpetual Bonds of PNB	FVTPL	500	1,00,00,000	520.85	500	1,00,00,000	510.65
-	Jhabua Power Limited - NCD	Amortised Cost	1,43,81,293	100	141.67	1,56,58,031	100	156.58
-	0% Non- Convertible Debentures (NCDs) of Meenakshi Energy Limited	Amortised Cost	2,50,95,356	100	189.65	2,50,95,356	100	169.01
-	10% NCD - GMR Goa International Airport Ltd (GGIAL)	Amortised Cost	49,488	1,00,000	493.56	49,488	1,00,000	493.20



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for the year ended March 31, 2025

(₹ in crore)								
Sr. No.	Particulars	Measured at	As at 31.03.2025			As at 31.03.2024		
			Number	Face Value (₹)	Amount	Number	Face Value (₹)	Amount
-	7.39% Tax Free 15 years Secured Redeemable Non Convertible Bonds of HUDCO	Amortised Cost	86,798	1,000	8.81	86,798	1,000	8.82
-	7.35% Tax Free Bonds of National Highway Authority of India Ltd. (NHAI)	Amortised Cost	42,855	1,000	4.60	42,855	1,000	4.60
-	7.39% Tax Free of National Highway Authority of India Ltd. (NHAI)	Amortised Cost	35,463	1,000	3.68	35,463	1,000	3.68
-	7.49% Tax Free Bonds of Indian Renewable Energy Development Agency (IREDA)	Amortised Cost	61,308	1,000	6.22	61,308	1,000	6.21
-	7.35% Tax Free Bonds of Indian Railway Finance Corporation (IRFC)	Amortised Cost	22,338	1,000	2.31	22,338	1,000	2.31
-	7.35% Tax Free Bonds of National Bank for Agriculture and Rural Development (NABARD)	Amortised Cost	14,028	1,000	1.41	14,028	1,000	1.40
-	8.76% Tax Free Bonds of Housing and Urban Development Corporation (HUDCO)	Amortised Cost	50,000	1,000	5.09	50,000	1,000	5.09
-	8% Bonds of Mahanagar Telephone Nigam Limited (MTNL) 2032	Amortised Cost	1,000	10,00,000	102.97	1,000	10,00,000	102.98
-	7.05% Bonds of Mahanagar Telephone Nigam Limited	Amortised Cost	850	10,00,000	88.04	850	10,00,000	88.09
-	6.65% Bonds of Food Corporation of India	Amortised Cost	200	10,00,000	20.60	200	10,00,000	20.61
-	7.19% Bonds of THDC India Limited	Amortised Cost	250	10,00,000	26.27	250	10,00,000	26.30
-	8.69% Bonds of Damodar Valley Corporation	Amortised Cost	200	10,00,000	20.74	200	10,00,000	21.06
-	7.30% Bonds of Power Grid Corporation of India Limited	Amortised Cost	200	10,00,000	21.73	200	10,00,000	21.98
-	5.78% Bonds of Chennai Petroleum Corporation Limited	Amortised Cost	150	10,00,000	15.61	150	10,00,000	15.62
-	6.11% Bonds of Bharat Petroleum Corporation Limited	Amortised Cost	100	10,00,000	10.45	100	10,00,000	10.47
-	7.30% Bonds of NMDC Steel Limited	Amortised Cost	200	10,00,000	20.90	200	10,00,000	21.15
-	9.50% Delhi International Airport Limited (DIAL)	Amortised Cost	1,25,650	1,00,000	1,256.75	-	-	-
(iii) Equity Instruments								
-	PTC India Limited - Quoted	Designated - FVTOCI	1,20,00,000	10	196.33	1,20,00,000	10	223.14
-	Coal India Limited - Quoted	Designated - FVTOCI	1,39,64,530	10	556.07	1,39,64,530	10	606.20
-	NHPC Limited - Quoted	Designated - FVTOCI	11,31,49,030	10	930.09	12,81,48,747	10	1,149.49
-	Power Exchange India Limited - Unquoted*	Designated - FVTOCI	32,20,000	10	5.06	32,20,000	10	4.78
-	Suzlon Energy Limited - Quoted	Designated - FVTOCI	13,31,04,997	2	754.17	13,31,04,997	2	537.74
-	Energy Efficiency Services Limited - Unquoted	Designated - FVTOCI	46,36,00,000	10	221.57	46,36,00,000	10	317.56

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for the year ended March 31, 2025

(₹ in crore)								
Sr. No.	Particulars	Measured at	As at 31.03.2025			As at 31.03.2024		
			Number	Face Value (₹)	Amount	Number	Face Value (₹)	Amount
-	Jhabua Power Limited - Unquoted**	Designated - FVTOCI	9,69,30,666	10	590.12	9,69,30,666	10	617.76
-	Ind Barath Energy Utkal Limited - Unquoted	Designated - FVTOCI	366	10	22.75	366	10	7.24
-	Universal Commodity Exchange Ltd.- Unquoted	Designated - FVTOCI	1,60,00,000	10	-	1,60,00,000	10	-
-	KSK Mahanadi Power Company Limited- Unquoted**	Designated - FVTOCI	2,665	10	0.00	-	-	-
-	RattanIndia Power Limited - Quoted	FVTPL	32,76,95,820	10	320.81	32,76,95,820	10	270.35
-	RKM PowerGen Pvt. Ltd - Unquoted	FVTPL	58,57,06,587	10	0.00	58,57,06,587	10	-
(iv) Preference Shares - Unquoted								
-	Adani Power Limited - RPS***	Amortised Cost	-	-	-	59,82,371	100	14.29
-	RattanIndia Power Limited - RPS	Amortised Cost	10,16,70,764	10	101.67	10,16,70,764	10	101.67
-	RattanIndia Power Limited - OCCRPS	FVTPL	15,32,97,013	10	-	15,32,97,013	10	-
Total Investments					12,897.31	11,072.69		
Less: Impairment Loss Allowance					(104.93)	(101.67)		
Net Investments					12,792.38	10,971.02		

RPS - Redeemable Preference Shares, OCCRPS - Optionally Convertible Cumulative Redeemable Preference Shares, OCD - Optionally Convertible Debenture, NCD - Non-Convertible Debentures
* Investment held in physical form
** Equity shares held by the lender's trustee on behalf of Companies in the Group
*** Formerly Raipur Energen Ltd (REL), a wholly owned subsidiary, merged with its Holding Company i.e. Adani Power Limited.

13B INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

(₹ in crore)			
Sr. No.	Particulars	As at 31.03.2025	As at 31.03.2024
(i) Associates (Refer note 13.2)			
-	Ultramega Power Projects / Independent Transmission Projects [5,90,000 equity shares of ₹ 10 each; previous year 5,50,000 equity shares of ₹ 10 each]	0.10	0.33
Sub Total		0.10	0.33
Less: Impairment loss allowance		-	-
Total Investments accounted for using equity method		0.10	0.33

13.1 Movement of impairment loss allowance on investments

(₹ in crore)		
Particulars	FY 2024-25	FY 2023-24
Opening Balance	101.67	101.67
Add: Impairment loss allowance recognised during the year	3.26	-
Less: Reversal of excess impairment loss allowance during the year	-	-
Closing Balance	104.93	101.67

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

13.2 Carrying Value of Investment in Associates accounted for using equity method:

These associates are companies incorporated as SPVs under mandate from GoI for development of Ultra Mega Power Projects (UMPPs) (Sr. no.(i)-(xi) below) with the intention to hand over the same to successful bidders on completion of the bidding process and Special Purpose Vehicle in respect of Independent Transmission Project(ITPs) (Sr.no.(xii) below) incorporated by PFCCL, being the bid process coordinator for transmission schemes.

(₹ in crore)			
Sr. No.	Name of investee company	As at 31.03.2025	As at 31.03.2024
(i)	Orissa Integrated Power Limited	-	-
(ii)	Coastal Tamil Nadu Power Limited	0.08	0.08
(iii)	Sakhigopal Integrated Power Company Limited	-	0.05
(iv)	Ghogarpalli Integrated Power Company Limited	-	0.05
(v)	Deoghar Mega Power Limited	-	0.05
(vi)	Cheyyur Infra Limited	-	-
(vii)	Odisha Infrapower Limited	-	-
(viii)	Deoghar Infra Limited	-	-
(ix)	Bihar Infrapower Limited	-	-
(x)	Bihar Mega Power Limited	-	0.05
(xi)	Jharkhand Infrapower Limited	-	0.05
(xii)	Chhatarpur Transmission Limited	0.0054	-
(xiii)	Bhuj II Transmission Limited	0.0054	-
(xiv)	Bhuj ICT Transmission Limited	0.0054	-
(xv)	Bhadla and Bikaner Complex Transmisssion Limited	0.0054	-
Total Carrying Value		0.10	0.33

13.3 At initial recognition, companies in the Group made an irrevocable election to present subsequent changes in the fair value of certain equity instruments in other comprehensive income. The Group's main operation is to extend financial assistance to power, logistics and infrastructure sector. Thus, in order to insulate the Consolidated Statement of Profit and Loss from price fluctuations of these instruments, the Management of the respective companies believes that FVTOCI classification provides a more meaningful presentation, rather than classifying them at FVTPL.

Details of FVTOCI instruments derecognised during the year:

(₹ in crore)			
Details of investment	No. of shares/units derecognised	Fair Value as on date of de-recognition	Cumulative gain/(loss) on de-recognition
FY 2024-25⁽¹⁾			
NHPC Limited	1,49,99,717	161.01	114.38
HUDCO Limited	-	-	-
Total			114.38
FY 2023-24⁽¹⁾			
NHPC Limited	4,35,27,003	307.70	212.90
HUDCO Limited	3,47,429	6.45	4.37
Total			217.27

⁽¹⁾ These equity shares were sold in tranches during the year considering the market scenario. The fair value and gain has been computed based on the price as on the respective date of de-recognition and has been presented above on aggregate basis.

Subsequent to de-recognition of such investments, the Group has transferred the cumulative gain/(loss) on such shares within Equity (from Reserve for Equity instruments through OCI to Retained Earnings) during the year. Refer Consolidated Statement of Changes in Equity for further details.

13.4 Refer Note 48 for details of fair valuation of investments.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

14. 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 31.03.2025	As at 31.03.2024
(i)	Recoverable on account of Government of India Serviced Bonds	29,356.50	29,358.12
(ii)	Security Deposits	9.05	5.89
(iii)	Advances to Associates	211.17	216.37
(iv)	Advances to Employees	218.56	197.22
(v)	Others	447.77	166.32
Total Other Financial Assets		30,064.25	29,882.53

14.1Detail of Advances to KMPs (Included in Note 14 (iv) above):

(₹ in crore)			
Sr. No.	Particulars	As at 31.03.2025	As at 31.03.2024
(i)	Advances to KMPs (including interest accrued)	1.30	1.56
(ii)	Advances to KMPs (including interest accrued) as a % of Employee Advances	0.59%	0.79%

14.2 Movement of Impairment on Other Financial Assets

(₹ in crore)			
Sr. No.	Particulars	FY 2024-25	FY 2023-24
(i)	Opening balance	61.39	64.16
(ii)	Add : Creation during the year	141.08	13.48
(iii)	Less : Reversal during year	(23.67)	(16.25)
Closing balance		178.80	61.39

15. CURRENT TAX ASSETS / LIABILITIES (NET)

(₹ in crore)			
Sr. No.	Particulars	As at 31.03.2025	As at 31.03.2024
(i)	Advance income tax and TDS net of Provision	538.47	462.66
(ii)	Tax Deposited on income tax demands under contest	99.61	99.67
(iii)	Income tax refundable for previous year	4.30	-
Total Current Tax Assets (Net)		642.38	562.33
(i)	Provision for income tax net of Advance Tax	50.92	82.57
(ii)	Provision for income tax for demand under contest	0.25	0.25
Total Current Tax Liabilities (Net)		51.17	82.82

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

16. MOVEMENT IN DEFERRED TAX BALANCES:

(₹ in crore)				
FY 2024-25	Net balance as at 01.04.2024	Recognised in Profit and Loss	Recognised in OCI	Net balance as at 31.03.2025
(A) Deferred Tax Asset				
(i) Provision for expenses deductible on payment basis under Income Tax Act	43.51	10.46	1.24	55.21
(ii) Unamortised income on loans to borrowers	75.00	78.07	-	153.07
(iii) Impairment loss allowance on Financial instruments in excess of RBDD	6,541.61	(558.37)	-	5,983.24
(iv) Depreciation and amortisation	(31.48)	(40.07)	-	(71.55)
(v) Fair value of derivatives (Net)	257.42	46.19	583.36	886.97
(vi) Others	(171.57)	(37.25)	(38.27)	(247.09)
(B) (Deferred Tax Liabilities)				
(i) Unamortised Exchange Loss (Net)	(289.19)	19.09	-	(270.10)
(ii) Unamortised expenditure on loan liabilities	(314.18)	(50.92)	-	(365.10)
(iii) Fair valuation of Debt securities	(55.67)	53.46	-	(2.21)
(iv) Others	0.50	27.83	-	28.33
Net Deferred Tax Assets / (liabilities)	6,055.95	(451.51)	546.33	6,150.77

(₹ in crore)				
FY 2023-24	Net balance as at 01.04.2023	Recognised in Profit and Loss	Recognised in OCI	Net balance as at 31.03.2024
(A) Deferred Tax Asset				
(i) Provision for expenses deductible on payment basis under Income Tax Act	59.51	(12.99)	(3.01)	43.51
(ii) Unamortised income on loans to borrowers	18.67	56.33	-	75.00
(iii) Impairment loss allowance on Financial instruments in excess of RBDD	7,293.88	(752.27)	-	6,541.61
(iv) Depreciation and amortisation	(25.24)	(6.23)	-	(31.48)
(v) Fair value of derivatives (Net)	616.08	(36.29)	(322.37)	257.42
(vi) Others	49.59	(31.06)	(190.10)	(171.57)
(B) (Deferred Tax Liabilities)				
(i) Unamortised Exchange Loss (Net)	(336.56)	47.37	-	(289.19)
(ii) Unamortised expenditure on loan liabilities	(271.21)	(42.97)	-	(314.18)
(iii) Fair valuation of Debt securities	(65.19)	9.51	-	(55.67)
(iv) Others	0.50	-	-	0.50
Net Deferred Tax Assets / (liabilities)	7,340.03	(768.61)	(515.48)	6,055.95

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

17. INVESTMENT PROPERTY

(₹ in crore)				
Particulars	Opening balance	Additions / transfer during the year	Sales/ adjustment during the year	Closing balance
As at 31-03-2025				
Gross Carrying Value	-	2.46	-	2.46
Accumulated depreciation/ amortisation	-	1.45	-	1.45
Net Carrying Value	-	1.01	-	1.01
As at 31-03-2024				
Gross Carrying Value	-	-	-	-
Accumulated depreciation/ amortisation	-	-	-	-
Net Carrying Value	-	-	-	-

* Pertains to PFC's subsidiary REC Ltd.

17.1 REC Ltd. investment properties consist of buildings situated in Delhi and Gurugram, India. The rental income from these investment properties is ₹ 14.97 crores (previous year NIL) during the year.

There were no direct operating expenses arising from the investment property.

17.2 REC Ltd. has no restrictions on the realisability of its investment properties and has no contractual obligation to purchase, construct or develop investment properties or for repair, maintenance and enhancement.

17.3 Fair value of investment property:

(₹ in crore)		
Particulars	As at 31.03.2025	As at 31.03.2024
Carrying Value	1.01	-
Fair Value	163.00	-

These valuations are based on valuations performed by an independent valuer. The Company obtains independent valuations for its investment properties at least annually. The fair values of investment property is determined by an independent registered valuer on the basis of Income Approach. All resulting fair value estimates for investment property are included in Level 2.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

18. PROPERTY, PLANT AND EQUIPMENT, CAPITAL WORK-IN-PROGRESS (CWIP), INTANGIBLE ASSETS UNDER DEVELOPMENT AND INTANGIBLE ASSETS

FY 2024-25

Particulars	Property, Plant and Equipment										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 01.04.2024	113.77	481.82	83.23	67.39	65.16	88.32	0.85	1.66	902.20	28.06	11.20	25.08	
Additions	-	-	-	18.80	31.49	7.97	0.25	-	58.51	49.43	0.78	6.99	
Borrowing Cost Capitalised	-	-	-	-	-	-	-	-	-	3.02	-	-	
Disposals / Adjustments	-	(2.46)	-	(14.26)	(19.42)	(9.78)	(0.46)	-	(46.38)	(4.30)	-	-	
Gross Carrying Amount as on 31.03.2025 (A)	113.77	479.36	83.23	71.93	77.23	86.51	0.64	1.66	914.33	76.21	11.98	32.07	
Accumulated Depreciation / Amortisation as on 01.04.2024	-	42.51	16.27	47.81	36.91	32.81	0.52	1.66	178.49	-	-	24.54	
Charge for the year	-	7.32	8.93	10.62	16.45	8.52	0.05	-	51.89	-	-	0.46	
Assets disposed /written off from books	-	(0.65)	-	(10.81)	(13.81)	(5.85)	(0.39)	-	(31.51)	-	-	-	
Accumulated Depreciation / Amortisation as on 31.03.2025 (B)	-	49.18	25.20	47.62	39.55	35.48	0.18	1.66	198.87	-	-	25.00	
Net Carrying Amount as on 31.03.2025 (A-B)	113.77	430.18	58.03	24.31	37.68	51.03	0.46	-	715.46	76.21	11.98	7.07	

FY 2023-24

Particulars	Property, Plant and Equipment										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 01.04.2023	113.77	481.82	79.30	60.25	60.22	88.41	0.68	1.66	886.11	10.66	11.20	25.09	
Additions	-	-	3.93	15.25	19.17	6.41	0.18	-	44.94	20.41	-	-	
Borrowing Cost Capitalised	-	-	-	-	-	-	-	-	-	(3.01)	-	-	
Disposals / Adjustments	-	-	-	(8.11)	(14.23)	(6.50)	(0.01)	-	(28.85)	-	-	(0.01)	
Gross Carrying Amount as on 31.03.2024 (A)	113.77	481.82	83.23	67.39	65.16	88.32	0.85	1.66	902.20	28.06	11.20	25.08	
Accumulated Depreciation / Amortisation as on 01.04.2023	-	34.78	7.39	42.91	33.50	27.75	0.46	1.66	148.45	-	-	23.42	
Charge for the year	-	7.73	8.88	11.06	13.15	8.52	0.06	-	49.40	-	-	1.13	
Assets disposed /written off from books	-	-	-	(6.16)	(9.74)	(3.46)	-	-	(19.36)	-	-	(0.01)	
Accumulated Depreciation / Amortisation as on 31.03.2024 (B)	-	42.51	16.27	47.81	36.91	32.81	0.52	1.66	178.49	-	-	24.54	
Net Carrying Amount as on 31.03.2024 (A-B)	113.77	439.31	66.96	19.58	28.25	55.51	0.33	-	723.71	28.06	11.20	0.54	

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

Right-of-use Assets

Particulars	As at 31.03.2025		As at 31.03.2024	
Opening Balance of Leasehold Land	40.10		42.97	
Additions	-		-	
Less: Disposal / Adjustment	-		-	
Less: Amortisation*	(2.93)		(2.87)	
Closing Balance of Leasehold Land	37.17		40.10	

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

18.1 The estimated useful lives and depreciation on property, plant and equipment (PPE) is in line with the Accounting Policy contained in Note 6.6 (vi).

18.2 In the opinion of management of Companies in the group, there is no impairment on the Property, Plant & Equipment and Intangible Assets of the Company in terms of Ind AS 36. Accordingly, no provision for impairment loss as required under Ind AS 36 'Impairment of Assets' has been made.

18.3 In case of PFC Ltd. details of assets pledged as security are as under:

Particulars	As at 31.03.2025		As at 31.03.2024	
Gross Carrying Value	4.12		4.12	
Net Carrying Value	3.33		3.36	

For details of borrowings against which above assets are pledged as security refer note 22.11 and 22.12

In case of PFC's Subsidiary REC Ltd. details of assets pledged as security are as under:

Particulars	As at 31.03.2025		As at 31.03.2024	
Gross Carrying Value	3.48		3.48	
Net Carrying Value	2.26		2.31	

18.4 In case of PFC's Subsidiary REC Ltd., As on 31st March 2025, the formalities regarding registration of conveyance deed in respect of certain immovable properties acquired by REC Ltd. are yet to be executed. The details are as below:

Particulars	As at 31.03.2025		As at 31.03.2024	
	Land	Building	Land	Building
Gross Carrying Value	-	4.59	-	4.59
Net Carrying Value	-	1.83	-	1.89

18.5 While PFC's subsidiary REC Ltd. has not made any specific borrowings for construction of a qualifying asset, the Company has capitalised an amount of ₹ 3.02 crores (previous year ₹ 0.53 crores) borrowing costs on account of general borrowings at an average rate of borrowings of 7.13% (previous year 7.28%) for the Company in terms of Ind AS 23 'Borrowing Costs'.

18.6 There has been no revaluation of PPE and Intangible assets during the year.



Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

18.7 Intangible assets under development ageing schedule:

Intangible assets under development	Amount in intangible assets for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31.03.2025					
Projects in progress	0.78		11.20	-	11.98
Projects temporarily suspended	-	-	-	-	-
Total	0.78	-	11.20	-	11.98
As at 31.03.2024					
Projects in progress	-	11.20	-	-	11.20
Projects temporarily suspended	-	-	-	-	-
Total	-	11.20	-	-	11.20

18.8 Intangible assets under development completion schedule:

Intangible assets under development	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31.03.2025					
Project in progress		11.98	-	-	11.98
As at 31.03.2024					
Project in progress	-	-	-	-	-

18.9 In respect of Company's subsidiary REC Ltd. & PFCCL, CWIP ageing schedule

Capital Work in Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31.03.2025					
Projects in progress	52.45	20.94	1.34	1.48	76.21
Projects temporarily suspended					
As at 31.03.2024					
Projects in progress	20.94	5.64	0.08	1.40	28.06
Projects temporarily suspended					

18.10 In respect of Company's subsidiary REC Ltd., CWIP completion schedule

Capital Work in Progress	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31.03.2025					
Projects in progress	76.01	-	-	-	76.01
- REC Township at Gurugram					
As at 31.03.2024					
Projects in progress	-	23.59	-	-	23.59
- REC Township at Gurugram					

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

19. OTHER NON-FINANCIAL ASSETS

Sr. No.	Particulars	As at 31.03.2025		As at 31.03.2024	
(i)	Prepaid Expenses	26.98		30.86	
(ii)	Deferred Employee Costs	78.09		68.46	
(iii)	Capital Advances	1,377.20		651.56	
(iv)	Excess Spent - CSR Expenses	5.53		5.34	
(v)	Other assets	175.92		177.93	
Total Other Non-Financial Assets		1,663.72		934.15	

20. ASSETS CLASSIFIED AS HELD FOR SALE*

(₹ in crore)			
Sr. No.	Particulars	As at 31.03.2025	As at 31.03.2024
(A)	Assets classified as held for sale		
(i)	Investment in associates (Refer Note 20.1)	0.45	1.07
(ii)	Loan to associates (Refer Note 20.2)	17.97	27.93
	Sub Total (i+ii)	18.42	29.00
(B)	Asset Classified as Held for Sale - Building**	0.01	0.05
	Total (A+B)	18.43	29.05
(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)	18.43	29.05

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

** In case of PFC's subsidiary company REC Ltd., the assets held for sale as on 31.03.2025 for ₹ 0.01 crore is under litigation pending the outcome, the asset cannot be re-auctioned (previous year ₹ 0.01 crore).

20.1 Investment in associates

(₹ in crore)			
Sr. No.	Particulars	As at 31.03.2025	As at 31.03.2024
Investments in Equity Instruments of associates (fully paid up equity shares of ₹ 10/- each)			
In case of PFC's Subsidiary REC Ltd.			
1	Luhri Power Transmission Limited	0.05	0.05
2	Meerut Shamli Power Transmission Limited	-	0.05
3	NERES XVI Power Transmission Limited	-	0.05
4	Jalpura Khurja Power Transmission Limited	-	0.05
5	Rajasthan Part 1 Power Transmission Limited	-	0.05
6	Shongtong Power Transmission Limited	0.05	0.05
7	Kallam Transco Limited	-	0.05
8	Khavda IV C Power Transmission Limited	-	0.05
9	Khavda IVA Power Transmission Limited	-	0.05
10	Khavda IV-E2 Power Transmission Limited	-	0.05
11	Khavda V A Power Transmission Limited	-	0.05
12	Rajasthan IV A Power Transmission Limited	-	0.05
13	Rajasthan IV C Power Transmission Limited	-	0.05



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(₹ in crore)			
Sr. No.	Particulars	As at 31.03.2025	As at 31.03.2024
14	Rajasthan IV E Power Transmission Limited	-	0.05
15	Rajasthan IV H1 Power Transmission Limited	-	0.05
16	Kankani Power Transmission Limited	0.05	0.05
17	NERGS-I Power Transmission Limited	-	0.05
18	Tumkur-II REZ Power Transmission Limited	-	0.05
19	Tuticorin Power Transmission Limited	0.05	-
20	Rajgarh III Power Transmission Limited	0.05	-
21	WRNES Tale Gaon Power Transmission Limited	0.05	-
In case of PFC's Subsidiary PFC Consulting Limited			
1	Chhatarpur Transmission Limited	-	0.01
2	SIOT Transmission Limited	0.01	0.01
3	Joda Barbil Transmission Limited	0.01	0.01
4	Ramakanali B -Panagarh Transmission Limited	0.01	0.01
5	Gola B -Ramgarh B Transmission Limited	0.01	0.01
6	Khavda PS1 And 3 Transmission Limited	-	0.01
7	Paradeep Transmission Limited	-	0.01
8	Sirohi Transmission Limited	-	0.01
9	Beawar - Mandsaur Transmission Limited	-	0.01
10	Barmer I Transmission Limited	-	0.01
11	South Olpad Transmission Limited	-	0.01
12	Pune- III Transmission Limited	-	0.01
13	KPS III HVDC Transmission Limited	0.01	0.01
14	Bhadla-III & Bikaner-III Transmission Limited	-	0.01
15	Jamnagar Transmission Limited	-	0.01
16	Angul Sundargarh Transmission Limited	0.01	0.01
17	Bhuj II Transmission Limited	-	0.01
18	Wahipora And Sallar Transmission Limited	0.01	-
19	MEL Power Transmission Limited	0.01	-
20	Kandla Gha Transmission Limited	0.01	-
21	Raghanesda RE Transmission Limited	0.01	-
22	NER Expansion Transmission Limited	0.01	-
23	Kakinada I Transmission Limited	0.01	-
24	NES Dharashiv Transmission Limited	0.01	-
25	NES Navi Mumbai Transmission Limited	0.01	-
26	NES Pune East New Transmission Limited	0.01	-
Total		0.45	1.07

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

20.2 Loan to Associates

(₹ in crore)			
Sr. No.	Particulars	As at 31.03.2025	As at 31.03.2024
In case of PFC's Subsidiary REC Ltd.			
1	Receivable from SPV-Under Incorporation	(0.22)	-
2	Meerut Shamli Power Transmission Limited	-	1.85
3	NERES XVI Power Transmission Limited	-	0.91
4	Luhri Power Transmission Limited	1.39	1.07
5	Jalpura Khurja Power Transmission Limited	-	3.83
6	Rajasthan Part 1 Power Transmission Limited	-	0.67
7	Shongtong Power Transmission Limited	1.30	0.56
8	Khavda IV A Power Transmission Limited	-	0.54
9	Khavda IV C Power Transmission Limited	-	0.41
10	Khavda IV E2 Power Transmission Limited	-	0.33
11	Khavda V-A Power Transmission Limited	-	0.43
12	Rajasthan IVA Power Transmission Limited	-	0.41
13	Rajasthan IVC Power Transmission Limited	-	0.34
14	Rajasthan IV E Power Transmission Limited	-	0.38
15	Rajasthan IV H1 Power Transmsision Limited	-	0.51
16	Kallam Transco Limited	-	6.41
17	NERGS-1 Power Transmission Limited	-	0.35
18	Tumkur-II REZ Power Transmission Limited	-	0.20
19	Kankani Power Transmission Limited	0.01	-
20	ERES-XXXXIX Power Transmission Limited	-	0.05
21	Tuticorin Power Transmission Limited	0.41	-
22	WRNES Tale Gaon Power Transmission Limited	0.29	-
23	Rajgarh Transmission Limited	-	-
24	Rajgarh III Power Transmission Limited	0.17	-
25	Velegaon Power Transmission Limited	0.11	-
26	Jejuri Hinjewadi Power Transmission Limited	0.11	-
In case of PFC's Subsidiary PFC Consulting Limited			
1	Angul Sundargarh Transmission Limited	1.59	0.22
2	Beawar - Mandsaur Transmission Limited	-	0.27
3	Barmer I Transmission Limited	-	0.46
4	Bhadla-III & Bikaner-III Transmission Limited	-	0.43
5	Chhatarpur Transmission Limited	-	1.63
6	Bhuj II Transmission Limited	-	0.18
7	Gola B -Ramgarh B Transmission Limited	0.44	0.11
8	Jamnagar Transmission Limited	-	0.47
9	Joda Barbil Transmission Limited	1.57	0.57
10	Khavda PS1 And 3 Transmission Limited	-	0.39
11	KPS III HVDC Transmission Limited	1.15	0.16
12	Paradeep Transmission Limited	-	0.33
13	Pune- III Transmission Limited	-	0.35
14	Ramakanali B -Panagarh Transmission Limited	0.59	0.14
15	SIOT Transmission Limited	2.54	2.23
16	Sirohi Transmission Limited	-	0.39
17	South Olpad Transmission Limited	-	0.31
18	Wahipora And Sallar Transmission Limited	1.12	-

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(₹ in crore)			
Sr. No.	Particulars	As at 31.03.2025	As at 31.03.2024
19	Kandla Gha Transmission Limited	0.95	-
20	NER Expansion Transmission Limited	1.05	-
21	Raghnesda RE Transmission Limited	0.80	-
22	MEL Power Transmission Limited	0.79	-
23	Kakinada I Transmission Limited	0.58	-
24	NES Navi Mumbai Transmission Limited	0.30	-
25	NES Pune East New Transmission Limited	0.18	-
26	NES Dharashiv Transmission Limited	0.23	-
27	Amount receivable from ITP under Incorporation*	0.51	0.01
Total		17.97	27.92

* During the FY 2024-25, PFC Consulting Limited has incurred ₹ 0.51 crore (previous year ₹ 0.01 crore) on behalf of the wholly owned subsidiaries (ITPs) which are under the process of incorporation. These ITP companies have been/will be incorporated after balance sheet date of 31 March and the amount receivable have been/ will be transferred to respective ITP.

20.3 In respect of PFC's subsidiaries, REC Ltd. and PFC Consulting Ltd., their management had incorporated these entities with a view to sell them off as per the guidelines of Ministry of Power, through the bid process prescribed by Ministry of Power. There is no possibility that management will have benefits from these entities other than selling them off, hence all these investments (along with the related assets and liabilities) have been classified as 'held for sale'.

21. PAYABLES

(₹ in crore)			
Sr. No.	Particulars	As at 31.03.2025	As at 31.03.2024
Trade Payables			
(i)	Total outstanding dues of Micro, Small and Medium Enterprises	0.80	1.23
(ii)	Total outstanding dues of creditors other than Micro, Small and Medium Enterprises	151.35	119.88
Other Payables			
(iii)	Total outstanding dues of Micro, Small and Medium Enterprises	6.52	2.83
(iv)	Total outstanding dues of creditors other than Micro, Small and Medium Enterprises	17.28	8.69
Total Payables		175.95	132.63

21.1 Trade Payables ageing schedule

As at 31st March 2024							
Particulars	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME							
- Disputed	-	-	-	-	-	0.06	-
- Others	-	-	-	-	-	-	0.80
Sub-total (i)	0.63	0.06	0.11	-	-	-	0.80
(i) Other than MSME							
- Disputed	0.63	-	-	-	-	-	0.80
- Others	-	0.63	123.48	9.70	2.50	1.45	-
Sub-total (ii)	0.63	0.63	123.48	9.70	2.50	1.45	0.80
Total (i+ii)	1.25	0.69	123.59	9.70	2.50	1.45	0.01

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for the year ended March 31, 2025

As at 31st March 2024							Total
Particulars	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME							
- Disputed	-	-	-	-	-	-	-
- Others	0.31	0.64	0.28	-	-	-	-
Sub-total (i)	0.31	0.64	0.28	-	-	-	-
(i) Other than MSME							
- Disputed	-	-	-	-	-	-	1.23
- Others	8.45	5.25	86.96	14.21	3.46	1.54	-
Sub-total (ii)	8.45	5.25	86.96	14.21	3.46	1.54	1.23
Total (i+ii)	8.76	5.89	87.24	14.21	3.46	1.54	-

22. 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 31.03.2025	As at 31.03.2024
(i) Secured Bonds / Debenture			
- Infrastructure Bonds (Refer note 22.1)		38.51	38.51
- Tax Free Bonds (Refer note 22.2)		16,438.84	16,438.84
- 54EC Capital Gain Tax Exemption Bonds (Refer note 22.3)		53,178.78	50,104.91
- Taxable Bonds (Refer note 22.4)		7,251.51	9,206.51
- Bond Application Money (Refer note 22.5)		595.88	1,245.41
Sub-Total (i)		77,503.52	77,034.18
(ii) Unsecured Bonds / Debenture			
- Infrastructure Bonds (Refer note 22.6)		3.96	3.96
- Taxable Bonds (Refer note 22.7)		4,50,221.45	3,96,176.03
- Foreign Currency Notes (Refer note 22.8 & 22.9)		61,009.27	70,687.32
- Commercial Paper (Refer note 22.10)		5,996.24	-
Sub-Total (ii)		5,17,230.92	4,66,867.31
(iii) Total Principal Outstanding of Debt Securities (i+ii)		5,94,734.44	5,43,901.49
(iv)	Interest accrued but not due on above	17,800.34	17,352.24
(v)	Unamortised Transaction Cost on above	(746.56)	(922.69)
(vi)	Hedging Adjustments - Loan Liability - FV Hedge on (iii) above	387.82	-
Total Debt Securities (iii to vi)		6,12,176.04	5,60,331.04
Geography wise Debt Securities			
(i)	Debt Securities in India	5,50,993.35	4,89,489.26
(ii)	Debt Securities outside India	61,182.69	70,841.78
Total Geography wise Debt Securities		6,12,176.04	5,60,331.04

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

22.1 Details of Secured Infrastructure Bonds outstanding are as follows:

Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	For Security, Refer Note	Redemption details
			31.03.2025	31.03.2024			
In case of PFC							
1	Infrastructure Bonds (2010-11) - Series III	8.50%	5.27	5.27	31.03.2026	22.11	Redeemable at par on a date falling Fifteen years from the date of allotment
2	Infrastructure Bonds (2010-11) - Series IV	8.50%	19.33	19.33	31.03.2026		Redeemable at par with cumulative interest compounded annually, on a date falling fifteen years from the date of allotment
3	Infrastructure Bonds (2011-12) - Series III	8.75%	2.86	2.86	21.11.2026	22.12	Redeemable at par on a date falling Fifteen years from the date of allotment
4	Infrastructure Bonds (2011-12) - Series IV	8.75%	7.77	7.77	21.11.2026		Redeemable at par with cumulative interest compounded annually, on a date falling fifteen years from the date of allotment
5	Infrastructure Bonds 86 C Series	8.72%	0.87	0.87	30.03.2027		Redeemable at par on a date falling Fifteen years from the date of allotment
6	Infrastructure Bonds 86 D Series	8.72%	2.40	2.40	30.03.2027		Redeemable at par with cumulative interest compounded annually, on a date falling fifteen years from the date of allotment
Total			38.51	38.51			

22.2 Details of Secured Tax Free Bonds outstanding are as follows:

Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	For Security, Refer Note	Redemption details
			31.03.2025	31.03.2024			
In case of PFC							
1	Tax Free Bonds Series 136	7.16%	300.00	300.00	17.07.2025	22.13	Redeemable at par on maturity
2	Tax Free Bonds (2015-16) Series 1B	7.36%	77.22	79.35	17.10.2025		
3	Tax Free Bonds (2015-16) Series 1A	7.11%	77.23	75.09	17.10.2025		
4	Tax Free Bond Series 79-B	7.75%	217.99	217.99	15.10.2026		
5	Tax Free Bond Series 80-B	8.16%	209.34	209.34	25.11.2026		
6	Tax Free Bonds (2011-12) Public Issue	8.30%	1,280.58	1,280.58	01.02.2027		
7	Tax Free Bond Series 94B	7.38%	25.00	25.00	22.11.2027		
8	Tax Free Bonds Series 95B	7.38%	100.00	100.00	29.11.2027		
9	Tax Free Bonds (2012-13) Tranch-I Series 2	7.86%	171.38	177.01	04.01.2028		
10	Tax Free Bonds (2012-13) Tranch-I Series 2	7.36%	185.62	179.99	04.01.2028		
11	Tax Free Bonds (2012-13) Tranch II	7.54%	52.18	54.03	28.03.2028		
12	Tax Free Bonds (2012-13) Tranch II	7.04%	17.03	15.18	28.03.2028		
13	Tax Free Bonds Series 107-B	8.46%	1,011.10	1,011.10	30.08.2028		
14	Tax Free Bonds Series 2-B	8.79%	353.32	353.32	16.11.2028		
15	Tax Free Bonds Series 2-A	8.54%	932.70	932.70	16.11.2028		
16	Tax Free Bonds (2015-16) Series 2-B	7.52%	44.45	45.18	17.10.2030		
17	Tax Free Bonds (2015-16) Series 2-A	7.27%	132.05	131.32	17.10.2030		
18	Tax Free Bonds Series 3-B	8.92%	861.96	861.96	16.11.2033		
19	Tax Free Bonds Series 3-A	8.67%	1,067.37	1,067.37	16.11.2033		
20	Tax Free Bonds (2015-16) Series 3-B	7.60%	127.37	155.48	17.10.2035		
21	Tax Free Bonds (2015-16) Series 3-A	7.35%	241.68	213.58	17.10.2035		
Sub - Total (A)			7,485.57	7,485.57			

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Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
			31.03.2025	31.03.2024		
In case of PFC's Subsidiary REC Ltd.						
1	Series 2015-16 Series 5A	7.17%	300.00	300.00	23.07.2025	Redeemable at par on 23.07.2025
2	Series 2011-12	8.12% to 8.32%	2,160.33	2,160.33	27.03.2027	Redeemable at par on 27.03.2027
3	Series 2012-13 Series 2A & 2B	7.38%	245.00	245.00	22.11.2027	Redeemable at par on 22.11.2027
4	Series 2012-13 Tranche 1	7.88%	842.04	842.04	20.12.2027	Redeemable at par on 20.12.2027
5	Series 2012-13 Tranche 2	7.04% to 7.54%	49.71	49.71	27.03.2028	Redeemable at par on 27.03.2028
6	Series 2013-14 Series 3A & 3B	8.46%	1,141.00	1,141.00	29.08.2028	Redeemable at par on 29.08.2028
7	Series 2013-14 Series 4A & 4B	8.54%	45.00	45.00	11.10.2028	Redeemable at par on 11.10.2028
8	Series 2013-14 Tranche 1	8.37% to 8.71%	2,835.55	2,835.55	25.09.2028	Redeemable at par. Bonds amounting to ₹ 2,810.26 crores are redeemable on 25.09.2028 and ₹ 55.28 crores are redeemable on 26.09.2033
9	Series 2013-14 Tranche 2	8.61% to 8.88%	638.08	638.08	23.03.2029	Redeemable at par. Bonds amounting to ₹ 530.42 crores are redeemable on 23.03.2029 and ₹ 109.66 crores are redeemable on 24.03.2034
10	Series 2015-16 Tranche 1	6.89% to 7.43%	696.56	696.56	05.11.2025	Redeemable at par. Bonds amounting to ₹ 105.93 crores are redeemable on 05.11.2025, ₹ 172.90 crores are redeemable on 05.11.2030 and ₹ 421.17 crores are redeemable on 05.11.2035
Sub - Total (B)			8,953.27	8,953.27		
Total (A+B)			16,438.84	16,438.84		

22.3 Details of Secured 54 EC Capital Gain Tax Exemption Bonds outstanding are as follows:

Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		For Security, Refer Note	Redemption details
			31.03.2025	31.03.2024		
In case of PFC						
1	Series II (FY 2018-19)	5.75%	-	145.38	22.13	Repaid in FY 2024-25 on 02.04.2024
2	Series III (FY 2019-20)	5.75%	129.01	1,134.44		Repaid in FY 2024-25 (₹ 129.01 Cr repaid on 02.04.2025).
3	Series IV (FY 2020-21)	5.75%	252.38	252.38		Redeemable at par during FY 2025-26
4	Series IV (FY 2020-21)	5.00%	685.41	685.41		Redeemable at par during FY 2025-26
5	Series V (FY 2021-22)	5.00%	1,434.64	1,434.64		Redeemable at par during FY 2026-27
6	Series VI (FY 2022-23)	5.00%	2,600.87	2,600.87		Redeemable at par during FY 2027-28
7	Series VII (FY 2023-24)	5.25%	2,740.99	2,740.99		Redeemable at par during FY 2028-29
8	Series VIII(FY 2024-25)	5.25%	2,099.77	-		Redeemable at par during FY 2029-30
Sub - Total (A)			9,943.09	8,994.11		
In case of PFC's Subsidiary REC Ltd.						
1	Series XII (2018-19)	5.75%	-	-	Repaid in FY 2023-24	
2	Series XIII (2019-20)	5.75%	-	6,157.82	Redeemable at par during FY 2024-25	
3	Series XIV (2020-21)	5.75% and 5%	5,312.07	5,312.07	Redeemable at par during FY 2025-26	
4	Series XV (2021-22)	5.00%	7,312.80	7,312.80	Redeemable at par during FY 2026-27	
5	Series XVI (2022-23)	5.00%	12,152.39	12,152.39	Redeemable at par during FY 2027-28	
6	Series XVII (2023-24)	5.25%	11,419.57	10,175.72	Redeemable at par during FY 2028-29	
	Series XVIII (2024-25)	5.25%	7,038.86	-	Redeemable at par during FY 2029-30	
Sub - Total (B)			43,235.69	41,110.80		
Total (A+B)			53,178.78	50,104.91		

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22.4 The details of Taxable Bonds outstanding are as follows:

Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	For Security, Refer Note	Redemption details
			31.03.2025	31.03.2024			
In case of PFC							
1	Secured Public Issue (2020-21) Tranche I Series II Category I-II	5.65%	27.05	27.05	22.01.2026	22.13	Redeemable at par on maturity
2	Secured Public Issue (2020-21) Tranche I Series II Category III-IV	5.80%	3.50	3.50	22.01.2026		
3	7 45 SEC TAX NCD 2324 PI TR I SR I CAT I-II	7.45%	62.17	62.17	01.08.2026		
4	7 50 SEC TAX NCD 2324 PI TR I SR I CAT III-IV	7.50%	59.93	59.93	01.08.2026		
5	Secured Public Issue (2020-21) Tranche I Series V Category III-IV (10YR GSEC Link)	6.83%	1,250.73	1,250.73	22.01.2031		
6	Secured Public Issue (2020-21) Tranche I Series V Category I-II (10YR GSEC Link)	6.58%	10.35	10.35	22.01.2031		
7	Secured Public Issue (2020-21) Tranche I Series IV Category III-IV	7.00%	1,635.53	1,635.53	22.01.2031		
8	Secured Public Issue (2020-21) Tranche I Series IV Category I-II	6.80%	33.67	33.67	22.01.2031		
9	Secured Public Issue (2020-21) Tranche I Series III Category III-IV	6.82%	28.74	28.74	22.01.2031		
10	Secured Public Issue (2020-21) Tranche I Series III Category I-II	6.63%	0.50	0.50	22.01.2031		
11	7 47 SEC TAX NCD 2324 PI TR I SR II CAT I-II	7.47%	362.51	362.51	01.08.2033		
12	7 53 SEC TAX NCD 2324 PI TR I SR II CAT III-IV	7.53%	45.48	45.48	01.08.2033		
13	Secured Public Issue (2020-21) Tranche I Series VII Category III-IV	7.15%	1,330.05	1,330.05	22.01.2036		
14	Secured Public Issue (2020-21) Tranche I Series VII Category I-II	6.95%	50.05	50.05	22.01.2036		
15	Secured Public Issue (2020-21) Tranche I Series VI Category III-IV	6.97%	53.36	53.36	22.01.2036		
16	Secured Public Issue (2020-21) Tranche I Series VI Category I-II	6.78%	3.51	3.51	22.01.2036		
17	7 50 SEC TAX NCD 2324 PI TR I SR III CAT I-II	7.50%	183.70	183.70	01.08.2038		
18	7 55 SEC TAX NCD 2324 PI TR I SR III CAT III-IV	7.55%	2,110.68	2,110.68	01.08.2038		
Sub - Total (A)			7,251.51	7,251.51			
In case of PFC's Subsidiary REC Ltd.							
1	123-IIIB Series	9.34%	-	1,955.00	23.08.2024	Redeemed at par on 23.08.2024	
Sub - Total (B)			-	1,955.00			
Total (A+B)			7,251.51	9,206.51			

22.5 The details of Bond Application Money outstanding are as follows:

Sr. No.	Particulars	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Redemption details
			31.03.2025	31.03.2024	
In case of PFC's Subsidiary REC Ltd.					
1	54EC Capital Gain Tax Exemption Bonds	5.25%	595.88	1,245.41	Redeemable at par after 5 years from the
	Total		595.88	1,245.41	deemed date of allotment

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22.6 Details of Unsecured Infrastructure Bonds outstanding are as follows:

Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
			31.03.2025	31.03.2024		
In case of PFC's Subsidiary REC Ltd.						
1	Series-II (2011-12) Cumulative	9.15%	2.83	2.83	15.02.2027	Redeemable on 15.02.2027 i.e. 15
2	Series-II (2011-12) Annual	9.15%	1.13	1.13	15.02.2027	years from the date of allotment
Total			3.96	3.96		

22.7 The details of Unsecured Taxable Bonds outstanding are as follows:

Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
			31.03.2025	31.03.2024		
In case of PFC						
1	Series 188	8.10%	-	691.10	04.06.2024	Repaid in FY 2024-25
2	Series 211 (3M TB Link)	4.38%	-	1,985.00	02.08.2024	
3	Series 57- B	8.60%	-	866.50	07.08.2024	
4	Series 117 Option B	9.37%	-	855.00	19.08.2024	
5	Series 118 Option B II	9.39%	-	460.00	27.08.2024	
6	Series Option 120 B	8.98%	-	950.00	08.10.2024	
7	Series 120 Option A	8.98%	-	961.00	08.10.2024	
8	Series 192	7.42%	-	3,000.00	19.11.2024	
9	Series 124 C	8.48%	-	1,000.00	09.12.2024	
10	Series 61	8.50%	-	351.00	15.12.2024	
11	Series 125	8.65%	-	2,826.00	28.12.2024	
12	Series 126	8.65%	-	5,000.00	04.01.2025	
13	Series 62-B	8.80%	-	1,172.60	15.01.2025	
14	Series 128	8.20%	-	1,600.00	10.03.2025	
15	Series 63-III	8.90%	-	184.00	15.03.2025	
16	Series 131-C	8.41%	-	5,000.00	27.03.2025	
17	Series 64	8.95%	-	492.00	30.03.2025	
18	Series 204A	5.77%	900.00	900.00	11.04.2025	Redeemable at par on maturity
19	Series 130-C	8.39%	925.00	925.00	19.04.2025	
20	Series 199B	7.16%	1,320.00	1,320.00	24.04.2025	
21	Series 65 III	8.70%	1,337.50	1,337.50	14.05.2025	
22	Series 202B	7.17%	810.00	810.00	22.05.2025	
23	7 17 TX UNS BND SRS 202B R1	7.17%	3,100.00	3,100.00	22.05.2025	
24	Series 66-B	8.75%	1,532.00	1,532.00	15.06.2025	
25	Series 210A - STRPP1	6.35%	405.60	405.60	30.06.2025	
26	Series 215	7.13%	2,420.00	2,420.00	08.08.2025	
27	Series 217B STRPP I	7.15%	276.40	276.40	08.09.2025	
28	Series 208	6.50%	2,806.00	2,806.00	17.09.2025	
29	Series 141-B	8.40%	1,000.00	1,000.00	18.09.2025	
30	Series 218	7.59%	1,450.00	1,450.00	03.11.2025	
31	Series 71	9.05%	192.70	192.70	15.12.2025	
32	Series 222	7.58%	2,540.00	2,540.00	15.01.2026	
33	7 75 TX UNS BND SRS 248A	7.75%	1,685.00	-	15.04.2026	
34	Series 147	8.03%	1,000.00	1,000.00	02.05.2026	
35	7 37 TX UNS BND SRS 230	7.37%	2,990.00	2,990.00	22.05.2026	
36	Series 210A - STRPP2	6.35%	540.80	540.80	30.06.2026	

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Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
			31.03.2025	31.03.2024		
37	Series 216	7.13%	3,000.00	3,000.00	15.07.2026	Redeemable at par on maturity
38	Series 225A	7.77%	3,262.70	3,262.70	15.07.2026	
39	7 55 TX UNS BND SRS 228A	7.55%	2,330.00	2,330.00	15.07.2026	
40	Series - 76-B	9.46%	1,105.00	1,105.00	01.08.2026	
41	Series 150-B	7.63%	1,675.00	1,675.00	14.08.2026	
42	7 64 TX UNS BND SRS 233B	7.64%	2,500.00	2,500.00	25.08.2026	
43	ZCB TX UNS BND SRS 233A YTM 7 65	7.65%	539.37	501.04	25.08.2026	
44	Series 212A	6.09%	2,450.00	2,450.00	27.08.2026	
45	Series - 77-B	9.45%	2,568.00	2,568.00	01.09.2026	
46	Series 217B STRPP II	7.15%	276.40	276.40	08.09.2026	
47	Series 227A	7.70%	1,200.00	1,200.00	15.09.2026	
48	Series 151-B	7.56%	210.00	210.00	16.09.2026	
49	Series 152	7.55%	4,000.00	4,000.00	25.09.2026	
50	Series 155	7.23%	2,635.00	2,635.00	05.01.2027	
51	7 55 TX UNS BND SRS 238	7.55%	2,754.00	2,754.00	15.04.2027	
52	Series 168-B	7.44%	1,540.00	1,540.00	12.06.2027	
53	Series 210A - STRPP3	6.35%	405.60	405.60	30.06.2027	
54	Series 169-B	7.30%	1,500.00	1,500.00	07.08.2027	
55	Series 217B STRPP III	7.15%	276.40	276.40	08.09.2027	
56	Series 170-B	7.65%	2,001.00	2,001.00	22.11.2027	
57	Series 171	7.62%	5,000.00	5,000.00	15.12.2027	
58	Series 221B	7.59%	3,500.00	3,500.00	17.01.2028	
59	Series 172	7.74%	850.00	850.00	29.01.2028	
60	Series 101 B	9.00%	1,370.00	1,370.00	11.03.2028	
61	Series 102 A (III)	8.90%	403.00	403.00	18.03.2028	
62	Series 103	8.94%	2,807.00	2,807.00	25.03.2028	
63	Series 177	7.85%	3,855.00	3,855.00	03.04.2028	
64	Series 227B	7.77%	1,390.00	1,390.00	15.04.2028	Redeemable at par on maturity
65	7 42 TX UNS BND SRS 246A	7.42%	4,000.00	-	15.04.2028	
66	7 44 TX UNS BND SRS 229 (2Y Put Call)	7.44%	1,550.00	1,550.00	10.05.2028	
67	7 45 TX UNS BND SRS 248B	7.45%	4,000.00	-	15.07.2028	
68	Series 178	8.95%	3,000.00	3,000.00	10.10.2028	
69	Series 179-A	8.67%	1,007.40	1,007.40	19.11.2028	
70	7.60 TX UNS BND SRS 237A	7.60%	3,000.00	3,000.00	13.04.2029	
71	Series 187 B	8.85%	1,982.10	1,982.10	27.05.2029	
72	Series 118 Option B III	9.39%	460.00	460.00	27.08.2029	
73	Series193	7.93%	4,710.50	4,710.50	31.12.2029	
74	7 40 TX UNS BND SRS 244B	7.40%	2,545.00	-	15.01.2030	
75	7 44 TX UNS BND SRS 247A	7.44%	3,340.00	-	15.01.2030	
76	Series 196R1	7.41%	1,500.00	1,500.00	25.02.2030	
77	Series 196	7.41%	2,500.00	2,500.00	25.02.2030	
78	Series 225B STRPP I	7.82%	625.00	625.00	13.03.2030	
79	Series 195	7.86%	1,100.00	1,100.00	12.04.2030	
80	7 86 TX UNS BND SRS 195 R1	7.86%	1,260.00	1,260.00	12.04.2030	
81	Series 200	7.40%	2,920.00	2,920.00	08.05.2030	
82	Series 197	7.41%	5,000.00	5,000.00	15.05.2030	
83	Series 203B	7.75%	3,318.00	3,318.00	11.06.2030	
84	Series 66-C	8.85%	633.00	633.00	15.06.2030	

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Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
			31.03.2025	31.03.2024		
85	Series 201	7.68%	3,101.30	3,101.30	15.07.2030	Redeemable at par on maturity
86	Series 202C	7.79%	1,936.00	1,936.00	22.07.2030	
87	Series 205A	7.05%	1,610.10	1,610.10	09.08.2030	
88	Series 71	9.05%	192.70	192.70	15.12.2030	
89	Series 207R1	7.04%	2,549.10	2,549.10	16.12.2030	
90	Series 207	7.04%	1,097.40	1,097.40	16.12.2030	
91	Series 225B STRPP II	7.82%	625.00	625.00	13.03.2031	
92	Series 204B	6.88%	1,300.00	1,300.00	11.04.2031	
93	Series 213	6.95%	1,988.00	1,988.00	01.10.2031	
94	7 27 TX UNS BND SRS 242A	7.27%	3,500.00	-	15.10.2031	
95	7 38 TX UNS BND SRS 246B	7.38%	2,835.00	-	15.01.2032	Redeemable at par on maturity
96	Series 225B STRPP III	7.82%	625.00	625.00	12.03.2032	
97	Series 214 (BBETF)	6.92%	1,180.00	1,180.00	14.04.2032	
98	6 92 TX UNS BND SRS 214 R1	6.92%	1,330.00	1,330.00	14.04.2032	
99	Series 217A	7.42%	4,000.00	4,000.00	08.09.2032	
100	Series 223	7.64%	3,500.00	3,500.00	22.02.2033	
101	Series 225B STRPP IV	7.82%	625.00	625.00	11.03.2033	
102	Series 220	7.58%	470.00	470.00	15.04.2033	
103	Series 226A	7.66%	1,200.00	1,200.00	15.04.2033	
104	Series 226B	7.70%	583.50	583.50	15.04.2033	
105	7 57 TX UNS BND SRS 232	7.57%	3,000.00	3,000.00	12.07.2033	
106	7 62 TX UNS BND SRS 228B	7.62%	2,102.00	2,102.00	15.07.2033	
107	7 60 TX UNS BND SRS 233C	7.60%	3,500.00	3,500.00	25.08.2033	
108	Series 179-B	8.64%	528.40	528.40	19.11.2033	
109	7 70 TX UNS BND SRS 234	7.70%	2,625.00	2,625.00	30.11.2033	
110	Series 180	8.75%	2,654.00	2,654.00	22.02.2034	
111	7.49 TX UNS BND SRS 237B	7.49%	3,000.00	3,000.00	22.02.2034	
112	Series 186	8.79%	2,578.90	2,578.90	30.04.2034	
113	7 44 TX UNS BND SRS 239	7.44%	3,178.00	-	15.07.2034	
114	Series 189	8.15%	4,035.00	4,035.00	08.08.2034	
115	Series 190	8.25%	4,016.00	4,016.00	06.09.2034	
116	7 30 TX UNS BND SRS 241	7.30%	2,741.10	-	16.10.2034	
117	7 10 TX UNS BND SRS 243B	7.10%	3,052.00	-	15.01.2035	
118	7 24 TX UNS BND SRS 245A	7.24%	2,500.00	-	15.01.2035	
119	7 40 TX UNS BND SRS 247B	7.40%	3,075.00	-	15.01.2035	
120	Series 205B	7.20%	1,605.70	1,605.70	10.08.2035	
121	Series 209	7.34%	1,711.00	1,711.00	29.09.2035	
122	Series 210B	7.11%	1,933.50	1,933.50	30.06.2036	
123	Series 212B	7.15%	2,343.68	2,343.68	27.08.2036	
124	Series 219	7.65%	4,000.00	4,000.00	13.11.2037	
125	Series 221A	7.72%	2,782.70	2,782.70	19.12.2037	
126	Series 224	7.82%	3,468.50	3,468.50	06.03.2038	
127	7 48 TX UNS BND SRS 231	7.48%	3,896.90	3,896.90	20.06.2038	
128	7 69 TX UNS BND SRS 235	7.69%	3,335.00	3,335.00	15.12.2038	
129	7 32 TX UNS BND SRS 240	7.32%	3,050.00	-	15.07.2039	
130	7 22 TX UNS BND SRS 242B	7.22%	3,226.55	-	15.10.2039	
131	7 11 TX UNS BND SRS 243A	7.11%	3,200.00	-	16.01.2040	
132	7 16 TX UNS BND SRS 244A	7.16%	2,700.00	-	16.01.2040	
133	7 25 TX UNS BND SRS 245B	7.25%	1,450.00	-	16.01.2045	
Sub - Total (A)			2,46,622.52	2,23,900.74		

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Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
			31.03.2025	31.03.2024		
In case of PFC's Subsidiary REC Ltd.						
1	210 th Series	5.74%	-	4,000.00	20.06.2024	Redeemed on 20.06.2024
2	180A Series	8.10%	-	1,018.00	25.06.2024	Redeemed on 25.06.2024
3	191B Series	6.99%	-	1,100.00	30.09.2024	Redeemed on 30.09.2024
4	212 th Series	Floating (linked to T-bill)	-	2,500.00	31.10.2024	Redeemed on 31.10.2024
5	186B Series	7.40%	-	1,500.00	26.11.2024	Redeemed on 26.11.2024
6	128 th Series	8.57%	-	2,250.00	21.12.2024	Redeemed on 21.12.2024
7	129 th Series	8.23%	-	1,925.00	23.01.2025	Redeemed on 23.01.2025
8	130 th Series	8.27%	-	2,325.00	06.02.2025	Redeemed on 06.02.2025
9	131 st Series	8.35%	-	2,285.00	21.02.2025	Redeemed on 21.02.2025
10	190A Series	6.88%	-	2,500.00	20.03.2025	Redeemed on 20.03.2025
11	201A Series	5.90%	-	900.00	31.03.2025	Redeemed on 31.03.2025
12	133 rd Series	8.30%	2,396.00	2,396.00	10.04.2025	Redeemable at par on 10.04.2025
13	94 th Series	8.75%	1,250.00	1,250.00	09.06.2025	Redeemable at par on 09.06.2025
14	95 II Series	8.75%	1,800.00	1,800.00	14.07.2025	Redeemable at par on 14.07.2025
15	136 th Series	8.11%	2,585.00	2,585.00	07.10.2025	Redeemable at par on 07.10.2025
16	229A Series	7.79%	1,033.00	1,033.00	29.11.2025	Redeemable at par on 29.11.2025
17	203B Series	5.85%	2,777.00	2,777.00	20.12.2025	Redeemable at par on 20.12.2025
18	204B Series	5.81%	2,082.00	2,082.00	31.12.2025	Redeemable at par on 31.12.2025
19	205B Series	5.94%	2,000.00	2,000.00	31.01.2026	Redeemable at par on 31.01.2026
20	214A Series	7.32%	500.00	500.00	28.02.2026	Redeemable at par on 28.02.2026
21	219 th Series	7.60%	3,148.70	3,148.70	28.02.2026	Redeemable at par on 28.02.2026
22	220B Series	7.69%	1,600.10	1,600.10	31.03.2033	Redeemable at par on 31.03.2033 with Put option exercisable on 31.03.2026
23	223A Series	7.44%	3,000.00	3,000.00	30.04.2026	Redeemable at par on 30.04.2026
24	228A Series	7.80%	1,679.00	1,679.00	30.05.2026	Redeemable at par on 30.05.2026
25	218A Series	7.56%	3,000.00	3,000.00	30.06.2026	Redeemable at par on 30.06.2026
26	225 th Series	7.64%	2,210.00	2,210.00	30.06.2026	Redeemable at par on 30.06.2026
27	221 st Series	7.51%	2,848.00	2,848.00	31.07.2026	Redeemable at par on 31.07.2026
28	234A Series	7.70%	2,500.00	-	31.08.2026	Redeemable at par on 31.08.2026
29	227A Series	7.77%	2,670.00	2,670.00	30.09.2026	Redeemable at par on 30.09.2026
30	211 th Series	6.23%	1,200.00	1,200.00	31.10.2031	Redeemable at par on 31.10.2031 with Put/ Call option exercisable on 31.10.2026
31	140 th Series	7.52%	2,100.00	2,100.00	07.11.2026	Redeemable at par on 07.11.2026
32	142 nd Series	7.54%	3,000.00	3,000.00	30.12.2026	Redeemable at par on 30.12.2026
33	230A Series	7.71%	3,685.00	1,000.00	26.02.2027	Redeemable at par on 26-02-2027
34	147 th Series	7.95%	2,745.00	2,745.00	12.03.2027	Redeemable at par on 12.03.2027
35	231A Series	7.64%	2,875.00	2,875.00	30.04.2027	Redeemable at par on 30.04.2027
36	232A Series	7.59%	3,183.00	-	31.05.2027	Redeemable at par on 31.05.2027
37	156 th Series	7.70%	3,533.00	3,533.00	10.12.2027	Redeemable at par on 10.12.2027
38	245A Series	7.44%	3,000.00	-	29.02.2028	Redeemable at par on 29.02.2028
39	216A Series	7.55%	1,701.50	1,701.50	31.03.2028	Redeemable at par on 31.03.2028
40	220A Series	7.77%	2,000.00	2,000.00	31.03.2028	Redeemable at par on 31.03.2028
41	223B Series	7.46%	2,993.60	2,993.60	30.06.2028	Redeemable at par on 30.06.2028
42	162 nd Series	8.55%	2,500.00	2,500.00	09.08.2028	Redeemable at par on 09.08.2028
43	163 rd Series	8.63%	2,500.00	2,500.00	25.08.2028	Redeemable at par on 25.08.2028
44	168 th Series	8.56%	2,552.40	2,552.40	29.11.2028	Payable semi-annually, Redeemable at par on 29.11.2028
45	169 th Series	8.37%	2,554.00	2,554.00	07.12.2028	Payable semi-annually, Redeemable at par on 07.12.2028
46	176 th Series	8.85%	1,600.70	1,600.70	16.04.2029	Redeemable at par on 16.04.2029

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Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
			31.03.2025	31.03.2024		
47	178 th Series	8.80%	1,097.00	1,097.00	14.05.2029	Redeemable at par on 14.05.2029
48	234B Series	7.58%	2,500.00	-	31.05.2029	Redeemable at par on 31.05.2029
49	180B Series	8.30%	2,070.90	2,070.90	25.06.2029	Redeemable at par on 25.06.2029
50	184A Series	8.25%	1,451.00	1,451.00	26.09.2029	Redeemable at par on 26.09.2029
51	192 nd Series	7.50%	2,382.00	2,382.00	28.02.2030	Redeemable at par on 28.02.2030
52	188B Series	7.89%	3,100.00	3,100.00	30.03.2030	Redeemable at par on 30.03.2030
53	189 th Series	7.92%	3,054.90	3,054.90	30.03.2030	Redeemable at par on 30.03.2030
54	240B Series	7.34%	2,901.00	-	30.04.2030	Redeemable at par on 30.04.2030
55	197 th Series	7.55%	3,740.00	3,740.00	11.05.2030	Redeemable at par on 11.05.2030
56	198B Series	7.79%	1,569.00	1,569.00	21.05.2030	Redeemable at par on 21.05.2030
57	202A Series	7.25%	3,500.00	3,500.00	30.09.2030	Redeemable at par on 30.09.2030
58	203A Series	6.80%	5,000.00	5,000.00	20.12.2030	Redeemable at par on 20.12.2030
59	204A Series	6.90%	2,500.00	2,500.00	31.01.2031	Redeemable at par on 31.01.2031
60	201B Series	6.90%	2,415.00	1,300.00	31.03.2031	Redeemable at par on 31.03.2031
61	213 th Series	6.92%	3,380.00	3,380.00	20.03.2032	Redeemable at par on 20.03.2032
62	218B Series	7.69%	2,004.40	2,004.40	31.01.2033	Redeemable at par on 31.01.2033
63	214B Series	7.50%	4,947.60	4,947.60	28.02.2033	Redeemable at par on 28.02.2033
64	217 th Series	7.53%	500.00	500.00	31.03.2033	Redeemable at par on 31.03.2033
65	227B Series	7.71%	2,818.70	2,818.70	31.10.2033	Redeemable at par on 31.10.2033
66	228B Series	7.71%	2,899.69	2,899.69	30.11.2033	Redeemable at par on 30.11.2033
67	230B Series	7.64%	3,000.00	3,000.00	31.01.2034	Redeemable at par on 31.01.2034
68	231B Series	7.47%	2,500.00	2,500.00	28.02.2034	Redeemable at par on 28.02.2034
69	232B Series	7.45%	2,935.00	-	29.04.2034	Redeemable at par on 29.04.2034
70	233 rd Series	7.53%	3,000.00	-	31.05.2034	Redeemable at par on 31.05.2034
71	235 th Series	7.35%	4,000.00	-	31.07.2034	payable semi-annually, Redeemable at par on 31.07.2034
72	236A Series	7.45%	3,000.00	-	31.08.2035	Redeemable at par on 31.08.2035
73	236B Series	7.56%	3,000.00	-	31.08.2027	Redeemable at par on 31.08.2027
74	237 th Series	7.55%	2,000.00	-	31.10.2026	Redeemable at par on 31.10.2026
75	238 th Series	7.31%	2,145.00	-	30.09.2039	Redeemable at par on 30.09.2039
76	182 nd Series	8.18%	5,063.00	5,063.00	22.08.2034	Redeemable at par on 22.08.2034
77	183 rd Series	8.29%	3,028.00	3,028.00	16.09.2034	Redeemable at par on 16.09.2034
78	242 nd Series	7.20%	2,297.00	-	15.01.2035	Redeemable at par on 15.01.2035
79	245B Series	7.32%	2,780.00	-	28.02.2035	Redeemable at par on 28.02.2035
80	241 st Series	7.10%	1,620.00	-	30.04.2035	Redeemable at par on 30.04.2035
81	207 th Series	7.02%	4,589.90	4,589.90	31.01.2036	Redeemable at par on 31.01.2036
82	208 th Series	7.40%	3,613.80	3,613.80	15.03.2036	Redeemable at par on 15.03.2036
83	215 th Series	7.65%	3,889.00	3,889.00	30.11.2033	Redeemable in 5 equal tranches on 30.11.2033, 30.11.2034,30.11.2035,30.11.2036 and 30.11.2037
84	216B Series	7.67%	2,000.00	2,000.00	30.11.2037	Redeemable at par on 30.11.2037
85	229B Series	7.67%	3,539.40	3,539.40	30.11.2038	Redeemable at par on 30.11.2038
86	240A Series	7.09%	3,575.00	-	30.11.2039	Redeemable at par on 30.11.2039
87	243 rd Series	7.28%	2,595.00	-	20.02.2040	Redeemable at par on 20.02.2040
88	ZCB-Bond Series 239		2,795.64	-	03.11.2034	(Net of unamortised discount, 5,00,000 bonds with face value of ₹ 1,00,000 each redeemable at par on 03.11.2034
Sub - Total (B)			2,03,598.93	1,72,275.29		
Total (A+B)			4,50,221.45	3,96,176.03		

* PP-MLD- Principal Protected Market Linked Debentures

** STRPP- Separately Transferable Redeemable Principal Parts

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22.8 The details of Unsecured Foreign Currency Notes outstanding are as follows:

Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
			31.03.2025	31.03.2024		
In case of PFC						
1	3.75% USD Bonds 2024	3.75%	-	3,334.95	18.06.2024	Repaid in FY 2024-25
2	3.25% USD Bonds 2024	3.25%	-	2,501.21	16.09.2024	
3	3.75% USD Green Bonds 2027	3.75%	3,423.26	3,334.96	06.12.2027	
4	5.25% USD Bonds 2028	5.25%	2,567.44	2,501.22	10.08.2028	Redeemable at par on maturity
5	1.841% EUR Bonds 2028	1.84%	2,769.74	2,706.53	21.09.2028	
6	6.15% USD Bonds 2028	6.15%	4,279.07	4,168.70	06.12.2028	
7	4.50% USD Bonds 2029	4.50%	5,134.88	5,002.43	18.06.2029	
8	3.90% USD Bonds 2029	3.90%	3,851.16	3,751.83	16.09.2029	
9	3.95% USD Bonds 2030	3.95%	6,418.60	6,253.04	23.04.2030	
10	3.35% USD Bonds 2031	3.35%	4,279.07	4,168.69	16.05.2031	
Sub - Total (A)			32,723.23	37,723.57		
In case of PFC's Subsidiary REC Ltd.						
1	US \$500 Mn Bonds	4.75%	-	-	19.05.2023	Redeemed on 19.05.2023
2	US \$700 Mn Bonds	5.25%	-	-	13.11.2023	Redeemed on 13.11.2023
3	US \$650 Mn Bonds	3.375%	-	5,419.30	25.07.2024	Redeemed on 25.07.2024
4	US \$500 Mn Bonds	3.50%	-	4,168.70	11.12.2024	Redeemed on 11.12.2024
5	US \$500 Mn Bonds	2.25%	4,279.07	4,168.70	01.09.2026	Redeemable at par on 01.09.2026
6	US \$400 Mn Bonds	2.75%	3,423.26	3,334.96	13.01.2027	Redeemable at par on 13.01.2027
7	US \$450 Mn Green Bonds	3.875%	3,851.16	3,751.83	07.07.2027	Redeemable at par on 07.07.2027
8	US \$300 Mn Bonds	4.625%	2,567.44	2,501.22	22.03.2028	Redeemable at par on 22.03.2028
9	US \$750 Mn Bonds	5.625%	6,418.61	6,253.04	11.04.2028	Redeemable at par on 11.04.2028
10	JPY 31000 Mn Bonds	1.76%	1,759.25	1,707.79	19.01.2029	Redeemable at par on 19.01.2029
11	JPY 27400 Mn Bonds	1.41%	1,554.95	1,509.47	19.04.2029	Redeemable at par on 19.04.2029
12	USD 500 Mn Bonds	4.75%	4,279.07	-	27.09.2029	Redeemable at par on 27.09.2029
13	JPY 2700 Mn Bonds	2.20%	153.23	148.74	19.01.2034	Redeemable at par on 19.01.2034
Sub - Total (B)			28,286.04	32,963.75		
Total (A+B)			61,009.27	70,687.32		

22.9 In case of PFC's Subsidiary REC Ltd., Global Medium Term Note (GMTN) Programme

The Company has a Global Medium Term Note (GMTN) Programme of USD 10 Billion which is listed on SGX-ST (Singapore Stock Exchange - Securities Trading), LSE-ISM (London Stock Exchange – International Securities Market), Global Securities Market (GSM) of the India INX (India International Exchange) and NSE IFSC (NSE International Exchange). The summary of funds raised under the GMTN Programme is as below:

Particulars	For the year ended 31-03-2025	For the year ended 31-03-2024
Funds raised during the year under GMTN Programme	USD 0.50 Billion	USD 1.17 Billion
Cumulative amount raised under GMTN Programme	USD 6.07 Billion	USD 5.57 Billion
Outstanding amount out of funds raised under GMTN Programme	USD 3.32 Billion	USD 3.97 Billion

The amounts raised during the year have been utilised for the stated objects in the Offering Circular. There has been no default as on the Balance Sheet date in the repayment of debt securities and borrowings and the Company has met all its debt servicing obligations, whether principal or interest, during the year. Further, there has not been any breach of financial covenants under the Loan Agreements as on the Balance Sheet date.

Notes to the Consolidated Financial Statements

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22.10 The details of Unsecured Commercial Papers outstanding are as follows:

Sr. No.	Commercial Paper Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
			31.03.2025	31.03.2024		
In case of PFC						
1	CP 118	7.80%	1,675.00	-	15.04.2025	Redeemable at par on maturity.
2	CP117A	7.53%	3,000.00	-	23.06.2025	
3	CP117B	7.55%	1,450.00	-	15.12.2025	
Total (A)			6,125.00			
Less:Unamortised Financial charge (B)			128.76			
Total C= (A-B)			5,996.24			

In case of PFC details of security are as under

22.11 Infrastructure Bonds (2010-11) Series III and IV are secured by first pari-passu charge on receivables of the Company along with first charge on immovable property situated at Jangpura, New Delhi.

22.12 Infrastructure bond series (excluding Infrastructure Bonds 2010-11 Series III and IV) are secured by first pari-passu charge on present and future receivables along with first pari-passu charge on immovable property situated at Guindy, Chennai.

22.13 54 EC Capital Gain Tax Exemption Bonds, Taxable Secured Public Issue (2020-21) Tranche-I all Series & all category, Taxable Secured Public Issue (2023-24) Tranche-I all Series & all category, and all other Tax Free Bonds Series are secured by first pari-passu charge on the total receivables / book debts of the Company, limited to the extent of payment / repayment of the bonds including interest, additional interest, cost and expenses and all other monies whatsoever payable / repayable by the Company to the Bondholders and/or others under / pursuant to the Transaction Documents.

In case of PFC's Subsidiary REC Ltd. details of security are as under (For details of outstanding Secured Debt Securities of REC Ltd - Refer Note no 22.2,22.3,22.4,22.5)

22.14 For all the secured bonds issued by the Company and outstanding as at balance sheet date, 100% security cover has been maintained by way of mortgage on certain immovable properties and/or charge on the receivables of the Company.

22.15 Tax Free Bonds issued during FY 2011-12 are secured by first pari passu charge on premises at Shop No. 12, Ground Floor, Block No. 35, Church Road, Mylapore, Chennai and hypothecation of select loan assets of MSEDCL in favour of Vistra ITCL (India) Ltd. (formerly known as IL&FS Trust Company Ltd.).

22.16 Tax Free Bonds issued during FY 2013-14 are secured by first pari passu charge on the book debts (other than those that are exclusively charged/earmarked to lenders / other Trustees) of the Company in favour of SBICAP Trustee Company Limited.

22.17 Tax Free Bonds issued during FY 2012-13 & 2015-16 are secured by first pari passu charge on (a) mortgage of premises at Sub Plot No. 8, TPS No 2, FP No. 585, situated at Village Subhanpura, Distt Vadodara and (b) hypothecation of receivables (other than those that are exclusively charged/ earmarked to lenders / other Trustees) in favour of SBICAP Trustee Company Limited.

22.18 The Bond Series XIV, XV, XVI, XVII and XVIII of 54EC Capital Gain Tax Exemption Bonds are secured by first pari passu charge on hypothecation of loan assets (other than those that are exclusively charged/ earmarked to lenders / other Trustees) in favour of SBICAP Trustee Company Limited.

22.19 No charges or satisfaction are yet to be registered with Registrar of Companies (ROC) beyond the respective statutory date.

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23. 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 31.03.2025	As at 31.03.2024
(A) Secured Borrowings			
(i)	Term Loans from Banks and Financial Institutions (Refer note 23.1)		
	- Rupee Term Loans	1,216.25	6,127.50
(ii)	Other Loans from Banks		
	- Loan against Deposits (Refer note 23.2)	5,923.35	-
	Sub-Total (A)	7,139.60	6,127.50
(B) Unsecured Borrowings			
(i)	Term Loans from Banks and Financial Institutions		
	- Foreign Currency Loans (Refer note 23.3)	1,86,731.41	1,24,002.23
	- Rupee Term Loans (Refer note 23.4)	1,24,540.18	1,24,038.22
(ii)	Term Loans From other Parties		
	- Foreign Currency Loans- Multilateral/Bilateral Agencies (Refer note 23.5)	7,430.55	3,454.97
	- Rupee Term Loans - NSSF (Refer note 23.7)	17,500.00	17,500.00
(iii)	Other Loans from Banks		
	Working Capital Demand Loan / Overdraft / Cash Credit / Line of Credit (Refer note 23.8)	3,152.78	13,504.86
	Sub-Total (B)	3,39,354.92	2,82,500.28
(C)	Total Principal Outstanding of Borrowings (other than Debt Securities) (A+B)	3,46,494.52	2,88,627.78
(D)	Interest accrued but not due on above	1,547.52	1,292.19
(E)	Unamortised Transaction Cost on above	(1,538.56)	(1,221.88)
	Total Borrowings (other than Debt Securities) (C to E)	3,46,503.48	2,88,698.09
Geography wise Borrowings			
(i)	Borrowings in India	1,96,063.52	1,86,886.79
(ii)	Borrowings outside India	1,50,439.96	1,01,811.30
	Total Geography wise Borrowings	3,46,503.48	2,88,698.09

23.1 Details of Secured Rupee Term Loans outstanding are as follows:

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
		31.03.2025	31.03.2024		
In case of PFC					
1	Canara Bank T-1	-	500.00	21.06.2024	Repaid in FY 2024-25
2	Canara Bank T-2	-	500.00	24.06.2024	
3	Canara Bank	-	1,000.00	29.06.2024	
4	Union Bank of India	-	100.00	30.09.2024	
5	Punjab National Bank	-	375.00	25.02.2025	
6	Bank of India	-	500.00	02.03.2025	
7	State Bank of India	710.00	2,140.00	10.07.2025	The loan is to be repaid in 3 half yearly instalments comprising 2 instalments of ₹ 715 crore each and thereafter final instalment of ₹ 710 crore each starting from 10-Jul-2024 and ending on 10-Jul-2025
8	Punjab National Bank	56.25	112.50	30.09.2025	The loan is to be repaid in 02 annual instalments of ₹ 56.25 crore each starting from 30-Sep-24 and ending on 30-Sep-2025
9	Union Bank of India	450.00	900.00	30.09.2025	The loan is to be repaid in 02 annual instalments of ₹ 450 crore each starting from 30-Sep-24 and ending on 30-Sep-2025
Total Secured Rupee Term Loans		1,216.25	6,127.50		

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23.2 Details of Loan against Term Deposits outstanding are as follows:

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
		31.03.2025	31.03.2024		
In case of PFC					
1	YES Bank	495.00	-	02.04.2025	Repayable on 02-Apr-2025 along with due maturity of respective FDs.
2	Jammu and Kashmir Bank	421.80	-	02.04.2025	
3	Indian Bank	563.68	-	02.04.2025	
4	United Bank of India	1,995.00	-	02.04.2025	
5	Bank of India	1,596.59	-	02.04.2025	
6	Bandhan Bank	401.28	-	02.04.2025	
7	RBL	450.00	-	02.04.2025	
Total Loan against Term Deposits		5,923.35	-		

23.3 Details of Unsecured Foreign Currency Loans outstanding from Banks and Financial Institutions are as follows:

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
		31.03.2025	31.03.2024		
In case of PFC					
1	8 FCNR JPY 21539M 300623	-	1,186.56	30.06.2024	Repaid in FY 2024-25
2	SLN 29	-	2,084.35	20.12.2024	
3	9 FCNR USD 110M 271223	-	917.11	27.12.2024	
4	10 FCNR JPY 37850M 280324	-	2,085.16	28.03.2025	
5	11 FCNR USD 175M 120924	1,497.67	-	12.09.2025	
6	SLN 30	855.81	833.74	13.10.2025	
7	SLN 30	2,567.44	2,501.22	05.11.2025	Bullet Repayment at the end of the tenor
8	12 STFCTL USD 150M 291124	1,283.72	-	29.11.2025	
9	13 FCNR USD 110M 271224	941.40	-	27.12.2025	
10	14 FCNR USD 250M 280325	2,139.54	-	28.03.2026	
11	31 A FCTL USD 525M 301121	4,493.02	4,377.13	30.11.2026	
12	31 B FCTL USD 100M 301121	855.81	833.74	30.11.2026	
13	32 A FCTL JPY 89208M 281222	5,062.55	4,914.47	28.12.2026	Redeemable in three instalments: 33.33% loan amount on 28.12.2026, 33.33% of loan amount on 28.12.2027 and balance outstanding on 28.12.2028.
14	33 A FCTL USD 500M 250923	4,279.07	4,168.70	25.09.2028	Redeemable in 2 instalments: 50% loan amount on 25.09.2028 & balance outstanding on 27.09.2028.
15	33 B FCTL USD 600M 191223	5,134.88	5,002.43	19.12.2028	Bullet Repayment at the end of the tenor
16	34 A FCTL USD 250M 220324	2,139.54	2,084.35	22.03.2029	
17	34 B FCTL JPY 7577M 220324	429.98	417.40	22.06.2029	
18	35 A FCTL JPY 52419M 260924	2,974.81	-	26.09.2029	
19	35 B FCTL EUR 450M 260924	4,160.64	-	26.09.2029	Redeemable in 2 instalments: 50% loan amount on 26.09.2029 & balance outstanding on 24.12.2029.
20	35 C FCTL USD 400M 211124	3,423.26	-	21.11.2029	Bullet Repayment at the end of the tenor
21	32 B FCTL JPY 26762M 050123	1,518.74	1,474.32	05.01.2030	
22	36 FCTL USD 100M 060225	855.81	-	06.02.2030	
23	37 FCTL JPY 22341M 210325	1,267.85	-	21.03.2030	
24	38A FCTL USD 75M 250325	641.86	-	25.03.2030	
25	38B FCTL GBP 135M 250325	1,491.75	-	25.03.2030	
26	39 FCTL USD 100M 280325	855.81	-	28.03.2030	
27	40 FCTL JPY 37405M 270325	2,122.73	-	27.03.2030	
28	34 C FCTL JPY 22730M 220324	1,289.94	1,252.21	22.03.2031	
Sub Total (A)		52,283.65	34,132.87		

Notes to the Consolidated Financial Statements

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Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
		31.03.2025	31.03.2024		
In case of PFC's Subsidiary REC Ltd.					
1	US \$150 Mn	-	1,250.61	03.04.2024	Repaid on 03.04.2024
2	US \$150 Mn	-	1,250.61	19.04.2024	Repaid on 19.04.2024
3	US \$ 150 Mn	-	1,250.61	19.04.2024	Repaid on 19.04.2024
4	US \$ 150 Mn	-	1,250.61	10.05.2024	Repaid on 10.05.2024
5	US \$ 200 Mn	-	1,667.48	14.05.2024	Repaid on 14.05.2024
6	US \$ 150 Mn	-	1,250.61	16.05.2024	Repaid on 16.05.2024
7	US \$ 124.85 Mn	-	1,040.92	24.05.2024	Repaid on 24.05.2024
8	US \$ 75.15 Mn	-	626.55	24.05.2024	Repaid on 24.05.2024
9	US \$75 Mn	-	625.30	07.06.2024	Repaid on 07.06.2024
10	US \$44 Mn	-	366.85	12.06.2024	Repaid on 12.06.2024
11	US \$125 Mn	-	1,042.17	05.07.2024	Repaid on 05.07.2024
12	US \$150 Mn	-	1,250.61	09.08.2024	Repaid on 09.08.2024
13	US \$100 Mn	-	833.74	20.09.2024	Repaid on 20.09.2024
14	US \$200 Mn	-	1,667.48	06.12.2024	Repaid on 06.12.2024
15	US \$250 Mn	-	2,084.35	12.12.2024	Repaid on 12.12.2024
16	US \$100 Mn	-	833.74	12.12.2024	Repaid on 12.12.2024
17	US \$75 Mn	-	625.30	13.12.2024	Repaid on 13.12.2024
18	US \$200 Mn	-	1,667.48	27.12.2024	Repaid on 27.12.2024
19	JPY ¥ 34.229 Bn	-	1,885.68	27.12.2024	Repaid on 27.12.2024
20	US \$150 Mn	-	1,250.61	14.02.2025	Repaid on 14.02.2025
21	US \$70 Mn	-	583.62	14.02.2025	Repaid on 14.02.2025
22	US \$100 Mn	-	833.74	18.03.2025	Repaid on 18.03.2025
23	US \$148.039 Mn	1,266.94	-	03.04.2025	Repayable on 03.04.2025
24	US \$62.09 Mn	530.69	-	03.04.2025	Repayable on 03.04.2025
25	US \$150 Mn	1,283.72	-	08.04.2025	Repayable on 08.04.2025
26	US \$ 85.547 Mn	732.13	-	17.04.2025	Repayable on 17.04.2025
27	US \$100 Mn	855.81	-	23.04.2025	Repayable on 23.04.2025
28	US \$150 Mn	1,283.72	-	25.04.2025	Repayable on 25.04.2025
29	US \$200 Mn	1,711.63	-	02.05.2025	Repayable on 02.05.2025
30	US \$150 Mn	1,283.72	-	06.05.2025	Repayable on 06.05.2025
31	US \$ 240.103 Mn	2,054.84	-	23.05.2025	Repayable on 23.05.2025
32	US \$124.098 Mn	1,062.06	-	23.05.2025	Repayable on 23.05.2025
33	US \$75.15 Mn	643.14	-	23.05.2025	Repayable on 23.05.2025
34	US \$75 Mn	641.86	-	06.06.2025	Repayable on 06.06.2025
35	US \$44 Mn	376.56	-	11.06.2025	Repayable on 11.06.2025
36	US \$49 Mn	419.35	-	12.06.2025	Repayable on 12.06.2025
37	US \$119.793 Mn	1,025.20	-	27.06.2025	Repayable on 27.06.2025
38	US \$120 Mn	1,026.98	-	27.06.2025	Repayable on 27.06.2025
39	US \$125 Mn	1,069.77	-	03.07.2025	Repayable on 03.07.2025
40	US \$200 Mn	1,711.63	-	09.07.2025	Repayable on 09.07.2025
41	US \$150 Mn	1,283.72	-	17.07.2025	Repayable on 17.07.2025
42	US \$250 Mn	2,139.54	-	22.08.2025	Repayable on 22.08.2025
43	US \$200 Mn	1,711.63	-	04.09.2025	Repayable on 04.09.2025
44	US \$60 Mn	513.49	-	15.10.2025	Repayable on 15.10.2025
45	US \$150 Mn	1,283.72	-	16.10.2025	Repayable on 16.10.2025

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
		31.03.2025	31.03.2024		
46	US \$100 Mn	855.81	-	07.11.2025	Repayable on 07.11.2025
47	US \$100 Mn	855.81	-	25.11.2025	Repayable on 25.11.2025
48	US \$100 Mn	855.81	-	26.11.2025	Repayable on 26.11.2025
49	US \$200 Mn	1,711.63	-	05.12.2025	Repayable on 05.12.2025
50	US \$141 Mn	1,206.70	-	11.12.2025	Repayable on 11.12.2025
51	US \$75 Mn	641.86	-	12.12.2025	Repayable on 12.12.2025
52	US \$225 Mn	1,925.58	-	17.12.2025	Repayable on 17.12.2025
53	JPY ₹ 34.229 Bn	1,942.50	-	27.12.2025	Repayable on 27.12.2025
54	US \$100 Mn	855.81	-	14.01.2026	Repayable on 14.01.2026
55	US \$150 Mn	1,283.72	-	13.02.2026	Repayable on 13.02.2026
56	US \$100 Mn	855.81	-	18.03.2026	Repayable on 18.03.2026
57	US \$500 Mn	4,279.07	-	10.12.2027	Repayable on 10.12.2027
58	US \$150 Mn	-	625.30	14.05.2024	\$75 Mn repaid on 29.03.2024 and \$75 Mn repaid on 14.05.2024
59	US \$100 Mn	-	833.74	01.07.2024	Repaid on 01.07.2024
60	SGD \$72.07 Mn	-	444.93	28.03.2025	Repaid on 28.03.2025
61	US \$75 Mn	641.86	625.30	02.04.2025	Repayable on 02.04.2025
62	JPY ₹ 10.519 Bn	596.95	579.49	25.09.2025	Repayable on 25.09.2025
63	US \$170 Mn	599.07	1,417.36	06.10.2025	\$100 Mn repaid on 26.03.2025 and \$ 70 Mn repayable on 06.10.2025
64	US \$425 Mn	3,637.21	3,543.39	16.03.2026	Repayable on 16.03.2026
65	US \$600 Mn	5,134.88	5,002.43	25.08.2026	Repayable on 25.08.2026
66	US \$75 Mn	641.86	625.30	07.10.2026	Repayable on 07.10.2026
67	US \$1175 Mn	10,055.81	9,796.43	29.12.2026	Repayable on 29.12.2026
68	JPY ₹ 37.506 Bn	2,128.50	2,066.24	03.03.2027	Repayable on 03.03.2027
69	US \$100 Mn	855.81	833.74	13.06.2027	Repayable on 13.06.2027
70	US \$45 Mn	385.12	-	02.07.2027	Repayable on 02.07.2027
71	US \$200 Mn	1,711.63	1,667.48	28.07.2027	Repayable on 28.07.2027
72	US \$150 Mn	1,283.72	1,250.61	13.09.2027	Repayable on 13.09.2027
73	SGD 213.21 Mn	1,358.36	1,316.19	27.10.2027	Repayable on 27.10.2027
74	€ 254.19 Mn	2,346.84	2,293.28	31.10.2027	Repayable on 31.10.2027
75	€ 349.83 Mn	3,229.79	3,156.09	27.03.2028	Repayable on 27.03.2028
76	JPY ₹ 38.624 Bn	2,191.93	2,127.82	20.04.2028	Repayable on 20.04.2028
77	JPY 10.495 Bn	595.60	578.18	26.06.2028	Repayable on 26.06.2028
78	US \$505 Mn	4,321.86	4,210.38	03.08.2028	Repayable on 03.08.2028
79	US \$645 Mn	5,520.00	5,377.62	31.08.2028	Repayable on 31.08.2028
80	US \$100 Mn	855.81	833.74	14.09.2028	Repayable on 14.09.2028
81	JPY ₹ 68.485 Bn	3,886.54	3,772.85	21.09.2028	Repayable on 21.09.2028
82	US \$100 Mn	855.81	833.74	25.09.2028	Repayable on 25.09.2028
83	JPY ₹ 14.358 Bn	814.84	791.01	09.01.2029	Repayable on 09.01.2029
84	US \$100 Mn	855.81	833.74	06.02.2029	Repayable on 06.02.2029
85	JPY ₹ 22101 Mn	1,254.23	1,217.54	15.02.2029	Repayable on 15.02.2029
86	US \$200 Mn	1,711.63	1,667.48	07.03.2029	Repayable on 07.03.2029
87	JPY ₹ 22041 Mn	1,250.83	1,214.24	19.03.2029	Repayable on 19.03.2029
88	JPY ₹ 14.847 Bn	842.57	817.92	21.03.2029	Repayable on 21.03.2029
89	US \$225 Mn	1,925.58	1,875.91	27.03.2029	Repayable on 27.03.2029
90	JPY ₹ 60.536 Bn	3,435.42	-	25.04.2029	Repayable on 25.04.2029

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Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
		31.03.2025	31.03.2024		
91	JPY ¥ 9.376 Bn	532.07	-	17.05.2029	Repayable on 17.05.2029
92	US \$300 Mn	2,567.44	-	04.06.2029	Repayable on 04.06.2029
93	US \$90 Mn	770.23	-	13.06.2029	Repayable on 13.06.2029
94	JPY ¥ 32.222 Bn	1,828.60	-	28.06.2029	Repayable on 28.06.2029
95	US \$300 Mn	2,567.44	-	10.07.2029	Repayable on 10.07.2029
96	JPY ¥ 31.964 Bn	1,813.96	-	30.07.2029	Repayable on 30.07.2029
97	US \$125 Mn	1,069.77	-	30.10.2029	Repayable on 30.10.2029
98	JPY ¥ 12.80 Bn	726.40	-	13.11.2029	Repayable on 13.11.2029
99	US \$75 Mn	641.86	-	05.12.2029	Repayable on 05.12.2029
100	JPY ¥ 45.02 Bn	2,554.86	-	06.12.2029	Repayable on 06.12.2029
101	US \$250 Mn	2,139.54	-	26.12.2029	Repayable on 26.12.2029
102	US \$320 Mn	2,738.60	-	22.01.2030	Repayable on 22.01.2030
103	US \$250 Mn	2,139.54	-	07.02.2030	Repayable on 07.02.2030
104	JPY ¥ 29.642 Bn	1,682.18	-	19.03.2030	Repayable on 19.03.2030
105	US \$300 Mn	2,567.44	2,501.22	02.06.2030	Repayable on 02.06.2030
Sub Total (B)		1,34,447.76	89,869.36		
Total (A+B)		1,86,731.41	1,24,002.23		

23.4 Details of Unecured Rupee Term Loans outstanding are as follows:

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
		31.03.2025	31.03.2024		
In case of PFC					
1	Union Bank of India	-	400.00	15-Apr-24	Repaid in FY 2024-25
2	Bank of Baroda	-	82.00	03-Jun-24	
3	Bank of Baroda	-	1,418.00	03-Jun-24	
4	HDFC Bank Ltd.	-	1,862.50	04-Jun-24	
5	HDFC Bank Ltd.	-	521.50	04-Jun-24	
6	HDFC Bank Ltd.	-	247.50	04-Jun-24	
7	Indian Overseas Bank	-	1,000.00	29-Jun-24	
8	Indian Overseas Bank	-	500.00	29-Jun-24	
9	HDFC Bank Ltd.	-	644.00	03-Jul-24	
10	State Bank of India	-	3,000.00	19-Dec-24	
11	Punjab National Bank	-	333.33	20-Feb-25	
12	Union Bank of India	-	625.00	20-Feb-25	
13	Punjab & Sind Bank	500.00	-	15-Apr-25	Bullet Repayment at the end of the tenor
14	Karnataka Bank	125.00	250.00	08-May-25	The loan balance is to be repaid in 4 quarterly instalments of ₹ 31.25 crore each starting from 08-May-2025 and ending on 08-Feb-2026.
15	KEB Hana Bank	50.00	100.00	31-May-25	The loan balance is to be repaid in 2 half yearly instalments of ₹ 25 crore each starting from 31-May-2025 and ending on 30-Nov-2025
16	Canara Bank	600.00	1,000.00	22-Jun-25	The loan balance is to be repaid in 6 quarterly instalments of 100 crore each starting from 22-Jun-2025 and ending on 22-Sep-2026
17	HDFC Bank Ltd.	3,000.00	3,000.00	30-Jun-25	The loan is to be repaid in quarterly instalments starting from 30-Jun-2025 and ending on 05-Sep-2030.
18	Bank of Baroda	21.88	-	30-Aug-25	Bullet Repayment at the end of the tenor
19	Bank of Baroda	35.88	-	31-Aug-25	Bullet Repayment at the end of the tenor

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for the year ended March 31, 2025

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
		31.03.2025	31.03.2024		
20	Bank of Baroda	455.76	-	02-Sep-25	Bullet Repayment at the end of the tenor
21	Bank of Baroda	102.78	-	03-Sep-25	Bullet Repayment at the end of the tenor
22	Bank of India	500.00	750.00	11-Sep-25	The loan balance is to be repaid in 2 annual instalments of ₹ 250 crore each starting from 11-Sep-2025 and ending on 11-Sep-2026
23	Bank of India	400.00	500.00	18-Sep-25	The loan balance is to be repaid in 4 annual instalments of ₹ 100 crore each starting from 18-Sep-2025 and ending on 18-Sep-2028
24	Canara Bank	100.00	200.00	23-Sep-25	The loan balance is to be repaid in 2 half-yearly instalments of ₹ 50 crore each starting from 23-Sep-2025 and ending on 23-Mar-2026
25	HDFC Bank Ltd.	3,000.00	3,000.00	30-Sep-25	Bullet Repayment at the end of the tenor
26	Bank of Baroda	1,883.70	-	30-Sep-25	Bullet Repayment at the end of the tenor
27	Indusind Bank Ltd.	53.50	-	22-Feb-26	Bullet Repayment at the end of the tenor
28	Indusind Bank Ltd.	446.50	-	23-Feb-26	Bullet Repayment at the end of the tenor
29	Central Bank	500.00	-	25-Feb-26	Bullet Repayment at the end of the tenor
30	Central Bank	1,122.25	-	28-Feb-26	Bullet Repayment at the end of the tenor
31	Central Bank	45.40	-	01-Mar-26	Bullet Repayment at the end of the tenor
32	ICICI Bank Ltd.	2,000.00	-	26-Mar-26	Bullet Repayment at the end of the tenor
33	South Indian Bank	200.00	200.00	30-Mar-26	Bullet Repayment at the end of the tenor
34	Bank of Baroda	5,000.00	5,000.00	17-May-26	The loan is to be repaid in 8 half yearly instalments of ₹ 625 crore each starting from 17-May-2026 and ending on 17-Nov-2029
35	Karnataka Bank	250.00	-	29-Jun-26	Bullet Repayment at the end of the tenor
36	Indian Bank Ltd.	2,000.00	-	30-Jun-26	The loan is to be repaid in 2 quarterly instalments of ₹ 1000 crore each starting from 30-Jun-2026 and ending on 30-Sep-2026
37	UCO Bank	1,000.00	1,000.00	24-Sep-26	Bullet Repayment at the end of the tenor
38	Punjab National Bank	500.00	500.00	27-Sep-26	Bullet Repayment at the end of the tenor
39	Punjab National Bank	5.00	5.00	29-Sep-26	Bullet Repayment at the end of the tenor
40	Punjab National Bank	3,000.00	3,000.00	29-Sep-26	The loan is to be repaid in 3 yearly instalments of ₹1000 crore each starting from 29-Sep-2026 and ending on 29-Sep-2028
41	India Infrastructure Finance Company Limited	1,000.00	1,000.00	30-Sep-26	Bullet Repayment at the end of the tenor
42	HDFC Bank Ltd.	4,000.00	4,000.00	21-Dec-26	The loan is to be repaid in quarterly instalments starting from 31-Dec-2026 and ending on 05-Sep-2030.
43	Bank of India	2,000.00	2,000.00	02-Mar-27	Bullet Repayment at the end of the tenor
44	South Indian Bank	200.00	-	29-Mar-27	Bullet Repayment at the end of the tenor
45	Central Bank	1,000.00	1,000.00	31-Mar-27	Bullet Repayment at the end of the tenor
46	Union Bank of India	3,000.00	3,000.00	31-Mar-27	The loan is to be repaid in 2 annual instalments of ₹ 1500 crore each starting from 31-Mar-2027 and ending on 31-Mar-2028
47	Canara Bank	2,250.00	2,250.00	28-Jun-27	The loan is to be repaid in 2 annual instalments of ₹ 1125 crore each starting from 28-Jun-2027 and ending on 28-Jun-2028
48	Canara Bank	1,508.55	-	29-Jun-27	Bullet Repayment at the end of the tenor
49	Canara Bank	250.00	250.00	30-Jun-27	The loan is to be repaid in 2 annual instalments of ₹ 125 crore each starting from 30-Jun-2027 and ending on 30-Jun-2028
50	Karnataka Bank	300.00	-	30-Aug-27	Bullet Repayment at the end of the tenor
51	Canara Bank	2,306.20	-	30-Sep-27	Bullet Repayment at the end of the tenor
52	Bank of India	1,500.00	-	25-Feb-28	Bullet Repayment at the end of the tenor
53	UCO Bank	1,000.00	1,000.00	30-Mar-28	Bullet Repayment at the end of the tenor

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Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
		31.03.2025	31.03.2024		
54	Punjab & Sind Bank	1,000.00	1,000.00	30-Mar-28	The loan is to be repaid in 2 yearly instalments of ₹ 500 crore each starting from 30-Mar-2028 and ending on 30-Mar-2029
55	South Indian Bank	199.96	199.96	31-May-28	Bullet Repayment at the end of the tenor
56	HDFC Bank Ltd.	4,000.00	4,000.00	05-Jul-28	Bullet Repayment at the end of the tenor
57	South Indian Bank	199.96	199.96	19-Sep-28	Bullet Repayment at the end of the tenor
58	Union Bank of India	837.19	837.19	27-Sep-28	The loan is to be repaid in 2 yearly instalments of ₹ 418.595 crore each starting from 27-Sep-2028 and ending on 27-Sep-2029
59	State Bank of India	9,000.00	9,000.00	31-Dec-28	The loan is to be repaid in quarterly instalments starting from 31-Dec-2028 and ending on 30-Sep-2033.
60	India Infrastructure Finance Company Limited	2,000.00	2,000.00	28-Feb-29	Bullet Repayment at the end of the tenor
61	National Bank for Financing Infrastructure and Development	3,500.00	3,500.00	31-Mar-29	The loan is to be repaid in 10 yearly instalments of ₹ 350 crore each starting from 31-Mar-2029 and ending on 31-Mar-2038
62	Punjab National Bank	1,000.00	-	06-Dec-29	Bullet Repayment at the end of the tenor
63	India Infrastructure Finance Company Limited	343.10	-	09-Dec-29	Bullet Repayment at the end of the tenor
64	India Infrastructure Finance Company Limited	573.30	-	07-Jan-30	Bullet Repayment at the end of the tenor
65	India Infrastructure Finance Company Limited	115.00	-	08-Jan-30	Bullet Repayment at the end of the tenor
66	India Infrastructure Finance Company Limited	1,179.80	-	09-Jan-30	Bullet Repayment at the end of the tenor
67	National Bank for Financing Infrastructure and Development	1,000.00	1,000.00	01-Mar-30	The loan is to be repaid in 10 annual instalments of ₹ 100 crore each starting from 01-Mar-2030 and ending on 01-Mar-2039
68	India Infrastructure Finance Company Limited	3,000.00	-	29-Mar-30	Bullet Repayment at the end of the tenor
69	State Bank of India	5,000.00	-	19-Dec-34	Bullet Repayment at the end of the tenor
Sub Total (A)		80,160.71	65,375.94		
In case of PFC's Subsidiary REC Ltd.					
1	- Karnataka Bank	499.97	499.98	15.05.2025	₹ 499.97 crores repayable on 15.05.2025
2	- Punjab & Sind Bank	-	499.91	09.08.2024	₹ 499.91 crores repaid on 09.08.2024
3	- Jammu & Kashmir Bank	299.94	299.94	28.10.2026	₹ 299.94 crores repayable on 28.10.2026
4	- Deutsche Bank	-	500.00	19.12.2024	₹ 500 crores repaid on 19.12.2024
5	- South Indian Bank	499.89	499.89	08.11.2026	₹ 299.93 crores repayable on 08.11.2026 and ₹ 199.96 crores repayable on 04.08.2027
6	- HDFC Bank	17,850.00	17,850.00	17.11.2026	₹ 850 crores repayable on 17.11.2026, ₹ 2,000 crores repayable on 31.03.2027, ₹ 2,000 crores repayable on 07.09.2027, ₹ 2,500 crores repayable on 29.12.2027, ₹ 2,500 crores repayable on 27.02.2028, ₹ 1,000 crores repayable on 27.06.2028, ₹ 1,500 crores repayable on 29.06.2028, ₹ 4,000 crores repayable on 30.09.2028 and ₹ 1,500 crores repayable on 28.12.2028
7	- Bank of Baroda	2,624.91	4,749.92	30.09.2025	₹ 2,624.91 crores repayable in 4 annual instalments starting from 30.09.2025 and final instalment due on 30.09.2028
8	- ICICI Bank	5,533.00	5,533.00	23.01.2030	₹ 4,000 crores repayable on 23.01.2030 and ₹ 1,533 crores repayable on 15.05.2028
9	- Union Bank of India	3,999.41	3,999.42	31.03.2027	₹ 1,999.66 crores repayable in 5 annual instalments of ₹ 400 crores each starting from 31.03.2027 and final installment on 31.03.2031 and ₹ 999.99 crores repayable on 04.01.2026, ₹ 499.87 crores repayable on 29.09.2028 and ₹ 499.89 crores repayable on 05.11.2028

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Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
		31.03.2025	31.03.2024		
10	- State Bank of India	709.92	7,750.94	15.07.2025	₹ 709.92 crores repayable in one semi-annual instalments on 15.07.2025
11	- Punjab National Bank	8,962.44	7,529.29	31.08.2025	₹ 663.31 crores repayable on 31.08.2025, ₹ 1,999.64 crores repayable on 11.11.2026, ₹ 999.64 crores repayable in 4 equal annual installments of ₹ 200 crores starting from 29.03.2028 and last installment of ₹ 199.64 crores on 29.12.2031, ₹ 1,199.99 crores repayable on 03.11.2028, ₹ 1,999.99 crores repayable on 26.12.2028, ₹ 2,099.87 crores repayable on 20.06.2029
12	- Central Bank	899.99	899.99	17.11.2025	₹ 499.99 crores repayable in 7 annual instalments starting from 30.03.2026 and final instalment on 30.03.2032 and ₹ 400 crores repayable on 17.11.2025
13	- Indian Infrastructure Finance Company Ltd. (IIFCL)	2,500.00	4,550.00	09.08.2026	₹ 1,000 crore repayable on 09.08.2026 and ₹ 1,500 crore repayable on 11.12.2028
14	- National Bank for Financing Infrastructure and Development (NaBFID)	-	3,500.00	13.11.2024	₹ 3,500 crore repaid on 13.11.2024
Sub Total (B)		44,379.47	58,662.28		
Total (A+B)		1,24,540.18	1,24,038.22		

23.5 Details of Unsecured Foreign Currency Loans outstanding from Multilateral /Bilateral Agencies are as follows:

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
		31.03.2025	31.03.2024		
In case of PFC					
1	ADB (Guaranteed by Government of India)	29.37	40.14	15.04.2025	Semi Annual Instalments till 15.10.2028
2	JBIC PLA 1	113.19	145.99	22.04.2025	Semi Annual Instalments till 20.10.2035
3	KfW EUR 200M 030123	625.20	690.26	15.05.2025	Semi Annual Instalments till 15.11.2031
4	Credit National (Guaranteed by Government of India)	2.87	10.06	30.06.2025	Semi Annual Instalments till 30.06.2028
5	KFW I (Guaranteed by Government of India)	36.27	38.84	30.06.2025	Semi Annual Instalments till 30.06.2035
6	JBIC PLA 2	64.63	54.73	20.07.2025	Semi Annual Instalments till 20.07.2036
7	FCTL VIII JPY 25500M 260924	1,406.93	-	20.07.2025	Semi Annual Instalments till 18.07.2042
8	FCTL SACE EUR 200M	1,846.49	-	18.12.2026	Semi Annual Instalments till 18.06.2036
Sub Total (A)		4,124.95	980.02		
In case of PFC's Subsidiary REC Ltd.					
1	1.86% KfW-III Loan	-	47.49	27.06.2024	Repaid in FY 2023-24
2	KfW-IV Loan	1,232.37	1,400.68	15.05.2025	Repayable in equal half-yearly instalments of US \$ 12.00 Mn till 15.11.2030, next instalment falling due on 15.05.2025
3	KfW-V Loan	1,450.60	1,026.78	15.05.2025	Repayable in equal half-yearly instalments of US \$ 8.921 Mn till 15.05.2034, first instalment falling due on 15.05.2025
4	KfW-VI Loan	622.63	-	15.05.2029	Repayable in equal half-yearly instalments of US \$ 14.37 Mn till 15.05.2036, first instalment falling due on 15.05.2029
Sub Total (B)		3,305.60	2,474.95		
Total (A+B)		7,430.55	3,454.97		

23.6 In case of PFC Ltd., Floating Rate Foreign Currency Loans in above Note No. 23.3 and 23.5 carries an interest rate spread ranging from 5 bps to 185 bps over interest rate linked to SOFR/TONA/SONIA/6M EURIBOR (Secured Overnight Financing Rate/Tokyo Overnight Average Rate/Sterling Overnight Index Average /Euro Inter Bank Offered Rate) except for Foreign Currency Loans from Credit National, KfW-I and FCTL 31A & B which are at fixed rate of interest.

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In case of PFC’s Subsidiary REC Ltd. Foreign Currency Borrowings have been raised at variable interest rates ranging from a spread of 13 bps to 210 bps (previous year 13 bps to 210 bps) over external benchmarks including Overnight SOFR (Secured Overnight Financing Rate), 3/6 Months’ Term SOFR, SORA (Singapore Overnight Rate Average), TONAR (Tokyo Overnight Average Rate), 3/6 Months’ EURIBOR (Euro Inter Bank Offered Rate) and Credit Adjustment Spread (CAS) as applicable on transition of loans to new benchmark rates, except for the cases where rate has been mentioned.

23.7 Details of Unsecured Rupee term Loan NSSF outstanding are as follows:

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
		31.03.2025	31.03.2024		
In case of PFC					
1	National Small Savings Fund Scheme (NSSF) (Coupon rate - 8.11% p.a.)	7,500.00	7,500.00	27.12.2028	Bullet Repayment at the end of the tenor
Sub Total (A)		7,500.00	7,500.00		
In case of PFC's Subsidiary REC Ltd.					
1	National Small Savings Fund Scheme (NSSF) (Coupon rate 8.29% p.a.)	5,000.00	5,000.00	13.12.2028	Bullet Repayment at the end of the tenor
2	National Small Savings Fund Scheme (NSSF) (Coupon rate 8.16% p.a.)	5,000.00	5,000.00	04.10.2029	Bullet Repayment at the end of the tenor
Sub Total (B)		10,000.00	10,000.00		
Total (A+B)		17,500.00	17,500.00		

23.8 Details of Unsecured WCDL / OD / CC / Line of Credit outstanding are as follows:

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
		31.03.2025	31.03.2024		
In case of PFC					
1	State Bank of India	-	1,861.48	06.04.2024	Repaid in FY 2024-25.
2	IndusInd Bank	-	500.00	29.04.2024	
3	Indian Bank	982.00	-	27.06.2025	Bullet Repayment at the end of the tenor
Sub Total (A)		982.00	2,361.48		
In case of PFC's Subsidiary REC Ltd.					
1	- Bank of India	-	524.94	29.05.2024	₹ 525 crores repaid on 29.05.2024
2	- Central Bank of India	-	800.00	12.04.2024	₹ 800 crores repaid on 12.04.2024
3	- Punjab National Bank	-	1,500.00	29.04.2024	₹ 1000 crores repaid on 15.04.2024 and ₹ 500 crores repaid on 29.04.2024
4	- South Indian Bank	-	150.00	26.04.2024	₹ 150 crores repaid on 26.04.2024
5	- State Bank Of India	-	2,501.00	09.04.2024	₹ 150 crores repaid on 01.05.2024, ₹ 425 crores repaid on 03.05.2024, ₹ 426 crores repaid on 15.04.2024, ₹ 700 crores repaid on 15.04.2024 & ₹ 800 crores repaid on 09.04.2024
6	- UCO Bank	-	500.00	08.04.2024	₹ 500 crores repaid on 08.04.2024
7	- Union Bank of India	-	750.00	26.04.2024	₹ 750 crores repaid on 26.04.2024
8	- Indian Bank	-	1,000.00	02.04.2024	₹ 1000 crores repaid on 02.04.2024
9	- Indusind Bank	-	300.00	06.04.2024	₹ 220 crores repaid on 03.04.2024 & ₹ 80 crores repaid on 06.04.2024
10	- Karnataka Bank	-	250.00	24.04.2024	₹ 250 crores repayable on 24.04.2024
11	- HDFC Bank	1,500.00	2,500.00	26.11.2025	₹ 1500 crores repayable on 26.11.2025
12	- KEB Hana Bank	100.00	100.00	13.11.2025	₹ 100 crores Repayable on 13.11.2025

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Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
		31.03.2025	31.03.2024		
13	Overdrafts/ Cash credit repayable on demand from banks	570.78	267.44	Running facility	Running facility
Sub Total (B)		2,170.78	11,143.38		
Total (A+B)		3,152.78	13,504.86		

23.9 In case of PFC Ltd. Borrowings as at 31.03.2024 in 23.1 and 23.4 above were raised at respective bank’s Benchmark rate plus spread ranging up to 200 bps.

In case of PFC Subsidiary REC Ltd. Term Loans from banks/ financial institutions/ Govt. have been raised at interest rates ranging from 7.05% to 8.29% (previous year 7.50% to 8.29%) payable on monthly/quarterly/semi annual rests.

23.10 None of the borrowings of PFC have been guaranteed by Directors.

23.11 There has been no default in repayment of borrowings and interest during periods presented above.

23.12 In case of PFC, Secured rupee term loans are secured by first pari-passu charge in favour of lending banks on the receivables of the Company limited to payment/repayment of the term loan including interest, additional interest, cost and expenses and all other monies whatsoever payable/repayable by the Company to lending bank and/or others under/pursuant to the security document.

23.13 The Companies in the Group have not received any fund which are material either individually or in the aggregate from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

23.14 The Companis in the Group have not borrowed any funds on the specific security of current assets, where there is any requirement of filing of quarterly returns or statements.

24. 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 31.03.2025	As at 31.03.2024
Subordinated Liabilities (Unsecured)			
(i)	Perpetual Bonds (Principal Outstanding) (Refer note 24.1)	5,185.00	3,190.00
(ii)	Subordinated Bonds (Principal Outstanding) (Refer note 24.2)	7,562.20	9,562.20
(iii)	Total Principal Outstanding of Subordinated Laibilities	12,747.20	12,752.20
(iv)	Interest accrued but not due on above	339.91	330.94
(v)	Unamortised Transaction Cost on above	(56.35)	(151.21)
(vi)	Hedging Adjustments - Loan Liability - FV Hedge on (iii) above	47.75	-
Total Subordinated Liabilities		13,078.51	12,931.93
Geography wise Subordinated Liabilities			
(i)	Subordinated Bonds in India	13,078.51	12,931.93
(ii)	Subordinated Bonds outside India	-	-
Total Geography wise Subordinated Liabilities		13,078.51	12,931.93

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24.1 Details of Perpetual Debt Instruments (Unsecured) are as under:

Sr. No.	Subordinated Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
			31.03.2025	31.03.2024		
In case of PFC						
1	7.88 PERPETUAL TX UNS BND SRS 236- PFC Ltd.	7.88%	100.00	100.00	NA	Perpetual bonds callable only at the option of the Company after minimum 10 years with prior approval of RBI.
Sub Total (A)			100.00	100.00		
In case of REC						
2	222 nd series - Perpetual Tier-I Bonds -REC Ltd.	7.98%	2,000.00	2,000.00	30.04.2033	With call option on 30.04.2033 or any annual anniversary date thereafter.
3	226 th series - Perpetual Tier-I Bonds -REC Ltd.	8.03%	1,090.00	1,090.00	30.09.2033	With call option on 30.09.2033 or any annual anniversary date thereafter.
4	244 th Series - Perpetual Tier-I Bonds- REC Ltd.	7.99%	1,995.00	-	28.02.2035	7.99% Perpetual with call option exercisable on 28.02.2035 or any on annual anniversary date thereafter
Sub Total (B)			5,085.00	3,090.00		
Total Perpetual Debt(A+B)			5,185.00	3,190.00		

PFC had issued Perpetual Debt Instruments (PDI) of ₹ 100 crore having face value of ₹ 1 crore each, with no maturity and callable only at the option of the Company after minimum 10 years with prior approval of RBI. The claims of the holders of the PDI are:

- (a) Superior to the claims of the holders of the equity shares issued by the Company and perpetual non-cumulative preference shares, if any, of the Company; and
- (b) Subordinated to the claims of all other creditors of the Company (but pari-passu inter se the holders of the PDIs). The Company may defer the payment of Coupon, if:
- (i) The capital to risk assets ratio ("CRAR") of the Company is below the minimum regulatory requirement prescribed by RBI; or
- (ii) the impact of such payment results in CRAR of the Company falling below or remaining below the minimum regulatory requirement prescribed by RBI. Further, it also has certain unique features which, inter-alia, grant PFC, in consultation with RBI a discretion in terms of writing down the principal / interest, to skip interest payments, to make an early recall etc. without commensurate right for investors to legal recourse, even if such actions might result in potential loss to investors. As these securities are perpetual in nature and claim of PDI holders is subordinate to claim of all other creditors and further as the Company does not have an unconditional right not to pay the coupon, these have been classified under subordinated liabilities.

24.2 Details of Subordinated Debt (Unsecured) are as under:

Sr. No.	Subordinated Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
			31.03.2025	31.03.2024		
In case of PFC						
1	Bond Series 184A	9.25%	-	2,000.00	25.09.2024	Repaid in FY 2024-25
2	Bond Series 184 B	9.10%	2,411.50	2,411.50	25.03.2029	Redeemable at par in FY 2028-29.
3	Bond Series 185	8.98%	1,000.00	1,000.00	28.03.2029	Redeemable at par in FY 2028-29.
Sub Total (A)			3,411.50	5,411.50		
In case of REC						
1	175 th Series - Subordinate Tier-II Bonds	8.97%	2,151.20	2,151.20	28.03.2029	Redeemable at par on 28.03.2029
2	199 th Series - Subordinate Tier-II Bonds	7.96%	1,999.50	1,999.50	15.06.2030	Redeemable at par on 15.06.2030
Sub Total (B)			4,150.70	4,150.70		
Total (A+B)			7,562.20	9,562.20		

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25. 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 31.03.2025	As at 31.03.2024
(i)	Payable on account of Unsecured Government of India Serviced Bonds (Refer note 25.1)	29,356.50	29,421.12
(ii)	Advance received from Associates	96.33	179.56
(iii)	Unclaimed Dividends (Refer note 25.2)	586.25	574.50
(iv)	Unclaimed - Bonds and Interest Accrued thereon (Refer note 25.2)		
	- Unclaimed Bonds	27.64	23.34
	- Unclaimed Interest on Bonds	91.77	82.38
(v)	Others		
	- Interest on application money and interest accrued thereon	0.51	0.20
	- Interest on Subsidy Fund and other GOI Funds for disbursement	66.24	73.95
	- Lease Liability (Refer note 51.1)	12.05	14.74
	- Derivative Liability - Variation Margin	13,762.10	5,431.68
	- Other liabilities	2,869.70	4,124.28
Total Other Financial Liabilities		46,869.09	39,925.75

25.1 Details of GoI Serviced Bonds (Unsecured Taxable Bonds):

(₹ in crore)			
Sr. No.	Bond Series	As at 31.03.2025	As at 31.03.2024
1	7.10% Bond Series 156 -Redeemable at par on 11.01.2027 -PFC Ltd.	200.00	200.00
2	7.18% Bond Series 158 - Redeemable at par on 20.01.2027 -PFC Ltd.	1,335.00	1,335.00
3	7.60% Bond Series 160 - Redeemable at par on 20.02.2027 -PFC Ltd.	1,465.00	1,465.00
4	7.75% Bond Series 164 - Redeemable at par on 22.03.2027 -PFC Ltd.	2,000.00	2,000.00
5	8.09 % GoI-I Series - Redeemable at par on 21.03.2028 - REC Ltd.	1,837.00	1,837.00
6	8.01% GoI-II Series - Redeemable at par on 24.03.2028 - REC Ltd.	1,410.00	1,410.00
7	8.06% GoI-III Series - Redeemable at par on 27.03.2028 - REC Ltd.	753.00	753.00
8	8.70% GoI-IV Series -Redeemable at par on 28.09.2028 - REC Ltd.	3,000.00	3,000.00
9	8.54% GoI-V Series - Redeemable at par on 15.11.2028 - REC Ltd.	3,600.00	3,600.00
10	8.80% GoI-VI Series - Redeemable at par on 22.01.2029 - REC Ltd.	2,027.00	2,027.00
11	8.60% GoI-VII Series - Redeemable at par on 08.03.2029 - REC Ltd.	1,200.00	1,200.00
12	8.30% GoI-VIII Series -Redeemable at par on 25.03.2029 - REC Ltd.	4,000.00	4,000.00
13	7.14% GoI-IX Series - Redeemable at par on 02.03.2030 - REC Ltd.	1,500.00	1,500.00
14	8.25% GoI-X Series - Redeemable at par on 26.03.2030 - REC Ltd.	532.30	532.30
15	7.20% GoI-XI Series - Redeemable at par on 31.03.2030 - REC Ltd.	1,750.00	1,750.00
16	6.45% GoI- XII Series - Redeemable at par on 07.01.2031 - REC Ltd.	1,000.00	1,000.00
17	6.63% GoI- XIII Series - Redeemable at par on 28.01.2031 - REC Ltd.	1,000.00	1,000.00
18	6.50% GoI- XIV Series - Redeemable at par on 26.03.2031 - REC Ltd.	500.00	500.00
19	Interest accrued on above	247.20	311.82
Total GoI Serviced Bonds (Unsecured Taxable Bonds)		29,356.50	29,421.12

25.2 Unclaimed dividends, unclaimed bonds and interest thereon include the amounts which have either not been claimed by the investors / holders of the instruments or are on hold pending legal formalities etc. The amount eligible to be transferred to Investor Education and Protection Fund has been transferred within the prescribed time limit.



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25.3 Amounts payable under GoI Schemes:

- (i)

RECL has been appointed by GOI as a nodal agency for implementation of Deen Dayal Upadhyaya Gram Jyoti Yojna (DDUGJY), Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya) and Revamped Distribution Sector Scheme (RDSS). The funds received for disbursement to various agencies under the scheme are kept in a respective separate bank accounts. The undisbursed funds for the schemes (including the funds received under erstwhile RGGVY Scheme) including interest earned thereto are classified under the line item ‘Interest Subsidy Fund and Other GOI Funds for Disbursement’ under ‘Other Financial Liabilities’. For further details of GOI schemes, refer Note 56.
- (ii)

Subsidy Under Accelerated Generation & Supply Programme (AG&SP)

REC is maintaining an Interest Subsidy Fund Account and was given AG&SP subsidy (for disbursement to the eligible borrowers) by Govt. of India at net present value calculated at indicative rates and year in accordance with GOI’s letter vide D.O.No. 32024/17/97-PFC dated 23.09.1997 and O.M.No.32024/23/2001-PFC dated 07.03.2003 irrespective of the actual repayment schedule, moratorium year and duration of repayment of the eligible schemes. The impact of difference between the indicative rate and year considered at the time of drawl and the actual can be ascertained only after the end of the respective schemes.

Net amount of ₹ 0.79 crores as at 31st March 2025 (₹ 0.77 crores as at 31st March 2024) represents the balance amount of interest subsidy fund, which is to be passed on to the borrowers against their interest liability arising in future, under Accelerated Generation & Supply Programme (AG&SP), which comprises of the following:

(₹ in crore)		
Particulars	FY 2024-25	FY 2023-24
Opening Balance of Interest Subsidy Fund	0.77	0.75
Add: Interest earned during the year	0.02	0.02
Less: Interest subsidy passed on to the borrower	-	-
Closing Balance of Interest Subsidy Fund	0.79	0.77

- (iii)

The movement in Interest on Subsidy/ Grant of RECL is explained as under:

(₹ in crore)		
Particulars	FY 2024-25	FY 2023-24
Opening Balance	31.68	24.17
Add: Interest earned/Adjustment during the year	4.58	9.93
Less: Amount refunded to Govt./Adjusted during the year	(27.97)	(2.42)
Closing Balance	8.29	31.68

26. PROVISIONS

(₹ in crore)			
Sr. No.	Particulars	As at 31.03.2025	As at 31.03.2024
(i)	For Employee Benefits (Refer note 50)		
	- Gratuity	6.01	1.35
	- Leave Encashment	121.40	106.53
	- Economic Rehabilitation of Employees	14.41	12.78
	- Provision for Bonus / Incentive	86.76	76.59
	- Provision for Staff Welfare Expenses	49.06	33.72
(ii)	Impairment Loss Allowance - Letter of Comfort & Letter of Undertaking (Refer note 26.1)	69.19	80.65
(iii)	Provision for Unspent CSR Expense	267.06	237.81
(iv)	Provision for other expenses	0.01	-
	Total Provisions	613.90	549.43

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26.1 Movement of Impairment loss allowance on Letter of Comfort & Letter of Undertaking

			(₹ in crore)
Sr. No.	Particulars	FY 2024-25	FY 2023-24
(i)	Opening balance	80.65	66.80
(ii)	Creation during the year	23.78	28.50
(iii)	Reversal during the year	(35.24)	(14.65)
	Closing balance	69.19	80.65

27. OTHER NON-FINANCIAL LIABILITIES

(₹ in crore)			
Sr. No.	Particulars	As at 31.03.2025	As at 31.03.2024
(i)	Unamortised Fee - Undisbursed Loans Assets	672.53	443.46
(ii)	Sundry Liabilities Account (Interest Capitalisation)	99.37	124.11
(iii)	Statutory dues payable	144.89	138.12
(iv)	Advance received from Govt. towards Govt. Schemes	0.08	-
(v)	Others	103.03	118.03
Total Other Non-Financial Liabilities		1,019.90	823.72

28. EQUITY SHARE CAPITAL

Sr. No.	Particulars	As at 31.03.2025		As at 31.03.2024	
		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	2,64,00,81,408	2,640.08
	Changes during the period		-	66,00,20,352	660.02
	Closing Equity Share capital	3,30,01,01,760	3,300.10	3,30,01,01,760	3,300.10

28.1 Rights, preferences and restriction attached to equity shares

The Company had issued equity shares having par value of ₹ 10 per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their shareholding at the meeting of the shareholders.

28.2 Shares in the Company held by each shareholder holding more than 5% of the shares

Sr. No.	Particulars	As at 31.03.2025		As at 31.03.2024	
		Number of Shares	% of Equity Share Capital	Number of Shares	% of Equity Share Capital
(ii)	President of India (Promoter)	1,84,78,64,722	55.99%	1,84,78,64,722	55.99%

28.3 Details of equity shares held by promoters

Sr. No.	Particulars	As at 31.03.2025			As at 31.03.2024		
		Number of Shares	% of Equity Share Capital	% change during the year	Number of Shares	% of Equity Share Capital	% change during the year
(ii)	President of India (Promoter)	1,84,78,64,722	55.99%	-	1,84,78,64,722	55.99%	-



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- 28.4** Shares reserved for issue under options and contract / commitment for the sale of shares or disinvestment, including the terms and amount : Nil
- 28.5** During the period of last 5 years, the Company has issued 66,00,20,352 equity shares of ₹ 10/- each as bonus shares in the ratio of 1:4 during FY 2023-24 and has not bought back any shares.
- 28.6** Terms of any securities convertible into equity shares issued along with the earliest date of conversion in descending order starting from the farthest such date : Nil
- 28.7** Calls unpaid (showing aggregate value of calls unpaid by directors and officers) : Nil
- 28.8** Forfeited shares (amount originally paid up) : Nil
- 28.9** Refer Note 45 for Capital Management.

29. OTHER EQUITY

(₹ in crore)				
Sr. No.	Particulars	Note No.	As at 31.03.2025	As at 31.03.2024
(A) Other Reserves				
(i)	Capital Reserve - Common Control	29.1(i)	(13,114.50)	(13,114.50)
(ii)	Securities Premium	29.1(ii)	2,946.07	2,946.07
(iii)	Foreign Currency Monetary Item Translation Difference Account	29.1(iii)	(680.08)	(758.20)
(iv)	Special Reserve created u/s 45-IC of Reserve Bank of India Act, 1934	29.1(iv)	22,257.03	17,132.46
(v)	Reserve for Bad & doubtful debts u/s 36(1)(vii)(c) of Income-Tax Act, 1961	29.1(v)	1,358.41	1,574.26
(vi)	Special Reserve created u/s 36(1)(viii) of Income Tax Act, 1961 up to Financial Year 1996-97		599.85	599.85
(vii)	Special Reserve created and maintained u/s 36(1)(viii) of Income Tax Act, 1961 from Financial Year 1997-98	29.1(vi)	49,241.93	44,077.56
(viii)	Interest Differential Reserve - KFW Loan	29.1(vii)	68.90	67.15
(ix)	General Reserve	29.1(viii)	23,025.12	21,056.10
(x)	Impairment Reserve	29.1(ix)	89.18	89.18
(B) Retained Earnings		29.1(x)	29,090.03	23,413.33
(C) Other Comprehensive Income (OCI) Reserves				
(xi)	Equity Instruments through Other Comprehensive Income	29.1(xi)	1,065.90	1,247.97
(xii)	Effective portion of Cash Flow Hedges	29.1(xii)	(301.72)	(636.02)
(xii)	Costs of Hedging Reserve	29.1(xiii)	(1,209.95)	151.46
(xiv)	Exchange differences in translating the financials of foreign operations		2.07	-
Total Other Equity			1,14,438.25	97,846.67

29.1 Nature and purpose of reserve

(i) Capital Reserve - Common Control

Consequent to the acquisition of REC Limited by PFC on 28th March, 2019, the difference between PFC's share in equity share capital of REC Limited of ₹ 1,386.00 crore and the consideration paid (including investment of ₹ 0.50 crore existing on the date of acquisition) of ₹ 14,500.50 crore has been recognised as capital reserve-common control.

Details of Movement during the year:

(₹ in crore)		
Particulars	As at 31.03.2025	As at 31.03.2024
Balance as at the beginning of the year	(13,114.50)	(13,114.50)
Add: Adjustments	-	-
Balance as at the end of the year	(13,114.50)	(13,114.50)

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(ii) Securities Premium:

It represents amount of premium received on issue of equity share capital net of expense incurred on issue of equity shares. This amount can be utilised in accordance with the provisions of the Companies Act, 2013.

Details of Movement during the year:

(₹ in crore)		
Particulars	As at 31.03.2025	As at 31.03.2024
Balance as at the beginning of the year	2,946.07	3,606.87
Add: Transferred from Retained Earnings	-	-
Less: Utilised for issue of Bonus Equity Shares (including expense thereof)	-	(660.80)
Balance as at the end of the year	2,946.07	2,946.07

(iii) Foreign Currency Monetary Item Translation Difference Account:

It represents unamortised foreign exchange gain/loss on Long-term Foreign Currency Borrowings (raised up to 31.03.2018) and are amortised over the tenure of the respective borrowings.

Details of Movement during the year:

(₹ in crore)		
Particulars	As at 31.03.2025	As at 31.03.2024
Balance as at the beginning of the year	(758.20)	(883.61)
Add: Foreign Currency Translation Gain/ Loss (-) on long-term monetary items during the year	(152.80)	(92.22)
Less: Amortisation during the year	230.92	217.63
Balance as at the end of the year	(680.09)	(758.20)

(iv) Special Reserve created u/s 45-IC of Reserve Bank of India Act, 1934:

It represents transfer from retained earning @ 20 % of net profit after tax for the year as disclosed in profit and loss account and before any dividend is declared. No appropriation is allowed to be made from the reserve fund except for the purpose as may be specified by the Reserve Bank of India (RBI) from time to time and further, any such appropriation is also required to be reported to the RBI within 21 days from the date of such withdrawal.

Details of Movement during the year:

(₹ in crore)		
Particulars	As at 31.03.2025	As at 31.03.2024
Balance as at the beginning of the year	17,132.46	12,783.26
Add: Transferred from Retained Earnings	5,124.57	4,349.20
Less: Transferred to General Reserve	-	-
Balance as at the end of the year	22,257.03	17,132.46

(v) Reserve for Bad & doubtful debts u/s 36(1)(vii)(c) of Income-Tax Act, 1961:

It has been created to enable the PFC and its subsidiary REC Ltd. to avail income tax deduction. The reserve so maintained is primarily utilised for adjustment of actual bad debts or part thereof. As per Section 36(1)(vii)(c) of Income Tax Act, 1961, the Company and its subsidiary REC Ltd. is eligible to avail deduction in respect of any provision / reserve made for bad and doubtful debts, not exceeding five percent of the total income as per Income Tax Act.

Details of Movement during the year:

(₹ in crore)		
Particulars	As at 31.03.2025	As at 31.03.2024
Balance as at the beginning of the year	1,574.26	529.39
Add: Transferred from Retained Earnings	1,362.24	1,077.09
Less: Utilisation of reserve against bad debts written off	(1,574.26)	(29.25)
Less: Adjustments during the year	(3.83)	(2.97)
Balance as at the end of the year	1,358.41	1,574.26



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(vi) Special Reserve created u/s 36(1)(viii) of Income Tax Act, 1961

It is maintained in order to enable PFC and its subsidiary REC Ltd. to avail tax benefits. As per Section 36(1)(viii) of the Income Tax Act, 1961, the Company and its subsidiary REC Ltd. is eligible for deduction not exceeding 20% of profit derived from long-term finance activity, provided such amount is transferred and maintained in special reserve account.

Details of Movement during the year:

(₹ in crore)		
Particulars	As at 31.03.2025	As at 31.03.2024
Balance as at the beginning of the year	44,077.56	39,658.38
Add: Transferred from Retained Earnings	5,114.29	4,381.56
Add: Adjustments during the year	50.08	37.62
Balance as at the end of the year	49,241.93	44,077.56

(vii) Interest Differential Reserve - KFW Loan:

It represents difference between the interest due and interest paid on KFW loan as per the loan agreement. Exchange gain/loss upon re-statement of loan balance, in accordance with the terms of the foreign currency borrowing from KFW, is adjusted against this reserve. The Company is not required to repay the unadjusted balance in the reserve after complete repayment of KFW Loan. Any unadjusted balance in the reserve after complete repayment of KFW Loan shall be used for further lending by the Company after consulting with KFW.

Details of Movement during the year:

(₹ in crore)		
Particulars	As at 31.03.2025	As at 31.03.2024
Balance as at the beginning of the year	67.15	64.97
Add: Addition during the year	1.75	2.18
Less: Deletion during the year	-	-
Balance as at the end of the year	68.90	67.15

(viii) General Reserve:

General Reserve includes the amounts appropriated from the profits of the Group before declaration of dividend (as was required under erstwhile Companies Act, 1956). It also includes the amount transferred from Statutory Reserves on utilisation / reversal of such Reserves. Further the Group appropriates profit to General Reserve in order to avail full eligible deduction of Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961.

Details of Movement during the year:

(₹ in crore)		
Particulars	As at 31.03.2025	As at 31.03.2024
Balance as at the beginning of the year	21,056.10	21,026.85
Add: Transferred from Retained Earnings	394.76	
Add: Transferred from Reserve for Bad & Doubtful Debts u/s 36(1) (viiia) of the Income Tax Act, 1961	1,574.26	29.25
Balance as at the end of the year	23,025.12	21,056.10

(ix) Impairment Reserve:

It is created where the impairment allowance under Ind AS 109 is lower than the provisioning required under Income Recognition, Asset Classification and Provisioning (IRACP) norms issued by RBI, to the extent of the difference. No withdrawals shall be permitted from this reserve without prior permission from the Department of Supervision of the Reserve Bank. Refer Note 46.1.12 for further details.

Details of Movement during the year:

(₹ in crore)		
Particulars	As at 31.03.2025	As at 31.03.2024
Balance as at the beginning of the year	89.18	-
Add: Transferred from Retained Earnings	-	89.18
Less: Transferred to General Reserve	-	-
Balance as at the end of the year	89.18	89.18

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(x) Retained Earnings:

It represent profits and specified items of other comprehensive income recognised directly in retained earnings earned by the Group after transfer to and from other reserves and dividend distributions.

Details of Movement during the year:

(₹ in crore)		
Particulars	As at 31.03.2025	As at 31.03.2024
Balance as at the beginning of the year	23,413.33	18,236.28
Add: Profit for the year	22,990.81	19,761.16
Add: Remeasurement of Defined Benefit Plans (net of taxes)	(4.42)	(4.66)
Add: Reclassification of gain/ (loss) on sale/ extinguishment of FVOCI equity instrument	114.38	190.02
Add: Changes in Accounting Policy / Prior Period Errors	-	-
Add; Transfer to /from Retained Earnings	(11,995.86)	(9,897.03)
Add: Additions / Deletion during the period (net)	(48.00)	(36.84)
Less: Coupon Payment on Perpetual Debt Instruments	(17.53)	(17.53)
Less: Dividend paid during the year	(5,362.67)	(4,818.16)
Less: Other Adjustments	-	0.08
Balance as at the end of the year	29,090.03	23,413.33

(x) Reserve for Equity Instruments through Other Comprehensive Income:

The Companies in the Group elected to recognise changes in the fair value of certain investment in equity instruments through other comprehensive income. It represents cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income. When the asset is derecognised, amounts in the reserve are subsequently transferred to retained earnings and not to consolidated statement of profit and loss. Dividends on such investments are recognised in statement of profit & loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Details of Movement during the year:

(₹ in crore)		
Particulars	As at 31.03.2025	As at 31.03.2024
Balance as at the beginning of the year	1,247.97	2.12
Add: Recognition through Other Comprehensive Income / (Expense) (net of taxes)	(67.69)	1,435.87
Less: Reclassification of (gain)/ loss on sale/ extinguishment of FVOCI equity instrument (net of taxes)	(114.38)	(190.02)
Balance as at the end of the year	1,065.90	1,247.97

(xi) Reserve for Effective portion of Cash Flow Hedges

The intrinsic value of hedging instruments which meets the qualifying criteria for hedge accounting & are designated and qualify as cash flow hedges is recognised in this reserve. The amounts recognised in such reserve are reclassified to the Statement of Profit or Loss when the hedged item affects profit or loss.

Details of Movement during the year:

(₹ in crore)		
Particulars	As at 31.03.2025	As at 31.03.2024
Balance as at the beginning of the year	(636.02)	808.03
Add: Recognition through Other Comprehensive Income / (Expense) (net of taxes)	334.30	(1,444.05)
Balance as at the end of the year	(301.72)	(636.02)

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(xii) Cost of Hedging Reserve

The fair value of the time value of a hedging instruments which meets the qualifying criteria for hedge accounting & are designated and qualify as cash flow hedges is recognised in this reserve. The amounts recognised in such reserve are amortised to the Statement of Profit and Loss on a systematic basis.

Details of Movement during the year:

(₹ in crore)		
Particulars	As at 31.03.2025	As at 31.03.2024
Balance as at the beginning of the year	151.46	(1,799.49)
Add: Recognition through Other Comprehensive Income / (Expense) (net of taxes)	(1,361.41)	1,950.95
Balance as at the end of the year	(1,209.95)	151.46

29.2 (i) The details of dividend declared/proposed by PFC on equity shares of face value of ₹ 10 each is as under:

Particulars	FY 2024-25			FY 2023-24		
	% of Share Capital	Per equity share (₹)	Amount (₹ in crore)	% of Share Capital	Per equity share (₹)	Amount (₹ in crore)
Interim Dividend	137.50%	13.75	4,537.64	110.00%	11.00	3630.11
Final Dividend	20.50%	2.05	676.52	25.00%	2.50	825.03
Total Dividend	158.00%	15.80	5,214.16	135.00%	13.50	4,455.14

(ii) Events occurring after Balance Sheet date:

Board of Directors in its meeting held on 21.05.2025 has proposed final dividend @ 20.50 % on the paid up equity share capital i.e. ₹ 2.05/- per equity share of ₹ 10/- each for the FY 2024-25 subject to approval of shareholders in ensuing Annual General Meeting.

(iii) The Dividend Paid/Proposed is in compliance with the provisions of Section 123 of Companies Act 2013, as applicable.

30. NON-CONTROLLING INTEREST

(₹ in crore)			
Sr. No.	Particulars	As at 31.03.2025	As at 31.03.2024
	Balance at the beginning of the year	32,583.37	27,264.39
(i)	Share of Net Profit for the period	7,523.59	6,700.02
(ii)	Re-measurement of Defined Benefit Plans	0.27	(0.35)
(iii)	Share of Other Comprehensive Income / (Expense)	(718.70)	494.97
	Share of Total Comprehensive Income	6,805.16	7,194.64
(i)	Dividend Declared/ Proposed to Non-Controlling Interest	(2,544.35)	(1,914.50)
(ii)	Others	14.30	38.84
	Balance at the end of the period - towards Equity Share Holders	36,858.48	32,583.37
	Towards Instruments Entirely Equity in Nature (Refer note 30.2)	558.40	558.40
	Total Non - Controlling Interest	37,416.88	33,141.77

30.1 PFC's subsidiary REC Ltd. had issued Perpetual Debt Instruments of face value of H 10 lakhs each, with no maturity and callable only at the option of the Company after 10 years. The claims of the holders of the securities shall be (a) Superior to the claims of the holders of the equity shares issued by the Issuer; and (b) Subordinated to the claims of all other creditors of the Issuer. The instruments carry a step up provision if not called after 10 years. The payment of Coupons may be cancelled or suspended at the discretion of REC Ltd. The coupon of the securities is not cumulative except where the Issuer shall not be liable to pay coupon and may defer the payment of coupon, if (i) The capital to risk assets ratio ("CRAR") of the Issuer is below the minimum regulatory requirement prescribed by RBI; or (ii) the impact of such payment results in CRAR of the Issuer falling below or remaining below the minimum regulatory requirement prescribed by RBI.

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As these securities are perpetual in nature and the Group does not have any redemption obligation and discretion on payment of coupon, these have been classified as Equity. Further as such Equity is not attributable, directly or indirectly to the parent viz PFC Limited, the same has been included under Non-Controlling interest. The periodic coupon payments are accordingly adjusted with retained earnings.

30.2 In case of PFC's Subsidiary REC Ltd. details of Instruments Entirely Equity in Nature (Perpetual Debt instruments) are as follows:

(₹ in crore)				
Particulars	Number of Bonds	As at 31.03.2025	Number of Bonds	As at 31.03.2024
Fully paid up Perpetual Debts Instrument entirely equity in nature of ₹ 10 lakhs each	5,584	558	5,584	558.40

30.3 Reconciliation of the number of perpetual securities outstanding at the beginning and at the end of the year:

Particulars	As at 31.03.2025		As at 31.03.2024	
	Number	Percentage	Number	Percentage
Balance at the beginning of the year	5,584	558.40	5,584	558.40
Increase/ (Decrease) during the year	-	-	-	-
Balance at the end of the year	5,584	558	5,584	558

30.4 Instrument holders holding more than 5% of Perpetual Debt Instruments entirely equity in nature as at Balance Sheet date:

Name of the Shareholder	As at 31.03.2025		As at 31.03.2024	
	Number	Percentage	Number	Percentage
HVPNL Employees Pension Fund Trust	665	11.91%	665	11.91%
HPGCL Employees Pension Fund Trust	500	8.95%	500	8.95%

31. INTEREST INCOME

(₹ in crore)			
Sr. No.	Particulars	Year ended 31.03.2025	Year ended 31.03.2024
A	On Financial Assets measured at Amortised Cost		
(i)	Interest on Loans	1,03,413.56	89,368.21
	Less : Rebate for Timely Payment to Borrowers	(254.36)	(252.71)
(ii)	Interest on Deposits with Banks	559.86	546.05
(iii)	Interest on Investment	613.18	295.89
(iv)	Other Interest Income	536.11	45.61
	Subtotal (A)	1,04,868.35	90,003.05
B	On Financial Assets classified at Fair Value Through Profit or Loss		
(i)	Interest on Investment	119.87	76.47
(ii)	Other Income	12.79	5.88
	Subtotal (B)	132.66	82.35
	Total Interest Income (A+B)	1,05,001.01	90,085.40

32. DIVIDEND INCOME

(₹ in crore)			
Sr. No.	Particulars	Year ended 31.03.2025	Year ended 31.03.2024
(A)	Dividend on equity investments designated at FVTOCI		
(i)	Investments held at the end of the year	90.50	67.28
(ii)	Investments derecognised during the year	-	1.24
	Sub-Total (i+ii)	90.50	68.52
(B)	Dividend on preference shares	0.01	0.01
	Total Dividend Income (A+B)	90.51	68.53



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33. FEES AND COMMISSION INCOME

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2025	Year ended 31.03.2024
(i)	Prepayment Premium on Loans	288.47	52.02
(ii)	Fee based Income on Loans	232.51	129.11
(iii)	Fee for implementation of Gol Schemes (Refer note 56)	104.98	160.22
Total Fees and Commission Income		625.96	341.35

34A OTHER OPERATING INCOME

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2025	Year ended 31.03.2024
(i)	Sale of Services (Refer note 6.11)	784.14	601.44
Total Other Operating Income		784.14	601.44

34B COST OF SERVICES RENDERED

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2025	Year ended 31.03.2024
(i)	Project and consultancy expenses	170.84	180.84
Total Cost of services rendered		170.84	180.84

35. OTHER INCOME

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2025	Year ended 31.03.2024
(i)	Excess Liabilities written back	3.70	23.98
(ii)	Miscellaneous Income	93.38	54.17
Total Other Income		97.08	78.15

36. FINANCE COSTS

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2025	Year ended 31.03.2024
On Financial Liabilities Measured At Amortised Cost			
(i)	Interest on Borrowings		
	- Term Loans and others	19,749.56	17,943.88
(ii)	Interest on Debt Securities		
	- Bonds / Debentures	40,098.99	35,957.39
	- Commercial Paper	8.97	169.64
(iii)	Interest on Subordinated Liabilities	1,095.36	1,389.48
(iv)	Other Interest Expense		
	- Interest on advances received from Associates	-	5.81
	- Interest under Income Tax Act, 1961	3.86	7.16
	- Interest expense on Variation Margin	626.00	123.76
	- Interest on liability towards employee benefits	8.46	1.03
	- Other interest expense*	1.24	1.04
	Less: Finance Cost Capitalised	(3.02)	(0.53)
(v)	Swap Premium (Net)	3,080.56	2,369.41
Total Finance Costs		64,669.98	57,968.07

* includes interest on lease liability. (Refer note 51.1)

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37. NET TRANSLATION/TRANSACTION EXCHANGE LOSS /(GAIN)

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2025	Year ended 31.03.2024
Net Translation/Transaction Exchange Loss /(Gain) on account of			
(i)	Translation of Long-term foreign currency monetary item (LTFCMI) recognised on or after 01.04.2018	437.87	(313.50)
(ii)	Translation of Long-term foreign currency monetary item (LTFCMI) (including Amortisation of FCMITDA) recognised up to 31.03.2018	237.04	266.98
Total Net Translation/Transaction Exchange Loss /(Gain)		674.91	(46.52)

37.1 The Group's foreign currency monetary items are translated at prevailing rate at the year-end as below:

Exchange Rates	As at 31.03.2025	As at 31.03.2024
USD / INR	85.5814	83.3739
Euro / INR	92.3246	90.2178
JPY / INR	0.5675	0.5509
GBP / INR	110.7389	105.2935
SGD / INR	63.7098	61.7319

38. FEES AND COMMISSION EXPENSE

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2025	Year ended 31.03.2024
(i)	Agency Fees	5.14	4.39
(ii)	Guarantee, Listing and Trusteeship fees	8.90	4.17
(iii)	Credit Rating Fees	9.91	7.29
(iv)	Other Finance Charges	10.38	20.47
Total Fees and Commission Expense		34.33	36.32

39. NET LOSS / (GAIN) ON FAIR VALUE CHANGES

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2025	Year ended 31.03.2024
On financial instruments at Fair value through Profit or Loss:			
(i)	On trading Portfolio	-	-
(ii)	Others		
	- Change in Fair Value of Derivatives	(83.30)	(191.21)
	- Change in Fair Value of Investments	(519.56)	(170.95)
	- Change in Fair Value of Short-Term Investment of Surplus Funds in Mutual Funds	(1.92)	(2.60)
Subtotal (ii)		(604.78)	(364.76)
Total Net Loss / (Gain) on Fair Value changes (i+ii)		(604.78)	(364.76)
Fair value changes:			
(i)	- Realised	(632.75)	183.18
(ii)	- Unrealised	27.97	(547.94)
Total Net Loss / (Gain) on Fair Value changes		(604.78)	(364.76)

39.1 Fair value changes in this note are other than those arising on account of accrued interest income/expense.



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40. IMPAIRMENT ON FINANCIAL INSTRUMENTS

₹ in crore		
Sr. No.	Particulars	Year ended 31.03.2025
A	On Financial Assets measured at Amortised Cost:	Year ended 31.03.2024
(i)	Loans	1,320.11
(ii)	Other Financial Assets and Trade Receivables	(1,555.99)
(iii)	Letter of Comfort & Letter of Undertaking	139.71
		(8.62)
		15.62
		13.84
B	On Financial Assets measured at Cost	
(i)	Investment	3.26
		-
	Total Impairment on Financial Instruments	1,478.70
		(1,550.77)

40.1 Refer Note 46.1 for details of impairment on financial assets.

41. EMPLOYEE BENEFIT EXPENSES

₹ in crore		
Sr. No.	Particulars	Year ended 31.03.2025
(i)	Salaries and Wages	358.87
(ii)	Contribution to Provident and other Funds/ Schemes	332.95
(iii)	Staff Welfare Expenses	53.92
(iv)	Rent for Residential Accommodation of Employees	56.92
		114.59
		81.69
		25.79
		19.50
	Total Employee Benefit Expenses	553.17
		491.06

41.1 Disclosures as per Ind AS 19 'Employee Benefits' in respect of provision made towards various employee benefits are provided in Note 50.

42 OTHER EXPENSES

₹ in crore		
Sr. No.	Particulars	Year ended 31.03.2025
(i)	Rent, Taxes and Energy Cost	18.11
(ii)	Repairs and Maintenance	16.80
(iii)	Communication Costs	46.30
(iv)	Printing and Stationery	34.04
(v)	Advertisement and Publicity	9.94
(vi)	Directors Fees, Allowance & Expenses	3.26
(vii)	Auditor's fees and expenses	3.14
(viii)	Legal & Professional charges	44.81
(ix)	Insurance	0.75
(x)	Travelling and Conveyance	0.86
(xi)	Net Loss / (Gain) on derecognition of Property, Plant and Equipment	3.51
(xii)	Govt. scheme monitoring expense	3.61
(xiii)	Conference And Meeting Expenses	42.06
(xiv)	Security Expenses	39.78
(xv)	Other Expenditure	1.22
		0.62
		56.96
		46.39
		12.47
		9.17
		29.70
		16.69
		15.55
		21.55
		4.04
		3.60
		80.68
		99.45
	Total Other Expenses	369.36
		348.46

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43. DISCLOSURES RELATED TO 'INCOME TAXES':

43.1 Income tax expense recognised in Consolidated Statement of Profit and Loss:

₹ in crore		
Particulars	FY 2024-25	FY 2023-24
Current Tax Expense /(Income)		
Current Year	7,748.48	6,370.07
Earlier Years	(15.56)	(11.74)
(A) Total Current Tax Expense	7,732.92	6,358.33
Deferred Tax Expense /(Income)		
Origination and reversal of temporary differences	384.84	768.61
(B) Total Deferred Tax Expense/(Income)	384.84	768.61
Total Income Tax Expense (A+B)	8,117.76	7,126.94

43.2 Income tax expense recognised in Consolidated Other Comprehensive Income:

₹ in crore		
Particulars	FY 2024-25	FY 2023-24
Current Tax Expense /(Income)		
(i) Items that will not be reclassified to Profit and Loss		
Re-measurement of Defined Benefit Plans	(0.02)	(0.22)
Net gain / (loss) on fair value of equity instruments	13.96	-
(A) Total Current Tax Expense/(Income)	13.94	(0.22)
Deferred Tax Expense/(Income)		
(i) Items that will not be reclassified to Profit and Loss		
Re-measurement of Defined Benefit Plans	(1.24)	(1.49)
Net Gain / (Loss) on Fair Value of Equity Instruments	38.27	194.96
(ii) Items that will be reclassified to Profit and Loss		
Effective portion of Gain and (Loss) on Hedging Instruments in Cash flow Hedge	258.28	(875.49)
Cost of hedging reserve	(841.66)	1,197.86
Exchange differences in transalting the financials of foreign operations	0.70	-
(B) Total Deferred Tax Expense/(Income) (i+ii)	(545.65)	515.84
Total Tax Expense/(Income) recognised in OCI (A+B)	(531.71)	515.62

43.3 Reconciliation of tax expense and accounting profit

Reconciliation of tax expense and product of profit before tax and corporate tax rate:

₹ in crore		
Particulars	FY 2024-25	FY 2023-24
Profit before Tax	38,632.83	33,588.12
Corporate Tax Rate	25.168%	25.168%
Tax expense using the Corporate tax rate	9,723.11	8,453.46
Increase/(Decrease) on account of:		
Non-deductible tax expenses		
Tax exempt income	22.81	(0.57)
Deduction u/s 80M of Income Tax Act 1961	(753.10)	(415.86)
Deduction under 36(1)(viii) of Income Tax Act 1961	(1,710.42)	(1,468.36)
Others	116.45	13.80
Tax expense pertaining to earlier years	(13.38)	(11.74)
Impact of change in tax rate	-	-
Effect of eliminations	731.68	556.21
Total tax expenses in the Consolidated Statement of Profit and Loss	8,117.16	7,126.94



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44. DISCLOSURE AS PER IND AS 33 "EARNINGS PER SHARE

Sr. No.	Particulars	FY 2024-25	FY 2023-24
(A)	Profit for the period used as numerator (basic & diluted) (₹ in crore):		
(i)	from continuing operations	22,991.48	19,761.16
(ii)	from discontinued operations	-	-
(iii)	from continuing and discontinued operations	22,991.48	19,761.16
(B)	Weighted average number of equity shares used as denominator (basic & diluted)	3,30,01,01,760	3,30,01,01,760
(C)	Earning per equity share (basic & diluted), face value ₹ 10 each (in ₹):		
(i)	for continuing operations	69.67	59.88
(ii)	for discontinued operations	-	-
(iii)	for continuing and discontinued operations	69.67	59.88

45. CAPITAL MANAGEMENT

The Group maintains a capital base that is adequate to support the Group’s risk profile, regulatory and business needs. The Group sources funds from domestic and international financial markets, inter-alia leading to diverse investor base and optimised cost of capital. Refer Note 22, 23 & 24 for details w.r.t. sources of funds and refer Consolidated Statement of Changes in Equity for details w.r.t Equity.

As contained in Master Direction- Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, as amended from time to time (hereinafter referred to as “RBI Master Directions”), NBFCs are required to maintain a capital ratio consisting of Tier I and Tier II capital not less than 15% of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off- balance sheet items. Out of this, Tier I capital shall not be less than 10%. Both the companies regularly monitor the maintenance of prescribed levels of Capital to Risk Weighted Assets Ratio (CRAR). Further, with regard to capital restructuring, the Company and its subsidiary RECL is also guided, inter alia, by guidelines on “Capital Restructuring of Central Public Sector Enterprises” issued by Department of Investment and Public Asset Management (DIPAM), Ministry of Finance, Department of Public Enterprises in respect of issue of bonus shares, dividend distribution, buy back of equity shares etc.

Capital to Risk Weighted Assets Ratio (CRAR) is as under:

In respect of PFC

Sr. No.	Ratios	Numerator	Denominator	As at 31.03.2025	As at 31.03.2024
(i)*	Total Capital to risk-weighted assets ratio (CRAR)	Tier I Capital + Tier II Capital	Risk Weighted assets	22.08%	25.41%
	CRAR – Tier I Capital**	Tier I Capital	Risk Weighted assets	20.29%	23.18%
	CRAR – Tier II Capital	Tier II Capital	Risk Weighted assets	1.79%	2.23%
(ii)*	Liquidity Coverage Ratio(LCR) (Refer Note 54.6)	Total High Quality Liquid Assets	Total Net Cash Outflows	100.00%	85.00%
(iii)	Debt- Equity Ratio (times)	Total Debt (principal outstanding)	Net Worth	5.12	5.14

* Computed as per applicable RBI guidelines.

** The amount of perpetual debt instruments of the Tier-I Capital is 0.13% (previous year 0.16%).

Details of Subordinated and Perpetual Debt Instruments raised during the year are as under:

(₹ in crore)		
Particulars	Year ended 31.03.2025	Year ended 31.03.2024
Amount of Subordinated Debt raised as Tier-II capital	-	-
Amount raised by issue of Perpetual Debt Instruments	-	100.00

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In respect of RECL

Sr. No.	Ratios	Numerator	Denominator	As at 31.03.2025	As at 31.03.2024
(i)*	Total Capital to risk-weighted assets ratio (CRAR)	Tier I Capital + Tier II Capital	Risk Weighted assets	25.99%	25.82%
	CRAR – Tier I Capital**	Tier I Capital	Risk Weighted assets	23.76%	23.32%
	CRAR – Tier II Capital	Tier II Capital	Risk Weighted assets	2.23%	2.50%
(ii)	Debt- Equity Ratio (times)	Total Debt (principal outstanding) less cash & cash equivalents	Net Worth	6.23	6.31

* Computed as per applicable RBI guidelines.

**The amount of perpetual debt instruments of the Tier-I Capital is 7.10% (previous year 5.47%).

Details of Subordinated and Perpetual Debt Instruments raised during the year are as under:

(₹ in crore)		
Particulars	Year ended 31.03.2025	Year ended 31.03.2024
Amount of Subordinated Debt raised as Tier-II capital	-	-
Amount raised by issue of Perpetual Debt Instruments	1,995.00	3,090.00

Dividend Distribution Policy

The Group has a well-defined dividend distribution policy. Dividend distribution policy focuses on various factors including but not limited to GoI guidelines, RBI circulars / guidelines, future capital expenditure plans, profits earned during the financial year, cost of raising funds from alternate sources, cash flow position and applicable taxes if any, subject to the guidelines as applicable from time to time.

Being a Central Public Sector Enterprise, the Group is required to comply with the guidelines on “Capital Restructuring of Central Public Sector Enterprises” issued by DIPAM, Govt. of India. As per DIPAM Guidelines, every CPSE would pay minimum annual dividend of 30% of PAT or 4% of the net-worth, whichever is higher subject to the limit, if any, under any extant legal provision. Financial sector CPSEs like NBFCs (applicable to PFC and REC) may pay minimum annual dividend of 30% of PAT subject to the limit, if any, under any extant legal provisions.

Further, DIPAM advised that CPSEs may consider paying interim dividend every quarter after quarterly results, or at least twice a year. Further, all listed CPSEs should consider paying at least 90% of projected annual dividend, in one or more instalments, as interim dividend.

However, the Group may also consider various internal factors which inter-alia includes net-worth and capacity to borrow, CAPEX/business expansion needs; additional investments in subsidiaries / associates of the Company, other regulatory requirements, etc. The detailed Dividend Distribution Policy is available on the respective company's website. For details of dividend paid/recommended during the year, refer Note 29.2(i) and 29.2.(ii).

46. FINANCIAL RISK MANAGEMENT

The Group is exposed to several risks which are inherent to the environment that it operates in. The Group is primarily into the business of extending financial assistance to power, logistics and infrastructure sector. The principal risks which are inherent with the Group's business model and from its use of financial instruments include credit risk, liquidity risk and market risk (currency risk, interest rate risk and price risk).

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The following table broadly explains the sources of risks which the Group is exposed to and how it manages the same and related impact in the consolidated financial statements:

Ratios	Risk	Exposure arising from	Measurement	Risk Management
46.1	Credit Risk	Loans, financial assets, investments (other than G-Sec), trade receivables, cash and cash equivalents	Ageing analysis	Detailed appraisal process, credit concentration limits, diversification of asset base and collateral including government guarantee
46.2	Liquidity Risk	Debt securities, Borrowings (other than debt securities), subordinated liabilities and other financial liabilities	Cash flow forecasts	Availability of committed credit lines and borrowing facilities
46.3	Market Risk – Foreign Currency Risk	Recognised financial liabilities not denominated in Indian Rupee (INR)	Sensitivity Analysis, cash flow forecasting	Derivative contracts for hedging currency risk
46.4	Market Risk – Interest Rate Risk	Debt securities, Borrowings (other than debt securities), subordinated liabilities and loans at variable interest rates	Sensitivity Analysis	Mix of loan arrangements with varied interest rate terms, derivative contract like interest rate swaps etc.
46.5	Market Risk – Price Risk	Investments in quoted equity instruments	Sensitivity Analysis	Diversification of portfolio, with focus on strategic investments

For managing these risks, the companies in the Group have put in place an integrated enterprise-wide risk management mechanism to ensure that these risks are monitored carefully and managed efficiently. In accordance with the RBI Master Direction in order to augment risk management practices in the respective Company, PFC and its subsidiary RECL has respective Chief Risk Officers (CRO) who are involved in the process of identification, measurement and mitigation of risks. The risk management approach i.e. objectives, polices and processes for identifying, measuring and managing each of above risk is set out in the subsequent paragraphs.

46.1 Credit Risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Group by failing to discharge its obligation. Details of financial assets that expose the Group to credit risk (gross carrying amount) are:

Particulars	₹ in crore)	
	As at 31.03.2025	As at 31.03.2024
Low Credit Risk		
Cash and cash equivalents ^(a)	319.22	339.34
Bank balances other than included in cash and cash equivalents ^(a)	9,265.73	3,049.22
Loans (Principal Outstanding) ^(c)	10,15,247.28	9,10,756.18
Trade and other receivables ^(b)	218.39	147.79
Investments (Excluding equity investments) ^(a)	9,198.67	7,236.77
Other financial assets ^(b)	30,064.25	29,855.31
Moderate Credit Risk		
Loans (Principal Outstanding) ^(c)	76,579.11	50,183.94
Trade receivables ^(b)	70.07	58.90
High Credit Risk		
Investments (Excluding equity investments) ^(a)	101.67	101.67
Loans (Principal Outstanding) ^(c)	18,169.50	29,883.55
Other financial assets ^(b)	178.80	89.25
Trade and other receivables ^(b)	89.10	58.55

^(a) Credit risk on cash and cash equivalents and other bank balances is limited as these are held with scheduled commercial public sector banks, high rated private sector banks and mutual fund houses, across the country with diversified deposit base. The Companies in the Group diversify the deposit base by deploying funds in various types of instruments with respective banks/ mutual fund houses.

Exposure to credit risk on investments is managed by diversifying the investment portfolio, periodically monitoring such investments, and applying the appropriate valuation techniques to arrive at the carrying value. The Group carries an impairment loss allowance of ₹ 104.93 crore on its investments as at 31.03.2025 (as at 31.03.2024 ₹ 101.67 crore).

^(b) Credit risk on trade receivables and other financial assets is mitigated by assessing the credit worthiness of debtors and is managed by monitoring the recoverability of such amounts. The Group carries requisite impairment loss allowance on such trade receivables and other financial assets.

^(c) The Group is exposed to credit risk primarily through its lending operations. The same is explained in the paragraphs below (Note 46.1.1 – Note 46.1.13).

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46.1.1 Credit Risk Management Approach for lending operations

A. In respect of PFC

PFC has put in place key policies and processes for managing credit risk, which include formulating credit policies, guiding the PFC's appetite for credit risk exposures, undertaking reviews & objective assessment of credit risk, and monitoring performance and management of portfolios. All the procedures and processes of the Company are ISO 9001:2015 certified.

The credit risk management covers two key areas, i.e., project appraisal & project monitoring. PFC selects the borrowers in accordance with the PFC's approved credit policy, which inter alia, defines factors to be considered for rating of the borrower/ project. PFC's customer selection procedure assesses viability of project along with that of its promoting entity. Rate of interest and maximum admissible exposure is, inter alia, based on internal rating awarded by PFC.

(i) Appraisal of Projects

PFC follows a systematic, institutional project appraisal process to assess the credit risk before financing any project.

(a) Appraisal for Private Sector Projects

For private sector projects, a two-stage appraisal process is followed. Initially a preliminary appraisal is carried out in order to decide the prima facie preparedness of the project to be taken up for detailed appraisal. Detailed appraisal is carried out for those projects shortlisted on the basis of preliminary appraisal.

PFC along with evaluation of project viability also assesses the ability of its promoter(s) to contribute equity and complete the project. PFC follows an integrated rating methodology whereby Integrated Rating (IR) is calculated using the weighted average of the scores of the project grading and promoter grading. Based on the IR of the project, terms and conditions (including security package, interest rate and debt-equity ratio) are stipulated.

(b) Appraisal for State Sector Projects

State sector projects are taken up for detailed appraisal to determine, inter-alia, if they are techno economically/ financially sound and compatible with integrated power development & expansion plans of the State.

PFC classifies state power generation utilities into various risk rating grades based on the evaluation of utility's performance against specific parameters covering operational and financial performance. With regards to transmission utilities, PFC adopts the categorisation of its subsidiary RECL as per its policy. With regard to State Power Distribution utilities including integrated utilities, PFC's categorisation policy provides for adoption of Ministry of Power's (MoP's) Integrated Ratings by aligning such ratings/ grading with that of PFC's rating structure. The categorisation of Borrowers in the Logistics and Non-Power Infrastructure sector is carried out on the basis of recommendations of the Internal Committee considering the strengths and weaknesses of the project.

Such categories/ ratings are used to determine security requirements and pricing of loans given to the State Sector Borrowers. PFC also has a mechanism in place for monitoring the exposure to borrowers.

The detailed project appraisal involves technical and financial appraisal covering various aspects such as project inputs, statutory and non-statutory clearances, contracts, implementation plan, project linkages, financial modelling/ projections, calculation of returns, sensitivity analysis etc.

After detailed analysis indicated above, the overall viability of the project and entity is assessed and various conditions in the form of pre-commitment, pre-disbursement and other conditions are stipulated so as to ensure tying up of funds (debt and equity both), all physical inputs, appropriateness of all the contracts, compliance of conditions precedent in agreements/ contracts/ statutory and non- statutory clearances related to the project etc. and in general to ensure bankability of the project & protection of the interest of PFC as a lender for timely servicing of debt. PFC has an authorisation/ delegation structure for the approval of credit facilities commensurating with the size of the loan.

(ii) Security and Covenants

PFC stipulates a package of security measures/covenants to mitigate risks during the construction and post COD (commercial operation date) stage of the project. Based on the risk appetite and appraisal of the project, PFC adopts a combination of the following measures:

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- (a) Primary Security - Charge on Project Assets and / or State Government Guarantees
- (b) Collateral Securities - Corporate guarantee, Personal guarantee of promoters, Pledge of shares, Charge on assets/ revenues of group/other companies
- (c) Payment Security Mechanism - Escrow Account / Letter of Credit, Trust and Retention Account (TRA)
- (d) Other covenants - Assignment of all project contracts, documents, insurance policies in favour of the Company, Upfront equity requirement, Debt Service Reserve Account (DSRA), Debt Equity ratio, shareholders' agreements, financial closure, etc.

(iii) Project Monitoring

PFC has comprehensive project/loan monitoring guidelines that captures aspects relating to monitoring, tracking of project construction, implementation, identifies risks where intervention is required to minimise the time /cost overruns/ consequent slippages in disbursements and including progress of commissioned projects.

For State sector projects, monitoring is being carried out on the basis of project progress details obtained regularly from borrowers, site visits, discussions with the borrowers, information/reports available on Central Electricity Authority's (CEA) website etc.

For private sector, where PFC is Lead Financial Institution (FI), the Company engages Lenders' Engineers (LEs)/ Project Management Agency (PMA) (a single entity, thereby facilitating better coordination of project monitoring activities)/ Lenders' Financial Advisors (LFAs), which are independent agencies to act on behalf of various lenders / consortium members. The PMA / LEs conduct periodic site visits, review relevant documents, discusses with the borrowers and submit its reports on progress of the project. LFAs submit the statements of fund flow and utilisation of funds in the project periodically. In cases PFC is not the lead FI, the tasks related to PMA/ LEs and LFAs services are coordinated with the concerned lead lender.

Also, the consolidated periodic progress report of certain projects is prepared comprising important observations/ issues viz. areas of concern, reasons for delay, issues affecting project construction/implementation etc. and is reviewed by PFC on a regular basis.

PFC continuously monitors delays and/or default of borrowers and their recoverability. On occurrence of default in the borrower's account, PFC initiates necessary steps which may involve action(s) including, but not limited to, Special Mention Account (SMA) reporting to RBI, credit information reporting to Central Repository of Information on Large Credits (CRILC) etc., regularisation of the account by recovering all over dues, invocation of guarantees/ securities to recover the dues, conversion of loan into equity as per loan agreement, restructuring of loan account, formulating resolution plan with the borrower, change in ownership, Corporate Insolvency Resolution Process (CIRP) under IBC -2016, sale of the exposures to other entities/investors, other recovery mechanisms like referring the case for legal action before Debt Recovery Tribunal (DRT), SARFAESI, etc. and other actions as specified under regulatory/legal framework.

B. In respect of RECL

The credit risk is managed at different levels including at appraisal, disbursements and post disbursement monitoring. RECL has "Integrated Rating Guidelines" and "Comprehensive Risk Management Policy". To mitigate credit risk, RECL follows systematic institutional and project appraisal process to assess the credit risk. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. Further, on periodic basis, the loan assets are reviewed and categorised as High/Moderate/Low based on ECL Methodology. The process for Credit Risk Management is as under:

- (i) RECL has "Integrated Rating Guidelines" covering credit assessment, risk grading, collateral requirements, reporting, monitoring of end utilisation of funds etc. Further, independent Lender legal counsels are appointed to ensure effective documentation and mitigation of legal risk.
- (ii) For all existing private sector projects, where RECL is Lead Financial Institution, RECL engages Lender's Independent Engineers (LIE), Lender's Financial Advisors (LFA) and Lender's Insurance Advisors (LIA), which are independent agencies who act on behalf of various lenders and consortium members. LIE conducts periodic site visits and submits reports on progress status of the project, after discussion with borrower and inspection/ review of relevant documents. LFA submit the statements of fund flow and utilisation of funds in the project periodically. In cases where RECL is not the lead Financial Institution, the tasks related to LIE and LFA services are being coordinated with the lead lender.

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RECL also endeavours to appoint a separate Project Management Agency (PMA) for new projects being financed, which subsumes the entire works of LIE /Project Management Consultant (PMC), LFA and LIA for better coordination among the agencies. PMA is stationed at project site to closely monitor various day to day project execution activities including monitoring of project progress, review of EPC/non-EPC contracts & invoices, fund utilisation and insurance for the project. PMA also verifies the bills of original equipment manufacturer/ supplier, composite works contractor and give its recommendation for disbursement. Initial due diligence is also be performed by PMA taking the sanctity of technical and financial parameters including original project cost & COD.

Concurrent Auditors/Agencies for Specialised monitoring/Cash Flow monitoring agencies are being appointed by REC/ Lenders on case to case basis for effective monitoring of Trust & Retention Account (TRA) for stressed projects.

- (iii) RECL has an authorisation structure for the approval and renewal of credit facilities. Authorisation limits have been established commensurating with the size of business proposal at CMD/Executive Committee/Loan Committee/Board of Directors based on the recommendation of Screening Committee, as appropriate.
- (iv) RECL has developed risk grading structure to categorise its exposures according to the degree of risk of default by charging appropriate interest rates and security package.
- (v) Regular reports on the credit quality of loan portfolios are provided to Risk Management Committee and Board, which may require appropriate corrective action to be taken.
- (vi) External agencies are appointed from time to time to review the guidelines, policy and existing practices being followed by business units along with providing the specialist skills to promote best practice throughout RECL for management of credit risk.
- (vii) Individual and Group Credit Exposures are assessed against designated limits, before facilities are committed to borrowers by the business unit concerned. Sanction of additional facilities is also subject to the same review process.
- (viii) RECL continuously monitors delays and/ or default of borrowers & other counterparties and their recoverability. On occurrence of default in the borrower's account, RECL initiates necessary steps to cure the default which may involve action(s) including, but not limited to, Special Mention Account (SMA) reporting to RBI, credit information reporting to Central Repository of Information on Large Credits (CRILC), etc., monitoring of the TRA account, conversion of loan into equity as per loan agreement, restructuring of loan account, formulating resolution plan with the borrower, change in ownership, Corporate Insolvency Resolution Process (CIRP), sale of the exposures to other entities/ investors and other recovery mechanisms including invocation of guarantees/ securities to recover the dues.

46.1.2 Credit Risk Measurement - Impairment Assessment for Lending Operations

Ind-AS 109 outlines a three staged model for measurement of impairment based on changes in credit risk since initial recognition. For classification of its borrowers into various stages, the Company uses the following basis:

- A financial asset that is not credit impaired on initial recognition is classified in 'Stage 1'.
- If a significant increase in credit risk (SICR) is identified, the financial asset is moved to 'Stage 2'.
- If the financial asset is credit-impaired, it is moved to 'Stage 3' category.

A In respect of PFC

PFC recognises impairment loss allowance in accordance using the expected credit loss (ECL) model for the financial assets which are not categorised at fair value through profit or loss.

- I. **Default:** In accordance with Ind AS 109, PFC considers the rebuttable presumption to define a financial asset as in default, i.e. when the loan account is more than 90 days past due on its contractual payments. Credit impaired financial assets are aligned with the definition of default.
- II. **SICR:** An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting date by considering the change in the risk of default occurring over the remaining life of the financial instrument. In accordance with Ind AS 109, PFC has applied rebuttable presumption that considers more than 30 days past due as a parameter for determining significant increase in credit risk. Further, in case of private sector borrowers, other factors like downgradation in external credit rating to 'C-', restructuring resulting in asset downgradation as per IRAC norms, delay in commissioning of project for more than 4 years are also considered.

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In case of Stage 3 financial assets, after implementation of the resolution plan (except for change of ownership and/or resolution through NCLT), the financial asset is upgraded and classified as Stage 2 for four quarters from the date of implementation of resolution plan.

III. Measurement of Expected Credit Loss (ECL)

PFC recognises impairment loss allowance for the financial assets in accordance with a board-approved expected credit loss (ECL) policy. ECL is measured on either a 12 month or lifetime basis depending on whether there is significant increase in credit risk since initial recognition. ECL is the product of Probability of default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). PFC has appointed an independent agency, CRISIL Ltd., during the financial year for assessment of ECL in accordance with Ind AS 109. The brief methodology of computation of ECL is as follows:

(i) Probability of default (PD)

PD is an estimate of the likelihood of default over a given time horizon. It is estimated as at a point in time. For assessing 12-month PD, probability of a loan defaulting in next 12 months is ascertained and similarly for assessing lifetime PD, probability of a loan defaulting in its remaining lifetime is ascertained.

For Stage 1 accounts, 12 months PD is used.

For Stage 2 (significantly increased credit risk accounts), Lifetime PD is used.

For Stage 3 (credit impaired accounts), 100% PD is taken.

12-month PD: In case of State Sector borrowers, for the purpose of PD calculation, the risk rating grades of the utilities are considered. For Gencos/Transcos/Others, PFC's internal rating grades have been considered. For Discoms / Power Department borrowers, PFC has adopted the MoP ratings. The ratings as above has been be mapped with the standard external rating benchmarks. The PD factor associated with the mapped external rating as given in the PD transition matrix published by various CRAs have been used for PD calculation.

In case of Private sector borrowers, the latest external rating as published by various Credit Rating Agencies have been referred to compute PD using the PD transition matrix published by various CRAs. If external rating is not available, the PD has been computed through Proxy Risk Scoring Model on a 10-point scale with 1 suggesting minimum risk and 10 suggesting the highest risk. The said model uses the Quantitative financial ratios like Gearing (Debt/Equity), Return on Capital Employed, Interest Coverage ratio, Debt to EBITDA ratio and qualitative factors like PLF, ACS/ ARR ratio or LAF to arrive at the final Risk score. The financial risk score obtained have been mapped to external rating benchmarks. This mapped rating has been referred to compute PD associated with the rating using the PD transition matrix published by various CRAs.

For Lifetime PD: Markov Chain Model has been used to compute Lifetime PDs of the rating grade.

(ii) Loss Given Default (LGD)

LGD is the loss factor which PFC may experience in case the default occurs.

For State sector borrowers, the exposure is bifurcated into guaranteed and non guaranteed portion. Flat LGD has been applied to the exposure amount which is guaranteed by the State. For non guaranteed portion, PFC considers the credit worthiness of the states on various parameters while estimating the LGD. For estimating the credit worthiness of the state, parameters like State GDP per capita, Fiscal deficit/GDP ratio, Proportion of infra and developmental expenditure and Proportion on Revenue Expenditure on Energy Sector, etc. are used as key inputs. The state utilities are bifurcated into Low, Medium and High-risk category based on the state category. Moreover, for non-guaranteed portfolio of State Sector borrowers, additional stress factors have been considered in the estimation of LGD based on their respective rating groups to account for the likelihood of default owing to borrower's adverse financial conditions or inability to repay. Thus, PFC derives the realisable value of the assets by considering stress factor(s) based on financial health of the state and rating of the borrower. In case of Private sector borrowers, LGD has been assessed considering various factors related to the project to arrive at realisable value of the plant such as generation capacity, project cost per MW, percentage completion of the plant, and book value of the assets, cost incurred and other relevant information. A stress factor was also applied as a haircut to arrive at the realisable value.

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For Stage 3 borrowers, LGD has been assessed project wise based on Bid value/resolution plan amount/OTS amount/any other value/ discounted cash flows etc. as applicable.

(iii) Exposure at Default (EAD)

Exposure at Default is the outstanding exposure on which ECL is computed. EAD includes outstanding principal and interest accrued and interest overdues on financial assets that PFC expects to be owed in the event of default in respect of the loan. As per Note 7.1.(ii), income on credit impaired assets is recognised as and when received or on accrual basis when expected realisation is higher than the loan amount outstanding, therefore, the same is not used in computation of Exposure at default.

(iv) Key assumptions used in measurement of ECL

- The Company considers the date of initial recognition as the base date from which significant increase in credit risk is determined.
- Since the Company has a right to cancel any sanctioned but undrawn limits to any of its borrowers, EAD is assumed to be outstanding balance and interest of the loan as on the reporting date.

- (v) The calculation of ECL incorporates forward-looking information. Further, the independent agency appointed to assist the Company in ECL assessment also consider the forward-looking information in the determination of the impairment allowance to be assigned to the borrower, by taking into consideration various project operational parameters, project financial ratios, extension of the project completion and also possibility of stressed and favourable economic conditions. Further, the independent agency has also added some additional macroeconomic parameters such as IIP (index of industrial production) electricity y-o-y growth rate, Money supply y-o-y growth rate to arrive at a weighted shock factor to the base PD term structure for ECL computation so as to reflect the right risk assessment of the utilities.

B. In respect of RECL

The impairment loss allowance on loan assets is provided as per Ind AS 109 in accordance with a board- approved policy, which measures the credit risk on the basis of key financial and operational parameters to assess improvement/ deterioration in credit quality. Management overlays to the model output, if any, are duly documented and approved by the Audit Committee. The evaluation of Expected Credit Loss (ECL) is undertaken by an independent agency, ICRA Analytics Limited (formerly ICRA Online Limited).

- I. RECL has an internal system of grading for State Governments, Public Sector Undertakings and State Power Utilities. However, for State Distribution Companies (DISCOMs), RECL adopts the ratings by the Ministry of Power as and when they are updated. These ratings are mapped with external rating grades published by various credit rating agencies as part of rating transition matrix. For private borrowers, RECL uses the external rating as published by various credit rating agencies or proxy risk scores in case such rating is not available. The proxy risk score model considers following parameters:

>> Quantitative factors

- Debt/ EBITDA (30% weightage)
- Return on Capital Employed (15% weightage)
- Interest Coverage (25% weightage)
- Gearing (Debt/Equity) (30% weightage)

>> Qualitative Factors

- Quarter wise Operational Parameters like PPA, PLF, ACS – ARR Gap, LAF, LUF, etc
- Actual Default dates
- Status of the Project



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II. Significant Increase in Credit Risk (SICR)

RECL considers a financial instrument to have experienced a significant increase in credit risk in following cases:

- i. When on any financial instrument if the payment is more than 30 days past due on its contractual payments,
- ii. Stage 1 loan asset is undergoing restructuring, untill one year of regular payments as per restructuring plan,
- iii. Downgrade in the credit rating of borrower to "C",
- iv. Delay in the date of commencement of commercial operation of project by more than 4 years.

III. Definition of default and credit-impaired assets

RECL defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when the loan account is more than 90 days past due on its contractual payments or any such period allowed by RECL in line with circular issued by the Reserve Bank of India.

IV. Measuring ECL - explanation of inputs, assumptions and estimation techniques

Expected credit losses are the product of the probability of default (PD), exposure at default (EAD) and loss given default (LGD), defined as follows:

- PD represents the likelihood of the borrower defaulting on its obligation either over next 12 months or over the remaining lifetime of the instrument.
- EAD represents the amounts, including the principal outstanding, interest accrued and outstanding Letters of Comfort that RECL expects to be owed at the time of default.
- LGD represents RECL's expectation of loss given that a default occurs. LGD is expressed in percentage and it shows the proportion of the amount that will actually be lost post recoveries in case of a default.

V. Determination of Probability of Default (PD)

RECL has analysed the available annual rating transition matrix published by credit rating agencies to arrive at annual transition matrix based PD. This annual transition matrix PD was extrapolated to arrive at the lifetime probability of default of various rating grades by loan tenure / maturity profile i.e. lifetime PD. However, for State Distribution Companies (DISCOMs), the Company adopts the ratings by the Ministry of Power as and when they are updated.

VI. Loss Given Default (LGD) computation model

Based on the historical trend, research and industry benchmarking, RECL has constructed a LGD model. Factors reviewed in the LGD model include Project cost per unit, PPA status, FSA status etc. Based on internal research RECL has benchmarked these factors for Thermal, Renewable in Private Sector. In case of Private sector borrowers, the realisable value of the assets were arrived at using suitable assumptions, including valuation reports carried out by RECL, outcome of the resolution process etc., to arrive at LGD. For State Government and Public sector projects, RECL has factored in the state support and assumed that the State/Central governments would step in to repay debt obligations of the state utilities as witnessed in the past.

VII. Key assumptions used in measurement of ECL

- a) RECL considers the date of initial recognition as the base date from which significant increase in credit risk is determined.
- b) EAD represents the amounts, including the principal outstanding, interest accrued and outstanding Letters of Comfort that RECL expects to be owed at the time of default.

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VIII. Collateral and other credit enhancements

RECL employs a range of policies and practices to mitigate credit risk. The most common of these is accepting collateral for funds disbursed. RECL has internal policies on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances are:

- Mortgage of Immovable properties
- Hypothecation of Moveable property
- Assignment of project contract documents
- Pledge of instruments through which promoters' contribution is infused in the project
- Pledge of Promoter Shareholding
- Corporate and personal Guarantee of Promoters

46.1.3 Credit risk analysis for Lending operations exposure to credit risk

For loans recognised in the balance sheet, the gross exposure to credit risk equals their carrying amount. Refer Note 12 'Loans' for Group's exposure to credit risk arising from loans.

For financial guarantee issued, the maximum exposure to credit risk is the maximum amount that the Group would have to pay if the guarantees are called upon. For irrevocable loan commitments, the maximum exposure to credit risk is the full amount of the commitment facilities. Refer Note 52 for exposure of Guarantee and Outstanding Disbursement Commitments.

A. In respect of PFC

The credit quality and maximum exposure (principal outstanding) to credit risk based on days past due and year end stage classification of loans is tabulated below:

Days Past Due (DPD)	As at 31.03.2025				As at 31.03.2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
No overdue	5,01,495.96	-	307.07	5,01,803.03	4,34,204.39	441.45*	-	4,34,645.84
1-30 days	-	-	-	-	-	-	-	-
31-60 days	-	29,650.31	-	29,650.31	-	30,742.84	-	30,742.84
61-90 days	-	1,457.29	-	1,457.29	-	-	-	-
More than 90 days	-	-	10,209.78	10,209.78	-	-	16,073.22	16,073.22
Total	5,01,495.96	31,107.60	10,516.85	5,43,120.41	4,34,204.39	31,184.29	16,073.22	4,81,461.90
Impairment loss allowance	5,381.05	560.76	8,424.25	14,366.06	3,732.95	175.83	11,962.53	15,871.31

*Classified in Stage-II pursuant to resolution plan implemented without change in ownership.

B. In respect of RECL

Credit Risk Exposure in respect of the borrowers with different credit ratings is as under:

Credit Risk Category (Internal/Mapped Ratings)	As at 31.03.2025				As at 31.03.2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing								
Very Good (AAA AA A Government Loan)	2,27,156.98	41,032.49	-	2,68,189.47	2,03,407.58	18,161.39	-	2,21,568.97
Good (BBB BB B)	1,78,400.70	4,088.70	-	1,82,489.40	2,22,710.25	445.30	-	2,23,155.55
Average (C)	1,16,210.15	-	-	1,16,210.15	56,025.85	-	-	56,025.85
Fair (D)	-	350.32	-	350.32	410.44	-	-	410.44
Non- Performing (D)	-	-	7,652.65	7,652.65	-	392.96	13,810.33	14,203.29
Gross Exposure	5,21,767.83	45,471.51	7,652.65	5,74,892.00	4,82,554.12	18,999.65	13,810.33	5,15,364.10
Less: Loss allowance (including LoC)	4,822.81	501.95	5,489.48	10,814.24	2,767.04	191.70	9,453.80	12,412.54
Net Exposure	5,16,945.02	44,969.56	2,163.17	5,64,077.76	4,79,787.08	18,807.95	4,356.53	5,02,951.56

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46.1.4 Concentration of credit risk

Credit concentration risk refers to risk associated with large credit/investment exposure to a single company or a group of companies based on its ownership, sector, region etc. that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions, with the potential to adversely affect lender's core operations.

The following table sets out an analysis of risk concentration of overall loan portfolio of PFC and its subsidiary, RECL on the basis of similar risk characteristics:

Particulars	As at 31.03.2025		As at 31.03.2024	
	Principal outstanding	Impairment loss allowance*	Principal outstanding	Impairment loss allowance*
Concentration by ownership				
Loans to state sector (i.e., entities under the control of state and /or central government)	9,15,119.35	9,587.15	8,44,163.65	5,657.78
Loans to private sector	1,94,876.54	15,643.82	1,46,660.02	22,626.03
Total	11,09,995.89	25,230.97	9,90,823.67	28,283.81

*Including impairment loss allowance on Letter of Comfort & Letter of Undertaking of ₹ 69.19 crore (as at 31.03.2024 ₹ 80.65 crore).

Loans to state sector are well diversified as these are extended to multiple entities under the control of various State Governments and Central Government. The Companies considers that these loans have a low credit risk in comparison to lending to private sector mainly due to low default / loss history in state sector and availability of government guarantee in certain loans. Presence of Government interest in these projects also lowers the risk of non-recoverability of dues.

Further, the Companies have a lending portfolio comprising of loans to generation, renewable, transmission and distribution power projects spread across diverse geographical areas.

Particulars	As at 31.03.2025		As at 31.03.2024	
	Principal outstanding	Impairment loss allowance*	Principal outstanding	Impairment loss allowance*
Concentration by schemes				
Generation	3,22,256.96	14,305.70	3,17,213.88	21,202.09
Renewable	1,44,697.20	3,665.12	99,178.38	3,040.71
Transmission	85,525.29	330.36	83,845.58	318.45
Distribution	4,56,463.53	6,416.69	4,14,955.99	3,407.25
Others	1,01,052.92	513.11	75,629.84	315.31
Total	11,09,995.89	25,230.97	9,90,823.67	28,283.81

*Including impairment loss allowance on Letter of Comfort & Letter of Undertaking of ₹ 69.19 crore (as at 31.03.2024 ₹ 80.65 crore).

The exposure to various projects and borrowers is constantly monitored in line with the Credit Concentration Norms applicable to the Companies in the Group.

46.1.5 Details of Stage wise Principal outstanding and Impairment loss Allowance in respect of PFC & RECL:

Particulars	As at 31.03.2025			As at 31.03.2024		
	Principal Outstanding	Impairment loss allowance*	Impairment loss allowance coverage(%)	Principal Outstanding	Impairment loss allowance*	Impairment loss allowance coverage(%)
Stage 1	10,15,247.28	10,254.53	1.01	9,10,756.18	6,499.95	0.71
Stage 2	76,579.11	1,062.71	1.39	50,183.94	367.53	0.73
Stage 3**	18,169.50	13,913.74	76.58	29,883.55	21,416.33	71.67
Total	11,09,995.89	25,230.97	2.27	9,90,823.67	28,283.81	2.85

*Including impairment loss allowance on Letter of Comfort & Letter of Undertaking of ₹ 69.19 crore (as at 31.03.2024 ₹ 80.65 crore).

**Includes loan outstanding of ₹ 307.07 Cr of one of the borrower which is suspected to have committed fraud on the Company and matter is under investigation. As matter of prudence 100% impairment loss allowance has been made after considering amount received in April, 25.

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46.1.6 Details of Stage wise movement of Principal outstanding and Impairment loss Allowance:

The following tables explain the changes in the loans and the corresponding impairment loss allowance (including impairment loss allowance on Letter of Comfort & Letter of Undertaking and Guarantees) in respect of PFC & RECL between the beginning and the end of the reporting period:

FY 2024-25	Stage 1			Stage 2			Stage 3			Total	
	Principal Outstanding	Impairment loss allowance	Principal Outstanding	Impairment loss allowance	Principal Outstanding	Impairment loss allowance	Principal Outstanding	Impairment loss allowance	Principal Outstanding	Impairment loss allowance	Principal Outstanding
Opening Balance	9,10,756.18	6,499.94	50,183.94	367.53	29,883.55	21,416.33	9,90,823.68	28,283.81			
Transfer to Stage 1	833.61	92.01	(833.61)	(92.01)	-	-	-	-	-	-	-
Transfer to Stage 2	(30,839.93)	(124.38)	30,839.93	124.38	-	-	-	-	-	-	-
Transfer to Stage 3	(491.24)	(3.02)	-	-	491.24	3.02	(901.39)	1,614.43	-	-	-
Net change in Principal/ECL during the year within the same stage	1,292.10	1,054.70	(2,183.29)	569.23	(10.20)	(9.50)					
New financial assets originated	2,77,825.44	3,399.63	1,888.35	7.80	-	-	2,79,713.79	3,407.43			
Financial assets derecognised (includes loans repaid/ pre-payment with stage movement)	(1,44,128.88)	(664.35)	(3,316.21)	85.78	(7,809.30)	(3,110.32)	(1,55,254.39)	(3,688.90)			
Financial Assets derecognised (Write Off)	-	-	-	-	(4,385.80)	(4,385.79)	(4,385.80)	(4,385.80)			
Financial Assets derecognised during the period (Investment Received)	-	-	-	-	-	-	-	-			
Closing Balance	10,15,247.28	10,254.53	76,579.11	1,062.71	18,169.49	13,913.74	11,09,995.89	25,230.97			

FY 2023-24	Stage 1			Stage 2			Stage 3			Total	
	Principal Outstanding	Impairment loss allowance	Principal Outstanding	Impairment loss allowance	Principal Outstanding	Impairment loss allowance	Principal Outstanding	Impairment loss allowance	Principal Outstanding	Impairment loss allowance	Principal Outstanding
Opening Balance	7,98,755.96	6,415.49	27,350.31	1,420.84	31,393.73	22,518.89	8,57,500.00	30,355.22			
Transfer to Stage 1	26,391.62	987.58	(26,391.62)	(987.57)	-	-	-	(0.00)			
Transfer to Stage 2	(51,595.10)	(207.85)	52,377.47	452.13	(782.37)	(244.28)	0.00	-			
Transfer to Stage 3	-	-	-	-	-	-	-	-			
Net change in Principal/ECL during the year within the same stage	3,436.41	(446.65)	-	(426.85)	(15.44)	(357.19)	3,420.97	(1,230.69)			
New financial assets originated	2,28,600.18	1,481.78	90.95	0.73	-	-	2,28,691.13	1,482.51			
Financial assets derecognised (includes loans repaid/pre-payment with stage movement)	(94,832.89)	(1,730.41)	(3,272.41)	(91.74)	(212.35)	(1.07)	(98,317.65)	(1,823.22)			
Financial Assets derecognised (Write Off)	-	-	29.25	-	(500.02)	(500.02)	(470.77)	(500.02)			
Financial Assets derecognised during the period (Investment Received)	-	-	-	-	-	-	-	-			
Closing Balance	9,10,756.18	6,499.94	50,183.94	367.53	29,883.55	21,416.33	9,90,823.68	28,283.81			



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46.1.7 Movement of Credit Impaired Accounts (Stage 3 accounts):

The following tables explain the changes in credit impaired accounts (stage 3 accounts) and the corresponding impairment loss allowance in respect of PFC & RECL between the beginning and the end of the reporting period.

(₹ in crore)			
Sr. No.	Description	As at 31.03.2025	As at 31.03.2024
(i)	Net Credit Impaired accounts to Gross Loans (%)	0.38	0.85
(ii)	Net Credit Impaired accounts to Net Loans (%)	0.39	0.87
		FY 2024-25	FY 2023-24
(iii)	Movement of Gross Credit Impaired accounts		
(a)	Opening balance	29,883.55	31,393.73
(b)	Additions during the year	452.63	0.32
(c)	Reductions/ (write off) during the year	(12,166.68)	(1,510.50)
(d)	Closing balance	18,169.50	29,883.55
(iv)	Movement of Net Credit Impaired accounts		
(a)	Opening balance	8,467.22	8,874.84
(b)	Additions during the year	57.33	448.16
(c)	Reductions/ (write off) during the year	(4,268.79)	(855.78)
(d)	Closing balance	4,255.76	8,467.22
(v)	Movement of impairment loss allowance on Credit Impaired accounts		
(a)	Opening balance	21,416.33	22,518.89
(b)	Additions during the year	395.30	(341.43)
(c)	Reductions/ (write off) during the year	(7,897.89)	(761.13)
(d)	Closing balance	13,913.74	21,416.33

46.1.8 Write off of Loan Assets

PFC and RECL writes off financial assets, in whole or in part in line with the write off policy of the respective companies, when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include ceasure of enforcement activity or where the Company's recovery method is foreclosing on collateral and the value of collateral is such that there is no reasonable expectation of recovery in full. The waiver/write off is done in whole or in part as per the restructuring/ settlement/resolution process.

46.1.9 Policy for sale out of amortised cost business

PFC & RECL does not resort to the sale of financial assets, in ordinary course of business. However, the respective companies have approved policies that they may proceed for resolution of stressed assets by either restructuring, change of ownership, settlement or otherwise. The assets are then assessed for derecognition as per Ind AS 109 'Financial Instruments'.

46.1.10 There are no accounts with overdues beyond 90 days but not treated as credit impaired (previous year Nil).

46.1.11 In accordance with Master Direction- Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time, NPA ratios duly considering the loans which would have been otherwise required to be classified as NPA as per RBI norms is as under:

Particulars	PFC		RECL	
	As at 31.03.2025	As at 31.03.2024	As at 31.03.2025	As at 31.03.2024
Gross NPA to Gross Loans	2.46%	4.17%	3.62%	3.00%
Net NPA to Net Loans	0.89%	1.66%	2.56%	1.16%

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46.1.12 Details of provision required as per Income Recognition, Asset Classification & Provisioning Norms (IRACP) of RBI and impairment loss allowance as per Ind AS 109 'Financial Instruments'

A. In respect of PFC

As at 31.03.2025

(₹ in crore)						
Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	5,03,495.58	5,344.30	4,98,151.28	2,224.30	3,120.00
	Stage 2	30,233.84	471.97	29,761.87	118.82	353.15
	Stage 3	-	-	-	-	-
Sub-total		5,33,729.42	5,816.27	5,27,913.15	2,343.12	3,473.15
Non-Performing Assets (NPA)						
Substandard	Stage 1	708.91	17.05	691.86	70.50	(53.45)
	Stage 2	1,479.77	88.79	1,390.98	140.29	(51.50)
	Stage 3	130.13	130.13	-	13.01	117.12
Sub-total for Substandard		2,318.81	235.97	2,082.84	223.80	12.17
Doubtful - up to 1 year	Stage 1	261.72	2.91	258.81	51.33	(48.42)
1 to 3 years	Stage 1	-	-	-	-	-
More than 3 years	Stage 1	487.65	16.78	470.87	243.19	(226.41)
Doubtful - up to 1 year	Stage 2	-	-	-	-	-
1 to 3 years	Stage 2	-	-	-	-	-
More than 3 years	Stage 2	-	-	-	-	-
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	1,180.01	610.66	569.35	389.19	221.47
More than 3 years	Stage 3	5,023.71	3,544.64	1,479.07	2,950.81	593.83
Sub-total for Doubtful		6,953.09	4,174.99	2,778.10	3,634.52	540.47
Loss	Stage 3	4,183.00	4,138.83	-	4,138.83	-
Sub-total for NPA		13,454.90	8,549.79	4,860.94	7,997.15	552.64
Other items (whose exposure forms part of contingent liability) such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current IRACP norms	Stage 1	-	50.71	(50.71)	-	50.71
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Sub-total		-	50.71	(50.71)	-	50.71
Total	Stage 1	5,04,953.86	5,431.76	4,99,522.11	2,589.33	2,842.43
	Stage 2	31,713.61	560.76	31,152.85	259.11	301.65
	Stage 3	10,516.85	8,424.25	2,092.60	7,491.84	932.41
	Total	5,47,184.32	14,416.76	5,32,767.56	10,340.28	4,076.48



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As at 31.03.2024

(₹ in crore)						
Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	4,34,363.00	3,398.17	4,30,964.83	2,424.42	973.75
	Stage 2	31,255.87	125.02	31,130.85	122.97	2.05
	Stage 3	-	-	-	-	-
Sub-total		4,65,618.87	3,523.19	4,62,095.68	2,547.39	975.80
Non-Performing Assets (NPA)						
Substandard	Stage 1	725.91	3.45	722.46	72.05	(68.60)
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Sub-total for Substandard		725.91	3.45	722.46	72.05	(68.60)
Doubtful - up to 1 year	Stage 1	-	-	-	-	-
1 to 3 years	Stage 1	-	-	-	-	-
More than 3 years	Stage 1	2,891.63	282.72	2,608.91	1,416.95	(1,134.23)
Doubtful - up to 1 year	Stage 2	-	-	-	-	-
1 to 3 years	Stage 2	-	-	-	-	-
More than 3 years	Stage 2	441.45	50.80	390.65	220.73	(169.93)
Doubtful - up to 1 year	Stage 3	37.37	37.37	-	18.47	18.90
1 to 3 years	Stage 3	1,312.74	706.86	605.88	463.22	243.64
More than 3 years	Stage 3	11,653.18	8,148.36	3,504.82	8,151.75	(3.39)
Sub-total for Doubtful		16,336.37	9,226.11	7,110.26	10,271.12	(1,045.01)
Loss	Stage 3	3,069.93	3,069.93	-	3,069.93	-
Sub-total for NPA		20,132.21	12,299.49	7,832.72	13,413.10	(1,113.61)
Other items (whose exposure forms part of contingent liability) such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current IRACP norms	Stage 1	-	48.63	(48.63)	-	48.63
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Sub-total		-	48.63	(48.63)	-	48.63
Total	Stage 1	4,37,980.54	3,732.95	4,34,247.59	3,913.42	(180.47)
	Stage 2	31,697.32	175.83	31,521.49	343.70	(167.87)
	Stage 3	16,073.22	11,962.53	4,110.69	11,703.37	259.16
	Total	4,85,751.08	15,871.31	4,69,879.77	15,960.49	(89.18)

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B. In respect of RECL

As at 31.03.2025

(₹ in crore)						
Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	5,02,886.60	4,031.67	4,98,854.93	2,683.62	1,348.05
	Stage 2	46,488.16	501.95	45,986.21	181.89	320.06
Sub-total		5,49,374.76	4,533.62	5,44,841.14	2,865.51	1,668.11
Non-Performing Assets (NPA)						
Substandard	Stage 1	12,470.98	764.17	11,706.81	1,246.74	(482.57)
	Stage 3	13.77	2.75	11.02	1.28	1.47
Sub-total for Substandard		12,484.75	766.92	11,717.83	1,248.02	(481.10)
Doubtful Assets						
1 to 3 years	Stage 3	1,512.43	754.87	757.56	480.16	274.71
More than 3 years	Stage 1	385.44	8.48	376.96	169.92	(161.44)
	Stage 3	6,126.45	4,731.86	1,394.59	4,111.46	620.40
Sub-total for Doubtful		8,024.32	5,495.21	2,529.11	4,761.54	733.67
Loss	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Sub-total for NPA		20,509.07	6,262.13	14,246.94	6,009.56	252.57
Total Loan Assets		5,69,883.83	10,795.75	5,59,088.08	8,875.07	1,920.68
Other items (whose exposure forms part of contingent liability) such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current IRACP norms -Letter of Comfort & Letter of Undertaking	Stage 1	8,008.70	18.48	7,990.22	-	18.48
Sub-total		8,008.70	18.48	7,990.22	-	18.48
Total	Stage 1	5,23,751.72	4,822.80	5,18,928.92	4,100.28	722.52
	Stage 2	46,488.16	501.95	45,986.21	181.89	320.06
	Stage 3	7,652.65	5,489.48	2,163.17	4,592.90	896.58
	Total	5,77,892.53	10,814.23	5,67,078.30	8,875.07	1,939.16

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As at 31.03.2024

(₹ in crore)						
Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	4,77,502.34	2,712.85	4,74,789.49	2,470.03	242.82
	Stage 2	18,777.30	149.69	18,627.61	74.43	75.26
Sub-total		4,96,279.64	2,862.54	4,93,417.10	2,544.46	318.08
Non-Performing Assets (NPA)						
Substandard	Stage 1	1,029.73	20.94	1,008.79	102.94	(82.00)
Sub-total for Substandard		1,029.73	20.94	1,008.79	102.94	(82.00)
Doubtful - up to 1 year	Stage 1	59.81	1.23	58.58	11.96	(10.73)
1 to 3 years	Stage 3	1,545.70	757.81	787.88	510.56	247.25
	Stage 2	392.27	41.21	351.06	172.93	(131.72)
More than 3 years	Stage 3	12,262.66	8,694.03	3,568.63	9,039.67	(345.64)
Sub-total for Doubtful		14,260.44	9,494.28	4,766.15	9,735.12	(240.84)
Loss	Stage 2	0.80	0.80	-	0.80	-
	Stage 3	1.96	1.96	-	1.96	-
Sub-total for NPA		15,292.93	9,517.98	5,774.94	9,840.82	(322.84)
Total Loan Assets		5,11,572.57	12,380.52	4,99,192.04	12,385.28	(4.76)
Other items (whose exposure forms part of contingent liability) such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current IRACP norms -Letter of Comfort & Letter of Undertaking	Stage 1	5,993.15	32.02	5,961.13	-	32.02
Sub-total		5,993.15	32.02	5,961.13	-	32.02
Total	Stage 1	4,84,585.03	2,767.04	4,81,817.99	2,584.93	182.11
	Stage 2	19,170.37	191.70	18,978.67	248.16	(56.46)
	Stage 3	13,810.32	9,453.80	4,356.51	9,552.19	(98.39)
	Total	5,17,565.72	12,412.54	5,05,153.17	12,385.28	27.26

46.1.13 Expected Credit Loss for Trade Receivables

A. In respect of RECL

RECL provides for lifetime credit losses in respect of trade receivables of RECPDCL, one of the subsidiaries of RECL using simplified approach under ECL method:

(₹ in crore)	
Particulars	Total
As at 31.03.2025	
Gross carrying value	323.48
Expected credit loss (provision)	(88.35)
Carrying amount (net of impairment)	235.13
As at 31.03.2024	
Gross carrying value	213.49
Expected credit loss (provision)	(59.67)
Carrying amount (net of impairment)	153.82

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B. In respect of PFCCL

The trade receivables of PFCCL comprises mainly amount recoverable from the State Government entities. PFCCL considers that the exposure to state sector have a low credit risk mainly due to low default/ loss history. Further, the presence of Government interest lowers the risk of non-recoverability.

Subsequent to initial recognition, PFCCL recognises expected credit loss (ECL) on financial assets especially on trade receivables other than related parties. ECL is recognised at 100% on the trade receivables due for more than 2 years and 50% on the trade receivables due for more than one year and less than 2 years.

Ageing analysis of Trade receivables is as follows:

(₹ in crore)				
Particulars	Less than 1 year	1 year- 2 year	More than 2 year	Total
Gross carrying amount as at 31.03.2025	25.47	5.45	20.08	51.00
Gross carrying amount as at 31.03.2024	22.39	10.78	20.96	54.13

Movement in the expected credit loss allowance

(₹ in crore)		
Particulars	As at 31.03.2025	As at 31.03.2024
Opening Balance	12.89	9.25
Impairment allowance reversal	(4.29)	(1.57)
Impairment losses recognised	3.48	5.21
Closing Balance	12.08	12.89

C. In respect of PFC

(₹ in crore)		
Particulars	As at 31.03.2025	As at 31.03.2024
Opening Balance	0.81	0.81
Impairment allowance reversal	-	-
Impairment losses recognised	-	-
Closing Balance	0.81	0.81

46.2 Liquidity Risk

Liquidity risk is the risk that the Group doesn't have sufficient financial resources to meet its obligations as and when they fall due. The risk arises from the mismatches in the timing of the cash flows which are inherent in all financing operations and can be affected by a range of company specific and market wide events.

46.2.1 The following table analyses the maturity pattern of items of financial liabilities (debt securities, borrowings and subordinated liabilities) by remaining maturity of contractual principal and interest on an undiscounted basis:

(₹ in crore)				
Particulars*	Upto 1 year	1 - 5 years	More than 5 years	Total
As at 31.03.2025				
Domestic borrowings				
Principal	1,05,203.10	3,39,937.08	2,53,664.73	6,98,804.91
Interest	49,598.62	1,34,338.20	87,969.48	2,71,906.30
Foreign Currency borrowings				
Principal	54,299.84	1,82,585.90	18,285.49	2,55,171.23
Interest	8,361.75	20,136.72	879.94	29,378.41
Total	2,17,463.31	6,76,997.90	3,60,799.65	12,55,260.85

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(₹ in crore)				
Particulars*	Upto 1 year	1 – 5 years	More than 5 years	Total
As at 31.03.2024				
Domestic borrowings				
Principal	1,05,831.49	3,13,592.88	2,27,809.23	6,47,233.60
Interest	47,426.15	1,31,031.84	74,792.73	2,53,250.72
Foreign Currency borrowings				
Principal	50,529.16	1,19,877.21	27,738.15	1,98,144.52
Interest	6,780.13	16,949.13	1,196.47	24,925.73
Total	2,10,566.93	5,81,451.06	3,31,536.58	11,23,554.57

* In the above table, bonds with put & call option have been shown considering the earliest exercise date. Further, the commercial papers and zero-coupon bonds have been shown at the maturity value.

46.2.2 The following table analyses the maturity pattern of Derivative financial liabilities:

(₹ in crore)				
Particulars*	Upto 1 year	1 – 5 years	More than 5 years	Total
As at 31.03.2025				
Forward	-	-	-	-
Option/ swaps	911.03	1,458.31	73.89	2,443.23
Total	911.03	1,458.31	73.89	2,443.23
As at 31.03.2024				
Forward	-	-	-	-
Option/ swaps	385.91	584.69	142.83	1,113.43
Total	385.91	584.69	142.83	1,113.43

* The above table details the Company's liquidity analysis for its derivative financial liabilities based on MTMs received from counterparty banks. Maturity buckets are as per the remaining tenor of the respective derivative instrument.

46.2.3 Significant cash flows required for meeting the financial liabilities shall be funded through cash flows (principal and interest repayments) generated from loan assets. The following table analyses the maturity pattern of loans by remaining maturity of contractual principal and interest on an undiscounted basis:

(₹ in crore)				
Particulars*	Upto 1 year	1 – 5 years	More than 5 years	Total
As at 31.03.2025				
Loan Assets				
Principal	1,90,970.57	3,98,410.12	5,06,701.45	10,96,082.15
Interest	98,547.29	2,79,677.74	2,52,453.36	6,30,678.39
Total	2,89,517.86	6,78,087.86	7,59,154.81	17,26,760.54
As at 31.03.2024				
Loan Assets				
Principal	1,55,763.97	3,55,093.36	4,58,550.01	9,69,407.34
Interest	89,602.19	2,53,990.58	2,08,779.64	5,52,372.41
Total	2,45,366.16	6,09,083.94	6,67,329.65	15,21,779.75

* The principal cash flows net of impairment loss allowance relating to Stage 3 assets have been considered in over 5 years bucket irrespective of the maturity date.

46.2.4 Liquidity Risk Management

In order to effectively manage liquidity risk, the Group endeavours to maintain sufficient cash flows to cover maturing liabilities and projected disbursements without incurring unacceptable losses or risking damage to its reputation and also endeavours to maintain a diversified fund base by raising resources through different funding instruments. The adequacy of the Group's liquidity position is determined keeping in view the current liquidity position; anticipated future funding needs; present and future earning capacity; and available sources of funds.

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The Companies in the Group manages its day to day liquidity to ensure that they have sufficient liquidity to meet their financial obligation as & when due.

Further, for overall liquidity monitoring and supervision, PFC and RECL has their respective Asset Liability Committee (ALCO). The ALCO tracks the liquidity risk by analysing the maturity or cash flow mis-matches of its financial assets and liabilities.

46.2.5 Financing arrangements

A. In respect of PFC

PFC has access to cash credit, overdraft, line of credits and working capital demand loans from banks to meet unanticipated liquidity need. Further, PFC has the highest Domestic Credit Rating of AAA, thereby enabling it to mobilise funds from the domestic market within a short span of time. PFC has access to the following undrawn borrowing facilities:

(₹ in crore)		
Particulars	As at 31.03.2025	As at 31.03.2024
CC/ OD/ LoC / WCDL limits	14,768.00	11,888.52

B. In respect of RECL

RECL had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in crore)		
Particulars	As at 31.03.2025	As at 31.03.2024
Expiring within one year - Floating Rate	14,291.72	11,813.99
Expiring beyond one year -Floating Rate	1,222.19	386.44

46.2.6 RBI vide its Master Directions applicable for NBFCs prescribe Liquidity Coverage Ratio (LCR) framework for all non-deposit taking NBFCs with asset size of more than ₹ 10,000 crore. The guidelines aim to maintain a liquidity buffer in terms of LCR by ensuring that they have sufficient High Quality Liquid Asset (HQLA) to survive any acute liquidity stress scenario lasting for next 30 days. PFC and its subsidiary, RECL maintains sufficient liquidity buffer in the form of High-Quality Liquid Assets (HQLA) as prescribed.

46.3 Market Risk – Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument, denominated in currency other than functional currency, will fluctuate because of changes in foreign exchange rates.

46.3.1 The Company and its subsidiary, RECL is exposed to foreign currency risk mainly on its borrowings denominated in foreign currency. The carrying amount of the foreign currency denominated borrowings of these companies is as follows:

Description	As at 31.03.2025		As at 31.03.2024	
	Crore in respective currency	₹ in Crore	Crore in respective currency	₹ in Crore
USD Loans	15,628.83	1,89,506.55	1,889.00	1,57,493.03
- Hedged	15,555.74	1,88,854.54	1,816.20	1,51,423.68
- Unhedged	73.09	652.00	72.80	6,069.35
Euro Loans	706.28	15,017.85	99.12	8,942.57
- Hedged	676.55	12,273.18	60.40	5,449.37
- Unhedged	29.73	2,744.67	38.72	3,493.20
JPY Loans	5,84,502.64	47,796.73	54,361.58	29,947.79
- Hedged	5,81,710.15	46,211.99	53,997.23	29,747.07
- Unhedged	2,792.49	1,584.74	364.35	200.72
GBP Loans	13.47	1,491.75	-	-
- Hedged	13.47	1,491.75	-	-
- Unhedged	-	-	-	-
SGD Loans	213.21	1,358.36	28.53	1,761.13
- Hedged	213.21	1,358.36	28.53	1,761.13
- Unhedged	-	-	-	-
Total		2,55,171.23		1,98,144.52
- Hedged		2,50,189.82		1,88,381.25
- Unhedged		4,981.41		9,763.27



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46.3.2 Foreign currency risk monitoring and management

PFC & RECL have their respective Board approved risk management policies to manage risks associated with foreign currency borrowings. These policies prescribe appropriate systems and controls to identify, measure and monitor the foreign currency risks through committees comprising of senior level officials. Derivative transactions are done to cover exchange/interest rate risks through various instruments like foreign currency forwards contracts, currency options, principal only swaps, and IRS and forward rate agreements. These derivative transactions are done for hedging purpose and not for trading or speculative purpose.

46.3.3 Foreign Currency Sensitivity Analysis

The table below represents the impact on Group's total equity ((Gain / (Loss)) for 5% change in foreign currency exchange rate against INR on unhedged portfolio of outstanding foreign currency borrowings:

Foreign Currency Liabilities	(₹ in crore)			
	As at 31.03.2025		As at 31.03.2024	
	Decrease	Increase	Decrease	Increase
USD	24.77	(24.77)	290.55	(252.13)
EURO	137.23	(137.23)	174.06	(172.28)
JPY	79.24	(79.24)	10.04	(10.04)
GBP	-	-	-	-
SGD	-	-	-	-
Total	241.24	(241.24)	474.65	(434.45)

46.4 Market Risk - Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in interest rates. Interest rates are dynamic and dependent on various internal and external factors including but not limited to RBI policy changes, liquidity in the market, movement of external benchmarks such as AAA bond / G-Sec yields / LIBOR etc. The impact may be beneficial or adverse depending on the direction of change in interest rates and whether assets or liabilities re-price faster.

A. In respect of PFC

(i) Interest rate risk is managed with the objective to control market risk exposure while optimising the return.

The Asset Liability Committee (ALCO) tracks the interest rate risk through the gap analysis i.e. by analysing the mismatches between Rate Sensitive Assets and Rate Sensitive Liabilities. For gap analysis, the interest rate sensitivity statement prescribed by RBI is used, wherein the gap is measured between the Rate Sensitive Assets and Rate Sensitive Liabilities which are distributed based on the maturity date or the re-pricing date whichever is earlier.

Further, for managing the interest rate risk, the Company reviews its interest rates periodically based on prevailing market conditions, borrowing cost, yield, spread, competitors' rates, etc. The asset mix is managed by the Company through its interest rate & credit policies which inter-alia covers aspects like reset periods; repayment periods, prepayment premium etc. The liabilities are managed keeping in view factors like cost, market appetite, timing, market scenario, ALM gap position etc. The Company also enters into various derivatives transactions like interest rate swaps, cross-currency interest rate swaps to hedge its interest rate risk.

The exposure of the PFC's borrowing to interest rate changes at the end of the reporting period are:

Particulars	(₹ in crore)	
	As at 31.03.2025	As at 31.03.2024
Fixed Rate Borrowings	3,02,058.41	3,02,902.78
Floating Rate Borrowings	1,63,704.67	1,04,480.54
Total Borrowings	4,65,763.08	4,07,383.32

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(ii) Interest Rate Sensitivity Analysis

As per RBI Guidelines, Earning at Risk (EaR) is an important focal point for interest risk management. For interest rate sensitivity analysis, the impact of movement of interest rates has been measured on the Earning at Risk derived from the gap statements. The impact has been worked out considering 25 basis upward/downward shock to interest rates over a one-year period, assuming a constant balance sheet. The analysis shows that if rates are increased/decreased by 25 bps, the impact on EaR will be (+/-) ₹ 213.56 crore. (As at 31.03.2024 (+/-) ₹ 315.68 crore).

The analysis assumes that the Rate Sensitive Assets and Rate Sensitive Liabilities are being re-priced at the same time. Further, the analysis considers the earliest/first re-pricing date of the Rate Sensitive Assets and Rate Sensitive Liabilities.

Note: A 25 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

(iii) Disclosures in respect of Interest Rate Benchmark Reform

The Company has successfully completed its transition from LIBOR to alternative risk-free rates (RFRs), such as the Secured Overnight Financing Rate (SOFR) and the Tokyo Overnight Average Rate (TONA), in line with applicable transitional provisions.

Accordingly, the loan agreements and derivatives are now referenced to these alternative benchmarks.

B. In respect of RECL

- (i) RECL's borrowings are exposed to interest rate risk with floating interest rates linked to external benchmarks such as EURIBOR, Overnight SOFR, Term SOFR, SORA, TONA, T-Bills, Repo Rate etc. RECL manages its interest rate risk through various derivative contracts like interest rate swap contracts, forward interest rate contracts to minimise the risk of fluctuation in interest rates. RECL also uses cross-currency interest rate swaps as a cost-reduction strategy to benefit from the interest differentials in different currencies.

The table below shows the overall exposure of RECL to the liabilities linked with floating interest rates as at 31.03.2025 is as under:

Currency	(Foreign Currency & INR Equivalent in ₹ crore)			As at 31.03.2024		
	As at 31.03.2025			As at 31.03.2024		
	Floating Interest Rate Exposure	Hedged through Derivatives	Unhedged Exposure	Floating Interest Rate Exposure	Hedged through Derivatives	Unhedged Exposure
INR Borrowings	44,379.47	-	44,379.47	61,162.28	-	61,162.28
USD \$	8,166.15	7,533.40	632.75	561.11	521.80	39.32
INR Equivalent	69,887.05	64,471.86	5,415.19	46,782.38	43,504.51	3,277.87
JPY ¥	4,85,390.31	4,51,161.24	34,229.07	27,320.68	-	27,320.68
INR Equivalent	27,545.90	25,603.40	1,942.50	15,050.96	-	15,050.96
EURO €	604.02	-	604.02	60.40	-	60.40
INR Equivalent	5,576.63	-	5,576.63	5,449.37	-	5,449.37
SGD \$	213.21	-	213.21	28.53	7.21	21.32
INR Equivalent	1,358.36	-	1,358.36	1,761.13	444.93	1,316.20
Total INR Equivalent	1,48,747.41	90,075.26	58,672.15	1,30,206.12	43,949.44	86,256.68

RECL also uses Interest Rate Swaps to manage fair value risk on interest rate borrowings to mitigate the interest rate sensitivity mismatch. Through such swaps, the fixed rate borrowings amounting to ₹ 13,955.70 crore as on 31st March 2025 (Previous year ₹ 15,950.70 crores) have been converted into floating rate borrowings through the use of MIBOR-linked Overnight Indexed Swaps.

RECL's lending portfolio carries interest at semi-fixed rate i.e. fixed rate of interest with 1/3/6/12/36/30/120 months reset option with the borrower. RECL reviews its lending rates periodically based on prevailing market conditions, borrowing cost, yield, spread, competitors' rates, sanctions and disbursements etc. In order to manage pre-payment risks, RECL charges pre-payment premium from borrowers in case of pre- payment of loan. The interest rate risk is managed by the analysis of interest rate sensitivity gap statements and by evaluating the creation of assets and liabilities with a mix of fixed and floating interest rates.



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RECL is exposed to interest rate risk on following loan assets which are at semi-fixed rates:

Description	(₹ in crore)	
	As at 31.03.2025	As at 31.03.2024
Rupee Loans	5,48,015.73	4,96,192.74

(ii) Sensitivity Analysis

The table below represents the impact on P&L (Gain / (Loss)) for 50 basis points increase or decrease in interest rate on RECL's floating rate assets and liabilities on the unhedged exposures:

Particulars	As at 31.03.2025		As at 31.03.2024	
	Decrease	Increase	Decrease	Increase
Floating Rate Loan Liabilities	(219.53)	219.53	(322.74)	322.74
Interest Rate Swaps	(52.37)	52.37	(59.68)	59.68
Floating/ semi-fixed Rate Loan Assets	2,050.46	(2,050.46)	1,856.55	(1,856.55)

*Holding all other variables constant

The above sensitivity analysis has been prepared assuming that the amount outstanding at the end of the reporting period remains outstanding for the whole year. A 50 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

(iii) Disclosures in respect of Interest Rate Benchmark Reform (IBOR)

RECL has variable interest rate borrowings with interest rates linked with different benchmarks. Such interest rate benchmarks for foreign currency borrowings include 3/6 Months' EURIBOR (Euro Inter Bank Offered Rate), Overnight SOFR (Secured Overnight Financing Rate), 3/6 Months' Term SOFR, Overnight SORA (Singapore Overnight Rate Average), Overnight TONAR (Tokyo Overnight Average Rate) etc. The summary of such borrowings as on March 31, 2025 as per the contracted interest rate benchmark is as below:

Benchmark	As at 31.03.2025		As at 31.03.2024	
	Amount (₹ in Crore)	Amount (USD Mn Equivalent)	Amount (₹ in Crore)	Amount (USD Mn Equivalent)
3M Term SOFR	4,365.53	510.10	3,084.83	370.00
6M Term SOFR	8,611.65	1,006.25	2,427.46	291.15
Overnight SOFR	56,909.87	6,649.79	41,270.08	4,950.00
3M EURIBOR	2,346.84	274.22	2,293.28	275.06
6M EURIBOR	3,229.79	377.39	3,156.10	378.55
Overnight TONA	27,545.90	3,218.68	15,050.96	1,805.24
Overnight SORA	1,358.36	158.72	1,761.12	211.23
Total	1,04,367.94	12,195.15	69,043.83	8,281.23

46.5 Market Risk - Price risk

(a) The Group is exposed to price risks arising from investments in listed equity shares. Refer Note 13A 'Investments' for Group's exposure to the same.

(b) Sensitivity Analysis

The table below represents the impact on Consolidated Statement of Profit and Loss for 5% increase or decrease in the respective prices on Group's equity investments, outside the Group:

Particulars	As at 31.03.2025		As at 31.03.2024	
	Decrease	Increase	Decrease	Increase
Impact on P&L	15.81	(15.81)	13.52	(13.52)
Impact on OCI	122.06	(122.06)	125.83	(125.83)

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47. HEDGE ACCOUNTING

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 recognised in Other Comprehensive Income. The change in intrinsic value of hedging instruments is recognised in 'Effective Portion of Cash Flow Hedges'. The amounts recognised 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 recognised in 'Cost of Hedging Reserve'. The amounts recognised in such reserve are amortised to the Consolidated Statement of Profit and Loss on a systematic basis.

The table below provides Movement in Effective Portion of Cash Flow Hedges and Cost of Hedging Reserve for PFC and subsidiary RECL:

		(₹ in crore)	
Sr. No.	Particulars	FY 2024-25	FY 2023-24
Effective Portion of Cash flow Hedges			
(a)	Opening balance of Reserves (net of tax)	(1,510.82)	1,092.25
(b)	Changes in intrinsic value of options contracts	8,361.34	(2,621.09)
(c)	Changes in intrinsic value of PoS/IRS/Cross currency contracts	579.42	1,253.85
(d)	Amount reclassified from OCI to P&L	(7,914.51)	(2,111.32)
(e)	Net amount recognised in OCI during the year (b + c + d)	1,026.25	(3,478.56)
(f)	Deferred Tax on (e) above	(258.29)	875.49
(g)	Net amount recognised in OCI during the year (Net of Tax) (e + f)	767.96	(2,603.07)
(h)	Closing balance of Reserves (net of Tax) (a + g)	(742.86)	(1,510.82)
Cost of Hedging Reserve			
(a)	Opening balance of Reserves (net of tax)	952.24	(2,609.37)
(b)	Changes in deferred time value of options/ PoS/ Forwards	(8,923.05)	917.19
(c)	Amortisation of time value	5,578.91	3,842.28
(d)	Net amount recognised in OCI during the year (b + c)	(3,344.14)	4,759.47
(e)	Deferred Tax on (d) above	841.67	(1,197.86)
(f)	Net amount recognised in OCI during the year (Net of Tax) (d + e)	(2,502.47)	3,561.61
(g)	Closing balance of Reserves (net of Tax) (a + f)	(1,550.23)	952.24

A. In respect of PFC

(i) Hedge Effectiveness

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company applies the following effectiveness testing strategies:

- For derivatives other than options that exactly match the terms of the hedged item, the economic relationship and hedge effectiveness are based on the qualitative factors using critical terms match method (where principal terms of the hedging instrument and the hedged item are same).
- For option structures, the Company analyses the relationship of changes in value of the hedging instrument and hedged item using regression analysis.



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(ii) The effects of hedging instruments designated as Cash-flow hedge on Consolidated Balance Sheet:

Sr. No.	Particulars	Nominal Amount (₹ in Crore)	Carrying Amount ⁽¹⁾		Date of maturity	Weighted Average Rate / Strike Price
			Assets (₹ in Crore)	Liabilities (₹ in Crore)		
As at 31.03.2025						
1.	Currency Derivatives	Forwards	-	-	-	
		Currency Swaps	7,354.07	64.52	25.75	Sep 2025 - March 2030
		Principal Only Swaps	8,948.85	119.84	-	Oct 2025 - Dec 2027 83.34
		Call Spread Option	-	-	-	
		Seagull Option	1,05,845.58	5,988.29	640.91	April 2025 - March 2030 EUR/USD - 1.1, USD/CHF - 0.8778, USD/JPY - 140.7764, USD/INR - 82.7526
Sub Total		1,22,148.50	6,172.64	666.66		
2.	Interest Rate Derivatives	Interest Rate Swap	34,594.99	32.16	106.51	Dec 2025 - March 2030 USD SOFR - 3.87%, 6M Euribor - 2.77%, JPY TONA - 0.97%
	Sub Total		34,594.99	32.16	106.51	
Total (1+2)		1,56,743.49	6,204.80	773.16		
As at 31.03.2024						
1.	Currency Derivatives	Forwards	-	-	-	
		Principal Only Swaps	11,219.24	318.87	128.47	Sep 2024 - Dec 2027 80.66
		Call Spread Option	5,419.30	499.24	-	June 2024 - Dec 2024 73.81
		Seagull Option	59,979.17	3,416.50	220.72	June 2024 - June 2029 USD/INR 79.91 USD/JPY 138.24
Sub Total		76,617.71	4,234.61	349.19		
2.	Interest Rate Derivatives	Interest Rate Swap	12,506.09	196.75	4.54	April 2024 - March 2029 2.56%
	Sub Total		12,506.09	196.75	4.54	
Total (1+2)		89,123.80	4,431.36	353.73		

⁽¹⁾ Forms part of the line item 'Derivative Financial Instruments' in the Consolidated Balance Sheet.

(iii) Profile of timing of nominal amount of hedging instrument designated as Cash-flow hedge*

Description (including derivative)	(₹ in crore)	
	As at 31.03.2025	As at 31.03.2024
Currency derivatives		
Upto 1 year	36,377.80	24,615.43
1 – 5 years	85,770.70	51,167.91
More than 5 years	-	834.37
Sub Total (A)	1,22,148.50	76,617.71
Interest rate derivatives		
Upto 1 year	5,134.88	5,419.30
1 – 5 years	29,460.10	7,086.79
More than 5 years	-	-
Sub Total (B)	34,594.99	12,506.09
Total (A+B)	1,56,743.49	89,123.80

*Maturity buckets in the above table are as per the remaining tenure of the respective derivative instrument.

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(iv) The effects of hedging instruments designated as Cash-flow hedge on the Consolidated Statement of Profit and Loss:

(₹ in Crore)					
Sr. No.	Particulars	Change in value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in Statement of P& L	Amount reclassified from OCI to P&L	Line item in P&L affected on Reclassification from OCI to P&L
As at 31.03.2025					
1.	Currency Derivatives	(253.22)	-	1,434.64	Finance Costs
				(1,339.30)	Net Translation / Transaction Exchange Loss / (Gain)
2.	Interest rate Derivatives	(13.23)	-	(150.94)	Finance Costs
As at 31.03.2024					
1.	Currency Derivatives	(937.73)	-	1,307.32	Finance Costs
				(160.02)	Net Translation/ Transaction Exchange Loss / (Gain)
2.	Interest Rate Derivatives	103.66	-	(306.54)	Finance Costs

(v) Fair Value Hedge

At 31st March 2025, Company has outstanding interest rate swap agreements of ₹ 30,036.90 crores (Previous year -Nil) wherein the Company receives a fixed rate of interest and pays interest at a variable rate on the notional amount. Such agreements are being used to hedge the exposure to the changes in fair value of fixed rate borrowings.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the interest rate swap match the terms of the fixed rate loan (i.e., notional amount, maturity, payment and reset dates). As such, a hedge ratio of 1:1 for the hedging relationships has been established as the underlying risk of the interest rate swap is identical to the hedged risk component.

The impact of the hedging instrument on the balance sheet is as follows:

(₹ in crore)					
Particulars	Fair value hedge	Notional amount	Carrying amount*	Line item in balance sheet where hedging instrument is disclosed	Changes in fair value for calculating hedge ineffectiveness
As at 31-03-2025	- Interest rate swap	30,036.90	435.57	Derivative financial instruments	435.57
As at 31-03-2024	- Interest rate swap	-	-	Derivative financial instruments	-

*Carrying amount here is exclusive of the interest receivable under such derivative contract as on reporting date.

The impact of the hedged item on the balance sheet is as follows:

(₹ in crore)					
Particulars	Fair value hedge	Principal Amount	Accumulated fair value adjustments	Line item in balance sheet where hedging instrument is disclosed	Changes in fair value for calculating hedge ineffectiveness
As at 31-03-2025	- Subordinated Liabilities	3,411.00	47.75	Subordinated Liabilities	47.75
	- Debt Securities- Bonds	26,625.90	387.82	Debt Securities- Bonds	387.82
As at 31-03-2024	- Subordinated Liabilities	-	-	Subordinated Liabilities	-
	- Debt Securities- Bonds	-	-	Debt Securities- Bonds	-

The increase in fair value of the interest rate swap of ₹ 435.57 crores (Previous year- Nil) has been offset with a similar loss on the respective subordinated liabilities and debt securities-bonds.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

B. In respect of RECL

Hedge ineffectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. RECL applies the following effectiveness testing strategies:

- (i) For cross currency swaps, principal only swaps and interest rate swaps that exactly match the terms of the hedged item, the economic relationship and hedge effectiveness are based on the qualitative factors using critical terms match method.
- (ii) For other interest rate swaps (in cases of late designation), the Company uses dollar offset method using a hypothetical derivatives, dollar offset method is a quantitative method that consists of comparing the change in fair value or cash flows of the hedging instrument with the change in fair value or cash flows of the hedged item attributable to the hedged risk.
- (iii) For option structures, RECL analyses the behaviour of the hedging instrument and hedged item using regression analysis based dollar offset method.

RECL has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk and notional amount of the hedging instruments are identical to the hedged items.

(i) Effects of hedge accounting

(₹ in crore)								
Type of hedge and risks	Notional Amt (in Mln)	Carrying amount of hedging instruments		Maturity Dates	Hedge ratio	Weighted average strike price/ rate	Change in fair value of hedging instruments	Change in value of hedged item used as the basis for recognising hedge effectiveness
		Assets	Liabilities					
As at 31.03.2025								
Cash flow hedge								
Foreign exchange and interest rate risk								
Seagull Structure	USD 14,457.24	10,721.55	1,105.39	Apr 2025 - May 2034	1:1	81.72920115	1,170.72	(1,170.72)
	USD 604.02	733.20	-	Oct 2027 - Mar 2028	1:1	85.86	(101.88)	101.88
	USD 213.21	251.39	77.47	Oct 2027	1:1	63.005	19.47	(19.47)
	USD 5,55,865.90	4,582.67	203.25	Sep 2025 - Jan 2034	1:1	0.56	(1,098.29)	1,098.29
Principal only swaps	USD 375.00	87.12	-	Apr 2025 - June 2030	1:1	75.41	-18.43	18.43
	USD -	-	-	Matured in Jan 2025	1:1	-	1.47	(1.47)
Interest rate swaps	USD 6,583.50	391.39	173.66	Apr 2025 - May 2034	1:1	3.67%	277.79	(277.79)
	USD 4,38,361.30	254.46	8.42	Sep 2025 - Mar 2030	1:1	1.57%	58.81	(58.81)
	USD -	-	-	Matured in March 2025	1:1	0.00%	(15.09)	15.09
	USD 55,280.00	-	25.39	June 2025 - Sep 2034	1:1	8.44%	(10.40)	10.40
As at 31.03.2024								
Cash flow hedge								
Foreign exchange and interest rate risk								
Seagull Structure	USD 11,452	7,137.02	269.59	Apr 2024 - Nov 2030	1:1	79.66	111.47	(111.47)
	USD 604.02	679.46	-	Oct 2027- Mar 2028	1:1	85.93	16.20	(16.20)
	USD 285.29	311.62	93.21	Mar 2025- Oct- 2027	1:1	60.28	(3.51)	3.51
	USD 3,34,306.79	2,942.85	49.01	Dec 2024 - Jan 2034	1:1	0.58	(872.94)	872.94
Call Spread	USD -	-	-	Matured during year	1:1	0.00	3.68	(3.68)
Principal only swaps	USD 375	43.34	38.13	Mar 2025 - Jun 2030	1:1	75.41	(155.79)	155.79
Interest rate swaps	USD 5,218	834.11	12.02	May 2023 - Mar 2025	1:1	3.12%	1,237.36	(1,237.36)
	USD -	-	-	Matured during year	1:1	0.00%	(0.05)	0.05
	USD 72.08	18.08	-	Aug-23	1:1	1.18%	(4.44)	4.44
	INR 55,280.00	53.11	-	May 2023 - Nov 2030	1:1	8.44%	53.11	(53.11)

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(ii) Effects of Cash Flow hedge accounting on Consolidated Statement of Profit and Loss:

(₹ in Crore)					
Sr. No.	Type of hedge	Change in value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised	Amount reclassified from cash flow hedge reserve	Line item affected on reclassification
As at 31.03.2025					
1.	Currency risk and interest rate risk	284.16	-	(4,076.86)	Net Translation / Transaction Exchange Loss / (Gain)
				1,796.86	Finance Costs
As at 31.03.2024					
1.	Currency risk and interest rate risk	385.09	-	(479.51)	Net Translation / Transaction Exchange Loss / (Gain)
				(1,166.31)	Finance Costs

(iii) Fair Value Hedges

At 31st March 2025, Company has outstanding interest rate swap agreements of ₹ 13,995.70 crores (Previous year ₹ 15,950.70 crores) wherein the Company receives a fixed rate of interest and pays interest at a variable rate on the notional amount. Such agreements are being used to hedge the exposure to the changes in fair value of fixed rate borrowings.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the interest rate swap match the terms of the fixed rate loan (i.e., notional amount, maturity, payment and reset dates). As such, a hedge ratio of 1:1 for the hedging relationships has been established as the underlying risk of the interest rate swap is identical to the hedged risk component.

The impact of the hedging instrument on the balance sheet is as follows:

(₹ in Crore)					
Particulars	Fair value hedge	Notional amount	Carrying amount*	Line item in balance sheet where hedging instrument is disclosed	Changes in fair value for calculating hedge ineffectiveness
As at 31-03-2025	- Interest rate swap	13,995.70	(8.92)	Derivative financial instruments	212.41
As at 31-03-2024	- Interest rate swap	15,950.70	(221.33)	Derivative financial instruments	57.69

* Carrying amount here is exclusive of the interest receivable under such derivative contract as on reporting date

The impact of the hedged item on the balance sheet is as follows:

(₹ in Crore)					
Particulars	Fair value hedge	Carrying amount	Accumulated fair value adjustments	Line item in balance sheet where hedging instrument is disclosed	Changes in fair value for calculating hedge ineffectiveness
As at 31-03-2025	- Subordinated Liabilities	4,230.16	(47.37)	Subordinated Liabilities	96.40
	- Institutional bonds	10,012.46	38.45	Debt Securities- Institutional Bonds	116.01
As at 31-03-2024	- Subordinated Liabilities	2,091.95	(143.77)	Subordinated Liabilities	34.39
	- Institutional bonds	11,960.91	(77.56)	Debt Securities- Institutional Bonds	23.30

The decrease in fair value of the interest rate swap of ₹ 212.41 crores (Previous year ₹ 57.69 crores) has been offset with a similar gain on the respective subordinated liabilities and debt securities.

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48 FAIR VALUE MEASUREMENTS

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Sr. No.	Financial asset/ Financial Liability - Recurring fair value	Fair Value as at		Fair value hierarchy (Refer Note 6.1)	Valuation technique(s) & Key input(s)
		31.03.2025	31.03.2024		
(1)	Quoted Equity investments (Refer Note 13.3)				
	- PTC India Limited	196.33	223.14	Level 1	Quoted market price
	- Coal India Limited	556.07	606.20		
	- NHPC Limited	930.09	1,149.49		
	- Suzlon Energy Limited	754.17	537.74		
	- Housing & Urban Development Corporation. Ltd	-	-		
	- RattanIndia Power Limited	320.81	270.35		
(2)	Un-Quoted Equity investments				
	- RKM PowerGen Pvt. Ltd	-	-		Allotted pursuant to restructuring, valued at ₹ 1 on prudent basis.
	- KSK Mahanadi Power Company Limited	0.00	-		
	- Power Exchange India Limited	5.06	4.78		
	- Energy Efficiency Services Ltd (EESL)	221.57	317.56	Level 3	Fair value has been determined using the Ind AS financials of the investee company.
	- Ind Barath Energy Utkal Limited	22.75	7.24		
	- Jhabua Power Limited	590.12	617.76		
	- Universal Commodity Exchange Limited (UCX)	-	-		Fair Value has been calculated as Nil as UCX was shut down and ceased to exist as a going concern.
(3)	Investment in preference shares				
	- RattanIndia Power Limited-OCCRPS	-	-	Level 3	Owing to default in redemption of RPS of RattanIndia Power Ltd., PFC and RECL estimates no material amount may be realised from the investments.
(4)	Investment in debentures				
	- Essar Power Transmission Company Ltd. - Series A3 - OCD	-	114.64	Level 3	Fair valued using discounted future cash flow as per terms of agreement.
	- Essar Power Transmission Company Ltd. - Series B3- OCD	-	49.22		
	- Essar Power Transmission Company Ltd. - Series C - OCD	-	0.00		
	- RKM Powergen Pvt. Ltd. - Series A - OCD	-	0.00		Fair valued a ₹ 1 due to the non-availability of structured repayment schedule. The debentures are unsustainable in nature and future cash flows are uncertain.
	- RKM Powergen Pvt. Ltd. - Series B - OCD	-	0.00		
	- RKM Powergen Pvt. Ltd. - Series AI - OCD	-	0.00		
	- Mytrah Vayu Tungbhadra Pvt Ltd- Series A- OCD	-	0.00		
	- Mytrah Vayu Tungbhadra Pvt Ltd- Series B- OCD	-	0.00		
	- Dans Energy Private Limited-OCD	-	0.00		
	- 7.99% Perpetual bonds -Canara Bank	207.78	208.49		Fair valued by discounting future cash flows at coupon rate.
	- 8.55% Perpetual Bonds of PNB- Quoted	520.85	510.65		
	- 9.50% Perpetual Bonds of UCO Bank	239.55	228.80		
(5)	Derivative Financial Instruments				
	- Assets	24,079.48	16,944.05	Level 2	The fair value of these contracts is obtained from counterparty banks, who determines it using valuation models that use inputs which are observable for the contracts, such as interest rates and yield curves, implied volatilities etc.
	- Liability	2,443.23	1,113.43		

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48.2 There were no transfers between Level 1 and Level 2 during the year.

48.3 Reconciliation of Financial Instruments fair valued through Level 3 inputs:

The following table shows the reconciliation of the opening and closing amounts of financial assets and liabilities of the Group measured at fair value through Level 3 inputs:

Particulars	FVTPL		FVTOCI	
	Investment in Perpetual Bonds	Investment in Preference Shares	Investment in Debentures	Investment in Un-quoted Equity Shares
FY 2024-25				
Opening Balance	947.94	-	163.86	947.34
Investment made during the year	-	-	-	-
Settlement	-	-	(658.03)	-
Transfer in Level 3	-	-	-	-
Transfer from Level 3	-	-	-	-
Interest income ⁽¹⁾	20.24	-	1.01	-
Fair Value gain/(loss) ^{(2) & (3)}	-	-	493.16	(107.84)
Closing Balance	968.18	-	-	839.50
Unrealised gains on balances held at the end of the year	20.25	-	-	(91.85)
FY 2023-24				
Opening Balance	437.26	-	175.08	906.73
Investment made during the year	500.00	-	(29.46)	-
Settlement	-	-	-	-
Transfer in Level 3	-	-	-	-
Transfer from Level 3	-	-	-	-
Interest income ⁽¹⁾	10.68	2.73	14.20	-
Fair Value gain/(loss) ^{(2) & (3)}	-	(2.73)	4.04	40.61
Closing Balance	947.94	-	163.86	947.34
Unrealised gains on balances held at the end of the year	19.94	-	14.98	24.61

⁽¹⁾ Forms part of line item 'Interest Income' in the Consolidated Statement of Profit and Loss.

⁽²⁾ Fair value gain/ (loss) on Investments at FVTOCI forms part of line item 'Net Gain/(Loss) on Fair Value of Equity Instruments' in the Other Comprehensive section of Consolidated Statement of Profit & Loss.

⁽³⁾ Fair value gain/ (loss) on Investments at FVTPL forms part of line item 'Net Loss/(Gain) on Fair Value changes' in the Consolidated Statement of Profit and Loss.

48.4 Fair Value of financial assets/ liabilities measured at amortised cost:

Asset/Liability	Fair value hierarchy	As at 31.03.2025		As at 31.03.2024	
		Amortised Cost	Fair Value	Amortised Cost	Fair Value
Loans	Level 3	10,91,898.40	11,02,215.05	9,69,111.15	9,75,201.63
Investments ^(a)	Level 1/3	8,227.23	8,553.04	6,124.96	6,120.93
Other financial assets	Level 2	30,064.25	30,552.84	29,885.31	29,880.12
Debt securities ^(a)	Level 1 / 2	6,12,176.04	6,02,078.87	5,60,331.04	5,52,152.40
Borrowings other than debt securities ^(b)	Level 2	3,46,503.49	3,45,353.36	2,88,698.09	2,85,876.75
Subordinated liabilities	Level 2	13,078.51	13,328.66	12,931.93	13,213.58

^(a) Includes listed instruments with Level 1 fair value hierarchy

Investment in G-Sec and SDL being fair valued using market price as at reporting date.

Foreign currency Notes (GMTN issuances) being fair valued as per closing prices as per Reuters.

^(b) Includes foreign currency loans linked to Floating rate of interest and multilateral agencies loans being valued at par.

In accordance with the interest rate benchmark reform, the fair value as at 31st March, 2025 has been arrived at using the alternative benchmark i.e. SOFR (Secured Overnight Financing rate).

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- (i) The fair value of the above financial assets and financial liabilities have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant input being the discount rate that reflects the credit risk of counterparties except for the cases where quoted market prices are available. These fair values were calculated for disclosure purposes only.
- (ii) The carrying amounts of financial assets and financial liabilities other than those shown in the above table are considered to be a reasonable approximation of their fair values.

49. RELATED PARTY DISCLOSURES

49.1 Related Parties:

Associates:		
1	Bihar Mega Power Limited	2 Sakhigopal Integrated Power Company Limited
3	Orissa Integrated Power Limited	4 Ghogarpalli Integrated Power Company Limited
5	Jharkhand Infrapower Limited	6 Odisha Infrapower Limited
7	Coastal Tamil Nadu Power Limited	8 Deoghar Mega Power Limited
9	Bihar Infrapower Limited	10 Cheyyur Infra Limited
11	Deoghar Infra Limited	
Through PFCCL		
1	Chhatarpur Transmission Limited	2 Siot Transmission Limited
3	Joda Barbil Transmission Limited	4 Gola B -Ramgarh B Transmission Limited
5	Ramakanali B -Panagarh Transmission Limited	6 Angul Sundargarh Transmission Limited
7	Bhuj II Transmission Limited	8 KPS III HVDC Transmission Limited
9	Navinal Transmission Limited (incorporated on 04.04.2024 and transferred on 14.10.2024)	10 Bijapur REZ Transmission Limited (incorporated on 28.06.2024 and transferred on 16.01.2025)
11	Chitradurga Bellary REZ Transmission Limited (incorporated on 28.06.2024 and transferred on 21.03.2025)	12 Kudankulam ISTS Transmission Limited (incorporated on 28.06.2024 and transferred on 10.01.2025)
13	Jam Khambhaliya Transmission Limited (incorporated on 29.06.2024 and transferred on 15.10.2024)	14 Bhadla and Bikaner Complex Transmisssion Limited (incorporated on 14.10.2024)
15	Gadag II and Koppal II Transmission Limited (incorporated on 21.10.2024 and transferred on 16.01.2025)	16 Wahipora and Sallar Transmission Limited (incorporated on 11.11.2024)
17	Bhuj ICT Transmission Limited (incorporated on 19.11.2024)	18 MEL Power Transmission Limited (incorporated on 19.11.2024)
19	Kandla GHA Transmission Limited (incorporated on 27.11.2024)	20 Kurnool III PS RE Transmission Limited (incorporated on 29.11.2024 and transferred on 27.03.2025)
21	Raghanesda RE Transmission Limited (incorporated on 03.12.2024)	22 NER Expansion Transmission Limited (incorporated on 06.12.2024)
23	Mundra I Transmission Limited (incorporated on 26.12.2024 and transferred on 20.03.2025)	24 Fatengarh II and Barmer I PS Transmission Limited (incorporated on 27.12.2024 and transferred on 21.03.2025)
25	Anantapur II REZ Transmission Limited (incorporated on 06.01.2025 and transferred on 31.03.2025)	26 Kakinada I Transmission Limited (incorporated on 20.02.2025)
27	NES Dharashiv Transmission Limited (incorporated on 20.03.2025)	28 NES Navi Mumbai Transmission Limited (incorporated on 20.03.2025)
29	NES Pune East New Transmission Limited (incorporated on 29.03.2025)	30 Barmer I Transmission Limited (transferred on 07.11.2024)
31	Beawar - Mandsaur Transmission Limited (transferred on 22.08.2024)	32 Bhadla-III & Bikaner-III Transmission Limited (transferred on 30.08.2024)
33	Jamnagar Transmission Limited (transferred on 14.10.2024)	34 Khavda PS1 And 3 Transmission Limited (transferred on 07.11.2024)
35	Paradeep Transmission Limited (transferred on 06.11.2024)	36 Pune- III Transmission Limited (transferred on 19.11.2024)
37	Sirohi Transmission Limited (transferred on 22.08.2024)	38 South Olpad Transmission Limited (transferred on 15.10.2024)
Through RECL		
39	Chandil Transmission Limited	40 Dumka Transmission Limited
41	Mandar Transmission Limited	42 Koderma Transmission Limited
43	Luhri Power Transmission Limited	44 Shongtong Power Transmission Limited

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Associates:			
45	Kankani Power Transmission Limited	46	Tuticorin Power Transmission Limited (Incorporated on 05.11.2024)
47	WRNES Talegaon Power Transmission Limited (Incorporated on 16.11.2024)	48	Rajgarh III Power Transmission Limited (Incorporated on 24.12.2024)
49	Jejuri Hinjewadi Power Transmission Limited (Incorporated on 28.03.2025)	50	Velgaon Power Transmission Limited (Incorporated on 29.03.2025)
51	Rajasthan IV H1 Power Transmission Limited (Incorporated on 13.10.2023 and transferred on 15.10.2024)	52	Bikaner A Power Transmission Limited (Incorporated on 14.05.2024 and transferred on 11.11.2024)
53	Bikaner B Power Transmission Limited (Incorporated on 14.05.2024 and transferred on 11.11.2024)	54	ERES-XXXIX Power Transmission Limited (incorporated on 27.03.2024 and transferred on 14.11.2024)
55	Khavda V-A Power Transmission Limited (Incorporated on 10.10.2023 and transferred on 19.11.2024)	56	Rajasthan IV 4B Power Transmission Limited (Incorporated on 14.08.2024 and transferred on 30.12.2024)
57	Rajasthan IV 4A Power Transmission Limited (Incorporated on 06.08.2024 and transferred on 30.12.2024)	58	Rajasthan Part I Power Transmission Limited (Transferred on 20.01.2025)
59	Lakadia B Power Transmission Limited (Incorporated on 29.10.2024 and transferred on 14.02.2025)	60	Khavda V-B1B2 Power Transmission Limited (Incorporated on 18.11.2024 and transferred on 18.02.2025)
61	Bidar Transco Limited (Incorporated on 05.11.2024 and transferred on 18.02.2025)	62	Ratle Kiru Power Transmission Limited (Incorporated on 23.10.2024 and transferred on 24.03.2025)
63	Rajasthan V Power Transmission Limited (Incorporated on 25.10.2024 and transferred on 24.03.2025)	64	Banaskantha Transco Limited (Incorporated on 25.10.2024 and transferred on 24.03.2025)
65	Kurnool-IV Transmission Limited (Incorporated on 20.11.2024 and transferred on 24.03.2025)	66	Mahan Transmission Limited (Incorporated on 20.11.2024 and transferred on 26.03.2025)

Key Managerial Personnel (KMP) of the Company & their relatives:		Designation
1	Smt. Parminder Chopra	Chairman and Managing Director and Additional charge (Director Finance up to 11.07.2024)
2	Shri. Ajay Tewari	Government Nominee Director (up to 25.06.2024)
3	Shri. Shashank Misra	Government Nominee Director (w.e.f 25.06.2024)
4	Shri. Rajiv Ranjan Jha	Director (Projects)
5	Shri. Manoj Sharma	Director (Commercial)
6	Shri. Sandeep Kumar	Director (Finance) (w.e.f. 11.07.2024)
7	Shri. Bhaskar Bhattacharya	Part Time Non-Official Independent Director (up to 23.12.2024)
8	Shri. Prasanna Tantri	Part Time Non-Official Independent Director (up to 23.12.2024)
9	Smt. Usha Sanjeev Nair	Part Time Non-Official Independent Director (up to 23.12.2024)
10	Shri. Manish Kumar Agrawal	GM & Company Secretary

In respect of RECL		
1	Smt. Parminder Chopra	Chairman & Managing Director (Appointed w.e.f. 21.03.2025 and ceased w.e.f 22.04.2025)
2	Sh. Vivek Kumar Dewangan	Chairman & Managing Director (Ceased w.e.f. 21.03.2025)
3	Sh. V.K. Singh	Director (Technical)
4	Sh. Harsh Baweja	Director (Finance) (appointed w.e.f 14.05.2024)
5	Sh. Shashank Misra	Government Nominee Director
6	Sh. Manoj Sharma	PFC Nominee Director
7	Dr. Gambheer Singh	Part Time Non-Official Independent Director (Ceased w.e.f. 15.11.2024)
8	Dr. Manoj M. Pande	Part Time Non-Official Independent Director (Ceased w.e.f. 15.11.2024)
9	Dr. Durgesh Nandini	Part Time Non-Official Independent Director (Ceased w.e.f. 27.12.2024)
10	Sh. Narayanan Thirupathy	Part Time Non-Official Independent Director
11	Sh. J.S. Amitabh	Executive Director & Company Secretary
12	Shri. Rajesh Kumar	Executive Director (Finance) (Designated as KMP w.e.f. 26.10.2024)

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Key Managerial Personnel (KMP) of the Company & their relatives:		Designation
In respect of PFCCCL		
1	Smt. Parminder Chopra	Chairman
2	Shri. Rajiv Ranjan Jha	Director
3	Shri. Manoj Sharma	Director
4	Shri. Sandeep Kumar	Director (appointed w.e.f. 16.07.2024)
5	Shri. Manoj Kumar Rana	Chief Executive Officer (CEO)
6	Shri. Rakesh Mohan	Chief Finance Officer (CFO) (appointed w.e.f. 08.07.2024)
7	Sh. Milind M. Dafade	Chief Finance Officer (CFO) (ceased w.e.f. 08.07.2024)
8	Sh. Sachin Arora	Company Secretary (CS)
Funds under control of the Company		
1	Power Finance Corporation Limited Employees Provident Fund	2 Power Finance Corporation Limited Employees Gratuity Fund
3	PFC Defined Contribution Pension Scheme 2007	4 PFC Superannuation Medical Fund
Trusts / Funds under control of RECL		
1	REC Limited Contributory Provident Fund Trust	2 REC Gratuity Fund
3	REC Employees' Superannuation Trust	4 REC Employees' Benevolent Fund
5	REC Retired Employees' Medical Trust	
Society of subsidiary RECL		
1	REC Foundation	
Company in which KMP of subsidiary RECL are directors		
1	Samarpan Hospitals Private Limited	Part Time Non-Official Independent Director- Dr. Gambheer Singh- (Ceased w.e.f. 15.11.2024)

49.2 Transactions with the Related Parties are as follows:

Intra Group related party transactions with subsidiaries are eliminated in the preparation of Consolidated Financial Statement of the Group. Hence the same has not been disclosed in Group related party transactions.

(₹ in crore)		
Particulars	During FY 2024-25	During FY 2023-24
Associates		
Recoveries of advances (including interest) from associates	0.12	3.49
Loans granted (including interest accrued) to associates	8.36	-
Interest income on advances to associates	2.04	23.11
Repayment of advance taken from Associate	49.20	0.32
Interest expenses on advances from associates	-	5.81
Income on transfer of associate	228.26	190.33
Consultancy Fee	335.59	104.42
Others	36.38	18.85
Trusts / Funds/ Foundations of the Group		
Contributions made during the year	28.35	40.37
Finance cost on bonds	5.04	4.87
Subscription of bonds	1.00	2.00
Redemption of bonds	0.03	-
Payment towards CSR Expenses	268.00	243.00
KEY MANAGERIAL PERSONNEL		
(i) Short-term employee benefits	8.98	9.34
(ii) Post-employment benefits	1.15	1.01
(iii) Other long-term benefits	0.05	0.80
Sub Total (i+ii+iii)	10.18	11.15
Repayment/ Recovery of loans and advances including interest income	0.91	0.60
Subscription of bonds	-	-
Redemption of bonds	-	0.07
Directors' Sitting Fee paid	0.70	0.85
Finance cost on bonds paid	0.02	0.02

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

49.3 Outstanding balances with Related Parties are as follows:

Intra Group related party outstanding balances with subsidiaries are eliminated in the preparation of Consolidated Financial Statement of the Group. Hence the same has not been disclosed in Group Outstanding balances with related party.

(₹ in crore)		
Particulars	As at 31.03.2025	As at 31.03.2024
Amount recoverable towards loans & advances (including interest) and others from:		
Associates	232.29	244.29
Key managerial personnel	1.30	1.56
Trusts / Funds under control of the Group	34.78	23.55
Amount payable towards loans & advances (including interest) and others to:		
Associates	96.33	179.56
Debt Securities of the Group held by:		
Key managerial personnel	0.20	0.20
Trusts/ Funds under control of the Group	58.20	57.50
Provisions made w.r.t Trusts/ Funds under control of the Group	15.50	10.75
Investments made in:		
Associates	0.72	0.72
REC Foundation		
Others	1.67	1.25

49.4 Disclosure in respect of entities under the control of the same government (Government related entities)

Companies in the Group are Central Public Sector Undertaking (CPSU) controlled by Central Government. List of Government related entities with which the Group has done transactions, includes but not limited to:

Bihar Grid Company Limited	NTPC Tamil Nadu Energy Company Limited
Central Transmission Utility of India Ltd	NTPC Vidyut Vyapar Nigam Limited
Chenab Valley Power Projects Private Limited	Patratu Vidut Utpadan Nigam Limited
Chhattisgarh East Railway Limited	Power Foundation of India
Coal India Ltd.	Power Grid Corporation of India Limited
Damodar Valley Corporation	Powergrid Teleservices Limited
Energy Efficiency Services Limited	PTC India Limited
Himachal Renewables Limited	Raichur Power Corporation Ltd.
HPCL Rajasthan Refinery Limited	Railtel Enterprises Ltd
Meja Urja Nigam Pvt. Ltd	Satluj Jal Vidyut Nigam Thermal Pvt Ltd
MSTC Limited	SBI Capital Markets Limited
Mumbai Metro Rail Corporation Limited	SJVN Limited
Nabinagar Power Generating Co. Pvt. Limited	SJVN Thermal Pvt. Limited
Neyveli Lignite Corporation Limited	State Bank of India
Neyveli Uttar Pradesh Power Limited	Tusco Limited
NHPC Limited	Visakhapatnam Port Logistics Park Limited
NLC Tamilnadu Power Limited	

Significant transactions with entities under the control of same government:

(₹ in crore)		
Nature of Transaction	During FY 2024-25	During FY 2023-24
Disbursement of loans	16,068.48	12,757.21
Interest Income received	5,678.33	4,896.63
Membership Fee	10.00	10.00

Refer Note 14, 23.6, 25.1, 25.3 and 56 in respect of material transactions with the Central Govt.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

The above transactions with the government related entities cover transactions that are significant individually and collectively. The Group has also entered into other transactions such as telephone expenses, lease rental, deposits, expenses on Government Programmes, etc. with other CPSUs. They are insignificant individually & collectively and hence not disclosed. All transactions are carried out on market terms.

49.5 Major terms and conditions of transactions with related parties

- (i) Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.
- (ii) The remuneration to Key Managerial Personnel are in line with the HR Policies of the respective Companies.
- (iii) Loans and advances given to Directors/KMPs have specified terms / period of repayment and are in line with the HR Policies of the respective Companies in the group.
- (iv) The Companies in the Group makes advances to its associate companies which are incorporated as SPVs to meet the preliminary expenditure. Such advances carry interest rates at the rate applicable to Term Loans as per the respective Company's policy.
- (v) The interest and/or dividend paid to the Trusts and Key Managerial Personnel are on account of their investments in the debt securities and/or equity shares of the Company and the interest and/or dividend paid on such securities is uniformly applicable to all the holders.
- (vi) Outstanding balances of Group companies at the year-end are unsecured.

50. EMPLOYEE BENEFITS

50.1 Defined contribution plans:

(a) Pension

The Companies in the Group pays fixed contribution to National Pension Scheme (NPS) for its pension obligation towards employees at pre-determined rates into the Tier-I NPS Accounts (Pension Accounts) of the employees.

An amount of ₹ 18.46 crore (previous year ₹ 20.45 crore) for the year is recognised as expense in the Consolidated Statement of Profit and Loss on account of the Group's contribution to the defined contribution plans.

50.2 Defined benefit plans:

50.2.1 Provident Fund

In respect of RECL

The Company pays fixed contribution of Provident Fund at pre-determined rates to a separate registered trust which invests the funds in permitted securities. The trust declares the rate of interest on contribution to the members based upon the returns earned on its investments during the year, subject to minimum interest rate specified by Employees' Provident Fund Organisation. Any shortfall in the specified interest rate and returns earned on investments of the trust, for payment of interest to members, is to be compensated by the Company. The Company started from the FY 2023-24, treating the contribution to the recognised provident fund trust for its employees, as a Defined Benefit Plan instead of Defined Contribution Plan being followed hitherto. As such, there is no financial impact of it on the profit of the Company. The Company's obligation towards provident fund is determined and provided for on the basis of actuarial valuation as per IND AS 19 on Employee Benefits. The details of the fair value of plan assets and obligations are as under:

(₹ in crore)		
Particulars	As at 31.03.2025	As at 31.03.2024
(a) Present value of Defined benefit obligation	735.36	704.71
(b) Fair Value of Plan Assets	740.17	705.20
(c) Net Defined Benefit (Asset)/ Liability (a-b)	(4.81)	(0.49)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

Movement in net defined benefit (asset)/ liability

Particulars	Present value of Defined Benefit Obligation		Fair Value of Plan Assets		Net Defined Benefit (Asset)/ Liability	
	For the year ended		For the year ended		For the year ended	
	31.03.2025	31.03.2024	31.03.2025	31.03.2024	31.03.2025	31.03.2024
I. Opening Balance	704.71	649.02	705.20	654.21	(0.49)	(5.19)
Included in profit or loss						
Current service Cost	22.95	20.75	-	-	22.95	20.75
Past service cost	-	-	-	-	-	-
Interest cost / (income)	56.83	53.12	56.83	53.74	-	(0.62)
II. Total amount recognised in profit and loss	79.78	73.87	56.83	53.74	22.95	20.13
Included in OCI						
Re-measurement loss/ (gain):						
Actuarial loss/ (gain) arising from changes in financial assumptions	(3.31)	(1.00)	1.00	(6.30)	(4.31)	5.30
Actuarial loss/ (gain) arising from experience adjustment	-	-	-	-	-	-
Actuarial loss/ (gain) arising from changes in demographic assumptions	-	-	-	-	-	-
Return on plan assets excluding interest income	-	-	-	-	-	-
III. Total amount recognised in OCI	(3.31)	(1.00)	1.00	(6.30)	(4.31)	5.30
IV. Contribution by participants	38.27	39.34	38.27	39.34	-	-
V. Contribution by employer	-	-	22.95	20.74	(22.95)	(20.74)
VI. Net Liability transferred In / (Out)	9.97	14.80	9.97	14.80	-	-
VII. Benefits paid	(94.06)	(71.32)	(94.05)	(71.33)	(0.01)	0.01
VIII. Closing Balance (I+II+III+IV+V+VI+VII)	735.36	704.71	740.17	705.20	(4.81)	(0.49)

50.2.2 Gratuity

The Companies in the Group have a defined gratuity scheme which is managed by a separate trust. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary for each completed year of service subject to a maximum of ₹ 0.20 crore on superannuation, resignation, termination, disablement or on death, considering the provisions of the Payment of Gratuity Act, 1972, as amended. The liability for the same is recognised on the basis of actuarial valuation.

(₹ in crore)		
Particulars	As at 31.03.2025	As at 31.03.2024
(a) Present value of Defined benefit obligation	61.73	58.49
(b) Fair Value of Plan Assets	55.72	57.14
(c) Net Defined Benefit (Asset)/ Liability (a-b)	6.01	1.35



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for the year ended March 31, 2025

Movement in net defined benefit (asset)/ liability

Particulars	₹ in crore					
	Present value of Defined Benefit Obligation		Fair Value of Plan Assets		Net Defined Benefit (Asset)/ Liability	
	For the year ended		For the year ended		For the year ended	
	31.03.2025	31.03.2024	31.03.2025	31.03.2024	31.03.2025	31.03.2024
I. Opening Balance	58.49	58.77	57.14	54.97	1.35	3.80
Included in profit and loss						
Current service Cost	2.79	2.45	-	-	2.79	2.45
Past service cost	2.73	-	-	-	2.73	-
Interest cost / (income)	3.95	4.12	4.05	4.02	(0.10)	0.10
II. Total amount recognised in profit and loss	9.47	6.57	4.05	4.02	5.42	2.55
Included in OCI						
Re-measurement loss/ (gain):						
Actuarial loss/ (gain) arising from changes in financial assumptions	1.65	0.72	-	-	1.65	0.72
Actuarial loss/ (gain) arising from experience adjustment	(0.09)	(0.88)	-	-	(0.09)	(0.88)
Actuarial loss/ (gain) arising from changes in demographic assumptions	-	-	-	-	-	-
Return on plan assets excluding interest income	-	-	0.95	1.04	(0.95)	(1.04)
III.Total amount recognised in OCI	1.56	(0.16)	0.95	1.04	0.61	(1.20)
IV. Contribution by participants	-	-	-	2.68	-	(2.68)
V. Contribution by employer	-	-	1.37	1.12	(1.37)	(1.12)
VI. Benefits paid	(7.79)	(6.69)	(7.79)	(6.69)	-	-
VII. Closing Balance (I+II+III+IV+V+VI)	61.73	58.49	55.72	57.14	6.01	1.35

50.2.3 Post-Retirement Medical Scheme (PRMS)

The Companies in the Group have Post-Retirement Medical Schemes (PRMS) to provide medical facilities to superannuated employees, dependent family members of superannuated and deceased employees. The liability for PRMS is recognised on the basis of actuarial valuation.

This scheme is managed by a separate trust. The trust has to ensure adequate corpus for meeting the medical expenditure incurred by the eligible employees/family members. However, any short fall has to be compensated by the Companies in the Group. Based on acturial valuation, it is estimated that no liability will arise in this regard in the near future and hence, no further provision is considered necessary.

Particulars	₹ in crore	
	As at 31.03.2025	As at 31.03.2024
(a) Present value of Defined benefit obligation	262.11	245.73
(b) Fair Value of Plan Assets	288.72	261.41
(c) Net Defined Benefit (Asset)/ Liability (a-b)	(26.61)	(15.68)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

Movement in Defined Benefit Obligation

Particulars	₹ in crore					
	Present value of Defined Benefit Obligation		Fair Value of Plan Assets		Net Defined Benefit (Asset)/ Liability	
	For the year ended		For the year ended		For the year ended	
	31.03.2025	31.03.2024	31.03.2025	31.03.2024	31.03.2025	31.03.2024
I. Opening Balance	245.73	228.98	261.41	238.58	(15.68)	(9.59)
Included in profit and loss						
Current service Cost	10.26	8.20	-	-	10.26	8.20
Past service cost	-	-	-	-	-	-
Interest cost / (income)	17.18	16.47	18.54	17.45	(1.36)	(0.98)
II. Total amount recognised in profit and loss	27.44	24.67	18.54	17.45	8.90	7.22
Included in OCI						
Re-measurement loss/ (gain):						
Actuarial loss/ (gain) arising from changes in financial assumptions	(8.88)	(2.32)	-	-	(8.88)	(2.32)
Actuarial loss/ (gain) arising from experience adjustment	16.57	11.29	-	-	16.57	11.29
Actuarial loss/ (gain) arising from changes in demographic assumptions	-	-	-	-	-	-
Return on plan assets excluding interest income	-	-	4.03	1.98	(4.03)	(1.98)
III. Total amount recognised in OCI	7.69	8.97	4.03	1.98	3.66	6.99
IV.Contribution by participants	0.18	0.10	0.19	0.10	(0.01)	-
V. Contribution by employer	-	-	9.39	6.43	(9.39)	(6.43)
VI. Benefits paid	(18.93)	(16.99)	(4.84)	(3.13)	(14.09)	(13.86)
VII. Closing Balance (I+II+III+IV+V+VI)	262.11	245.73	288.72	261.41	(26.61)	(15.68)

50.2.4 Economic Rehabilitation Scheme (ERS)

The Companies in the Group have an Economic Rehabilitation Scheme (ERS) to provide monetary benefit in case of permanent disability/ death of an employee. This scheme is unfunded and the liability is determined based on actuarial valuation.

Particulars	₹ in crore	
	As at 31.03.2025	As at 31.03.2024
Present value of Defined Benefit Obligation	14.41	12.78

Movement in Defined Benefit Obligation

Particulars	₹ in crore	
	Present value of Defined Benefit Obligation for the year ended	
	As at 31.03.2025	As at 31.03.2024
I. Opening Balance	12.78	11.99
Included in profit and loss		
Current service Cost	0.91	0.82
Past service cost	-	-
Interest cost / (income)	0.87	0.84
II. Total amount recognised in profit and loss	1.78	1.66
Included in OCI		
Actuarial loss / (gain) arising from changes in financial assumptions	0.50	0.96
Actuarial loss / (gain) arising from experience adjustment	0.64	(0.03)
Actuarial loss / (gain) arising from changes in demographic assumptions	-	-
Return on plan assets excluding interest income	-	-
III. Total amount recognised in OCI	1.14	0.93
IV. Contribution by participants	-	-
V. Contribution by employer	-	-
VI. Benefits paid	(1.29)	(1.80)
VII. Closing Balance (I+II+III+IV+V+VI)	14.41	12.78

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

50.2.5 Risk exposure

Through its defined benefit plans, the Companies in the Group are exposed to a number of risks, the most significant of which are detailed below:

i) Investment risk/ Asset Volatility Risk

Most of the plan asset investments are in government securities, other fixed income securities with high rating grades and mutual funds. The fair value of these assets is subject to volatility due to change in interest rates and other market & macro-economic factors. There is also a risk of asset liability mismatch i.e. the cashflow for plan assets does not match with cashflow for plan liabilities.

ii) Changes in discount rate

The present value of defined benefit plan liabilities is calculated using a discount rate which is determined by reference to government bonds' yields at the end of the reporting period. A decrease (increase) in discount rate will increase (decrease) present values of plan liabilities, although this will be partially offset by an increase in the value of the plans' investments.

iii) Mortality rate risk /Longevity Risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

iv) Salary escalation risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

v) Employee Turnover Rate /Withdrawal Rate

If the actual employee withdrawal rate in the future turns out to be more or less than expected then it may result in increase/ decrease in the liability.

50.2.6 Plan Assets

The value of plan assets for each category is as follows:

Particulars	(₹ in crore)					
	As at 31.03.2025			As at 31.03.2024		
	Provident Fund	Gratuity	PRMS	Provident Fund	Gratuity	PRMS
Cash & Cash Equivalents	8.57	0.44	4.51	2.08	0.17	5.01
State/ Central Government Debt Securities	409.30	27.18	87.98	397.34	27.03	82.43
Corporate Bonds/ Debentures	277.83	21.54	195.05	268.23	21.43	173.97
Others	44.47	6.55	1.18	37.54	8.51	-
Total	740.17	55.72	288.72	705.19	57.14	261.41

Actual return on plan assets is ₹ 83.36 crore (previous year ₹ 79.40 crore).

50.2.7 Significant actuarial assumptions

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at 31.03.2025 by TransValue Consultants for Companies in the Group. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

The principal assumptions used for actuarial valuation are:-

A. In respect of PFC

Particulars	Provident Fund		Gratuity		PRMS		ERS	
	As at 31.03.2025	As at 31.03.2024	As at 31.03.2025	As at 31.03.2024	As at 31.03.2025	As at 31.03.2024	As at 31.03.2025	As at 31.03.2024
Discount Rate & expected return on plan assets, if funded	6.78%	7.09%	6.78%	7.09%	6.78%	7.09%	6.78%	7.09%
Salary Escalation Rate/Medical inflation rate	NA	NA	5.00%	5.00%	6.00%	6.00%	5.00%	5.00%
Mortality Rate	NA	NA	As per IALM (2012-14) Ultimate	As per IALM (2012-14) Ultimate	As per IALM (2012-14) Ultimate	As per IALM (2012-14) Ultimate	As per IALM (2012-14) Ultimate	As per IALM (2012-14) Ultimate
Withdrawal rate	NA	NA	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%

B. In respect of RECL

Particulars	Provident Fund		Gratuity		PRMS		ERS	
	As at 31.03.2025	As at 31.03.2024	As at 31.03.2025	As at 31.03.2024	As at 31.03.2025	As at 31.03.2024	As at 31.03.2025	As at 31.03.2024
Method Used	PUCM							
Discount Rate	6.75%	7.09%	6.75%	7.09%	6.75%	7.09%	6.75%	7.09%
Expected return on plan assets, if funded	8.26%	8.24%	6.75%	7.09%	6.75%	7.09%	6.75%	7.09%
Salary Escalation Rate/Medical inflation rate	NA	NA	6.00%	6.00%	4.50%	5.50%	6.00%	6.00%
Expected average remaining working lives of employees (years)	NA	NA	21.17	20.07	21.17	20.07	21.17	20.07
Mortality Rate	NA	NA	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Withdrwal Rate	NA	NA	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%

50.2.8 Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation of PFC & RECL by the amounts shown below:

Particulars	(₹ in crore)			
	As at 31.03.2025		As at 31.03.2024	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)				
- Gratuity		(2.52)	2.73	(2.17)
- PRMS		(15.87)	17.74	(15.24)
- ERS		(0.72)	0.78	(0.56)
Salary Escalation/ Medical inflation Rate (0.50% movement)				
- Gratuity	0.41	(0.32)	0.31	(0.34)
- PRMS	7.14	(6.22)	14.49	(13.41)
- ERS	0.52	(0.49)	0.46	(0.42)
Medical Cost (10% movement)				
- PRMS	26.15	(25.92)	24.67	(24.18)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

The Group actively monitors how the duration and expected yield of investments are matching the expected cash outflows arising from employee benefit obligations. Investments are well diversified, such that the failure of any single investment would not have a material impact on overall level of assets. There has been no change in the process used by the Group to manage its risks from prior periods.

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50.2.9 Expected maturity analysis of the defined benefit plans in future years

Particulars	Gratuity		PRMS		ERS	
	As at	As at	As at	As at	As at	As at
	31.03.2025	31.03.2024	31.03.2025	31.03.2024	31.03.2025	31.03.2024
Up to 1 year	9.14	7.42	19.02	17.68	2.22	2.08
1 to 5 years	24.12	24.58	110.85	102.81	6.34	5.91
Over 5 years	101.24	91.38	537.10	430.54	15.20	14.26
Total	134.50	123.38	666.97	551.03	23.76	22.25

The table above is drawn on the basis of expected cash flows.

50.2.10 Expected contributions to post-employment benefit plans

Particulars	Provident Fund		Gratuity		PRMS	
	As at	As at	As at	As at	As at	As at
	31.03.2025	31.03.2024	31.03.2025	31.03.2024	31.03.2025	31.03.2024
Expected contribution	-	-	9.43	4.15	12.46	11.52

50.2.11 The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 13.25 years (as at 31.03.2024: 13.13 years) for PFC and 12.51 years (as at 31.03.2024: 11.78 years) for subsidiary, RECL.

50.3 Other long-term employee benefits

50.3.1 Leave

The companies in the Group provides for earned leave benefit and half-pay leave benefit to the credit of the employees, which accrues on half-yearly basis at 15 days and 10 days respectively. A maximum of 300 days of earned leave can be accumulated at any point of time during the service. There is no limit for accumulation of half pay leave. On separation after 10 years of service or on superannuation, earned leave plus half pay leave taken together can be encashed subject to a maximum of 300 days. However, there is no restriction on the number of years of service for encashment of earned leave on separation from the service. Provision based on actuarial valuation amounting to ₹ 24.15 crore (previous year ₹ 14.66 crore) for the year has been made at the year end in the Consolidated Statement of Profit and Loss.

50.3.2 Other employee benefits

Provision for settlement allowance and long service awards amounting to ₹ 18.93 crore for the year (previous year ₹ 3.66 crore) has been made on the basis of actuarial valuation and debited to the Consolidated Statement of Profit and Loss.

50.4 Employee benefits (viz. Gratuity, PRMS, Terminal Benefits, Leave encashment and other employee benefits) in respect of PFC's/RECL's employees working in its wholly-owned subsidiaries PFCCL /RECPDCL on deputation / secondment basis, are being allocated based on a fixed percentage of employee cost.

51. LEASES

The Group has recognised a Right of Use Asset and Lease Liability with respect to leasehold land:

51.1 The table below shows the movement of lease liabilities during the year:

Particulars	(₹ in crore)	
	FY 2024-25	FY 2023-24
Opening balance	14.74	17.01
Additions during the year	-	-
Finance cost accrued during the period	1.22	1.45
Payment of lease liabilities	(3.91)	(3.72)
Reassessment of lease liabilities	-	-
Closing balance	12.05	14.74

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51.2 The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	(₹ in crore)	
	As at 31.03.2025	As at 31.03.2024
Upto 1 year	3.93	3.91
Over 1 year and up to 5 years	3.35	6.51
More than 5 years	53.20	53.97

51.3 During the year 2024-25, the expenses relating to short-term/low value leases amounting to ₹ 32.00 crore (Previous year ₹ 25.53 crore) has been charged to Consolidated Statement of Profit and Loss. Included in the amount above are leases pertaining to residential accommodation of employees, space for official use, hiring of EDP equipment & other office equipment etc. These leases are usually renewable on mutually agreed terms and are cancellable.

51.4 The total cash outflow towards all leases, including Right-of-Use Assets is ₹ 31.95 crore. (Previous year ₹ 26.77 crore)

52. CONTINGENT LIABILITIES AND COMMITMENTS

		(₹ in crore)	
Sr. No.	Description	As at 31.03.2025	As at 31.03.2024
Contingent Liabilities			
(A)	Claims against the Company not acknowledged as debts	59.50	28.17
(B)	Taxation Demands		
(i)	Additional demands raised by the Income Tax Department of earlier years which are being contested	158.04	307.59
(ii)	Income Tax Department has filed appeals against the relief allowed by appellate authorities to the Companies in the Group. The same are also being contested.	162.12	0.90
(iii)	Service Tax / GST demand or show cause notices raised by Service Tax / GST department in respect of earlier years.*	50.35	46.92
(iv)	Service Tax Department has filed appeals before CESTAT against the order of Commissioner (CE&ST) who had dropped a demand of service tax.**	-	53.95
(v)	Excess interest demanded / Penalty not yet demanded by Service Tax Department.	0.19	0.16
(C)	Guarantees		
(i)	Guarantees	-	-
(ii)	Bank Guarantees	7.89	17.93
(D)	Others		
(i)	Outstanding disbursement commitments to the borrowers by way of Letter of Comfort & Letter of Undertakings against loans sanctioned***	9,591.09	7,599.22
(ii)	Penalty imposed by NSE&BSE	2.15	1.59
(iii)	Others – Arbitration Proceedings through Project Management Consultant (PMC) (Counter claim of ₹ 41.66 crore, previous year ₹ 33.23 crores)	441.28	352.94
Commitments			
(i)	Estimated amount of contracts (excluding GST) remaining to be executed on capital account and not provided for		
(a)	Towards Property, Plant & Equipment	286.65	1,003.28
(b)	Towards Intangible Assets	12.02	11.02
(ii)	Other Commitments – unspent CSR	486.45	469.21
Total		11,257.73	9,892.88

* The Service Tax / GST Demand / SCN have been dropped / adjudged in favour of PFC.

** The appeal has been adjudged by CESTAT in favour of PFC.

*** Necessary impairment loss allowance has been made. Refer Note 26.

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53. During the year, PFC, RECL and PFCL do not have any transactions with the struck off companies except for PFC equity shares held by nine companies as on 31.03.2025, which are individually not material and thus have not been reported.

54. DETAILS OF NON-WHOLLY OWNED SUBSIDIARIES OF THE GROUP THAT HAVE MATERIAL NON-CONTROLLING INTEREST:

Name of Subsidiary	Principal place of business	Proportion of ownership interests held by non-controlling Interest		TCI allocated to non-controlling interests (₹ in crore)		Accumulated non-controlling interests* (₹ in crore)	
		As at 31.03.2025	As at 31.03.2024	Year ended 31.03.2025	Year ended 31.03.2024	As at 31.03.2025	As at 31.03.2024
REC Ltd	India	47.37%	47.37%	6,805.16	7,194.64	37,416.88	33,141.77

* Includes Instruments Entirely Equity in Nature of ₹ 558.40 crore issued by PFC's subsidiary REC Ltd (Refer Note 30.1)

55. SUMMARISED FINANCIAL INFORMATION FOR GROUP'S SUBSIDIARY THAT HAS MATERIAL NON-CONTROLLING INTEREST (BEFORE INTRAGROUP ELIMINATIONS):

(₹ in crore)		
REC Ltd	As at 31.03.2025	As at 31.03.2024
Financial Assets	6,10,378.58	5,44,588.13
Non- Financial Assets	4,119.37	3,582.76
Assets classified as held for sale	3.88	20.20
Financial Liabilities	5,35,717.04	4,78,377.20
Non- Financial Liabilities	408.73	463.64
Liabilities directly associated with assets classified as held for sale	-	-
Equity attributable to owners of the Company	40,959.18	36,208.48
Non-Controlling interests towards Instruments Entirely Equity in Nature (Refer Note 30.1)	558.40	558.40
Non-Controlling interests towards Equity Shareholders	36,858.48	32,583.37
Total Non-Controlling interests	37,416.88	33,141.77

(₹ in crore)		
Particulars	FY 2024-25	FY 2023-24
Total Revenue	56,434.03	47,571.23
Total Expenses	36,316.56	29,611.29
Profit/(loss) for the year	15,884.23	14,145.46
Profit/(loss) attributable to owners of the Company	8,360.64	7,445.44
Profit/(loss) attributable to the non-controlling interests	7,523.59	6,700.02
Other comprehensive income for the year	(1,516.80)	1,044.27
Other comprehensive income attributable to owners of the Company	(798.37)	549.65
Other comprehensive income attributable to the non-controlling interests	(718.43)	494.62
Total comprehensive income for the year	14,367.43	15,189.73
Total comprehensive income attributable to owners of the Company	7,562.27	7,995.09
Total comprehensive income attributable to the non-controlling interests	6,805.16	7,194.64
Dividends paid to non-controlling interests	2,544.35	1,914.50
Net cash inflow(outflow) from operating activities	(39,063.55)	(57,722.64)
Net cash inflow(outflow) from investing activities	(1,302.04)	(1,830.96)
Net cash inflow(outflow) from financing activities	40,033.60	59,587.82
Net cash inflow(outflow)	(331.99)	34.21

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56. THE GOVERNMENT OF INDIA (GOI) SCHEMES BEING IMPLEMENTED IN THE GROUP

A. In respect of PFC

56.1 Revamped Distribution Sector Scheme (RDSS)

PFC has been designated Nodal Agency for operationalisation and implementation of RDSS Scheme. The role of Nodal Agency inter-alia includes transfer onward the Gol funds received from Minsitry of Power to project implementing agencies i.e. State Power Distribution Utilities/ Power Departments as per the Scheme guidelines issued by Ministry of Power. The release of the funds under Gol Scheme is being done through Treasury Single Account (TSA) maintained with RBI, as per the office memorandum issued by Ministry of Finance, Gol dated 09th March 2022.This ensures that funds of these schemes are released to project implementing agencies 'Just in time' from the Consolidated Fund of India (CFI).

This Scheme was launched by Gol in July, 2021 to improve the operational efficiencies and financial sustainability of DISCOMs, by providing reform linked financial assistance to DISCOMs. It is a Reform based and result linked Distribution sector scheme. PFC along with REC is the nodal agency for operationalisation of the scheme. The implementation period of the Scheme is 5 Years (FY 2021-22 to FY 2025-26). The key objectives of the scheme is to:

- Improve the quality, reliability and affordability of power supply to consumers through a financially sustainable and operationally efficient distribution sector.
- Reduce AT&C losses to pan-India levels of 12-15%.
- Reduce ACS-ARR gap to zero.

The Scheme has an outlay of ₹ 3,03,758 crore with an estimated gross budgetary support of ₹ 97,631 crore from the Gol. The amount of Gol grant administered by PFC to the eligible entities (net of funds lapsed/surrendered by power utilities) during FY 2024-25 is ₹ 4,897.09 crore (previous year ₹ 2,834.87 crore) and the cumulative grant administered (net of funds lapsed/ surrendered by power utilities) till 31.03.2025 is ₹ 8,205.32 crore (till 31.03.2024 is ₹ 3,308.23crore).

The Company is eligible for nodal agency fee at the rate of 0.50% of the sum total of the gross budgetary component of the various projects approved by Monitoring Committee. The total amount of nodal agency fee income from this scheme for FY 2024-25 stands at ₹ 51.19 crore. (Previous year ₹ 45.73 crore)

Further, no amount of Gol grant remained undisbursed in the TSA A/c of PFC as on 31.03.2025 and 31.03.2024.

B. In respect of RECL

56.2 Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA)

Government of India launched a scheme "Pradhan Mantri Sahaj Bijli Har Ghar Yojana" - Saubhagya to achieve universal household electrification in the country during Oct 2017. The scheme envisaged to provide last mile connectivity and electricity connections to all remaining un-electrified households in rural areas and poor households in urban areas. The capital outlay of Saubhagya Scheme was ₹ 16,320 Crore including Gross Budgetary Support of ₹ 12,320 Crore during the entire implementation period. Ministry of Power designated REC as the Nodal agency for operationalisation of Saubhagya Scheme. The scheme has been successfully completed and closed in its sunset year FY 2021-22 i.e. 31.03.2022.

56.3 Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY)

Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY), the flagship scheme of Government of India covering all aspects of rural power distribution was launched in Nov 2014. Under the scheme 60% of the project cost (85% for special States) is provided as grant by Government of India and additional grant up to 15% (5% for special States) on achievement of prescribed milestones. DDUGJY facilitates towards achievement of '24x7 Power for All' in the country through the following project components:

- Separation of agriculture and non-agriculture feeders facilitating adequate power supply to agriculture & continuous power supply to non-agricultural consumers in the rural areas;
- Strengthening and augmentation of sub-transmission & distribution infrastructure in rural areas, including metering of distribution transformers/ feeders/ consumers;
- Micro-grid and Off-grid distribution network;
- Rural Electrification component under the RGGVY 12th and 13th plans, subsumed to DDUGJY.

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The scheme had estimated outlay of ₹ 75,893 Crore including budgetary support of ₹ 63,027 Crore from Government of India during the entire implementation period. Additional Infra under DDUGJY was sanctioned with a total outlay of ₹ 7,069 Crore including budgetary support of ₹ 5,302 Crore. The scheme has been successfully completed and closed in its sunset year FY 2021-22 i.e. 31.03.2022.

56.4 National Electricity Fund (NEF)

The National Electricity Fund (NEF), an interest subsidy scheme, has become operational since FY 2012-13. The scheme has been introduced by the Government of India to promote capital investment in the distribution sector. The scheme provides interest subsidy linked with reform measures, on the loans taken by public and private distribution power utilities for various capital works in the Distribution sector. NEF would provide interest subsidy aggregating up to ₹ 8,466 Crore (including interest subsidy to the borrowers, Service Charges to the Nodal Agency, payments to Independent Evaluators and other incidental expenses) spread over 14 years for loan disbursement against projects approved during 2012-13 and 2013-14. RECL has been nominated as the Nodal Agency for operationalisation of NEF scheme across the country.

56.5 Revamped Distribution Sector Scheme (RDSS)

Government of India has approved the Revamped Distribution Sector Scheme (RDSS) to help DISCOMs improve their operational efficiencies and financial sustainability by providing result-linked financial assistance to them so as to strengthen supply infrastructure based on meeting pre-qualifying criteria and achieving basic minimum benchmarks. The scheme has an outlay of ₹ 3,03,758 Crore over 5 years i.e. FY 2021-22 to FY 2025-26 including an estimated Government Budgetary Support (GBS) of ₹ 97,631 Crore.

- (i) Reduction of AT&C losses to pan-India levels of 12-15%.
- (ii) Reduction of ACS-ARR gap to zero.
- (iii) Improvement in the quality, reliability and affordability of power supply to consumers through a financially sustainable and operationally efficient distribution sector.

Components of the scheme are:

Part A – Financial support for Prepaid Smart Metering & System Metering and up-gradation of the Distribution Infrastructure.

Part B – Training & Capacity Building and other Enabling & Supporting Activities.

56.6 Prime Minister's Development Plan (PMDP)

Government of UT of Jammu & Kashmir and Government of UT of Ladakh, through their respective company / department have appointed RECPDCL as a Project Implementing Agency (PIA) for design, engineering, procurement, supply, erection, testing and commissioning of all the material and services works to be taken-up for execution of transmission projects under PMDP in J&K state and Ladakh on nomination basis, as per actual cost to be discovered through competitive biddings.

56.7 11 kV Feeder Monitoring

Ministry of Power has appointed RECPDCL to implement 11 kV Feeder Monitoring Scheme. The scheme is to develop a Self-sustained independent web based system for automated 11 kV Rural Feeder Monitoring System through Data Logging of various essential parameters of all the Outgoing 11kV rural feeders from 66, 33/11 kV sub stations and make the information available online for various stake holders including public portal, on real time basis for power supply monitoring, alerts, meter data analysis, information dissemination and energy audit.

56.8 Rooftop Solar Program (RTS)

PM-Surya Ghar: Muft Bijli Yojana was launched by Government of India on 29.02.2024 for installation of Rooftop Solar (RTS) in one crore households with the financial outlay of ₹ 75,021 crore (including central financial assistance of ₹ 65,700 crore) and is to be implemented till FY 2026-27. The scheme aims to install rooftop solar systems in 1 crore residential households, providing free or low-cost electricity of up to 300 units per month. It targets the generation of 1,000 billion units of renewable electricity from the installed capacity, which is expected to reduce carbon dioxide equivalent emissions by 720 million tons over the 25-year lifespan of these rooftop solar projects. This initiative supports India's commitment to its Nationally

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Determined Contributions (NDCs) under the UNFCCC by aiming to achieve 30 GW of rooftop solar capacity in the residential sector by FY 2026-27.

C. In respect of PFCCL

56.9 The Company has been selected as nodal agency for facilitating short-term power requirements through competitive bidding as per MoP guidelines dated 30th March 2016. As per the guidelines (as amended), all the bidders would be able to participate in the e-bidding events on making payment of the requisite fees of ₹ 500 per MW (plus applicable taxes) per requisition for the total capacity sought by the utility for that particular requisition, for which the bidder is willing to bid.

In addition to above, MoP has also authorised PFCCL for bidding under Shakti Policy B(v) for which deposit towards bid security and fees are received and included in above amount.

Only successful Bidder(s) will have to pay the fees to the Company for the quantum allocated to each bidder after completion of activity and the balance amount will be refunded to the bidder. Further, the bid security will be refunded as per guidelines of Shakti Policy.

56.10 In connection with Aatma Nirbhar Bharat Abhiyan of Govt of India, Power Departments/ Utilities in Union Territories has to be corporatised/privatised. MoP through PFC has conveyed to provide hand-holding support and the services of a transaction advisor to the UTs and to fund the expenditure incurred in this regard which will be recoverable from the successful bidder/MoP alongwith interest.

57. STATUS OF DOCUMENTATION SUBSEQUENT TO UNBUNDLING OF SEBS

57.1 Status of documentation subsequent to reorganisation of the State of Jammu & Kashmir

After the bifurcation of the State of Jammu & Kashmir into two Union territories- Jammu & Kashmir UT and Ladakh UT, the existing entities pertaining to the erstwhile state of Jammu & Kashmir have been restructured vide unbundling order dated 23.10.19. The addendums to the agreements with new restructured departments are yet to be executed. Pending the execution of such documents, the existing loans are being serviced/repaid in line with the existing loan agreement.

57.2 Status of documentation subsequent to reorganisation of the State of Andhra Pradesh

A. In respect of PFC

Subsequent to the reorganisation of erstwhile Andhra Pradesh, the State of Telangana has been formed on 02.06.2014. However, the assets and liabilities are yet to be transferred to the respective power utilities through a formal gazette notification except for assets and liabilities of TSSPDCL which have been transferred to APSPDCL for R-APDRP loans only amounting to ₹ 8.95 crore.

Once the final transfer scheme is notified through Gazette Notification by Govt. duly indicating the transfer of assets and liabilities among the power utilities, action for execution of documentation formalities will be taken up in respect of all the outstanding loans (except for above R-APDRP loans) with the new / name changed utilities. Till that time, the demand for payment of interest / principal is being segregated by the utilities and the respective portions are being paid by utilities in Telangana and Andhra Pradesh.

B. In respect of RECL

Subsequent to the reorganisation of erstwhile Andhra Pradesh, the State of Telangana has been formed on 02.06.2014. However, the assets and liabilities are yet to be transferred to the respective power utilities through a formal gazette notification.

Status of documentation is as under:

- (i) Where ever the loans have been sanctioned to erstwhile APCPDCL, APNPDCL and APGENCO prior to bifurcation and documentation has not been done, these schemes have been re-sanctioned in the name of newly formed utilities and documentation formalities completed and accordingly the charge has been registered with the Ministry of Corporate Affairs (MCA).
- (ii) Where ever the loans sanctioned in the name of erstwhile APCPDCL, APNPDCL prior to bifurcation and documentation formalities completed and drawls have been made, in these schemes an undertaking has been obtained from the name changed / newly formed utility and disbursements have been made to the newly formed utility by changing the name of the borrower in the name of new / name changed utility.



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- (iii) Where ever the Loan is sanctioned in the name of erstwhile APCPDCL, APNPDCL prior to bifurcation and documentation formalities completed with Government Guarantee and drawls have been made, further documentation for these schemes shall be done on Gazette Notification.
- (iv) Once the final transfer scheme is notified through Gazette Notification by Government, duly indicating the transfer of assets and liabilities among the power utilities, action for execution of documentation formalities will be taken up in respect of all the outstanding loans with the new / name changed utilities. Till that time, the demand for payment of interest / principal is being segregated by the Utilities and the respective portions are being paid by Utilities in Telangana and Andhra Pradesh.

Government of Tamil Nadu vide G.O.No.6 & G.O.No 7 dated 24 January, 2024 ordered the trifurcation of TANGEDCO into 3 entities i.e. (i) the existing company TANGEDCO would be renamed as Tamil Nadu Power Distribution Corporation Limited (TNPDCCL) and continue to carry on distribution business (ii) Formation of Tamil Nadu Power Generation Company Limited (TNPGL) for carrying out thermal & gas power generation business and (iii) Tamil Nadu Green Energy Corporation Limited (TNGECL) to carry out the green power generation business. Pursuant thereto, the two new entities viz. TNPGL and TNGECL were formed on 09.02.2024 and 10.02.2024 respectively.

Thereupon, Government of Tamil Nadu vide G.O.No.32 dt.06th March, 2024 ordered provisional transfer of assets and liabilities among three companies namely TNPGL, TNGECL and TNPDCCL. As per the order, the transfer of Assets and Liabilities are provisional in nature for one year and final transfer of assets and liabilities would be notified subsequently.

In terms of the aforesaid notifications, tripartite agreements dated 29th May 2024 were executed between (i) REC, TANGEDCO and TNGECL (in respect of green energy loans of erstwhile TANGEDCO) and (ii) REC, TANGEDCO and TNPGL (in respect of thermal and gas power business of erstwhile TANGEDCO) wherein TNGECL and TNPGL have agreed to repay the respective portion of their loan amounts as per the loan documents executed by REC with erstwhile TANGEDCO. Final documentation with the new entities would be executed with the respective entities based upon the final notification issued by Govt. of Tamil Nadu.

58. IN THE CONTEXT OF REPORTING BUSINESS / GEOGRAPHICAL SEGMENT AS REQUIRED BY IND AS 108 - 'OPERATING SEGMENTS'

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".

58.1 The Group does not have any geographical segments as its operations are mainly carried out within the country.

58.2 Revenue from major services

The following is an analysis of Group's revenue from operations from its major products/services:

(₹ in crore)		
Particulars	FY 2024-25	FY 2023-24
Interest income		
- on loans	1,03,159.20	89,115.50
- others	1,841.81	969.90
Dividend income	90.51	68.53
Fees and commission income	625.96	341.35
Other operating income	784.14	601.44
Total Revenue from Operations	1,06,501.62	91,096.72

58.3 Information about major borrowers:

No single borrower contributed 10% or more to respective companies' revenue for both FY 2024-25 and FY 2023-24.

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59. AMOUNT EXPECTED TO BE RECOVERED/ SETTLED WITHIN 12 MONTHS AND BEYOND FOR EACH LINE ITEM UNDER ASSET AND LIABILITIES:

(₹ in crore)						
Particulars	As at 31.03.2025			As at 31.03.2024		
	Within 12 months	More than 12 months	Total	Within 12 months	More than 12 months	Total
ASSETS						
1 Financial Assets						
(a) Cash and Cash Equivalents	319.22	-	319.22	339.34	-	339.34
(b) Bank Balance other than included in Cash & Cash Equivalents	9,180.82	84.90	9,265.73	3,026.21	23.01	3,049.22
(c) Derivative Financial Instruments	3,406.14	20,673.34	24,079.48	3,122.64	13,821.41	16,944.05
(d) Receivables						
- Trade receivables	274.06	-	274.06	191.87	-	191.87
- Other receivables	1.99	-	1.99	2.78	-	2.78
(e) Loans	2,06,062.39	8,85,836.01	10,91,898.40	1,71,066.25	7,98,044.90	9,69,111.15
(f) Investments	2,775.57	10,016.81	12,792.38	2,779.35	8,191.67	10,971.02
(g) Other Financial Assets	757.70	29,306.55	30,064.25	594.52	29,288.02	29,882.53
Total Financial Assets (1)	2,22,777.90	9,45,917.61	11,68,695.51	1,81,122.95	8,49,369.01	10,30,491.96
2 Non-Financial Assets						
(a) Current Tax Assets (Net)	14.32	628.06	642.38	17.56	544.77	562.33
(b) Deferred Tax Assets (Net)	15.95	6,201.51	6,217.46	-	6,055.95	6,055.95
(c) Investment Property	-	1.01	1.01	-	-	-
(d) Property, Plant and Equipment	-	715.46	715.46	-	723.71	723.71
(e) Capital Work-in-progress	-	76.21	76.21	-	28.06	28.06
(f) Intangible assets under development	-	11.98	11.98	-	11.20	11.20
(g) Intangible Assets	0.00	7.07	7.07	-	0.54	0.54
(h) Right of use asset	-	37.17	37.17	-	40.10	40.10
(i) Other Non-Financial Assets	236.34	1,427.38	1,663.72	258.88	675.27	934.15
(j) Investments accounted for using equity method	-	0.10	0.10	-	0.33	0.33
Total Non-Financial Assets (2)	266.61	9,105.95	9,372.56	276.44	8,079.93	8,356.37
3 Assets classified as held for sale	18.43	-	18.43	29.05	-	29.05
Total Assets (1+2+3)	2,23,062.95	9,55,023.56	11,78,086.51	1,81,428.44	8,57,448.94	10,38,877.38
LIABILITIES						
1 Financial Liabilities						
(a) Derivative Financial Instruments	911.04	1,532.19	2,443.23	385.90	727.53	1,113.43
(b) Trade and Other Payables	174.59	1.36	175.95	129.85	2.78	132.63
(c) Debt Securities	68,405.62	5,43,770.42	6,12,176.04	77,641.57	4,82,689.47	5,60,331.04
(d) Borrowings (other than Debt Securities)	75,600.94	2,70,902.54	3,46,503.48	61,899.07	2,26,799.02	2,88,698.09
(e) Subordinated Liabilities	333.79	12,744.72	13,078.51	2,325.58	10,606.35	12,931.93
(f) Other Financial Liabilities	17,763.98	29,105.11	46,869.09	10,896.57	29,029.18	39,925.75
Total financial liabilities (1)	1,63,189.96	8,58,056.33	10,21,246.30	1,53,278.54	7,49,854.33	9,03,132.87
2 Non- Financial Liabilities						
(a) Current Tax Liabilities (Net)	-	51.17	51.17	67.51	15.31	82.82
(b) Provisions	496.42	117.48	613.90	443.46	105.97	549.43
(c) Other Non-Financial Liabilities	880.38	139.52	1,019.90	487.26	336.45	823.71
Total non-financial liabilities (2)	1,376.80	308.17	1,684.97	998.24	457.72	1,455.96
3 Liabilities directly associated with assets classified as held for sale	-	-	-	-	-	-
Total liabilities (1+2+3)	1,64,566.77	8,58,364.50	10,22,931.27	1,54,276.78	7,50,312.05	9,04,588.82



Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

60. DETAILS IN AGGREGATE, FOR INTERESTS IN ALL INDIVIDUALLY IMMATERIAL ASSOCIATES THAT ARE ACCOUNTED FOR USING THE EQUITY METHOD:

Particulars	₹ in crore)	
	FY 2024-25	FY 2023-24
Profit or loss from continuing operations	(0.25)	(0.18)
Post-tax profit or loss from discontinued operations	-	-
Other comprehensive income	-	-
Total comprehensive income	(0.25)	(0.18)

61. DISCLOSURES IN RESPECT OF ENTITIES CONSOLIDATED AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013.

61.1 Share in Net Assets i.e. Total Assets minus Total Liabilities

Name of entity	As at 31.03.2025		As at 31.03.2024	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Parent				
Power Finance Corporation Limited	58.61%	90,936.87	58.98%	79,203.49
Subsidiaries-Indian				
REC Ltd	50.51%	78,376.06	51.64%	69,350.25
PFC Consulting Limited (PFCCL)	0.22%	340.09	0.18%	239.49
PFC Projects Ltd	0.00%	(0.04)	0.00%	(0.23)
PFC Infra Finance IFSC Limited	0.07%	104.19	0.07%	97.44
Associates-Indian (accounted as per equity method)				
Sakhigopal Integrated Power Limited	0.00%	-	0.00%	0.05
Ghogarpalli Integrated Power Company Limited	0.00%	-	0.00%	0.05
Jharkhand Infrapower Limited	0.00%	-	0.00%	0.05
Odisha Infrapower Limited	0.00%	-	0.00%	-
Orissa Integrated Power Limited	0.00%	-	0.00%	-
Cheyyur Infra Limited	0.00%	-	0.00%	-
Coastal Tamil Nadu Power Limited	0.00%	0.08	0.00%	0.08
Bihar Infrapower Limited	0.00%	-	0.00%	-
Bihar Mega Power Limited	0.00%	-	0.00%	0.05
Deoghar Infra Limited	0.00%	-	0.00%	-
Deoghar Mega Power Limited	0.00%	-	0.00%	0.05
Adjustments or eliminations effect	-9.41%	(14,602.03)	-10.87%	(14,602.23)
Total	100.00%	1,55,155.23	100.00%	1,34,288.54

61.2 Share in Profit and loss

Name of entity	As at 31.03.2025		As at 31.03.2024	
	As % of consolidated profit and loss	Amount	As % of consolidated profit and loss	Amount
Parent				
PFC Ltd	56.87%	17,352.19	54.29%	14,367.02
Subsidiaries-Indian				
REC Ltd	52.05%	15,884.23	53.46%	14,145.46
PFC Consulting Limited (PFCCL)	0.60%	183.40	0.60%	158.66
PFC Projects Ltd	0.00%	0.34	0.00%	(0.19)
PFC Infra Finance IFSC Limited	0.01%	2.12	-0.01%	(2.56)
Associates - Indian	0.00%	(0.23)	0.00%	(0.18)
Adjustments or eliminations effect	-9.53%	(2,907.65)	-8.34%	(2,207.03)
Total	100.00%	30,514.40	100.00%	26,461.18

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

61.3 Share in Other Comprehensive Income (OCI)

Name of entity	As at 31.03.2025		As at 31.03.2024	
	As % of Consolidated OCI	Amount	As % of Consolidated OCI	Amount
Parent				
PFC Ltd	16.57%	(300.84)	57.07%	1,388.46
Subsidiaries-Indian				
REC Ltd	83.54%	(1,516.80)	42.93%	1,044.27
PFC Consulting Limited (PFCCL)	0.00%	-	0.00%	-
PFC Projects Ltd	0.00%	-	0.00%	-
PFC Infra Finance IFSC Limited	-0.11%	2.07	0.00%	-
Associates - Indian	0.00%	-	0.00%	-
Adjustments or eliminations effect	0.00%	(0.01)	0.00%	-
Total	100.00%	(1,815.58)	100.00%	2,432.73

61.4 Share in Total Comprehensive Income (TCI)

Name of entity	As at 31.03.2025		As at 31.03.2024	
	As % of Consolidated TCI	Amount	As % of Consolidated TCI	Amount
Parent				
PFC Ltd	59.41%	17,051.35	54.53%	15,755.48
Subsidiaries-Indian				
REC Ltd	50.06%	14,367.43	52.57%	15,189.73
PFC Consulting Limited (PFCCL)	0.64%	183.40	0.55%	158.66
PFC Projects Ltd	0.00%	0.34	0.00%	(0.19)
PFC Infra Finance IFSC Limited	0.01%	4.19	-0.01%	(2.56)
Associates - Indian	0.00%	(0.23)	0.00%	(0.18)
Adjustments or eliminations effect	-10.13%	(2,907.66)	-7.64%	(2,207.02)
Total	100.00%	28,698.82	100.00%	28,893.91

62. Disclosures in Consolidated Financial Statements have been made to the extent relevant for Consolidated Financial Statements and to the extent of information available in subsidiaries’ financial statements.

63. Figures of the previous year have been regrouped / reclassified wherever necessary, in order to make them comparable with the current year figures.

64. Figures have been rounded off to the nearest crore of rupees with two decimals. Further, figures in 0.00 represent value less than ₹ 50,000/-.

For and on behalf of the Board of Directors

Sd/-
(Manish Kumar Agarwal)
GM & Company Secretary

Sd/-
(Sandeep Kumar)
Director (Finance)
DIN: 08529035

Sd/-
(Parminder Chopra)
Chairman and Managing Director
DIN: 08530587

Signed in terms of our report of even date attached

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

For Mehra Goel & Co.
Chartered Accountants
Firm’s Registration No.: 000517N

Place: Mumbai
Date: 21.05.2025

Sd/-
Anil K. Thakur
Partner
Membership No. 088722

Sd/-
CA Vaibhav Jain
Partner
Membership No. 515700

FORM AOC - 1

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Part "A" : Subsidiaries

(₹ in crore)						
A.	Subsidiaries ¹	REC Ltd	PFC Consulting Limited (PFCCL)	REC Power Development and Consultancy Limited (formerly REC Power Distribution Company Limited)	PFC Projects Limited (PPL)	PFC Infra Finance IFSC Limited ⁴
1	Information for the year ended as on ²	31.03.2025	31.03.2025	31.03.2025	31.03.2025	31.03.2025
2	Date of acquisition / incorporation	28.03.2019	25.03.2008	28.03.2019	06.02.2022	11.02.2024
3	Share Capital	2,633.22	0.05	9.49	0.05	100.00
4	Reserves & Surplus	74,446.35	340.04	728.70	(0.09)	4.19
5	Instruments in the nature of Equity	558.40	-	-	-	-
6	Total Assets	6,13,555.48	425.95	1,000.76	0.00	108.98
7	Total Liabilities	5,35,917.51	85.86	262.57	0.04	4.79
8	Investments	6,641.62	0.02	78.78	-	-
9	Turnover ³	55,911.12	281.16	551.57	-	5.77
10	Profit before Taxation	19,859.78	246.96	348.32	0.34	2.89
11	Provision for Taxation	4,146.57	63.58	86.67	-	0.77
12	Profit after Taxation	15,713.21	183.38	261.65	0.34	2.12
13	Proposed Dividend	Nil	Nil	32.76	Nil	Nil
14	% of Shareholding	52.63%	100.00%	100.00%	100.00%	100.00%

Note:

- The Company does not have any foreign subsidiary.
- Reporting period of all the subsidiaries is same as that of the holding company.
- Turnover is considered as Revenue from Operations.
- Name of Subsidiaries which are yet to commence operations - PFC Infra Finance IFSC Limited
- Name of Subsidiaries which have been liquidated or sold during the year - Nil

Part "B" : Associates and Joint Ventures

(₹ in crore)										
B.	Name of Associates	Shares of Associates held by the Company on the year end			Description of how there is Significant Influence	Reason why the associate / joint venture is not consolidated	Net worth attributable to shareholder as per latest audited Balance sheet	Profit / Loss for the year		
		Latest audited Balance Sheet Date	No. of shares	Amount of Investments in Joint Venture/ Associates				Extent of Group's Holding %	Considered in Consolidation	Not considered in Consolidation
Associates										
1	Sakhigopal Integrated Power Company Ltd	31.03.2024	50,000	0.05	100%	Refer note 7	NA	0.05	-	-
2	Ghogarpalli Integrated Power Company Ltd	31.03.2024	50,000	0.05	100%		NA	0.05	-	-
3	Jharkhand Infrapower Ltd	31.03.2024	50,000	0.05	100%		NA	0.05	-	-
4	Odisha Infrapower Ltd	31.03.2024	50,000	0.05	100%		NA	-	(0.05)	-
5	Orissa Integrated Power Ltd	31.03.2024	50,000	0.05	100%		NA	(0.07)	-	-
6	Cheykur Infra Ltd	31.03.2024	50,000	0.05	100%		NA	-	(0.05)	-
7	Coastal Tamil Nadu Power Ltd	31.03.2024	50,000	0.05	100%		NA	0.08	-	-
8	Bihar Infrapower Limited	31.03.2024	50,000	0.05	100%		NA	-	(0.05)	-
9	Bihar Mega Power Limited	31.03.2024	50,000	0.05	100%		NA	0.05	-	-
10	Deoghar Infra Limited	31.03.2024	50,000	0.05	100%		NA	-	(0.05)	-
11	Deoghar Mega Power Ltd	31.03.2024	50,000	0.05	100%		NA	0.05	-	-
12	Chhatarpur Transmission Limited (unaudited)	31.03.2024	10,000	0.01	100%		NA	0.01	0.00	-
13	SIOT Transmission Limited (unaudited)	31.03.2024	10,000	0.01	100%		NA	0.01	0.00	-
14	Joda Barbil Transmission Limited (unaudited)	31.03.2024	10,000	0.01	100%		NA	0.01	0.00	-
15	Ramakanali B -Panagarh Transmission Limited (unaudited)	31.03.2024	10,000	0.01	100%		NA	0.00	0.00	-
16	Gola B -Ramgarh B Transmission Limited (unaudited)	31.03.2024	10,000	0.01	100%	NA	0.01	0.00	-	
17	KPS III HVDC Transmission Limited (unaudited)	10,000	10,000	0.01	100%	NA	0.01	0.00	-	
18	Angul Sundargarh Transmission Limited (unaudited)	10,000	10,000	0.01	100%	NA	0.01	0.00	-	
19	Bhuj II Transmission Limited (unaudited)	10,000	10,000	0.01	100%	NA	0.01	0.00	-	
20	Wahipora And Sallar Transmission Limited (unaudited)	10,000	10,000	0.01	100%	NA	0.01	0.00	-	
21	MEL Power Transmission Limited (unaudited)	10,000	10,000	0.01	100%	NA	0.01	0.00	-	
22	Kandla Gha Transmission Limited (unaudited)	10,000	10,000	0.01	100%	NA	0.00	(0.01)	-	
23	Raghanesda RE Transmission Limited (unaudited)	10,000	10,000	0.01	100%	NA	0.01	0.00	-	
24	NER Expansion Transmission Limited (unaudited)	10,000	10,000	0.01	100%	NA	0.01	0.00	-	
25	Bhuj ICT Transmission Limited (unaudited)	10,000	10,000	0.01	100%	NA	0.01	0.00	-	



B. Name of Associates	Shares of Associates held by the Company on the year end				Description of how there is Significant Influence	Reason why the associate / joint venture is not consolidated	Net worth attributable to shareholding as per latest audited Balance sheet	Profit / Loss for the year	
	Latest audited Balance Sheet Date	No. of shares	Amount of Investments in Joint Venture/ Associates	Extent of Group's Holding %				Considered in Consolidation	Not considered in Consolidation
26 Bhadla and Bikaner Complex Transmisssion Limited (unaudited)		10,000	0.01	100%		NA	0.01	0.00	-
27 Koderma Transmission Limited* & **	31.03.2024	50,000	0.05	100%		NA	(0.01)	-	(0.01)
28 Chandil Transmission Limited* & **	31.03.2024	50,000	0.05	100%		NA	(0.01)	-	(0.01)
29 Dumka Transmission Limited* & **	31.03.2024	50,000	0.05	100%		NA	(0.01)	-	(0.01)
30 Mandar Transmission Limited* & **	31.03.2024	50,000	0.05	100%		NA	(0.01)	-	(0.01)
31 Luhri Power Transmission Limited* & **	31.03.2024	50,000	0.05	100%		NA	(1.36)	-	(0.31)
32 Shongtong Power Transmission Limited* & **	31.03.2024	50,000	0.05	100%		NA	(1.25)	-	(0.73)
33 Kankani Power Transmission Limited* & **	31.03.2024	50,000	0.05	100%		NA	0.04	-	(0.01)
34 WRNES Talegaon Power Transmission Limited# & **		50,000	0.05	100%		NA	(0.24)	-	(0.29)
35 Tuticorin Power Transmission Limited# & **		50,000	0.05	100%		NA	(0.37)	-	(0.42)
36 Rajgarh III PT Limited* & **		50,000	0.05	100%		NA	(0.13)	-	(0.18)
37 Jejuri Hinjewadi Power Transmisison Limited##						NA	-	-	-
38 Velgaon Power Transmission Limited##						NA	-	-	-

*The latest audited Balance Sheet available for associates have been prepared on the basis of Ind-AS.
**Associates classified under held for sale and valued at cost or fair market value (less cost to sales) whichever is less, hence profit not considered.
The latest management certified Balance Sheet available for associates have been prepared on the basis of IND-AS.
Since company incorporated on 28.03.2025, auditor will be appointed in next financial year.

Note:

- 1 SPVs from sl no 1 to 18 are under pre-operative stage and yet to commence operations.
- 2 Amount of Profit/Loss of SPVs at Sl no 1 to 11 is as per management approved financials as on 31.03.2025.

3 Names of associates or joint ventures which have been liquidated or sold during the year:

Name of SPV	Date of Sale
Meerut Shamli Power Transmission Limited	06.04.2024
NERES XVI Power Transmission Limited	30.05.2024
Rajasthan Part 1 Transmission Limited	20.01.2025
Khavda IVC Power Transmission Limited	30.08.2024
Khavda IV E2 Power Transmission Limited	30.05.2024
Khavda IVA Power Transmission Limited	30.08.2024
Rajasthan IVA Power Transmission Limited	21.08.2024
Rajathan IVC Power Transmission Limited	19.08.2024
Rajathan IV H1 Power Transmission Limited	15.10.2024
Rajathan IVE Power Transmission Limited	19.08.2024
Khavda VA Power Transmission Limited	19.11.2024
NERG-1 Power Transmission Limited	30.07.2024
Tumkur II Power Transmission Limited	03.09.2024
ERES XXXIX Power Transmission Limited	14.11.2024
Jalpura Khurja Transmission Limited	05.04.2024
Kallam Transco Limited	05.04.2024
Rajasthan IV 4A Power Transmission Limited (w.e.f. 06 August 2024 to 30 December 2024)	30.12.2024
Rajasthan IV 4B Power Transmission Limited (w.e.f. 14 August 2024 to 30 December 2024)	30.12.2024
Rajasthan V Power Transmission Limited (w.e.f. 25 October 2024 to 24 March 2025)	24.03.2025
Bhadla III Power Transmission Limited (w.e.f. 09 April 2024 to 28 August 2024)	28.08.2024
Ratle Kiru Power Transmission Limited (w.e.f. 23 October 2024 to 24 March 2025)	24.03.2025
Kurnool-IV Transmission Limited (w.e.f. 20 November 2024 to 24 March 2025)	24.03.2025
Mahan Transmission Limited (w.e.f. 20 November 2024 to 26 March 2025)	26.03.2025
Bikaner A Power Transmission Limited (w.e.f. 14 May 2024 to 11 November 2024)	11.11.2024
Bikaner B Power Transmission Limited (w.e.f. 14 May 2024 to 11 November 2024)	11.11.2024
Lakadia B Power Transmission Limited (w.e.f. 29 October 2024 to 14 February 2025)	14.02.2025
Bidar Transco Limited (w.e.f. 05 November 2024 to 18 February 2025)	18.02.2025
Khavda V-B1B2 Power Transmission Limited (w.e.f. 18 November 2024 to 18 February 2025)	18.02.2025
Banaskantha Transco Limited (w.e.f. 25 October 2024 to 24 March 2025)	24.03.2025

- 4 In case of PFCCCL, 4 associates were incorporated on or after 1st January 2025 (as stated in note 50) and as per Sec 2(41) of the Companies Act, 2013, where a Company is incorporated on or after the 1st day of January of a year, the period ending on the 31st day of March of the following year shall be its first financial year. Therefore, the Balance Sheet of these 4 Companies has not been prepared. However, the balances of these companies as appearing in the balance sheet are in confirmation with the respective asssociate company.
- 5 In case of Chhatarpur Transmission Limited, MoP has directed to take necessary action for closure of bidding process for the underlying transmission project.
- 6 In case of Bhuj II Transmission Limited, Bhuj ICT Transmission Limited and Bhadla and Bikaner Complex Transmisssion Limited, the underlying transmission project has been given on regulated tariff mechanism (RTM) to Power Grid Corporation of India Limited (PGCIL) under TBCB guidelines.
- 7 SPVs are managed as per the mandate from Government of India (GoI) and the Company does not have the practical ability to direct the relevant activities of these SPVs unilaterally. Therefore, investment in these SPVs are considered as associates having significant influence despite the Company holding 100% of their paid-up equity share capital.

Sd/-
(Manish Kumar Agarwal)
GM & Company Secretary

For and on behalf of the Board of Directors

Sd/-
(Sandeep Kumar)
Director (Finance)
DIN: 08529035

Sd/-
(Parminder Chopra)
Chairman and Managing Director
DIN: 08530587

Signed in terms of our report of even date attached

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

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

Place: Mumbai
Date: 21.05.2025

Sd/-
Anil K. Thakur
Partner
Membership No. 088722

Sd/-
CA Vaibhav Jain
Partner
Membership No. 515700

A stylized illustration of a grey hand dropping a yellow coin with a black '₹' symbol into a red slot on a blue surface.



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POWER FINANCE CORPORATION LIMITED
(A Maharatna Company)

"Urjanidhi", 1, Barakhamba Lane, Connaught Place, New Delhi-110001,
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